

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): November 07, 2023

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY

(Exact name of registrant as specified in its charter)

Iowa
(State or other jurisdiction
of incorporation)

001-31911
(Commission File Number)

42-1447959
(IRS Employer
Identification No.)

**6000 Westown Parkway
West Des Moines, IA 50266**
(Address of principal executive offices and zip code)

(515) 221-0002
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|--|-------------------|---|
| Common stock, par value \$1 | AEL | New York Stock Exchange |
| Depository Shares, each representing a 1/1,000th interest in a share of 5.95% Fixed-Rate Reset Non-Cumulative Preferred Stock, Series A | AELPRA | New York Stock Exchange |
| Depository Shares, each representing a 1/1,000th interest in a share of 6.625% Fixed-Rate Reset Non-Cumulative Preferred Stock, Series B | AELPRB | New York Stock Exchange |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition

On November 7, 2023, the registrant issued a press release announcing its financial results for the quarter ended September 30, 2023, a copy of which is attached as Exhibit 99.1 and is incorporated herein by reference. The registrant's financial supplement for the quarter ended September 30, 2023, is attached as Exhibit 99.2 and is incorporated herein by reference.

The information, including exhibits attached hereto, furnished under this Item 2.02 shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. The information in this Current Report shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended, except as otherwise expressly stated in such filing.

Item 9.01. Financial Statements and Exhibits

| <u>Exhibit Number</u> | <u>Description</u> |
|-----------------------|--|
| 99.1 | Press release dated November 7, 2023, announcing American Equity Investment Life Holding Company's financial results for the quarter ended September 30, 2023. |
| 99.2 | American Equity Investment Life Holding Company's Financial Supplement for the quarter ended September 30, 2023. |
| 104 | The cover page from this Current Report on Form 8-K, formatted in Inline XBRL. |

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: November 7, 2023

**AMERICAN EQUITY
INVESTMENT LIFE HOLDING COMPANY**

By: /s/ Axel Andre
Axel Andre
Executive Vice President and Chief Financial Officer



For more information, contact:

Steven D. Schwartz, Head of Investor Relations
 (515) 273-3763, sschwartz@american-equity.com

FOR IMMEDIATE RELEASE

November 7, 2023

American Equity Reports Record Non-GAAP Operating ROE¹ and FIA Sales as the AEL 2.0 Strategy Delivers with 25% Allocation to Private Assets and Nearly 20% "Fee-Earning" Reinsured Balances

Company Highlights

- Third quarter 2023 net income available to common stockholders of \$465.2 million, or \$5.82 per diluted common share compared to net income of \$434.0 million, or \$4.90 per diluted common share for third quarter 2022 restated for the adoption of Accounting Standards Update 2018-12 — more commonly known as Long Duration Targeted Improvements or LDTI
- Non-GAAP operating income available to common stockholders¹ for the third quarter 2023 was \$195.5 million, or \$2.45 per diluted common share; Notable items² positively impacted results in the quarter by \$21.0 million, or \$0.26 per share, after-tax
- On a trailing twelve-month basis, GAAP return on equity of 47.3% and non-GAAP operating return on equity¹ of 18.6%
- Record total sales⁴ of \$2.2 billion, substantially all of which were in fixed index annuity (FIA) sales. Total FIA sales increased 18% from the second quarter of 2023 and 203% from the third quarter of 2022
- Investment yield improved sequentially by 27 basis points while raising a significant cash position in the investment portfolio
- Since the unveiling of the AEL 2.0 strategy three years ago, total investment portfolio yield, excluding non-trendable items³, is up 69 bps to 4.69% in the third quarter of 2023 compared to the third quarter of 2020 with on-balance sheet invested assets of \$49.7 billion and \$53.1 billion, respectively
- In the third quarter, ceded \$870 million of flow reinsurance to reinsurance partners creating "fee-like" revenues and growing account value subject to recurring fees under reinsurance agreements to \$11.6 billion
- Positive net flows in the quarter with account value in-force, net of reinsurance, up \$276 million to \$47.4 billion; Expected full year 2023 FIA sales of over \$7 billion

WEST DES MOINES, Iowa (November 7, 2023) – American Equity Investment Life Holding Company (NYSE: AEL), a leading issuer of fixed index annuities (FIAs), today reported its third quarter 2023 results. Sales momentum continued in both the independent agent channel and bank and broker-dealer channel resulting in record sales while the investment portfolio yield increased from the second quarter of 2023.

American Equity's President and CEO, Anant Bhalla stated: "We have delivered on every aspect of our strategy flywheel, achieving positive net flows and growing our new origination platform to an annualized run-rate of more than \$8 billion of FIA sales. Our in-house expertise in asset and market specialist selection positioned us to achieve a 25% allocation to private assets that has delivered 69 basis points of yield enhancement, excluding non-trendable items³, on our nearly \$50 billion of invested assets while currently holding \$6.8 billion, or 13.6% of the investment portfolio, in cash and cash equivalents. We expect this liquidity to be deployed opportunistically after the close of the planned merger transaction with Brookfield Reinsurance (NYSE, TSX: BNRE) to bring the total allocation to private assets within the AEL 2.0 strategy target of 30-40%. Our strong investment spread, in combination with \$11.6 billion of reinsured balances that generate capital-light, "fee-like" annualized run-rate earnings north of \$100 million, delivers a superior return on equity to traditional spread-based insurers as is evidenced by our trailing twelve-month return on equity, based on non-GAAP operating income available to common stockholders¹, of 18.6%."

Non-GAAP operating income available to common stockholders¹ for the third quarter of 2023 was \$195.5 million, or \$2.45 per diluted common share, compared to non-GAAP operating income (loss) available to common stockholders¹ of \$127.6 million, or \$1.62 per diluted common share, for the second quarter of 2023 and \$(8.7) million, or \$(0.10) per diluted common share, for the third quarter of 2022, restated for the adoption of LDTI. For the third quarter of 2023, non-GAAP operating income available to common stockholders¹ was positively affected by \$21.0 million, or \$0.26 per share, after taxes, from notable items². Results in the second quarter of 2023 included negative notable items² of \$8.9 million, or \$0.11 per share after taxes, while the third quarter of 2022 included negative notable items² of \$181.9 million, or \$2.05 per share after taxes.

The year-over-year change in quarterly non-GAAP operating income available to common stockholders¹ excluding the impact of notable items² reflects a decrease in the quarterly change in the Market Risk Benefit liability, increased recurring fee revenue related to reinsurance and higher surrender charge fee income.

Compared to the second quarter of 2023, quarterly non-GAAP operating income available to common stockholders¹ excluding the impact of notable items² increased reflecting improved investment spread, higher fee revenues, lower operating expenses, and a smaller increase in the Market Risk Benefit liability. Notable items² in the third and second quarters of 2023 reflect the special incentive compensation plan put in place in November 2022. In addition, notable items² in the third quarter include the effect of actuarial assumption revisions.

For the third quarter of 2023, net investment income rose to \$585 million, when adjusted to reflect non-GAAP operating income available to common stockholders¹, from \$547 million for the second quarter of 2023. Notable items² in the third quarter of 2023 totaled \$2 million reflecting the allocation of quarterly expense associated with the strategic incentive compensation award made in November 2022. The \$40 million increase in net investment income relative to the second quarter of 2023, adjusted to reflect non-GAAP operating income available to common stockholders¹ and notable items², reflects a 27-basis point improvement in effective yield on the investment portfolio.

Compared to the second quarter of 2023, third quarter surrender charge income increased \$12 million to \$46 million, reflecting both increased lapse activity associated with higher interest rates as well as cohort changes in policies being surrendered.

Outflows in the third quarter of 2023, including surrenders, income utilization and partial withdrawals, increased 8.7% compared to the second quarter of 2023 to nearly \$1.4 billion. Net deposits were also \$1.4 billion in the third quarter.

