

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY
Financial Supplement

December 31, 2022

| | | |
|-----------|---|-----------|
| A. | <u>Financial Highlights</u> | |
| | <u>Condensed Consolidated Balance Sheets</u> | <u>1</u> |
| | <u>Consolidated Statements of Operations</u> | <u>2</u> |
| | <u>Quarterly Summary - Most Recent 5 Quarters</u> | <u>3</u> |
| | <i>Non-GAAP Financial Measures</i> | |
| | <u>Reconciliation from Net Income (Loss) Available to Common Stockholders to Non-GAAP Operating Income Available to Common Stockholders and Non-GAAP Operating Income Available to Common Stockholders, Excluding Notable Items</u> | <u>5</u> |
| | <u>Summary of Adjustments to Arrive at Non-GAAP Operating Income Available to Common Stockholders</u> | <u>6</u> |
| | <u>Quarterly Summary - Reconciliation from Net Income (Loss) Available to Common Stockholders to Non-GAAP Operating Income Available to Common Stockholders and Non-GAAP Operating Income Available to Common Stockholders, Excluding Notable Items</u> | <u>7</u> |
| | <u>Quarterly Summary - Summary of Adjustments to Arrive at Non-GAAP Operating Income Available to Common Stockholders</u> | <u>8</u> |
| | <u>Capitalization/Book Value per Common Share</u> | <u>9</u> |
| | <u>Spread Results</u> | <u>10</u> |
| | <u>Investment Yields</u> | <u>10</u> |
| B. | <u>Product Summary</u> | |
| | <u>Summary of Cost of Money for Deferred Annuities</u> | <u>11</u> |
| | <u>Annuity Account Balance Rollforward</u> | <u>11</u> |
| | <u>Account Values Subject to Recurring Fees Under Reinsurance Agreements</u> | <u>12</u> |
| | <u>Annuity Deposits by Product Type</u> | <u>12</u> |
| | <u>Surrender Charge Protection and Account Values by Product Type</u> | <u>13</u> |
| | <u>Annuity Liability Characteristics</u> | <u>13</u> |
| C. | <u>Investment Summary</u> | |
| | <u>Summary of Invested Assets</u> | <u>15</u> |
| | <u>Credit Quality of Fixed Maturity Securities</u> | <u>15</u> |
| | <u>Watch List Securities</u> | <u>16</u> |
| | <u>Fixed Maturity Securities by Sector</u> | <u>17</u> |
| | <u>Mortgage Loans on Real Estate</u> | <u>18</u> |
| D. | <u>Shareholder Information</u> | <u>20</u> |
| E. | <u>Research Analyst Coverage</u> | <u>21</u> |

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY
Financial Supplement - December 31, 2022
Unaudited (Dollars in thousands)

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS

| | December 31, 2022 | December 31, 2021 |
|--|--------------------------|--------------------------|
| Assets | | |
| Investments: | | |
| Fixed maturity securities, available for sale, at fair value | \$ 39,804,617 | \$ 51,305,943 |
| Mortgage loans on real estate | 6,949,027 | 5,687,998 |
| Real estate investments | 1,056,063 | 337,939 |
| Limited partnerships and limited liability companies | 1,266,779 | 520,120 |
| Derivative instruments | 431,727 | 1,277,480 |
| Other investments | 1,817,085 | 1,247,024 |
| Total investments | <u>51,325,298</u> | <u>60,376,504</u> |
| Cash and cash equivalents | 1,919,669 | 4,508,982 |
| Coinsurance deposits | 13,208,399 | 8,850,608 |
| Accrued investment income | 497,851 | 445,097 |
| Deferred policy acquisition costs | 3,562,075 | 2,222,769 |
| Deferred sales inducements | 2,593,350 | 1,546,073 |
| Deferred income taxes | 220,873 | — |
| Income taxes recoverable | 55,498 | 166,586 |
| Other assets | 543,128 | 232,490 |
| Total assets | <u>\$ 73,926,141</u> | <u>\$ 78,349,109</u> |
| Liabilities and Stockholders' Equity | | |
| Liabilities: | | |
| Policy benefit reserves | \$ 61,118,134 | \$ 65,477,778 |
| Other policy funds and contract claims | 512,790 | 226,844 |
| Notes and loan payable | 792,073 | 496,250 |
| Subordinated debentures | 78,753 | 78,421 |
| Deferred income taxes | — | 541,972 |
| Funds withheld for reinsurance liabilities | 6,577,426 | 3,124,740 |
| Other liabilities | 1,656,509 | 2,079,977 |
| Total liabilities | <u>70,735,685</u> | <u>72,025,982</u> |
| Stockholders' equity: | | |
| Preferred stock, Series A | 16 | 16 |
| Preferred stock, Series B | 12 | 12 |
| Common stock | 84,810 | 92,514 |
| Additional paid-in capital | 1,325,316 | 1,614,374 |
| Accumulated other comprehensive income (loss) | (2,155,055) | 1,848,789 |
| Retained earnings | 3,914,124 | 2,767,422 |
| Total stockholders' equity attributable to American Equity Investment Life Holding Company | <u>3,169,223</u> | <u>6,323,127</u> |
| Noncontrolling interests | 21,233 | — |
| Total stockholders' equity | <u>3,190,456</u> | <u>6,323,127</u> |
| Total liabilities and stockholders' equity | <u>\$ 73,926,141</u> | <u>\$ 78,349,109</u> |

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY
Financial Supplement - December 31, 2022
Unaudited (Dollars in thousands, except per share data)
**AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY
CONSOLIDATED STATEMENTS OF OPERATIONS**

| | Three Months Ended December 31, | | Year Ended December 31, | |
|--|------------------------------------|-----------|----------------------------|------------|
| | 2022 | 2021 | 2022 | 2021 |
| Revenues: | | | | |
| Premiums and other considerations | \$ 2,991 | \$ 14,553 | \$ 19,739 | \$ 58,202 |
| Annuity product charges | 61,666 | 60,310 | 230,354 | 242,631 |
| Net investment income | 537,995 | 514,599 | 2,307,463 | 2,037,475 |
| Change in fair value of derivatives | 22,243 | 522,251 | (1,138,128) | 1,348,735 |
| Net realized gains (losses) on investments | 14,411 | (10,478) | (47,848) | (13,242) |
| Other revenue | 15,148 | 8,026 | 43,921 | 15,670 |
| Total revenues | 654,454 | 1,109,261 | 1,415,501 | 3,689,471 |
| Benefits and expenses: | | | | |
| Insurance policy benefits and change in future policy benefits | 5,663 | 16,975 | 31,099 | 67,983 |
| Interest sensitive and index product benefits | 160,243 | 574,816 | 889,650 | 2,681,406 |
| Amortization of deferred sales inducements | 46,773 | 59,409 | 408,548 | 152,692 |
| Change in fair value of embedded derivatives | 342,409 | 186,802 | (2,352,598) | (358,302) |
| Interest expense on notes and loan payable | 10,228 | 6,259 | 32,098 | 25,581 |
| Interest expense on subordinated debentures | 1,335 | 1,330 | 5,331 | 5,324 |
| Amortization of deferred policy acquisition costs | 64,338 | 82,999 | 615,300 | 268,328 |
| Other operating costs and expenses | 62,041 | 66,279 | 239,616 | 243,712 |
| Total benefits and expenses | 693,030 | 994,869 | (130,956) | 3,086,724 |
| Income (loss) before income taxes | (38,576) | 114,392 | 1,546,457 | 602,747 |
| Income tax expense (benefit) | (20,478) | 21,255 | 325,155 | 128,755 |
| Net income (loss) | (18,098) | 93,137 | 1,221,302 | 473,992 |
| Less: Net income available to noncontrolling interests | 361 | — | 358 | — |
| Net income (loss) available to American Equity Investment Life Holding Company stockholders | (18,459) | 93,137 | 1,220,944 | 473,992 |
| Less: Preferred stock dividends | 10,919 | 10,919 | 43,675 | 43,675 |
| Net income (loss) available to American Equity Investment Life Holding Company common stockholders | \$ (29,378) | \$ 82,218 | \$ 1,177,269 | \$ 430,317 |
| | | | | |
| Earnings (loss) per common share | \$ (0.34) | \$ 0.89 | \$ 13.00 | \$ 4.58 |
| Earnings (loss) per common share - assuming dilution | \$ (0.34) | \$ 0.88 | \$ 12.86 | \$ 4.55 |
| | | | | |
| Weighted average common shares outstanding (in thousands): | | | | |
| Earnings (loss) per common share | 85,274 | 92,479 | 90,558 | 93,860 |
| Earnings (loss) per common share - assuming dilution | 86,402 | 93,378 | 91,538 | 94,491 |