As of September 30, 2023, account value of business ceded subject to fee income was \$11.6 billion, up from \$10.9 billion three months earlier. Flow reinsurance ceded subject to fee income in the third quarter of 2023 totaled \$870 million of account value. Revenue associated with recurring fees under reinsurance agreements for the third quarter of 2023 totaled \$27 million compared to \$23 million for the second quarter of 2023, each as adjusted to reflect non-GAAP operating income available to common stockholders¹.

Interest sensitive and index product benefits in the third quarter increased \$19 million from the second quarter of 2023 to \$239 million when adjusted to reflect non-GAAP operating income available to common stockholders¹ primarily reflecting a \$14 million increase in the cost of money for deferred annuities. Interest sensitive and index product benefits adjusted to reflect non-GAAP operating income available to common stockholders¹ includes a benefit of from notable items² of \$2 million reflecting the annual actuarial assumption revision process. Cost of money for deferred annuities in the third quarter benefited from approximately \$6 million in hedging gains.

Compared to the second quarter of 2023, the change in the MRB liability decreased by \$46 million to \$(5.6) million when adjusted to reflect non-GAAP operating income available to common stockholders¹. Third quarter change in MRB liability when adjusted to reflect non-GAAP operating income available to common stockholders¹ included a benefit from notable items² of \$33 million reflecting the annual actuarial assumption revision process. Excluding actuarial assumption revisions, the change in the MRB liability adjusted to reflect non-GAAP operating income available to common stockholders¹ was \$14 million less than expected, consisting of a \$10 million benefit from reserves released due to higher-than-expected surrenders, and a \$7 million greater-than-modeled benefit from higher amortization of net deferred capital market impact due to favorable third quarter capital market changes, offset by \$3 million of other adverse experience. The change in the modeled expectation for the MRB liability, adjusted to reflect non-GAAP operating income available to common stockholders¹, for the fourth quarter of 2023 is \$32 million, based on current in-force. Fourth quarter 2023 expected change in the MRB liability includes an expected benefit from the amortization of capital market impacts on the fair value of market risk benefits of \$28 million.

Amortization of deferred policy acquisition and sales inducement cost was \$119 million for the third quarter of 2023. Amortization in the quarter included \$1 million of expense associated with new sales. For the fourth quarter of 2023, the modeled expectation for deferred acquisition cost and deferred sales inducement amortization is \$123 million before the effect of new sales and experience variances.

Other operating costs and expenses adjusted to reflect non-GAAP operating income available to common stockholders¹ for the third quarter of 2023 decreased to \$67 million, down \$9 million from the second quarter. Notable items² in the third and second quarters of 2023 were \$7 million and \$11 million, pre-tax, respectively, both reflecting quarterly expense associated with the strategic incentive compensation award made in November 2022.

The effective tax rate on pre-tax operating income available for common stockholders¹ for the third quarter of 2023 was 21.9% compared to the second quarter of 2023 tax rate of 20.8%.

INVESTMENT SPREAD INCREASES FROM PRIOR SEQUENTIAL QUARTER ON IMPROVED MARK-TO-MARKET PRIVATE ASSET RETURNS

American Equity's investment spread was 2.73% for the third quarter of 2023 compared to 2.57% for the second quarter of 2023 and 2.73% for the third quarter of 2022. Excluding non-trendable items³, adjusted investment spread increased to 2.68% in the third quarter of 2023 from 2.53% in the second quarter of 2023.

Average yield on invested assets was 4.69% in the third quarter of 2023 compared to 4.42% in the second quarter of 2023. The average adjusted yield on invested assets excluding non-trendable items³ was 4.69% in the third quarter of 2023 compared to 4.41% in the second quarter of 2023.

While the return on mark-to-market private assets improved from the second quarter of 2023, the contribution was \$10 million, or 8 basis points of yield, less than assumed rates of return used in our investment process.

During the third quarter of 2023, long-term investment asset purchases totaled \$630 million and were made at an average rate of 7.82%.

The point-in-time yield on the portfolio at September 30, 2023, was 4.79%. During the third quarter, we added \$6 billion to our cash and cash equivalents positions – at a weighted average yield of 5.47% – to raise additional liquidity. The increase in our cash and cash equivalents positions was funded by sales of high-quality structured securities, corporate debt securities, and new product sales.

The aggregate cost of money for annuity liabilities of 1.96% in the third quarter of 2023 was up 11 basis points compared to the second quarter of 2023. The cost of money in the third quarter of 2023 reflects a five-basis point benefit from the over-hedging of index-linked credits compared to a three-basis point benefit in the second quarter of 2023. The thirteen-basis point increase in the adjusted cost of money compared to the second quarter is in line with increased market costs.

Cost of options in the third quarter of 2023 averaged 2.02% compared to 1.93% in the second quarter of 2023, reflecting both market effects on the cost of options for renewals as well as higher option costs on new sales due to increases in caps, participation rates and credited interest rates on our annuity products over time consistent with the interest rate environment.

Net account balance growth in the second quarter was a positive \$276 million, or 0.6% of account values. Index credits in the third quarter increased to \$121 million from \$66 million in the second quarter of 2023.

FIA SALES INCREASE 18% FROM PRIOR SEQUENTIAL QUARTER TO NEW RECORD

Third quarter 2023 sales were \$2.2 billion, substantially all of which were in fixed index annuities. Total enterprise FIA sales increased 18% and 203% compared to the second quarter of 2023 and the third quarter of 2022, respectively. Compared to the second quarter of 2023, FIA sales at American Equity Life in the Independent Marketing Organization (IMO) channel increased 17%, while Eagle Life FIA sales through banks and broker-dealers rose 23%. The increase in FIA sales relative to the second quarter was driven by strong sales in the income product space.

Bhalla noted, "We achieved record FIA sales in the third quarter of 2023, despite going against trend and lowering S&P 500 caps on our accumulation products. Income product sales, which we believe is the most attractive sector in the FIA marketplace, were up 28% from the second quarter on a total enterprise basis to \$1.4 billion, while accumulation product sales increased 3% sequentially. We were particularly pleased with income product sales at Eagle Life, which were up 67% to \$409 million as we continue to benefit from our early mover advantage as demand grows for guaranteed lifetime retirement income products in the broker-dealer channel."

Bhalla continued, "With the pricing changes we made on accumulation products, we are very confident that new sales are making targeted double-digit returns. Total enterprise FIA sales in October were over \$750 million, and we now expect total enterprise FIA sales to be an all-time record for AEL in its 28 years of existence as we celebrate our 20th anniversary as a public company this December."

CREDIT AND CAPITAL METRICS REMAIN STABLE

With regard to credit markets, Jim Hamalainen, Chief Investment Officer, added, "Credit metrics in the investment portfolio remained stable in the third quarter, and our core fixed income portfolio is "A" rated. Total net realized losses for the quarter of approximately \$45 million were almost entirely interest rate-related as we raised liquidity. We saw very little deterioration in the commercial mortgage loan portfolio and all loans are current. Average loan-to-value of the commercial mortgage loan portfolio is now 51%, and 81% of the portfolio maintains a debt service coverage ratio of 1.2x or higher. Looking specifically at our direct office mortgage loan exposure, we are considerably underweight relative to our peers at just 8% of the commercial mortgage loan portfolio. The average debt service coverage ratio on the office mortgage loan portfolio is 1.86x with an average loan-to-value ratio of 61%. We have only \$7 million in principal amount of office mortgage loans maturing through the end of 2024 with just \$31 million set to mature in 2025."

Hamalainen continued, "We built up a substantial cash position in the investment portfolio of \$6.8 billion funded primarily through sales of the core fixed income portfolio – primarily high-quality structured assets and corporate debt securities – largely before the latest move higher in long-term interest rates. Our substantial cash holdings will help protect the company if macro-economic trends point to stubbornly high inflation or growing risks in the economy, while providing the company with substantial dry powder to take advantage of opportunities that may emerge in the private asset sector."

As of September 30, total adjusted capital at American Equity Investment Life Insurance Co. totaled \$4.0 billion with estimated excess capital of over \$500 million above rating agency requirements. Additionally, cash and equivalents at the holding company level was \$481 million at quarter-end.