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY
Financial Supplement - December 31, 2022
Unaudited (Dollars in thousands, except per share data)
Quarterly Summary - Most Recent 5 Quarters

| | Q4 2022 | Q3 2022 | Q2 2022 | Q1 2022 | Q4 2021 |
|--|-------------|------------|------------|-------------|-----------|
| Revenues: | | | | | |
| Traditional life insurance premiums | \$ 626 | \$ 634 | \$ 691 | \$ 675 | \$ 677 |
| Life contingent immediate annuity considerations | 2,365 | 2,205 | 3,140 | 9,403 | 13,876 |
| Surrender charges | 22,030 | 19,783 | 15,345 | 15,541 | 13,638 |
| Lifetime income benefit rider fees | 39,636 | 41,036 | 40,169 | 36,814 | 46,672 |
| Net investment income | 537,995 | 609,737 | 592,308 | 567,423 | 514,599 |
| Change in fair value of derivatives | 22,243 | (176,671) | (506,181) | (477,519) | 522,251 |
| Net realized gains (losses) on investments | 14,411 | (15,860) | (33,272) | (13,127) | (10,478) |
| Other revenue (a) | 15,148 | 10,989 | 9,195 | 8,589 | 8,026 |
| Total revenues | 654,454 | 491,853 | 121,395 | 147,799 | 1,109,261 |
| Benefits and expenses: | | | | | |
| Traditional life insurance policy benefits and change in future policy benefits | 703 | 424 | 785 | 765 | 624 |
| Life contingent immediate annuity benefits and change in future policy benefits | 4,960 | 5,283 | 6,306 | 11,873 | 16,351 |
| Interest sensitive and index product benefits (b) | 160,243 | 121,890 | 234,855 | 372,662 | 574,816 |
| Amortization of deferred sales inducements (c) | 46,773 | 127,784 | 90,446 | 143,545 | 59,409 |
| Change in fair value of embedded derivatives (d) | 342,409 | (415,374) | (885,984) | (1,393,649) | 186,802 |
| Interest expense on notes payable | 10,228 | 8,984 | 6,461 | 6,425 | 6,259 |
| Interest expense on subordinated debentures | 1,335 | 1,333 | 1,346 | 1,317 | 1,330 |
| Amortization of deferred policy acquisition costs (c) | 64,338 | 183,182 | 142,354 | 225,426 | 82,999 |
| Other operating costs and expenses | 62,041 | 59,532 | 59,923 | 58,120 | 66,279 |
| Total benefits and expenses | 693,030 | 93,038 | (343,508) | (573,516) | 994,869 |
| Income (loss) before income taxes | (38,576) | 398,815 | 464,903 | 721,315 | 114,392 |
| Income tax expense (benefit) | (20,478) | 86,214 | 104,327 | 155,092 | 21,255 |
| Net income (loss) (b)(c)(d) | (18,098) | 312,601 | 360,576 | 566,223 | 93,137 |
| Less: Net income (loss) available to noncontrolling interests | 361 | 1 | (4) | — | — |
| Net income (loss) available to American Equity Investment Life Holding Company stockholders (b)(c)(d) | (18,459) | 312,600 | 360,580 | 566,223 | 93,137 |
| Less: Preferred stock dividends | 10,919 | 10,918 | 10,919 | 10,919 | 10,919 |
| Net income (loss) available to American Equity Investment Life Holding Company common stockholders (b)(c)(d) | \$ (29,378) | \$ 301,682 | \$ 349,661 | \$ 555,304 | \$ 82,218 |
| Earnings (loss) per common share | \$ (0.34) | \$ 3.44 | \$ 3.78 | \$ 5.73 | \$ 0.89 |
| Earnings (loss) per common share - assuming dilution (b)(c)(d) | \$ (0.34) | \$ 3.41 | \$ 3.74 | \$ 5.67 | \$ 0.88 |
| Weighted average common shares outstanding (thousands): | | | | | |
| Earnings (loss) per common share | 85,274 | 87,707 | 92,544 | 96,866 | 92,479 |
| Earnings (loss) per common share - assuming dilution | 86,402 | 88,581 | 93,375 | 97,953 | 93,378 |

(a) Other revenue consists of \$3.5 million in Q4 2022, \$3.3 million in Q3 2022, \$3.0 million in Q2 2022, \$2.9 million in Q1 2022 and \$2.8 million in Q4 2021 related to asset liability management fees and \$11.7 million in Q4 2022, \$7.7 million in Q3 2022, \$6.2 million in Q2 2022, \$5.7 million in Q1 2022 and \$5.3 million in Q4 2021 related to amortization of the deferred gain associated with the cost of reinsurance. The deferred gain, which is recorded in Other liabilities on the Consolidated Balance Sheets, was \$607.5 million and \$321.7 million at December 31, 2022 and 2021, respectively. The deferred gain consists primarily of a difference between liabilities ceded and assets transferred and the present value of the ceding commissions offset by a reduction in deferred policy acquisition costs associated with the in-force business ceded.

(b) Q3 2022 includes a benefit from the update of assumptions used in determining reserves held for lifetime income benefit riders. The impact decreased interest sensitive and index products by \$53.0 million and increased both net income and net income available to common stockholders by \$41.6 million and increased earnings per common share - assuming dilution by \$0.47 per share.

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY

Financial Supplement - December 31, 2022

Unaudited (*Dollars in thousands, except per share data*)

Q4 2021 includes expense from the update of assumptions used in determining reserves held for lifetime income benefit riders. The impact increased interest sensitive and index products by \$10.5 million and decreased both net income and net income available to common stockholders by \$8.2 million and decreased earnings per common share - assuming dilution by \$0.09 per share.

- (c) Q3 2022 includes expense from the update of assumptions which increased amortization of deferred sales inducements and deferred policy acquisition costs by \$45.7 million and \$56.9 million, respectively, and decreased both net income and net income available to common stockholders by \$80.5 million and decreased earnings per common share - assuming dilution by \$0.91 per share.

Q4 2021 includes expense from the update of assumptions which increased amortization of deferred sales inducements and deferred policy acquisition costs by \$6.3 million and \$6.9 million, respectively, and decreased both net income and net income available to common stockholders by \$10.4 million and decreased earnings per common share - assuming dilution by \$0.11 per share

- (d) Q3 2022 includes a benefit from the update of assumptions used in determining the embedded derivative component of our fixed index annuity policy benefit reserves. The impact decreased change in fair value of embedded derivatives by \$94.8 million and increased both net income and net income available to common stockholders by \$74.4 million and increased earnings per common share - assuming dilution by \$0.84 per share.

Q4 2021 includes expense from the update of assumptions used in determining the embedded derivative component of our fixed index annuity policy benefit reserves. The impact increased change in fair value of embedded derivatives by \$3.5 million and decreased both net income and net income available to common stockholders by \$2.7 million and decreased earnings per common share - assuming dilution by \$0.03 per share.

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY
Financial Supplement - December 31, 2022
Unaudited (Dollars in thousands, except per share data)
NON-GAAP FINANCIAL MEASURES

In addition to net income (loss) available to common stockholders, we have consistently utilized non-GAAP operating income available to common stockholders and non-GAAP operating income available to common stockholders per common share - assuming dilution, non-GAAP financial measures commonly used in the life insurance industry, as economic measures to evaluate our financial performance. Non-GAAP operating income available to common stockholders equals net income (loss) available to common stockholders adjusted to eliminate the impact of items that fluctuate from quarter to quarter in a manner unrelated to core operations, and we believe measures excluding their impact are useful in analyzing operating trends. The most significant adjustments to arrive at non-GAAP operating income available to common stockholders eliminate the impact of fair value accounting for our fixed index annuity business. These adjustments are not economic in nature but rather impact the timing of reported results. We believe the combined presentation and evaluation of non-GAAP operating income available to common stockholders together with net income (loss) available to common stockholders provides information that may enhance an investor's understanding of our underlying results and profitability.

Reconciliation from Net Income (Loss) Available to Common Stockholders to Non-GAAP Operating Income Available to Common Stockholders and Non-GAAP Operating Income Available to Common Stockholders, Excluding Notable Items

| | Three Months Ended December 31, | | Year Ended December 31, | |
|--|------------------------------------|-----------|----------------------------|------------|
| | 2022 | 2021 | 2022 | 2021 |
| Net income (loss) available to American Equity Investment Life Holding Company common stockholders | \$ (29,378) | \$ 82,218 | \$ 1,177,269 | \$ 430,317 |
| Adjustments to arrive at non-GAAP operating income available to common stockholders: | | | | |
| Net realized (gains) losses on financial assets, including credit losses (a) | (15,167) | 7,771 | 36,428 | 10,299 |
| Change in fair value of derivatives and embedded derivatives (a) | 138,966 | (14,544) | (1,080,356) | (187,290) |
| Net investment income (a) | 664 | — | 664 | — |
| Other revenue | 5,969 | — | 5,969 | — |
| Income taxes | (33,154) | 383 | 222,966 | 37,184 |
| Non-GAAP operating income available to common stockholders | 67,900 | 75,828 | 362,940 | 290,510 |
| Impact of excluding notable items (b) | — | 21,235 | (26,572) | 78,036 |
| Non-GAAP operating income available to common stockholders, excluding notable items | \$ 67,900 | \$ 97,063 | \$ 336,368 | \$ 368,546 |
| Per common share - assuming dilution: | | | | |
| Net income (loss) available to American Equity Investment Life Holding Company common stockholders | \$ (0.34) | \$ 0.88 | \$ 12.86 | \$ 4.55 |
| Adjustments to arrive at non-GAAP operating income available to common stockholders: | | | | |
| Net realized (gains) losses on financial assets, including credit losses | (0.18) | 0.08 | 0.40 | 0.11 |
| Change in fair value of derivatives and embedded derivatives | 1.61 | (0.15) | (11.80) | (1.98) |
| Net investment income | 0.01 | — | 0.01 | — |
| Other revenue | 0.07 | — | 0.06 | — |
| Income taxes | (0.38) | — | 2.43 | 0.39 |
| Non-GAAP operating income available to common stockholders | 0.79 | 0.81 | 3.96 | 3.07 |
| Impact of excluding notable items | — | 0.23 | (0.29) | 0.83 |
| Non-GAAP operating income available to common stockholders, excluding notable items | \$ 0.79 | \$ 1.04 | \$ 3.67 | \$ 3.90 |