PENDING MERGER WITH BROOKFIELD REINSURANCE

On July 5, 2023, Brookfield Reinsurance and American Equity announced that they had entered into a definitive agreement whereby Brookfield Reinsurance will acquire all outstanding shares of common stock of American Equity it does not already own in a cash and stock transaction that values AEL at approximately \$4.3 billion.

The merger is expected to close in the first half of 2024, subject to approval by American Equity shareholders and the satisfaction of other closing conditions customary for a transaction of this type, including receipt of insurance regulatory approvals in relevant jurisdictions. AEL will be holding a special meeting of its shareholders on November 10 to approve the merger agreement and the transactions contemplated by the merger agreement.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

The forward-looking statements in this release such as believe, build, confident, continue, could, estimate, expect, exposure, future, grow, likely, maintain, may, might, model, opportunity, outlook, plan, potential, proposed, risk, scenario, should, trend, will, would, and their derivative forms and similar words, as well as any projections of future results, are based on assumptions and expectations that involve risks and uncertainties, including the "Risk Factors" the company describes in its U.S. Securities and Exchange Commission filings and as described in the "Cautionary Notice Regarding Forward-Looking Statements" in AEL's July 5, 2023 news release. The Company's future results and events could differ, and it has no obligation to correct or update any of these statements.

ABOUT AMERICAN EQUITY

At American Equity Investment Life Holding Company, our policyholders work with over 40,000 independent agents and advisors affiliated with independent market organizations (IMOs), banks and broker-dealers through our wholly-owned operating subsidiaries. Advisors and agents choose one of our leading annuity products best suited for their clients' personal needs to create financial dignity in retirement. To deliver on its promises to policyholders, American Equity has re-framed its investment focus — building a stronger emphasis on insurance liability driven asset allocation and specializing in alternate, private asset management while partnering with world renowned, public fixed income asset managers. American Equity is headquartered in West Des Moines, Iowa with additional offices in Charlotte, NC, New York, NY and Miami, FL. For more information, please visit www.american-equity.com.

- 1 Use of non-GAAP financial measures is discussed in this release in the tables that follow the text of the release.
- 2 Notable items reflect the increase (decrease) to non-GAAP operating income (loss) available to common stockholders for certain matters where more detail may help investors better understand, evaluate, and forecast results. Notable items are further discussed in the tables that follow the text of the release.
- 3 Non-trendable items are the impact of investment yield – additional prepayment income and cost of money effect of over (under) hedging as shown in our September 30, 2023 financial supplement on page 10, "Spread Results".
- 4 For the purposes of this document, all references to sales are on a gross basis. Gross sales is defined as sales before the use of reinsurance.

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American Equity Investment Life Holding Company
Unaudited (Dollars in thousands, except per share data)

Consolidated Statements of Operations

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|-------------------------------------|-------------------|------------------------------------|---------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Revenues: | | | | |
| Premiums and other considerations | \$ 2,657 | \$ 2,839 | \$ 9,310 | \$ 16,748 |
| Annuity product charges | 84,316 | 60,819 | 218,549 | 168,688 |
| Net investment income | 586,614 | 609,737 | 1,690,622 | 1,769,468 |
| Change in fair value of derivatives | (383,026) | (176,671) | (94,397) | (1,160,371) |
| Net realized losses on investments | (44,672) | (15,860) | (97,138) | (62,259) |
| Other revenue | 20,763 | 10,988 | 53,893 | 29,213 |
| Total revenues | 266,652 | 491,852 | 1,780,839 | 761,487 |
| Benefits and expenses: | | | | |
| Insurance policy benefits and change in future policy benefits | 2,193 | 6,659 | 14,526 | 27,272 |
| Interest sensitive and index product benefits | 193,686 | 68,982 | 373,984 | 497,245 |
| Market risk benefits (gains) losses | (296,114) | 77,579 | (256,544) | (29,806) |
| Amortization of deferred sales inducements | 48,354 | 46,223 | 141,906 | 136,004 |
| Change in fair value of embedded derivatives | (451,806) | (415,374) | 166,398 | (2,695,007) |
| Interest expense on notes and loan payable | 12,003 | 8,984 | 34,248 | 21,870 |
| Interest expense on subordinated debentures | 1,340 | 1,333 | 4,014 | 3,996 |
| Amortization of deferred policy acquisition costs | 70,561 | 71,726 | 207,272 | 217,180 |
| Other operating costs and expenses | 76,630 | 59,470 | 226,331 | 177,137 |
| Total benefits and expenses | (343,153) | (74,418) | 912,135 | (1,644,109) |
| Income before income taxes | 609,805 | 566,270 | 868,704 | 2,405,596 |
| Income tax expense | 133,691 | 121,380 | 193,335 | 517,952 |
| Net income | 476,114 | 444,890 | 675,369 | 1,887,644 |
| Less: Net income (loss) available to noncontrolling interests | (42) | 1 | (156) | (3) |
| Net income available to American Equity Investment Life Holding Company stockholders | 476,156 | 444,889 | 675,525 | 1,887,647 |
| Less: Preferred stock dividends | 10,918 | 10,918 | 32,756 | 32,756 |
| Net income available to American Equity Investment Life Holding Company common stockholders | \$ 465,238 | \$ 433,971 | \$ 642,769 | \$ 1,854,891 |
| Earnings per common share | \$ 5.96 | \$ 4.95 | \$ 8.06 | \$ 20.09 |
| Earnings per common share - assuming dilution | \$ 5.82 | \$ 4.90 | \$ 7.92 | \$ 19.89 |
| Weighted average common shares outstanding (in thousands): | | | | |
| Earnings per common share | 78,034 | 87,707 | 79,719 | 92,339 |
| Earnings per common share - assuming dilution | 79,952 | 88,581 | 81,191 | 93,270 |

NON-GAAP FINANCIAL MEASURES

In addition to net income available to common stockholders, we have consistently utilized non-GAAP operating income (loss) available to common stockholders and non-GAAP operating income (loss) 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 (loss) available to common stockholders equals net income 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 (loss) 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 (loss) available to common stockholders together with net income available to common stockholders provides information that may enhance an investor's understanding of our underlying results and profitability.

Reconciliation from Net Income Available to Common Stockholders to Non-GAAP Operating Income (Loss) Available to Common Stockholders

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|-------------------------------------|-------------------|------------------------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Net income available to American Equity Investment Life Holding Company common stockholders | \$ 465,238 | \$ 433,971 | \$ 642,769 | \$ 1,854,891 |
| Adjustments to arrive at non-GAAP operating income (loss) available to common stockholders: | | | | |
| Net realized losses on financial assets, including credit losses | 46,771 | 16,945 | 93,892 | 67,724 |
| Change in fair value of derivatives and embedded derivatives | (115,747) | (400,952) | (34,361) | (1,718,972) |
| Capital markets impact on the change in fair value of market risk benefits | (290,558) | (179,509) | (338,308) | (395,926) |
| Net investment income | (1,746) | — | 372 | — |
| Other revenue | 5,969 | — | 17,907 | — |
| Expenses incurred related to acquisition | 9,714 | — | 9,714 | — |
| Income taxes | 75,879 | 120,802 | 55,487 | 441,836 |
| Non-GAAP operating income (loss) available to common stockholders | <u>\$ 195,520</u> | <u>\$ (8,743)</u> | <u>\$ 447,472</u> | <u>\$ 249,553</u> |
| Impact of excluding notable items (a) | <u>\$ (20,958)</u> | <u>\$ 181,890</u> | <u>\$ (2,500)</u> | <u>\$ 181,890</u> |

Per common share - assuming dilution:

| | | | | |
|---|------------------|------------------|------------------|----------------|
| Net income available to American Equity Investment Life Holding Company common stockholders | \$ 5.82 | \$ 4.90 | \$ 7.92 | \$ 19.89 |
| Adjustments to arrive at non-GAAP operating income (loss) available to common stockholders: | | | | |
| Net realized losses on financial assets, including credit losses | 0.58 | 0.19 | 1.16 | 0.73 |
| Change in fair value of derivatives and embedded derivatives | (1.44) | (4.52) | (0.42) | (18.43) |
| Capital markets impact on the change in fair value of market risk benefits | (3.63) | (2.03) | (4.17) | (4.25) |
| Net investment income | (0.02) | — | — | — |
| Other revenue | 0.07 | — | 0.22 | — |
| Expenses incurred related to acquisition | 0.12 | — | 0.12 | — |
| Income taxes | 0.95 | 1.36 | 0.68 | 4.74 |
| Non-GAAP operating income (loss) available to common stockholders | <u>\$ 2.45</u> | <u>\$ (0.10)</u> | <u>\$ 5.51</u> | <u>\$ 2.68</u> |
| Impact of excluding notable items (a) | <u>\$ (0.26)</u> | <u>\$ 2.05</u> | <u>\$ (0.03)</u> | <u>\$ 1.95</u> |

Notable Items

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|-------------------------------------|------------|------------------------------------|------------|
| | 2023 | 2022 | 2023 | 2022 |
| Notable items impacting non-GAAP operating income (loss) available to common stockholders: | | | | |
| Expense associated with strategic incentive award | \$ 6,610 | \$ — | \$ 25,068 | \$ — |
| Impact of actuarial assumption updates | (27,568) | 181,890 | (27,568) | 181,890 |
| Total notable items (a) | \$ (20,958) | \$ 181,890 | \$ (2,500) | \$ 181,890 |

(a) Notable items reflect the after-tax increase (decrease) to non-GAAP operating income (loss) available to common stockholders for certain matters where more detail may help investors better understand, evaluate, and forecast results.

For the three months ended September 30, 2023 and 2022, non-GAAP operating income (loss) available to common stockholders would decrease \$21.0 million and increase \$181.9 million, respectively, if we were to exclude the impact of notable items.

For the nine months ended September 30, 2023 and 2022, non-GAAP operating income (loss) available to common stockholders would decrease \$2.5 million and increase \$181.9 million, respectively, if we were to exclude the impact of notable items.

American Equity Investment Life Holding Company
Unaudited (Dollars in thousands, except share and per share data)

Book Value per Common Share

| | Q3 2023 |
|---|---------------------|
| Total stockholders' equity attributable to American Equity Investment Life Holding Company | \$ 2,053,576 |
| Equity available to preferred stockholders (a) | (700,000) |
| Total common stockholders' equity (b) | 1,353,576 |
| Accumulated other comprehensive (income) loss (AOCI) | 4,425,695 |
| Total common stockholders' equity excluding AOCI (b) | 5,779,271 |
| Net impact of fair value accounting for derivatives and embedded derivatives | (1,689,153) |
| Net capital markets impact on the fair value of market risk benefits | (866,530) |
| Total common stockholders' equity excluding AOCI and the net impact of fair value accounting for fixed index annuities (b) | \$ 3,223,588 |
| Common shares outstanding | 78,974,095 |
| Book Value per Common Share: (c) | |
| Book value per common share | \$ 17.14 |
| Book value per common share excluding AOCI (b) | \$ 73.18 |
| Book value per common share excluding AOCI and the net impact of fair value accounting for fixed index annuities (b) | \$ 40.82 |

- (a) Equity available to preferred stockholders is equal to the redemption value of outstanding preferred stock plus share dividends declared but not yet issued.
- (b) 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 fixed index annuities, 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 including 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 fixed index annuities, non-GAAP financial measures, are based on common stockholders' equity excluding AOCI and the net impact of fair value accounting for fixed index annuities. Since the net impact of fair value accounting for our fixed index annuity business is not economic in nature but rather impact the timing of reported results, we believe these non-GAAP financial measures provide useful supplemental information.
- (c) 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 fixed index annuities 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 fixed index annuities divided by the total number of shares of common stock outstanding.

NON-GAAP FINANCIAL MEASURES

Average Common Stockholders' Equity and Return on Average Common Stockholders' Equity

Return on average common stockholders' equity measures how efficiently we generate profits from the resources provided by our net assets. Return on average common stockholders' equity is calculated by dividing net income available to common stockholders, for the trailing twelve months, by average equity available to common stockholders. Non-GAAP operating return on average common stockholders' equity excluding average accumulated other comprehensive income (AOCI) and average net impact of fair value accounting for fixed index annuities is calculated by dividing non-GAAP operating income available to common stockholders, for the trailing twelve months, by average common stockholders' equity excluding average AOCI and average net impact of fair value accounting for fixed index annuities. We exclude AOCI because AOCI fluctuates from quarter to quarter due to unrealized changes in the fair value of available for sale investments. We exclude the net impact of fair value accounting for fixed index annuities as the amounts are not economic in nature but rather impact the timing of reported results.

| | Twelve Months Ended September 30, 2023 |
|--|---|
| Average Common Stockholders' Equity Attributable to American Equity Investment Life Holding Company, Excluding Average AOCI and Average Net Impact of Fair Value Accounting for Fixed Index Annuities | |
| Average total stockholders' equity | \$ 2,105,622 |
| Average equity available to preferred stockholders | (700,000) |
| Average equity available to common stockholders | 1,405,622 |
| Average AOCI | 4,205,096 |
| Average common stockholders' equity excluding average AOCI | 5,610,718 |
| Average net impact of fair value accounting for derivatives and embedded derivatives | (1,705,238) |
| Average net capital markets impact on the fair value of market risk benefits | (734,651) |
| Average common stockholders' equity excluding average AOCI and average net impact of fair value accounting for fixed index annuities | \$ 3,170,829 |
| Net income available to American Equity Investment Life Holding Company common stockholders | \$ 664,422 |
| Adjustments to arrive at non-GAAP operating income available to common stockholders: | |
| Net realized losses on financial assets, including credit losses | 74,432 |
| Change in fair value of derivatives and embedded derivatives | 135,406 |
| Capital markets impact on the change in fair value of market risk benefits | (335,999) |
| Net investment income | 1,848 |
| Other revenue | 23,876 |
| Expenses incurred related to acquisition | 9,714 |
| Income taxes | 15,489 |
| Non-GAAP operating income available to common stockholders | \$ 589,188 |
| Impact of excluding notable items (a) | \$ (2,500) |
| Return on Average Common Stockholders' Equity Attributable to American Equity Investment Life Holding Company | |
| Net income available to common stockholders | 47.3 % |
| Return on Average Common Stockholders' Equity Attributable to American Equity Investment Life Holding Company, Excluding Average AOCI and Average Net Impact of Fair Value Accounting for Fixed Index Annuities | |
| Non-GAAP operating income available to common stockholders | 18.6 % |

Notable Items

| | Twelve Months Ended September 30, 2023 |
|---|---|
| Notable items impacting non-GAAP operating income available to common stockholders: | |
| Expense associated with strategic incentive award | \$ 25,068 |
| Impact of actuarial assumption updates | (27,568) |
| Total notable items (a) | \$ (2,500) |

(a) Notable items reflect the after-tax increase (decrease) to non-GAAP operating income (loss) available to common stockholders for certain matters where more detail may help investors better understand, evaluate, and forecast results.

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY
Financial Supplement

September 30, 2023

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Effective January 1, 2023, American Equity Investment Life Holding Company (the "Company") adopted Accounting Standards Update 2018-12, Targeted Improvements to the Accounting for Long-Duration Contracts (LDTI). The Company applied this guidance as of the transition date of January 1, 2021, and retrospectively adjusted prior period amounts to reflect the new guidance. The prior period numbers within this financial supplement have been recast, to the extent impacted by LDTI, from the original financial supplements published by the Company.