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY

Financial Supplement - December 31, 2022

Unaudited (Dollars in thousands, except per share data)

Notable Items

| | Three Months Ended December 31, | | Year Ended December 31, | |
|---|------------------------------------|--------------------|----------------------------|--------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Notable items impacting non-GAAP operating income available to common stockholders: | | | | |
| Impact of actuarial assumption updates | \$ — | \$ (21,235) | \$ 26,572 | \$ (78,036) |
| Total notable items (b) | \$ — | \$ (21,235) | \$ 26,572 | \$ (78,036) |

- (a) Adjustments to net income (loss) available to common stockholders to arrive at non-GAAP operating income available to common stockholders are presented net of related adjustments to amortization of deferred sales inducements (DSI) and deferred policy acquisition costs (DAC) and accretion of lifetime income benefit rider (LIBR) reserves where applicable.
- (b) Notable items reflect the after-tax impact to non-GAAP operating income available to common stockholders for certain items that do not reflect the company's expected ongoing operations. Notable items primarily include the impact from actuarial assumption updates. The presentation of notable items is intended to help investors better understand our results and to evaluate and forecast those results.

NON-GAAP FINANCIAL MEASURES

Summary of Adjustments to Arrive at Non-GAAP Operating Income Available to Common Stockholders

| | Three Months Ended December 31, | | Year Ended December 31, | |
|---|------------------------------------|--------------------|----------------------------|---------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Net realized (gains) losses on financial assets, including credit losses: | | | | |
| Net realized (gains) losses on financial assets, including credit losses | \$ (19,460) | \$ 10,045 | \$ 48,264 | \$ 13,618 |
| Amortization of DAC and DSI and accretion of LIBR reserves | 4,293 | (2,274) | (11,836) | (3,319) |
| Income taxes | 3,261 | (1,670) | (7,832) | (2,214) |
| | <u>\$ (11,906)</u> | <u>\$ 6,101</u> | <u>\$ 28,596</u> | <u>\$ 8,085</u> |
| Change in fair value of derivatives and embedded derivatives: | | | | |
| Fixed index annuities | \$ 89,662 | \$ (26,797) | \$ (1,129,326) | \$ (314,403) |
| Reinsurance contracts | 78,594 | (2,362) | (439,502) | (2,362) |
| Interest rate swaps | 1,511 | — | 19,623 | — |
| Amortization of DAC and DSI | (30,801) | 14,615 | 468,849 | 129,475 |
| Income taxes | (34,989) | 2,053 | 232,224 | 39,398 |
| | <u>\$ 103,977</u> | <u>\$ (12,491)</u> | <u>\$ (848,132)</u> | <u>\$ (147,892)</u> |
| Net investment income: | | | | |
| Income associated with assets transferred under reinsurance treaty | \$ 1,476 | \$ — | \$ 1,476 | \$ — |
| Amortization of DAC and DSI | (812) | — | (812) | — |
| Income taxes | (143) | — | (143) | — |
| | <u>\$ 521</u> | <u>\$ —</u> | <u>\$ 521</u> | <u>\$ —</u> |
| Other revenue: | | | | |
| Amortization of deferred fees associated with reinsurance treaties | \$ 5,969 | \$ — | \$ 5,969 | \$ — |
| Income taxes | (1,283) | — | (1,283) | — |
| | <u>\$ 4,686</u> | <u>\$ —</u> | <u>\$ 4,686</u> | <u>\$ —</u> |

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY

Financial Supplement - December 31, 2022

Unaudited (Dollars in thousands, except per share data)

NON-GAAP FINANCIAL MEASURES

Quarterly Summary - Most Recent 5 Quarters

Reconciliation from Net Income (Loss) Available to Common Stockholders to Non-GAAP Operating Income Available to Common Stockholders and Non-GAAP Operating Income Available to Common Stockholders, Excluding Notable Items

| | <u>Q4 2022</u> | <u>Q3 2022</u> | <u>Q2 2022</u> | <u>Q1 2022</u> | <u>Q4 2021</u> |
|--|------------------|------------------|------------------|------------------|------------------|
| Net income (loss) available to American Equity Investment Life Holding Company common stockholders | \$ (29,378) | \$ 301,682 | \$ 349,661 | \$ 555,304 | \$ 82,218 |
| Adjustments to arrive at non-GAAP operating income available to common stockholders: | | | | | |
| Net realized (gains) losses on financial assets, including credit losses (a) | (15,167) | 9,738 | 31,572 | 10,285 | 7,771 |
| Change in fair value of derivatives and embedded derivatives (a) | 138,966 | (248,823) | (367,145) | (603,354) | (14,544) |
| Net investment income (a) | 664 | — | — | — | — |
| Other revenue | 5,969 | — | — | — | — |
| Income taxes | (33,154) | 51,403 | 77,056 | 127,661 | 383 |
| Non-GAAP operating income available to common stockholders (b)(c) | 67,900 | 114,000 | 91,144 | 89,896 | 75,828 |
| Impact of excluding notable items (d) | — | (26,572) | — | — | 21,235 |
| Non-GAAP operating income available to common stockholders, excluding notable items | <u>\$ 67,900</u> | <u>\$ 87,428</u> | <u>\$ 91,144</u> | <u>\$ 89,896</u> | <u>\$ 97,063</u> |
| Per common share - assuming dilution: | | | | | |
| Net income (loss) available to American Equity Investment Life Holding Company common stockholders | \$ (0.34) | \$ 3.41 | \$ 3.74 | \$ 5.67 | \$ 0.88 |
| Adjustments to arrive at non-GAAP operating income available to common stockholders: | | | | | |
| Net realized (gains) losses on financial assets, including credit losses | (0.18) | 0.11 | 0.34 | 0.11 | 0.08 |
| Change in fair value of derivatives and embedded derivatives | 1.61 | (2.81) | (3.93) | (6.16) | (0.15) |
| Net investment income | 0.01 | — | — | — | — |
| Other revenue | 0.07 | — | — | — | — |
| Income taxes | (0.38) | 0.58 | 0.83 | 1.30 | — |
| Non-GAAP operating income available to common stockholders (b)(c) | 0.79 | 1.29 | 0.98 | 0.92 | 0.81 |
| Impact of excluding notable items (d) | — | (0.30) | — | — | 0.23 |
| Non-GAAP operating income available to common stockholders, excluding notable items | <u>\$ 0.79</u> | <u>\$ 0.99</u> | <u>\$ 0.98</u> | <u>\$ 0.92</u> | <u>\$ 1.04</u> |

Notable Items

| | <u>Q4 2022</u> | <u>Q3 2022</u> | <u>Q2 2022</u> | <u>Q1 2022</u> | <u>Q4 2021</u> |
|---|----------------|------------------|----------------|----------------|--------------------|
| Notable items impacting non-GAAP operating income available to common stockholders: | | | | | |
| Impact of actuarial assumption updates (b)(c) | \$ — | \$ 26,572 | \$ — | \$ — | \$ (21,235) |
| Total notable items (d) | <u>\$ —</u> | <u>\$ 26,572</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ (21,235)</u> |

(a) Adjustments to net income (loss) available to common stockholders to arrive at non-GAAP operating income available to common stockholders are presented net of related adjustments to amortization of deferred sales inducements (DSI) and deferred policy acquisition costs (DAC) and accretion of lifetime income benefit rider (LIBR) reserves where applicable.

(b) Q3 2022 includes a benefit from the update of assumptions used in determining reserves held for lifetime income benefit riders. The impact decreased interest sensitive and index products by \$53.0 million and increased both non-GAAP operating income available to common stockholders and non-GAAP operating income available to common stockholders per share - assuming dilution by \$41.6 million and \$0.47 per share, respectively.

Q4 2021 includes expense from the update of assumptions used in determining reserves held for lifetime income benefit riders. The impact increased interest sensitive and index products by \$10.5 million and decreased both non-GAAP operating income available to common stockholders and non-GAAP operating income available to common stockholders per share - assuming dilution by \$8.2 million and \$0.09 per share, respectively.