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY
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Unaudited (Dollars in thousands)

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS

| | September 30, 2023 | December 31, 2022 |
|---|----------------------|----------------------|
| Assets | | |
| Investments: | | |
| Fixed maturity securities, available for sale, at fair value | \$ 32,084,932 | \$ 39,804,617 |
| Mortgage loans on real estate | 7,494,983 | 6,949,027 |
| Real estate investments | 1,302,185 | 1,056,063 |
| Limited partnerships and limited liability companies | 1,763,551 | 1,266,779 |
| Derivative instruments | 733,784 | 431,727 |
| Other investments | 1,207,672 | 1,817,085 |
| Total investments | 44,587,107 | 51,325,298 |
| Cash and cash equivalents | 10,188,438 | 1,919,669 |
| Coinsurance deposits | 14,628,884 | 13,254,956 |
| Market risk benefits | 346,515 | 229,871 |
| Accrued investment income | 443,642 | 497,851 |
| Deferred policy acquisition costs | 2,933,304 | 2,773,643 |
| Deferred sales inducements | 2,257,064 | 2,045,683 |
| Deferred income taxes | 425,398 | 438,434 |
| Income taxes recoverable | 55,498 | 55,498 |
| Other assets | 847,047 | 642,696 |
| Total assets | \$ 76,712,897 | \$ 73,183,599 |
| Liabilities and Stockholders' Equity | | |
| Liabilities: | | |
| Policy benefit reserves | \$ 60,226,094 | \$ 58,781,836 |
| Market risk benefits | 2,552,907 | 2,455,492 |
| Other policy funds and contract claims | 196,299 | 512,790 |
| Notes and loan payable | 787,098 | 792,073 |
| Subordinated debentures | 79,017 | 78,753 |
| Funds withheld for reinsurance liabilities | 8,139,724 | 6,577,426 |
| Other liabilities | 2,655,213 | 1,614,479 |
| Total liabilities | 74,636,352 | 70,812,849 |
| Stockholders' equity: | | |
| Preferred stock, Series A | 16 | 16 |
| Preferred stock, Series B | 12 | 12 |
| Common stock | 78,974 | 84,810 |
| Additional paid-in capital | 1,071,907 | 1,325,316 |
| Accumulated other comprehensive loss | (4,425,695) | (3,746,230) |
| Retained earnings | 5,328,362 | 4,685,593 |
| Total stockholders' equity attributable to American Equity Investment Life Holding Company | 2,053,576 | 2,349,517 |
| Noncontrolling interests | 22,969 | 21,233 |
| Total stockholders' equity | 2,076,545 | 2,370,750 |
| Total liabilities and stockholders' equity | \$ 76,712,897 | \$ 73,183,599 |

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AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY
CONSOLIDATED STATEMENTS OF OPERATIONS

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|-------------------------------------|------------|------------------------------------|--------------|
| | 2023 | 2022 | 2023 | 2022 |
| Revenues: | | | | |
| Premiums and other considerations | \$ 2,657 | \$ 2,839 | \$ 9,310 | \$ 16,748 |
| Annuity product charges | 84,316 | 60,819 | 218,549 | 168,688 |
| Net investment income | 586,614 | 609,737 | 1,690,622 | 1,769,468 |
| Change in fair value of derivatives | (383,026) | (176,671) | (94,397) | (1,160,371) |
| Net realized losses on investments | (44,672) | (15,860) | (97,138) | (62,259) |
| Other revenue | 20,763 | 10,988 | 53,893 | 29,213 |
| Total revenues | 266,652 | 491,852 | 1,780,839 | 761,487 |
| Benefits and expenses: | | | | |
| Insurance policy benefits and change in future policy benefits | 2,193 | 6,659 | 14,526 | 27,272 |
| Interest sensitive and index product benefits | 193,686 | 68,982 | 373,984 | 497,245 |
| Market risk benefits (gains) losses | (296,114) | 77,579 | (256,544) | (29,806) |
| Amortization of deferred sales inducements | 48,354 | 46,223 | 141,906 | 136,004 |
| Change in fair value of embedded derivatives | (451,806) | (415,374) | 166,398 | (2,695,007) |
| Interest expense on notes and loan payable | 12,003 | 8,984 | 34,248 | 21,870 |
| Interest expense on subordinated debentures | 1,340 | 1,333 | 4,014 | 3,996 |
| Amortization of deferred policy acquisition costs | 70,561 | 71,726 | 207,272 | 217,180 |
| Other operating costs and expenses | 76,630 | 59,470 | 226,331 | 177,137 |
| Total benefits and expenses | (343,153) | (74,418) | 912,135 | (1,644,109) |
| Income before income taxes | 609,805 | 566,270 | 868,704 | 2,405,596 |
| Income tax expense | 133,691 | 121,380 | 193,335 | 517,952 |
| Net income | 476,114 | 444,890 | 675,369 | 1,887,644 |
| Less: Net income (loss) available to noncontrolling interests | (42) | 1 | (156) | (3) |
| Net income available to American Equity Investment Life Holding Company stockholders | 476,156 | 444,889 | 675,525 | 1,887,647 |
| Less: Preferred stock dividends | 10,918 | 10,918 | 32,756 | 32,756 |
| Net income available to American Equity Investment Life Holding Company common stockholders | \$ 465,238 | \$ 433,971 | \$ 642,769 | \$ 1,854,891 |
| Earnings per common share | | | | |
| Earnings per common share | \$ 5.96 | \$ 4.95 | \$ 8.06 | \$ 20.09 |
| Earnings per common share - assuming dilution | \$ 5.82 | \$ 4.90 | \$ 7.92 | \$ 19.89 |
| Weighted average common shares outstanding (in thousands): | | | | |
| Earnings per common share | 78,034 | 87,707 | 79,719 | 92,339 |
| Earnings per common share - assuming dilution | 79,952 | 88,581 | 81,191 | 93,270 |

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Quarterly Summary - Most Recent 5 Quarters

| | Q3 2023 | Q2 2023 | Q1 2023 | Q4 2022 | Q3 2022 |
|---|------------|------------|--------------|-----------|------------|
| Revenues: | | | | | |
| Traditional life insurance premiums | \$ 1,842 | \$ 629 | \$ 698 | \$ 626 | \$ 634 |
| Life contingent immediate annuity considerations | 815 | 1,887 | 3,439 | 2,365 | 2,205 |
| Surrender charges | 45,550 | 33,777 | 26,542 | 22,030 | 19,783 |
| Lifetime income benefit rider fees | 38,766 | 37,865 | 36,049 | 39,636 | 41,036 |
| Net investment income | 586,614 | 542,685 | 561,323 | 537,995 | 609,737 |
| Change in fair value of derivatives | (383,026) | 242,739 | 45,890 | 22,243 | (176,671) |
| Net realized gains (losses) on investments | (44,672) | (24,679) | (27,787) | 14,411 | (15,860) |
| Other revenue (a) | 20,763 | 16,736 | 16,394 | 13,032 | 10,988 |
| Total revenues | 266,652 | 851,639 | 662,548 | 652,338 | 491,852 |
| Benefits and expenses: | | | | | |
| Traditional life insurance policy benefits and change in future policy benefits (b) | 3,623 | 940 | 1,206 | 944 | 118 |
| Life contingent immediate annuity benefits and change in future policy benefits (c) | (1,430) | 4,185 | 6,002 | 5,004 | 6,541 |
| Interest sensitive and index product benefits | 193,686 | 122,387 | 57,911 | 57,626 | 68,982 |
| Market risk benefits (gains) losses (d) | (296,114) | (144,124) | 183,694 | 33,490 | 77,579 |
| Amortization of deferred sales inducements | 48,354 | 46,951 | 46,601 | 45,966 | 46,223 |
| Change in fair value of embedded derivatives (e) | (451,806) | 213,764 | 404,440 | 342,409 | (415,374) |
| Interest expense on notes payable | 12,003 | 11,227 | 11,018 | 10,228 | 8,984 |
| Interest expense on subordinated debentures | 1,340 | 1,338 | 1,336 | 1,335 | 1,333 |
| Amortization of deferred policy acquisition costs | 70,561 | 68,476 | 68,235 | 66,831 | 71,726 |
| Other operating costs and expenses | 76,630 | 75,697 | 74,004 | 62,389 | 59,470 |
| Total benefits and expenses | (343,153) | 400,841 | 854,447 | 626,222 | (74,418) |
| Income (loss) before income taxes | 609,805 | 450,798 | (191,899) | 26,116 | 566,270 |
| Income tax expense (benefit) | 133,691 | 95,652 | (36,008) | (6,817) | 121,380 |
| Net income (loss) (b)(c)(d)(e) | 476,114 | 355,146 | (155,891) | 32,933 | 444,890 |
| Less: Net income (loss) available to noncontrolling interests | (42) | (217) | 103 | 361 | 1 |
| Net income (loss) available to American Equity Investment Life Holding Company stockholders (b)(c)(d)(e) | 476,156 | 355,363 | (155,994) | 32,572 | 444,889 |
| Less: Preferred stock dividends | 10,918 | 10,919 | 10,919 | 10,919 | 10,918 |
| Net income (loss) available to American Equity Investment Life Holding Company common stockholders (b)(c)(d)(e) | \$ 465,238 | \$ 344,444 | \$ (166,913) | \$ 21,653 | \$ 433,971 |
| Earnings (loss) per common share | \$ 5.96 | \$ 4.43 | \$ (2.00) | \$ 0.25 | \$ 4.95 |
| Earnings (loss) per common share - assuming dilution (b)(c)(d)(e) | \$ 5.82 | \$ 4.36 | \$ (2.00) | \$ 0.25 | \$ 4.90 |
| Weighted average common shares outstanding (thousands): | | | | | |
| Earnings (loss) per common share | 78,034 | 77,767 | 83,417 | 85,274 | 87,707 |
| Earnings (loss) per common share - assuming dilution | 79,952 | 78,928 | 83,417 | 86,402 | 88,581 |

- (a) Other revenue consists of reinsurance related fee revenue including asset liability management fees and amortization of the deferred gain associated with the cost of reinsurance.
- (b) Q3 2023 includes expense from the update of assumptions used in determining the deferred profit liability. The impact increased traditional life insurance policy benefits and change in future policy benefits by \$2.3 million and decreased both net income and net income available to common stockholders by \$1.8 million and decreased earnings per common share - assuming dilution by \$0.02 per share.

Q3 2022 includes benefit from the update of assumptions used in determining the deferred profit liability. The impact decreased traditional life insurance policy benefits and change in future policy benefits by \$0.5 million and increased both net income and net income available to common stockholders by \$0.4 million and did not impact earnings per common share - assuming dilution.

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- (c) Q3 2023 includes benefit from the update of assumptions used in determining the liability for future policyholder benefits. The impact decreased life contingent immediate annuity benefits and change in future policy benefits by \$4.6 million and increased both net income and net income available to common stockholders by \$3.6 million and increased earnings per common share - assuming dilution by \$0.05 per share.

Q3 2022 includes expense from the update of assumptions used in determining the liability for future policyholder benefits. The impact increased life contingent immediate annuity benefits and change in future policy benefits by \$1.3 million and decreased both net income and net income available to common stockholders by \$1.0 million and decreased earnings per common share - assuming dilution by \$0.01 per share.

- (d) Q3 2023 includes benefit from the update of assumptions used in determining the reserves held for market risk benefits. The impact decreased market risk benefits (gains) losses by \$63.3 million and increased both net income and net income available to common stockholders by \$49.7 million and increased earnings per common share - assuming dilution by \$0.62 per share.

Q3 2022 includes expense from the update of assumptions used in determining the reserves held for market risk benefits. The impact increased market risk benefits (gains) losses by \$229.4 million and decreased both net income and net income available to common stockholders by \$181.3 million and decreased earnings per common share - assuming dilution by \$2.05 per share.

- (e) Q3 2023 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 \$84.4 million and decreased both net income and net income available to common stockholders by \$66.2 million and decreased earnings per common share - assuming dilution by \$0.83 per share.

Q3 2022 includes 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.

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NON-GAAP FINANCIAL MEASURES

In addition to net income available to common stockholders, we have consistently utilized non-GAAP operating income (loss) available to common stockholders and non-GAAP operating income (loss) 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 (loss) available to common stockholders equals net income 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 (loss) 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 (loss) available to common stockholders together with net income available to common stockholders provides information that may enhance an investor's understanding of our underlying results and profitability.

Reconciliation from Net Income Available to Common Stockholders to Non-GAAP Operating Income (Loss) Available to Common Stockholders

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|-------------------------------------|------------|------------------------------------|--------------|
| | 2023 | 2022 | 2023 | 2022 |
| Net income available to American Equity Investment Life Holding Company common stockholders | \$ 465,238 | \$ 433,971 | \$ 642,769 | \$ 1,854,891 |
| Adjustments to arrive at non-GAAP operating income (loss) available to common stockholders: | | | | |
| Net realized losses on financial assets, including credit losses | 46,771 | 16,945 | 93,892 | 67,724 |
| Change in fair value of derivatives and embedded derivatives | (115,747) | (400,952) | (34,361) | (1,718,972) |
| Capital markets impact on the change in fair value of market risk benefits | (290,558) | (179,509) | (338,308) | (395,926) |
| Net investment income | (1,746) | — | 372 | — |
| Other revenue | 5,969 | — | 17,907 | — |
| Expenses incurred related to acquisition | 9,714 | — | 9,714 | — |
| Income taxes | 75,879 | 120,802 | 55,487 | 441,836 |
| Non-GAAP operating income (loss) available to common stockholders | \$ 195,520 | \$ (8,743) | \$ 447,472 | \$ 249,553 |
| Impact of excluding notable items (a) | \$ (20,958) | \$ 181,890 | \$ (2,500) | \$ 181,890 |
| Per common share - assuming dilution: | | | | |
| Net income available to American Equity Investment Life Holding Company common stockholders | \$ 5.82 | \$ 4.90 | \$ 7.92 | \$ 19.89 |
| Adjustments to arrive at non-GAAP operating income (loss) available to common stockholders: | | | | |
| Net realized losses on financial assets, including credit losses | 0.58 | 0.19 | 1.16 | 0.73 |
| Change in fair value of derivatives and embedded derivatives | (1.44) | (4.52) | (0.42) | (18.43) |
| Capital markets impact on the change in fair value of market risk benefits | (3.63) | (2.03) | (4.17) | (4.25) |
| Net investment income | (0.02) | — | — | — |
| Other revenue | 0.07 | — | 0.22 | — |
| Expenses incurred related to acquisition | 0.12 | — | 0.12 | — |
| Income taxes | 0.95 | 1.36 | 0.68 | 4.74 |
| Non-GAAP operating income (loss) available to common stockholders | \$ 2.45 | \$ (0.10) | \$ 5.51 | \$ 2.68 |
| Impact of excluding notable items (a) | \$ (0.26) | \$ 2.05 | \$ (0.03) | \$ 1.95 |
| Notable items impacting non-GAAP operating income (loss) available to common stockholders: | | | | |
| Expense associated with strategic incentive award | \$ 6,610 | \$ — | \$ 25,068 | \$ — |
| Impact of actuarial assumption updates | (27,568) | 181,890 | (27,568) | 181,890 |
| Total notable items (a) | \$ (20,958) | \$ 181,890 | \$ (2,500) | \$ 181,890 |

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(a) Notable items reflect the after-tax increase (decrease) to non-GAAP operating income (loss) available to common stockholders for certain matters where more detail may help investors better understand, evaluate, and forecast results.

For the three months ended September 30, 2023 and 2022, non-GAAP operating income (loss) available to common stockholders would decrease \$21.0 million and increase \$181.9 million, respectively, if we were to exclude the impact of notable items.

For the nine months ended September 30, 2023 and 2022, non-GAAP operating income (loss) available to common stockholders would decrease \$2.5 million and increase \$181.9 million, respectively, if we were to exclude the impact of notable items.