(c) Q3 2022 includes expense from the update of assumptions which increased amortization of deferred sales inducements and deferred policy acquisition costs by \$8.7 million and \$10.5 million, respectively, and decreased non-GAAP operating income available to common stockholders and non-GAAP operating income available to common stockholders per common share - assuming dilution by \$15.1 million and \$0.17 per share, respectively.

Q4 2021 includes expense from the update of assumptions which increased amortization of deferred sales inducements and deferred policy acquisition costs by \$7.7 million and \$8.8 million, respectively, and decreased non-GAAP operating income available to common stockholders and non-GAAP operating income available to common stockholders per common share - assuming dilution by \$13.0 million and \$0.14 per share, respectively.

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY

Financial Supplement - December 31, 2022

Unaudited (Dollars in thousands, except per share data)

- (d) Notable items reflect the after-tax impact to non-GAAP operating income available to common stockholders for certain items that do not reflect the company's expected ongoing operations. Notable items primarily include the impact from actuarial assumption updates. The presentation of notable items is intended to help investors better understand our results and to evaluate and forecast those results.

NON-GAAP FINANCIAL MEASURES

Summary of Adjustments to Arrive at Non-GAAP Operating Income Available to Common Stockholders

| | <u>Q4 2022</u> | <u>Q3 2022</u> | <u>Q2 2022</u> | <u>Q1 2022</u> | <u>Q4 2021</u> |
|---|------------------|---------------------|---------------------|---------------------|-------------------|
| Net realized (gains) losses on investments | \$ (14,411) | \$ 15,860 | \$ 33,272 | \$ 13,127 | \$ 10,478 |
| Net investment income | 1,476 | — | — | — | — |
| Other revenue | 5,969 | — | — | — | — |
| Change in fair value of derivatives | (172,643) | 14,423 | 415,171 | 546,442 | (215,961) |
| Increase (decrease) in total revenues | (179,609) | 30,283 | 448,443 | 559,569 | (205,483) |
| Amortization of deferred sales inducements | 13,417 | (59,647) | (37,179) | (90,361) | (4,506) |
| Change in fair value of embedded derivatives | (342,409) | 415,374 | 885,984 | 1,393,649 | (186,802) |
| Interest sensitive and index product benefits (a) | 4,087 | 502 | (2,569) | 143 | 971 |
| Amortization of deferred policy acquisition costs | 14,864 | (86,861) | (62,220) | (150,793) | (8,373) |
| Increase (decrease) in total benefits and expenses | (310,041) | 269,368 | 784,016 | 1,152,638 | (198,710) |
| Increase (decrease) in income (loss) before income taxes | 130,432 | (239,085) | (335,573) | (593,069) | (6,773) |
| Increase (decrease) in income tax expense benefit | 33,154 | (51,403) | (77,056) | (127,661) | (383) |
| Increase (decrease) in net income (loss) available to common stockholders | <u>\$ 97,278</u> | <u>\$ (187,682)</u> | <u>\$ (258,517)</u> | <u>\$ (465,408)</u> | <u>\$ (6,390)</u> |

- (a) Interest sensitive and index product benefits adjustment reflects the change in the allowance for credit losses on our reinsurance recoverable/coinsurance deposits. The change in this allowance is reflected in the net realized (gains) losses of financial assets, including credit losses line in the other Non-GAAP financial measures tables in this financial supplement.

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY

Financial Supplement - December 31, 2022

Unaudited (Dollars in thousands, except share and per share data)

Capitalization/Book Value per Common Share

| | Q4 2022 | Q3 2022 | Q2 2022 | Q1 2022 | Q4 2021 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Capitalization: | | | | | |
| Notes and loan payable | \$ 800,000 | \$ 800,000 | \$ 500,000 | \$ 500,000 | \$ 500,000 |
| Subordinated debentures payable to subsidiary trusts | 78,753 | 78,668 | 78,584 | 78,502 | 78,421 |
| Total debt | 878,753 | 878,668 | 578,584 | 578,502 | 578,421 |
| Total stockholders' equity attributable to American Equity Investment Life Holding Company | 3,169,223 | 3,207,698 | 3,882,217 | 5,171,086 | 6,323,127 |
| Total capitalization | 4,047,976 | 4,086,366 | 4,460,801 | 5,749,588 | 6,901,548 |
| Accumulated other comprehensive (income) loss (AOCI) | 2,155,055 | 2,214,388 | 1,387,968 | (63,706) | (1,848,789) |
| Total capitalization excluding AOCI (a) | \$ 6,203,031 | \$ 6,300,754 | \$ 5,848,769 | \$ 5,685,882 | \$ 5,052,759 |
| Total stockholders' equity attributable to American Equity Investment Life Holding Company | \$ 3,169,223 | \$ 3,207,698 | \$ 3,882,217 | \$ 5,171,086 | \$ 6,323,127 |
| Equity available to preferred stockholders (b) | (700,000) | (700,000) | (700,000) | (700,000) | (700,000) |
| Total common stockholders' equity (c) | 2,469,223 | 2,507,698 | 3,182,217 | 4,471,086 | 5,623,127 |
| Accumulated other comprehensive (income) loss | 2,155,055 | 2,214,388 | 1,387,968 | (63,706) | (1,848,789) |
| Total common stockholders' equity excluding AOCI (c) | 4,624,278 | 4,722,086 | 4,570,185 | 4,407,380 | 3,774,338 |
| Net impact of fair value accounting for derivatives and embedded derivatives | (1,150,532) | (1,217,754) | (1,031,257) | (750,229) | (274,981) |
| Total common stockholders' equity excluding AOCI and the net impact of fair value accounting for derivatives and embedded derivatives (c) | \$ 3,473,746 | \$ 3,504,332 | \$ 3,538,928 | \$ 3,657,151 | \$ 3,499,357 |
| Common shares outstanding | 84,810,255 | 85,966,505 | 90,168,512 | 95,019,904 | 92,513,517 |
| Book Value per Common Share: (d) | | | | | |
| Book value per common share | \$ 29.11 | \$ 29.17 | \$ 35.29 | \$ 47.05 | \$ 60.78 |
| Book value per common share excluding AOCI (c) | \$ 54.52 | \$ 54.93 | \$ 50.68 | \$ 46.38 | \$ 40.80 |
| Book value per common share excluding AOCI and the net impact of fair value accounting for derivatives and embedded derivatives (c) | \$ 40.96 | \$ 40.76 | \$ 39.25 | \$ 38.49 | \$ 37.83 |
| Debt-to-Capital Ratios: (e) | | | | | |
| Senior debt / Total capitalization | 12.9 % | 12.7 % | 8.5 % | 8.8 % | 9.9 % |
| Total debt / Total capitalization | 14.2 % | 13.9 % | 9.9 % | 10.2 % | 11.4 % |

- (a) Total capitalization excluding AOCI, a non-GAAP financial measure, is based on stockholders' equity excluding the effect of AOCI.
- (b) Equity available to preferred stockholders is equal to the redemption value of outstanding preferred stock plus share dividends declared but not yet issued.
- (c) Total common stockholders' equity, total common stockholders' equity excluding AOCI and total common stockholders' equity excluding AOCI and the net impact of fair value accounting for derivatives and embedded derivatives, non-GAAP financial measures, exclude equity available to preferred stockholders. Total common stockholders' equity and book value per common share excluding AOCI, non-GAAP financial measures, are based on common stockholders' equity excluding the effect of AOCI. Since AOCI fluctuates from quarter to quarter due to unrealized changes in the fair value of available for sale securities, we believe these non-GAAP financial measures provide useful supplemental information. Total common stockholders' equity and book value per common share excluding AOCI and the net impact of fair value accounting for derivatives and embedded derivatives, non-GAAP financial measures, are based on common stockholders' equity excluding AOCI and the net impact of fair value accounting for derivatives and embedded derivatives. Since the net impact of fair value accounting for our derivatives and embedded derivatives fluctuates from quarter to quarter and the most significant impacts relate to fair value accounting for our fixed index annuity business and are not economic in nature but rather impact the timing of reported results, we believe these non-GAAP financial measures provide useful supplemental information.
- (d) Book value per common share including and excluding AOCI and book value per common share excluding AOCI and the net impact of fair value accounting for derivatives and embedded derivatives are calculated as total common stockholders' equity, total common stockholders' equity excluding AOCI and total common stockholders' equity excluding AOCI and the net impact of fair value accounting for derivatives and embedded derivatives divided by the total number of shares of common stock outstanding.
- (e) Debt-to-capital ratios are computed using total capitalization excluding AOCI.

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY

Financial Supplement - December 31, 2022

Unaudited (Dollars in thousands)

Spread Results

| Year Ended December 31, | | | Q4 2022 | Q3 2022 | Q2 2022 | Q1 2022 | Q4 2021 |
|------------------------------------|---------------|---|----------------|----------------|----------------|----------------|----------------|
| 2022 | 2021 | | | | | | |
| 4.34% | 3.73% | Average yield on invested assets | 4.30% | 4.48% | 4.33% | 4.15% | 3.80% |
| 1.71% | 1.55% | Aggregate cost of money | 1.76% | 1.75% | 1.69% | 1.64% | 1.51% |
| 2.63% | 2.18% | Aggregate investment spread | 2.54% | 2.73% | 2.64% | 2.51% | 2.29% |
| | | Impact of: | | | | | |
| 0.03% | 0.11% | Investment yield - additional prepayment income | 0.01% | 0.03% | 0.05% | 0.03% | 0.12% |
| 0.01% | 0.07% | Cost of money effect of over hedging | —% | —% | 0.02% | 0.03% | 0.14% |
| \$ 53,225,871 | \$ 54,750,862 | Weighted average investments | \$ 50,040,228 | \$ 54,378,154 | \$ 54,768,966 | \$ 54,728,239 | \$ 54,407,554 |
| 49,811,623 | 54,617,968 | Ending investments | 49,811,623 | 54,056,886 | 54,699,422 | 54,838,509 | 54,617,968 |

Weighted average investments include fixed maturity securities at amortized cost and mortgage loans on real estate and other investments at carrying values as reflected in the consolidated balance sheets. The numerator for average yield on invested assets includes net investment income and the tax effect of investment income that is exempt from income taxes.

Investment Yields

| Year Ended December 31, | | | Q4 2022 | Q3 2022 | Q2 2022 | Q1 2022 | Q4 2021 |
|------------------------------------|---------------|---|----------------|----------------|----------------|----------------|----------------|
| 2022 | 2021 | | | | | | |
| | | Investment income: | | | | | |
| \$ 2,108,088 | \$ 1,967,496 | Fixed income (a) | \$ 511,077 | \$ 547,326 | \$ 539,382 | \$ 510,303 | \$ 500,577 |
| 200,349 | 73,990 | Mark-to-market private asset income (a) | 26,816 | 61,671 | 53,816 | 58,046 | 16,596 |
| \$ 2,308,437 | \$ 2,041,486 | Total non-GAAP investment income (b) | \$ 537,893 | \$ 608,997 | \$ 593,198 | \$ 568,349 | \$ 517,173 |
| | | Investment yield: | | | | | |
| 4.08% | 3.62% | Fixed income investment yield | 4.26% | 4.16% | 4.04% | 3.80% | 3.73% |
| 12.95% | 16.53% | Mark-to-market private asset yield | 5.29% | 13.89% | 15.15% | 22.36% | 9.60% |
| 4.34% | 3.73% | Total investment yield | 4.30% | 4.48% | 4.33% | 4.15% | 3.80% |
| | | Weighted average investments: | | | | | |
| \$ 51,678,469 | \$ 54,303,353 | Fixed income investments | \$ 48,012,311 | \$ 52,602,319 | \$ 53,347,874 | \$ 53,689,782 | \$ 53,716,356 |
| 1,547,402 | 447,509 | Mark-to-market private assets | 2,027,917 | 1,775,835 | 1,421,092 | 1,038,457 | 691,199 |
| \$ 53,225,871 | \$ 54,750,862 | Total weighted average investments | \$ 50,040,228 | \$ 54,378,154 | \$ 54,768,966 | \$ 54,728,239 | \$ 54,407,555 |

(a) Net of investment expenses

(b) Non-GAAP investment income is comprised of GAAP Net Investment Income adjusted to remove income associated with cash held by the Parent Company for corporate activities and to gross up income related to the tax benefit of tax exempt investment income, in addition to the adjustments shown in the reconciliation of Net Income to Non-GAAP Operating Income on page 5. The net impact of the adjustments for income associated with cash held by the Parent Company and tax exempt investment income was \$1,578 thousand in Q4 2022, \$740 thousand in Q3 2022, \$890 thousand in Q2 2022, \$926 thousand in Q1 2022, and \$2,574 thousand in Q4 2021.

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY
Financial Supplement - December 31, 2022
Unaudited (Dollars in thousands, except per share data)

Summary of Cost of Money for Deferred Annuities

| <u>Year Ended December 31,</u> | | | <u>Q4 2022</u> | <u>Q3 2022</u> | <u>Q2 2022</u> | <u>Q1 2022</u> | <u>Q4 2021</u> |
|------------------------------------|-------------------|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| <u>2022</u> | <u>2021</u> | | | | | | |
| | | Included in interest sensitive and index product benefits: | | | | | |
| \$ 305,292 | \$ 1,977,888 | Index credits | \$ 3,861 | \$ 4,648 | \$ 72,398 | \$ 224,385 | \$ 442,568 |
| 240,889 | 245,892 | Interest credited | 56,402 | 62,383 | 60,770 | 61,334 | 63,974 |
| | | Included in change in fair value of derivatives: | | | | | |
| (312,133) | (2,019,477) | Proceeds received at option expiration | (4,061) | (4,865) | (75,115) | (228,092) | (459,982) |
| 647,132 | 630,015 | Pro rata amortization of option cost | 154,463 | 167,197 | 165,375 | 160,097 | 153,399 |
| <u>\$ 881,180</u> | <u>\$ 834,318</u> | Cost of money for deferred annuities | <u>\$ 210,665</u> | <u>\$ 229,363</u> | <u>\$ 223,428</u> | <u>\$ 217,724</u> | <u>\$ 199,959</u> |
| \$ 51,558,865 | \$ 53,681,684 | Weighted average liability balance outstanding | \$ 47,802,219 | \$ 52,337,208 | \$ 52,940,739 | \$ 53,155,293 | \$ 53,064,893 |

Annuity Account Balance Rollforward

| <u>Year Ended December 31,</u> | | | <u>Q4 2022</u> | <u>Q3 2022</u> | <u>Q2 2022</u> | <u>Q1 2022</u> | <u>Q4 2021</u> |
|------------------------------------|----------------------|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| <u>2022</u> | <u>2021</u> | | | | | | |
| \$ 53,191,277 | \$ 54,056,725 | Account balances at beginning of period | \$ 51,913,689 | \$ 52,762,558 | \$ 53,119,291 | \$ 53,191,277 | \$ 52,938,493 |
| (4,068,761) | (4,279,394) | Reserves ceded - in-force | (3,810,982) | (257,779) | — | — | — |
| 49,122,516 | 49,777,331 | Account balance at beginning of period, net of reinsurance ceded | 48,102,707 | 52,504,779 | 53,119,291 | 53,191,277 | 52,938,493 |
| 2,347,315 | 5,485,205 | Net deposits | 613,084 | 496,940 | 562,366 | 674,925 | 815,890 |
| 107,691 | 95,160 | Premium bonuses | 33,617 | 27,385 | 23,547 | 23,142 | 23,476 |
| 546,181 | 2,223,780 | Fixed interest credited and index credits | 60,263 | 67,031 | 133,168 | 285,719 | 506,542 |
| (72,699) | (67,657) | Surrender charges | (22,030) | (19,783) | (15,345) | (15,541) | (13,638) |
| (157,655) | (174,974) | Lifetime income benefit rider fees | (39,636) | (41,036) | (40,169) | (36,814) | (46,672) |
| <u>(4,388,734)</u> | <u>(4,147,568)</u> | Surrenders, withdrawals, deaths, etc. | <u>(1,243,390)</u> | <u>(1,121,627)</u> | <u>(1,020,300)</u> | <u>(1,003,417)</u> | <u>(1,032,814)</u> |
| <u>\$ 47,504,615</u> | <u>\$ 53,191,277</u> | Account balances at end of period | <u>\$ 47,504,615</u> | <u>\$ 51,913,689</u> | <u>\$ 52,762,558</u> | <u>\$ 53,119,291</u> | <u>\$ 53,191,277</u> |
| \$ 2,243,215 | \$ 2,311,842 | Lifetime income benefit rider reserves, excluding unrealized gain/loss adjustment | \$ 2,243,215 | \$ 2,542,651 | \$ 2,491,096 | \$ 2,396,587 | \$ 2,311,842 |

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY
Financial Supplement - December 31, 2022
Unaudited (Dollars in thousands, except per share data)

Account Values Subject to Recurring Fees Under Reinsurance Agreements

| <u>Year Ended December 31,</u> | | | <u>Q4 2022</u> | <u>Q3 2022</u> | <u>Q2 2022</u> | <u>Q1 2022</u> | <u>Q4 2021</u> |
|------------------------------------|---------------------|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| <u>2022</u> | <u>2021</u> | | | | | | |
| \$ 4,660,690 | \$ — | Account value of business ceded subject to fee income at beginning of period | \$ 5,612,098 | \$ 5,065,538 | \$ 4,859,360 | \$ 4,660,690 | \$ 4,459,858 |
| 4,068,761 | 4,279,394 | In-force account value ceded subject to fee income | 3,810,982 | 257,779 | — | — | — |
| 1,045,600 | 381,296 | Premiums on business ceded subject to fee income | 351,971 | 288,781 | 206,178 | 198,670 | 200,832 |
| (132,715) | — | Disbursements on business ceded subject to fee income | (132,715) | — | — | — | — |
| <u>\$ 9,642,336</u> | <u>\$ 4,660,690</u> | Account value of business ceded subject to fee income at end of period | <u>\$ 9,642,336</u> | <u>\$ 5,612,098</u> | <u>\$ 5,065,538</u> | <u>\$ 4,859,360</u> | <u>\$ 4,660,690</u> |
| \$ 50,488 | \$ 15,670 | Non-GAAP operating revenue associated with recurring fees (a) | \$ 21,117 | \$ 10,988 | \$ 9,196 | \$ 8,589 | \$ 8,026 |