NON-GAAP FINANCIAL MEASURES

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

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|-------------------------------------|---------------------|------------------------------------|-----------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Net realized losses on financial assets, including credit losses: | | | | |
| Net realized losses on financial assets, including credit losses | \$ 46,771 | \$ 16,945 | \$ 93,892 | \$ 67,724 |
| Income taxes | (10,056) | (3,643) | (20,187) | (14,560) |
| | <u>\$ 36,715</u> | <u>\$ 13,302</u> | <u>\$ 73,705</u> | <u>\$ 53,164</u> |
| Change in fair value of derivatives and embedded derivatives: | | | | |
| Fixed index annuities | \$ 12,979 | \$ (299,168) | \$ 58,831 | \$ (1,218,988) |
| Reinsurance contracts | (128,726) | (116,230) | (84,096) | (518,096) |
| Interest rate swaps | — | 14,446 | (9,096) | 18,112 |
| Income taxes | 26,461 | 85,850 | 8,956 | 371,271 |
| | <u>\$ (89,286)</u> | <u>\$ (315,102)</u> | <u>\$ (25,405)</u> | <u>\$ (1,347,701)</u> |
| Capital market impact on the fair value of market risk benefits: | | | | |
| Capital markets impact on the change in fair value of market risk benefits | \$ (318,409) | \$ (197,977) | \$ (401,846) | \$ (433,651) |
| Amortization of capital markets impact on the fair value of market risk benefits | 27,851 | 18,468 | 63,538 | 37,725 |
| Income taxes | 62,470 | 38,595 | 72,736 | 85,125 |
| | <u>\$ (228,088)</u> | <u>\$ (140,914)</u> | <u>\$ (265,572)</u> | <u>\$ (310,801)</u> |
| Net investment income: | | | | |
| Income associated with assets transferred under reinsurance treaty | \$ (1,746) | \$ — | \$ 372 | \$ — |
| Income taxes | 375 | — | (80) | — |
| | <u>\$ (1,371)</u> | <u>\$ —</u> | <u>\$ 292</u> | <u>\$ —</u> |
| Other revenue: | | | | |
| Amortization of deferred fees associated with reinsurance treaties | \$ 5,969 | \$ — | \$ 17,907 | \$ — |
| Income taxes | (1,283) | — | (3,850) | — |
| | <u>\$ 4,686</u> | <u>\$ —</u> | <u>\$ 14,057</u> | <u>\$ —</u> |
| Other operating costs and expenses: | | | | |
| Expenses incurred related to acquisition | \$ 9,714 | \$ — | \$ 9,714 | \$ — |
| Income taxes | (2,088) | — | (2,088) | — |
| | <u>\$ 7,626</u> | <u>\$ —</u> | <u>\$ 7,626</u> | <u>\$ —</u> |

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NON-GAAP FINANCIAL MEASURES

Quarterly Summary - Most Recent 5 Quarters

Reconciliation from Net Income (Loss) Available to Common Stockholders to Non-GAAP Operating Income (Loss) Available to Common Stockholders

| | Q3 2023 | Q2 2023 | Q1 2023 | Q4 2022 | Q3 2022 |
|--|-------------|------------|--------------|------------|------------|
| Net income (loss) available to American Equity Investment Life Holding Company common stockholders | \$ 465,238 | \$ 344,444 | \$ (166,913) | \$ 21,653 | \$ 433,971 |
| Adjustments to arrive at non-GAAP operating income (loss) available to common stockholders: | | | | | |
| Net realized (gains) losses on financial assets, including credit losses | 46,771 | 22,737 | 24,384 | (19,460) | 16,945 |
| Change in fair value of derivatives and embedded derivatives | (115,747) | (124,816) | 206,202 | 169,767 | (400,952) |
| Capital markets impact on the change in fair value of market risk benefits | (290,558) | (184,700) | 136,950 | 2,309 | (179,509) |
| Net investment income | (1,746) | 4,609 | (2,491) | 1,476 | — |
| Other revenue | 5,969 | 5,969 | 5,969 | 5,969 | — |
| Expenses incurred related to acquisition | 9,714 | — | — | — | — |
| Income taxes | 75,879 | 59,373 | (79,765) | (39,998) | 120,802 |
| Non-GAAP operating income (loss) available to common stockholders (c)(d)(e) | \$ 195,520 | \$ 127,616 | \$ 124,336 | \$ 141,716 | \$ (8,743) |
| Impact of excluding notable items (a) | \$ (20,958) | \$ 8,892 | \$ 9,566 | \$ — | \$ 181,890 |

Per common share - assuming dilution:

| | | | | | |
|--|-----------|---------|-----------|---------|-----------|
| Net income (loss) available to American Equity Investment Life Holding Company common stockholders | \$ 5.82 | \$ 4.36 | \$ (2.00) | \$ 0.25 | \$ 4.90 |
| Adjustments to arrive at non-GAAP operating income (loss) available to common stockholders: | | | | | |
| Anti-dilutive impact for losses (b) | — | — | 0.03 | — | — |
| Net realized (gains) losses on financial assets, including credit losses | 0.58 | 0.29 | 0.29 | (0.23) | 0.19 |
| Change in fair value of derivatives and embedded derivatives | (1.44) | (1.58) | 2.43 | 1.96 | (4.52) |
| Capital markets impact on the change in fair value of market risk benefits | (3.63) | (2.34) | 1.62 | 0.03 | (2.03) |
| Net investment income | (0.02) | 0.06 | (0.03) | 0.02 | — |
| Other revenue | 0.07 | 0.08 | 0.07 | 0.07 | — |
| Expenses incurred related to acquisition | 0.12 | — | — | — | — |
| Income taxes | 0.95 | 0.75 | (0.94) | (0.46) | 1.36 |
| Non-GAAP operating income (loss) available to common stockholders (c)(d)(e) | \$ 2.45 | \$ 1.62 | \$ 1.47 | \$ 1.64 | \$ (0.10) |
| Impact of excluding notable items (a) | \$ (0.26) | \$ 0.11 | \$ 0.11 | \$ — | \$ 2.05 |

Notable Items

| | Q3 2023 | Q2 2023 | Q1 2023 | Q4 2022 | Q3 2022 |
|--|-------------|----------|----------|---------|------------|
| Notable items impacting non-GAAP operating income (loss) available to common stockholders: | | | | | |
| Expense associated with strategic incentive award | \$ 6,610 | \$ 8,892 | \$ 9,566 | \$ — | \$ — |
| Impact of actuarial assumption updates | (27,568) | — | — | — | 181,890 |
| Total notable items (a) | \$ (20,958) | \$ 8,892 | \$ 9,566 | \$ — | \$ 181,890 |

(a) Notable items reflect the after-tax increase (decrease) to non-GAAP operating income (loss) available to common stockholders for certain matters where more detail may help investors better understand, evaluate, and forecast results. For the three months ended September 30, 2023, June 30, 2023, March 31, 2023 and September 30, 2022, non-GAAP operating income available to common stockholders would decrease \$21.0 million and increase \$8.9 million, \$9.6 million and \$181.9 million, respectively, if we were to exclude the impact of notable items.

(b) For periods with a loss, dilutive shares were not included in the calculation as inclusion of such shares would have an anti-dilutive effect.

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- (c) Q3 2023 includes expense from the update of assumptions used in determining the deferred profit liability. The impact increased traditional life insurance policy benefits and change in future policy benefits by \$2.3 million and decreased non-GAAP operating income available to common stockholders by \$1.8 million and decreased non-GAAP operating earnings per common share - assuming dilution by \$0.02 per share.

Q3 2022 includes benefit from the update of assumptions used in determining the deferred profit liability. The impact decreased traditional life insurance policy benefits and change in future policy benefits by \$0.5 million and increased non-GAAP operating income available to common stockholders by \$0.4 million and did not impact non-GAAP operating earnings per common share - assuming dilution.

- (d) Q3 2023 includes benefit from the update of assumptions used in determining the liability for future policyholder benefits. The impact decreased life contingent immediate annuity benefits and change in future policy benefits by \$4.6 million and increased non-GAAP operating income available to common stockholders by \$3.6 million and increased non-GAAP operating earnings per common share - assuming dilution by \$0.05 per share.

Q3 2022 includes expense from the update of assumptions used in determining the liability for future policyholder benefits. The impact increased life contingent immediate annuity benefits and change in future policy benefits by \$1.3 million and decreased non-GAAP operating income available to common stockholders by \$1.0 million and decreased non-GAAP operating earnings per common share - assuming dilution by \$0.01 per share.