(a) Non-GAAP operating revenue associated with recurring fees is comprised of GAAP Other Revenue adjusted for the amortization of gains on assets transferred under a reinsurance transaction. See page 5 for the reconciliation of Net Income to Non-GAAP Operating Income and page 6 for the summary of adjustments to arrive at Non-GAAP Operating Income

Annuity Deposits by Product Type

| <u>Year Ended December 31,</u> | | | <u>Q4 2022</u> | <u>Q3 2022</u> | <u>Q2 2022</u> | <u>Q1 2022</u> | <u>Q4 2021</u> |
|------------------------------------|---------------------|------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <u>2022</u> | <u>2021</u> | | | | | | |
| | | American Equity Life: | | | | | |
| \$ 2,692,141 | \$ 2,753,479 | Fixed index annuities | \$ 637,021 | \$ 627,444 | \$ 671,696 | \$ 755,980 | \$ 806,238 |
| 5,329 | 6,133 | Annual reset fixed rate annuities | 1,856 | 1,271 | 1,140 | 1,062 | 848 |
| 56,511 | 855,702 | Multi-year fixed rate annuities | 49,216 | 4,465 | 485 | 2,345 | 6,640 |
| 18,935 | 59,816 | Single premium immediate annuities | 494 | 1,915 | 3,073 | 13,453 | 14,145 |
| <u>2,772,916</u> | <u>3,675,130</u> | | <u>688,587</u> | <u>635,095</u> | <u>676,394</u> | <u>772,840</u> | <u>827,871</u> |
| | | Eagle Life: | | | | | |
| 479,279 | 697,068 | Fixed index annuities | 145,772 | 102,379 | 104,374 | 126,754 | 176,101 |
| 380 | 350 | Annual reset fixed rate annuities | 230 | 143 | — | 7 | 13 |
| 82,581 | 1,597,292 | Multi-year fixed rate annuities | 65,434 | 14,684 | 123 | 2,340 | 40,901 |
| <u>562,240</u> | <u>2,294,710</u> | | <u>211,436</u> | <u>117,206</u> | <u>104,497</u> | <u>129,101</u> | <u>217,015</u> |
| | | Consolidated: | | | | | |
| 3,171,420 | 3,450,547 | Fixed index annuities | 782,793 | 729,823 | 776,070 | 882,734 | 982,339 |
| 5,709 | 6,483 | Annual reset fixed rate annuities | 2,086 | 1,414 | 1,140 | 1,069 | 861 |
| 139,092 | 2,452,994 | Multi-year fixed rate annuities | 114,650 | 19,149 | 608 | 4,685 | 47,541 |
| 18,935 | 59,816 | Single premium immediate annuities | 494 | 1,915 | 3,073 | 13,453 | 14,145 |
| <u>3,335,156</u> | <u>5,969,840</u> | Total before coinsurance ceded | <u>900,023</u> | <u>752,301</u> | <u>780,891</u> | <u>901,941</u> | <u>1,044,886</u> |
| 968,906 | 424,819 | Coinsurance ceded | 286,445 | 253,446 | 215,452 | 213,563 | 214,851 |
| <u>\$ 2,366,250</u> | <u>\$ 5,545,021</u> | Net after coinsurance ceded | <u>\$ 613,578</u> | <u>\$ 498,855</u> | <u>\$ 565,439</u> | <u>\$ 688,378</u> | <u>\$ 830,035</u> |

[Table of Contents](#)

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY
Financial Supplement - December 31, 2022
Unaudited (Dollars in thousands, except per share data)

Surrender Charge Protection and Account Values by Product Type

Annuity Surrender Charges and Net (of Coinsurance) Account Values at December 31, 2022:

| Product Type | Surrender Charge | | | Net Account Value | |
|-----------------------------------|---------------------|----------------------|------------------|----------------------|---------|
| | Avg. Years At Issue | Avg. Years Remaining | Avg. % Remaining | Dollars in Thousands | % |
| Fixed Index Annuities | 12.5 | 5.0 | 8.1% | \$ 41,992,352 | 88.4 % |
| Annual Reset Fixed Rate Annuities | 7.4 | 1.7 | 3.4% | 1,247,151 | 2.6 % |
| Multi-Year Fixed Rate Annuities | 3.9 | 1.7 | 7.4% | 4,265,112 | 9.0 % |
| Total | 11.6 | 4.6 | 7.9% | \$ 47,504,615 | 100.0 % |

Annuity Liability Characteristics

| Surrender Charge Percentages: | Fixed Annuities Account Value | Fixed Index Annuities Account Value |
|--------------------------------------|-------------------------------|-------------------------------------|
| No surrender charge | \$ 898,320 | \$ 3,616,403 |
| 0.0% < 2.0% | 41,672 | 2,062,990 |
| 2.0% < 3.0% | 65,004 | 4,321,344 |
| 3.0% < 4.0% | 68,626 | 982,289 |
| 4.0% < 5.0% | 6,436 | 2,772,450 |
| 5.0% < 6.0% | 36,179 | 2,608,334 |
| 6.0% < 7.0% | 71,838 | 2,548,367 |
| 7.0% < 8.0% | 1,420,984 | 2,812,800 |
| 8.0% < 9.0% | 2,547,819 | 2,219,917 |
| 9.0% < 10.0% | 112,829 | 3,337,952 |
| 10.0% or greater | 242,556 | 14,709,506 |
| | <u>\$ 5,512,263</u> | <u>\$ 41,992,352</u> |

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY
Financial Supplement - December 31, 2022
Unaudited (Dollars in thousands)

| Surrender Charge Expiration By Year: | Fixed and Fixed Index Annuities Account Value | Weighted Average Surrender Charge |
|---|--|--|
| Out of Surrender Charge | \$ 4,514,723 | 0.00 % |
| 2023 | 4,336,011 | 3.03 % |
| 2024 | 3,919,595 | 5.38 % |
| 2025 | 5,453,784 | 4.44 % |
| 2026 | 4,892,384 | 5.96 % |
| 2027 | 4,283,172 | 7.81 % |
| 2028 | 3,714,323 | 9.00 % |
| 2029 | 4,143,581 | 10.42 % |
| 2030 | 2,775,742 | 12.89 % |
| 2031 | 3,900,824 | 13.80 % |
| 2032 | 3,060,964 | 14.38 % |
| 2033 | 1,068,172 | 17.39 % |
| 2034 | 676,085 | 18.03 % |
| 2035 | 350,543 | 18.50 % |
| 2036 | 196,242 | 18.99 % |
| 2037 | 113,435 | 19.50 % |
| 2038 | 105,035 | 20.00 % |
| | <u>\$ 47,504,615</u> | 7.92 % |

If all crediting rates were reduced to minimum guaranteed rates (subject to limitations imposed by ultimate minimum guaranteed rates where applicable) the weighted average crediting rate as of December 31, 2022 for the \$11.9 billion of account value of fixed annuities and funds allocated to the fixed rate strategy for fixed index annuities would decrease by 0.21%.

If all caps and participation rates were reduced to minimum caps and participation rates and current asset fees were increased to their maximums on the \$35.6 billion of account value allocated to index strategies, the cost of options would decrease by 1.03% based upon prices of options for the week ended January 1, 2023.

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY
Financial Supplement - December 31, 2022
Unaudited (Dollars in thousands)

Summary of Invested Assets

| | December 31, 2022 | | December 31, 2021 | |
|--|-------------------|---------|-------------------|---------|
| | Carrying Amount | Percent | Carrying Amount | Percent |
| Fixed maturity securities: | | | | |
| U.S. Government and agencies | \$ 169,071 | 0.4 % | \$ 1,078,746 | 1.9 % |
| States, municipalities and territories | 3,822,943 | 8.5 % | 3,758,761 | 6.5 % |
| Foreign corporate securities and foreign governments | 616,938 | 1.4 % | 375,097 | 0.6 % |
| Corporate securities | 20,201,774 | 44.8 % | 32,631,189 | 57.0 % |
| Residential mortgage backed securities | 1,366,927 | 3.0 % | 1,125,049 | 2.0 % |
| Commercial mortgage backed securities | 3,447,075 | 7.6 % | 4,682,900 | 8.2 % |
| Other asset backed securities | 5,155,254 | 11.4 % | 5,146,567 | 9.0 % |
| Total fixed maturity securities | 34,779,982 | 77.1 % | 48,798,309 | 85.2 % |
| Mortgage loans on real estate | 6,778,977 | 15.0 % | 5,650,480 | 9.9 % |
| Real estate investments | 1,056,063 | 2.3 % | 337,939 | 0.6 % |
| Limited partnerships and limited liability companies | 1,266,779 | 2.8 % | 520,120 | 0.9 % |
| Derivative instruments | 431,727 | 1.0 % | 1,277,480 | 2.2 % |
| Other investments | 829,900 | 1.8 % | 690,344 | 1.2 % |
| Total investments, net of modified coinsurance investments | 45,143,428 | 100.0 % | 57,274,672 | 100.0 % |
| Coinsurance investments (a) | 6,181,870 | | 3,101,832 | |
| Total investments | \$ 51,325,298 | | \$ 60,376,504 | |

(a) Investments held by American Equity Life in a segregated account to support liabilities reinsured under both coinsurance with funds withheld and modified coinsurance reinsurance agreements.

Credit Quality of Fixed Maturity Securities - December 31, 2022

| NAIC Designation | Amortized Cost | Carrying Amount | Percent | Rating Agency Rating | Amortized Cost | Carrying Amount | Percent |
|-----------------------------|----------------|-----------------|---------|-----------------------------|----------------|-----------------|---------|
| 1 | \$ 24,466,961 | \$ 21,752,775 | 62.5 % | Aaa/Aa/A | \$ 24,462,459 | \$ 21,723,282 | 62.5 % |
| 2 | 14,185,506 | 12,398,001 | 35.7 % | Baa | 14,228,490 | 12,434,302 | 35.7 % |
| 3 | 562,190 | 490,198 | 1.4 % | Ba | 554,605 | 485,166 | 1.4 % |
| 4 | 109,409 | 91,495 | 0.3 % | B | 94,185 | 79,058 | 0.2 % |
| 5 | 61,721 | 36,738 | 0.1 % | Caa | 20,020 | 18,540 | 0.1 % |
| 6 | 14,636 | 10,775 | — % | Ca and lower | 40,664 | 39,634 | 0.1 % |
| | 39,400,423 | 34,779,982 | 100.0 % | | 39,400,423 | 34,779,982 | 100.0 % |
| Coinsurance investments (a) | 5,465,596 | 5,024,635 | | Coinsurance investments (a) | 5,465,596 | 5,024,635 | |
| | \$ 44,866,019 | \$ 39,804,617 | | | \$ 44,866,019 | \$ 39,804,617 | |

(a) Investments held by American Equity Life in a segregated account to support liabilities reinsured under both coinsurance with funds withheld and modified coinsurance reinsurance agreements.

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY**Financial Supplement - December 31, 2022****Unaudited (Dollars in thousands)****Watch List Securities - December 31, 2022**

| General Description (a) | Amortized Cost | Allowance for Credit Losses | Amortized Cost, Net of Allowance | Net Unrealized Losses, Net of Allowance | Fair Value |
|---|-----------------------|------------------------------------|---|--|-------------------|
| States, municipalities and territories | \$ 20,657 | \$ — | \$ 20,657 | \$ (3,344) | \$ 17,313 |
| Corporate securities - Public securities | 20,860 | — | 20,860 | (1,050) | 19,810 |
| Corporate securities - Private placement securities | 10,646 | (3,214) | 7,432 | — | 7,432 |
| Residential mortgage backed securities | 25,095 | (133) | 24,962 | (2,954) | 22,008 |
| Commercial mortgage backed securities | 41,899 | — | 41,899 | (2,752) | 39,147 |
| Other asset backed securities | 2,314 | — | 2,314 | — | 2,314 |
| Collateralized loan obligations | 103,907 | — | 103,907 | (21,239) | 82,668 |
| | <u>\$ 225,378</u> | <u>\$ (3,347)</u> | <u>\$ 222,031</u> | <u>\$ (31,339)</u> | <u>\$ 190,692</u> |

- (a) The watch list consists of all fixed maturity securities we have determined contain elevated credit risk, including those on which we have taken credit losses.

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY
Financial Supplement - December 31, 2022
Unaudited (Dollars in thousands)

Fixed Maturity Securities by Sector

| | December 31, 2022 | | December 31, 2021 | |
|--|----------------------|----------------------|----------------------|----------------------|
| | Amortized Cost | Fair Value | Amortized Cost | Fair Value |
| Available for sale: | | | | |
| U.S. Government and agencies | \$ 173,638 | \$ 169,071 | \$ 1,046,029 | \$ 1,078,746 |
| States, municipalities and territories | 4,356,191 | 3,822,943 | 3,325,468 | 3,758,761 |
| Foreign corporate securities and foreign governments | 680,263 | 616,938 | 353,198 | 375,097 |
| Corporate securities: | | | | |
| Capital goods | 1,601,113 | 1,395,595 | 2,329,169 | 2,666,627 |
| Consumer discretionary | 5,086,479 | 4,320,219 | 6,132,199 | 6,946,585 |
| Energy | 1,219,370 | 1,111,891 | 1,968,576 | 2,214,513 |
| Financials | 6,467,052 | 5,634,229 | 6,998,286 | 7,714,869 |
| Government non-guaranteed | 202,740 | 179,440 | 471,015 | 541,233 |
| Industrials | 166,061 | 138,999 | 377,631 | 425,201 |
| Information technology | 1,344,461 | 1,160,067 | 1,718,596 | 1,918,197 |
| Materials | 1,169,188 | 1,021,288 | 1,672,144 | 1,875,276 |
| Telecommunications | 1,306,495 | 1,090,868 | 1,569,176 | 1,756,741 |
| Transportation | 1,100,681 | 975,393 | 1,312,909 | 1,454,391 |
| Utilities | 3,620,946 | 3,115,520 | 4,156,578 | 4,716,397 |
| Other | 58,184 | 58,265 | 350,592 | 401,159 |
| Residential mortgage backed securities: | | | | |
| Government agency | 806,999 | 754,349 | 455,136 | 500,698 |
| Prime | 387,838 | 334,613 | 537,559 | 544,084 |
| Alt-A | 54,910 | 58,091 | 59,129 | 75,361 |
| Non-qualified mortgage | 169,847 | 157,960 | — | — |
| Other | 62,235 | 61,914 | 4,954 | 4,906 |
| Commercial mortgage backed securities: | | | | |
| Government agency | 170,307 | 157,903 | 380,339 | 415,026 |
| Non-agency | 3,668,300 | 3,289,172 | 4,169,970 | 4,267,874 |
| Other asset backed securities: | | | | |
| Auto | 44,450 | 41,896 | 218,106 | 222,364 |
| Consumer discretionary | 122,068 | 118,843 | — | — |
| Financials | 283,238 | 252,493 | 4,441 | 4,887 |
| Collateralized loan obligations | 4,071,929 | 3,775,347 | 3,789,984 | 3,745,452 |
| Other | 1,005,440 | 966,675 | 1,088,751 | 1,173,864 |
| | <u>39,400,423</u> | <u>34,779,982</u> | <u>44,489,935</u> | <u>48,798,309</u> |
| Coinsurance investments (a) | 5,465,596 | 5,024,635 | 2,509,248 | 2,507,634 |
| | <u>\$ 44,866,019</u> | <u>\$ 39,804,617</u> | <u>\$ 46,999,183</u> | <u>\$ 51,305,943</u> |

(a) Investments held by American Equity Life in a segregated account to support liabilities reinsured under both coinsurance with funds withheld and modified coinsurance reinsurance agreements.

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY

Financial Supplement - December 31, 2022

Unaudited (Dollars in thousands)

Mortgage Loans on Real Estate

| | December 31, 2022 | | December 31, 2021 | |
|-----------------------------------|---------------------|----------------|---------------------|----------------|
| | Principal | Percent | Principal | Percent |
| Property type distribution | | | | |
| Commercial mortgage loans: | | | | |
| Office | \$ 267,502 | 4.0 % | \$ 287,557 | 5.1 % |
| Medical Office | 10,265 | 0.1 % | 10,827 | 0.2 % |
| Retail | 878,352 | 13.0 % | 1,016,101 | 18.0 % |
| Industrial/Warehouse | 853,215 | 12.6 % | 924,779 | 16.3 % |
| Apartment | 893,910 | 13.2 % | 854,580 | 15.1 % |
| Hotel | 285,271 | 4.2 % | 283,500 | 5.0 % |
| Mixed Use/Other | 200,756 | 3.0 % | 217,970 | 3.9 % |
| Agricultural mortgage loans | 567,630 | 8.4 % | 408,135 | 7.2 % |
| Residential mortgage loans | 2,807,652 | 41.5 % | 1,652,910 | 29.2 % |
| | <u>6,764,553</u> | <u>100.0 %</u> | <u>5,656,359</u> | <u>100.0 %</u> |
| Coinsurance investments (a) | 171,633 | | 37,817 | |
| | <u>\$ 6,936,186</u> | | <u>\$ 5,694,176</u> | |

| | Commercial | | Agricultural | |
|--|---------------------|-------------|-------------------|-------------|
| | Amortized Cost | Average LTV | Amortized Cost | Average LTV |
| As of December 31, 2022: | | | | |
| Debt Service Coverage Ratio: | | | | |
| Greater than or equal to 1.5 | \$ 2,358,793 | 53% | \$ 266,695 | 45% |
| Greater than or equal to 1.2 and less than 1.5 | 505,644 | 61% | 236,589 | 48% |
| Greater than or equal to 1.0 and less than 1.2 | 475,315 | 50% | 15,075 | 39% |
| Less than 1.0 | 44,756 | 66% | 47,604 | 33% |
| | <u>3,384,508</u> | <u>54%</u> | <u>565,963</u> | <u>45%</u> |
| Coinsurance investments (a) | 170,050 | 61% | — | —% |
| | <u>\$ 3,554,558</u> | <u>54%</u> | <u>\$ 565,963</u> | <u>45%</u> |

| | Commercial | | Agricultural | |
|--|---------------------|-------------|-------------------|-------------|
| | Amortized Cost | Average LTV | Amortized Cost | Average LTV |
| As of December 31, 2021: | | | | |
| Debt Service Coverage Ratio: | | | | |
| Greater than or equal to 1.5 | \$ 2,491,464 | 55% | \$ 180,113 | 49% |
| Greater than or equal to 1.2 and less than 1.5 | 555,055 | 65% | 202,031 | 48% |
| Greater than or equal to 1.0 and less than 1.2 | 466,517 | 53% | 16,304 | 44% |
| Less than 1.0 | 77,948 | 65% | 8,551 | 59% |
| | <u>3,590,984</u> | <u>56%</u> | <u>406,999</u> | <u>48%</u> |
| Coinsurance investments (a) | 37,518 | 51% | — | —% |
| | <u>\$ 3,628,502</u> | <u>56%</u> | <u>\$ 406,999</u> | <u>48%</u> |

(a) Investments held by American Equity Life in a segregated account to support liabilities reinsured under both coinsurance with funds withheld and modified coinsurance reinsurance agreements.

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY

Financial Supplement - December 31, 2022

Unaudited (Dollars in thousands)

| | December 31, 2022 | | | |
|--|---------------------|-------------------|---------------------|---------------------|
| | Commercial | Agricultural | Residential | Total |
| Credit exposure - by payment activity | | | | |
| Performing | \$ 3,389,271 | \$ 564,495 | \$ 2,773,251 | \$ 6,727,017 |
| In workout | — | — | — | — |
| Delinquent | — | 3,135 | 34,401 | 37,536 |
| Principal outstanding | 3,389,271 | 567,630 | 2,807,652 | 6,764,553 |
| Unamortized discounts and premiums, net | — | — | 55,917 | 55,917 |
| Deferred fees and costs, net | (4,763) | (1,667) | 1,909 | (4,521) |
| Amortized cost | 3,384,508 | 565,963 | 2,865,478 | 6,815,949 |
| Valuation allowance | (22,428) | (1,021) | (13,523) | (36,972) |
| Carrying value | 3,362,080 | 564,942 | 2,851,955 | 6,778,977 |
| Coinsurance investments (a) | 170,050 | — | — | 170,050 |
| | <u>\$ 3,532,130</u> | <u>\$ 564,942</u> | <u>\$ 2,851,955</u> | <u>\$ 6,949,027</u> |
| December 31, 2021 | | | | |
| | Commercial | Agricultural | Residential | Total |
| Credit exposure - by payment activity | | | | |
| Performing | \$ 3,595,314 | \$ 408,135 | \$ 1,645,905 | \$ 5,649,354 |
| In workout | — | — | — | — |
| Delinquent | — | — | 7,005 | 7,005 |
| Principal outstanding | 3,595,314 | 408,135 | 1,652,910 | 5,656,359 |
| Unamortized discounts and premiums, net | — | — | 22,143 | 22,143 |
| Deferred fees and costs, net | (4,330) | (1,136) | 1,468 | (3,998) |
| Amortized cost | 3,590,984 | 406,999 | 1,676,521 | 5,674,504 |
| Valuation allowance | (17,926) | (519) | (5,579) | (24,024) |
| Carrying value | 3,573,058 | 406,480 | 1,670,942 | 5,650,480 |
| Coinsurance investments (a) | 37,518 | — | — | 37,518 |
| | <u>\$ 3,610,576</u> | <u>\$ 406,480</u> | <u>\$ 1,670,942</u> | <u>\$ 5,687,998</u> |

(a) Investments held by American Equity Life in a segregated account to support liabilities reinsured under both coinsurance with funds withheld and modified coinsurance reinsurance agreements.

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY
Financial Supplement - December 31, 2022

Shareholder Information

| | <u>A.M. Best</u> | <u>S&P</u> | <u>Fitch</u> |
|---|------------------|----------------|--------------|
| Financial Strength Ratings | | | |
| American Equity Investment Life Insurance Company | A- (stable) | A- (stable) | A- (stable) |
| American Equity Investment Life Insurance Company of New York | A- (stable) | A- (stable) | A- (stable) |
| Eagle Life Insurance Company | A- (stable) | A- (stable) | A- (stable) |
| Credit Ratings | | | |
| American Equity Investment Life Holding Company | bbb- (stable) | BBB- | BBB |
| Senior unsecured debt | bbb- (stable) | BBB- | BBB- |
| Perpetual, non-cumulative preferred stock | bb (stable) | BB | BB |

Corporate Offices:

American Equity Investment Life Holding Company
6000 Westown Parkway
West Des Moines, IA 50266

Inquiries:

Steven Schwartz, Vice President-Investor Relations
(515) 273-3763, sschwartz@american-equity.com

Common Stock and Dividend Information:

New York Stock Exchange symbol: "AEL"

| | <u>High</u> | <u>Low</u> | <u>Close</u> | <u>Dividend Declared</u> |
|----------------|-------------|------------|--------------|--------------------------|
| 2022 | | | | |
| First Quarter | \$44.49 | \$35.05 | \$39.91 | \$0.00 |
| Second Quarter | \$42.18 | \$32.65 | \$36.57 | \$0.00 |
| Third Quarter | \$43.55 | \$33.22 | \$37.29 | \$0.00 |
| Fourth Quarter | \$46.76 | \$28.05 | \$45.62 | \$0.36 |
| 2021 | | | | |
| First Quarter | \$32.54 | \$26.21 | \$31.53 | \$0.00 |
| Second Quarter | \$33.68 | \$29.18 | \$32.32 | \$0.00 |
| Third Quarter | \$33.79 | \$27.12 | \$29.57 | \$0.00 |
| Fourth Quarter | \$39.88 | \$29.46 | \$38.92 | \$0.34 |
| 2020 | | | | |
| First Quarter | \$34.16 | \$9.07 | \$18.80 | \$0.00 |
| Second Quarter | \$27.09 | \$14.76 | \$24.71 | \$0.00 |
| Third Quarter | \$27.32 | \$19.06 | \$21.99 | \$0.00 |
| Fourth Quarter | \$34.25 | \$22.37 | \$27.66 | \$0.32 |

Transfer Agent:

Computershare Trust Company, N.A.
P.O. Box 43010
Providence, RI 02940-0310
Phone: (877) 282-1169
Fax: (781) 575-2723
www.computershare.com

Annual Report and Other Information:

Shareholders may receive when available, without charge, a copy of American Equity's Annual Report, SEC filings and/or press releases by calling Steven Schwartz, Vice President-Investor Relations, at (515) 273-3763 or by visiting our website at www.american-equity.com.

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY
Financial Supplement - December 31, 2022

Research Analyst Coverage

Erik Bass
Autonomous Research US LP
(646) 561-6248
ebass@autonomous.com

Andrew Kligerman
Credit Suisse Securities
(919) 593-7737
andrew.kligerman@credit-suisse.com

Thomas Gallagher
Evercore ISI
(212) 446-9439
thomas.gallagher@evercoreisi.com

Daniel Bergman
Jefferies
(617) 345-8688
dbergman@jefferies.com

Pablo Singzon II
JP Morgan
(212) 622-2295
pablo.s.singzon@jpmorgan.com

Ryan Krueger
Keefe, Bruyette & Woods
(860) 722-5930
rkrueger@kbw.com

Nigel Dally
Morgan Stanley Research
(212) 761-4132
Nigel.Dally@morganstanley.com

John Barnidge
Piper Sandler & Co.
(312) 281-3412
John.Barnidge@psc.com

Wilma Burdis
Raymond James & Associates, Inc.
(727) 567-9371
wilma.burdis@raymondjames.com

Mark A. Dwelle
RBC Capital Markets, LLC
(804) 782-4008
mark.dwelle@rbccm.com

Mark Hughes
Truist Securities
(615) 748-4422
mark.hughes@research.truist.com