- (e) Q3 2023 includes benefit from the update of assumptions used in determining the reserves held for market risk benefits. The impact decreased market risk benefits (gains) losses by \$32.8 million and increased non-GAAP operating income available to common stockholders by \$25.8 million and increased non-GAAP operating earnings per common share - assuming dilution by \$0.32 per share.

Q3 2022 includes expense from the update of assumptions used in determining the reserves held for market risk benefits. The impact increased market risk benefits (gains) losses by \$231.0 million and decreased non-GAAP operating income available to common stockholders by \$181.3 million and decreased non-GAAP operating earnings per common share - assuming dilution by \$2.05 per share.

NON-GAAP FINANCIAL MEASURES

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

| | Q3 2023 | Q2 2023 | Q1 2023 | Q4 2022 | Q3 2022 |
|---|--------------|--------------|------------|-------------|--------------|
| Net realized (gains) losses on investments | \$ 44,672 | \$ 24,679 | \$ 27,787 | \$ (14,411) | \$ 15,860 |
| Net investment income | (1,746) | 4,609 | (2,491) | 1,476 | — |
| Other revenue | 5,969 | 5,969 | 5,969 | 5,969 | — |
| Change in fair value of derivatives | 336,059 | (338,579) | (198,239) | (172,643) | 14,423 |
| Increase (decrease) in total revenues | 384,954 | (303,322) | (166,974) | (179,609) | 30,283 |
| Change in fair value of embedded derivatives | 451,806 | (213,764) | (404,440) | (342,409) | 415,374 |
| Market risk benefits (gains) losses | 290,558 | 184,700 | (136,950) | (2,309) | 179,509 |
| Interest sensitive and index product benefits (a) | (2,099) | 1,943 | 3,402 | 5,048 | (1,084) |
| Other operating costs and expenses | (9,714) | — | — | — | — |
| Increase (decrease) in total benefits and expenses | 730,551 | (27,121) | (537,988) | (339,670) | 593,799 |
| Increase (decrease) in income (loss) before income taxes | (345,597) | (276,201) | 371,014 | 160,061 | (563,516) |
| Increase (decrease) in income tax expense benefit | (75,879) | (59,373) | 79,765 | 39,998 | (120,802) |
| Increase (decrease) in net income (loss) available to common stockholders | \$ (269,718) | \$ (216,828) | \$ 291,249 | \$ 120,063 | \$ (442,714) |

- (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.

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Capitalization/Book Value per Common Share

| | Q3 2023 | Q2 2023 | Q1 2023 | Q4 2022 | Q3 2022 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Capitalization: | | | | | |
| Notes and loan payable | \$ 800,000 | \$ 800,000 | \$ 800,000 | \$ 800,000 | \$ 800,000 |
| Subordinated debentures payable to subsidiary trusts | 79,017 | 78,927 | 78,839 | 78,753 | 78,668 |
| Total debt | 879,017 | 878,927 | 878,839 | 878,753 | 878,668 |
| Total stockholders' equity attributable to American Equity Investment Life Holding Company | 2,053,576 | 2,571,915 | 2,605,485 | 2,349,517 | 2,157,667 |
| Total capitalization | 2,932,593 | 3,450,842 | 3,484,324 | 3,228,270 | 3,036,335 |
| Accumulated other comprehensive loss (AOCI) | 4,425,695 | 3,425,248 | 3,036,429 | 3,746,230 | 3,984,496 |
| Total capitalization excluding AOCI (a) | \$ 7,358,288 | \$ 6,876,090 | \$ 6,520,753 | \$ 6,974,500 | \$ 7,020,831 |
| Total stockholders' equity attributable to American Equity Investment Life Holding Company | \$ 2,053,576 | \$ 2,571,915 | \$ 2,605,485 | \$ 2,349,517 | \$ 2,157,667 |
| Equity available to preferred stockholders (b) | (700,000) | (700,000) | (700,000) | (700,000) | (700,000) |
| Total common stockholders' equity (c) | 1,353,576 | 1,871,915 | 1,905,485 | 1,649,517 | 1,457,667 |
| Accumulated other comprehensive loss | 4,425,695 | 3,425,248 | 3,036,429 | 3,746,230 | 3,984,496 |
| Total common stockholders' equity excluding AOCI (c) | 5,779,271 | 5,297,163 | 4,941,914 | 5,395,747 | 5,442,163 |
| Net impact of fair value accounting for derivatives and embedded derivatives | (1,689,153) | (1,587,599) | (1,490,297) | (1,652,169) | (1,721,324) |
| Net capital markets impact on the fair value of market risk benefits | (866,530) | (638,442) | (493,452) | (600,958) | (602,772) |
| Total common stockholders' equity excluding AOCI and the net impact of fair value accounting for fixed index annuities (c) | \$ 3,223,588 | \$ 3,071,122 | \$ 2,958,165 | \$ 3,142,620 | \$ 3,118,067 |
| Common shares outstanding | 78,974,095 | 78,047,941 | 77,753,194 | 84,810,255 | 85,966,505 |
| Book Value per Common Share: (d) | | | | | |
| Book value per common share | \$ 17.14 | \$ 23.98 | \$ 24.51 | \$ 19.45 | \$ 16.96 |
| Book value per common share excluding AOCI (c) | \$ 73.18 | \$ 67.87 | \$ 63.56 | \$ 63.62 | \$ 63.31 |
| Book value per common share excluding AOCI and the net impact of fair value accounting for fixed index annuities (c) | \$ 40.82 | \$ 39.35 | \$ 38.05 | \$ 37.05 | \$ 36.27 |
| Debt-to-Capital Ratios: (e) | | | | | |
| Senior debt / Total capitalization | 10.9 % | 11.6 % | 12.3 % | 11.5 % | 11.4 % |
| Total debt / Total capitalization | 11.9 % | 12.8 % | 13.5 % | 12.6 % | 12.5 % |

- (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 fixed index annuities, 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 fixed index annuities, non-GAAP financial measures, are based on common stockholders' equity excluding AOCI and the net impact of fair value accounting for fixed index annuities. Since the net impact of fair value accounting for our fixed index annuity business is 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 fixed index annuities 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 fixed index annuities divided by the total number of shares of common stock outstanding.
- (e) Debt-to-capital ratios are computed using total capitalization excluding AOCI.

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Spread Results

| Nine Months Ended September 30, | | | Q3 2023 | Q2 2023 | Q1 2023 | Q4 2022 | Q3 2022 |
|------------------------------------|---------------|---|---------------|---------------|---------------|---------------|---------------|
| 2023 | 2022 | | | | | | |
| 4.52% | 4.33% | Average yield on invested assets | 4.69% | 4.42% | 4.48% | 4.30% | 4.48% |
| 1.87% | 1.69% | Aggregate cost of money | 1.96% | 1.85% | 1.81% | 1.76% | 1.75% |
| 2.65% | 2.64% | Aggregate investment spread | 2.73% | 2.57% | 2.67% | 2.54% | 2.73% |
| | | Impact of: | | | | | |
| 0.01% | 0.04% | Investment yield - additional prepayment income | —% | 0.01% | —% | 0.01% | 0.03% |
| 0.03% | 0.02% | Cost of money effect of over hedging | 0.05% | 0.03% | —% | —% | —% |
| \$ 49,430,113 | \$ 54,553,196 | Weighted average investments | \$ 49,528,255 | \$ 49,125,197 | \$ 49,304,219 | \$ 50,040,228 | \$ 54,378,154 |
| 49,658,435 | 54,056,886 | Ending investments | 49,658,435 | 49,398,076 | 48,852,319 | 49,811,623 | 54,056,886 |

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

| Nine Months Ended September 30, | | | Q3 2023 | Q2 2023 | Q1 2023 | Q4 2022 | Q3 2022 |
|------------------------------------|---------------|---|---------------|---------------|---------------|---------------|---------------|
| 2023 | 2022 | | | | | | |
| | | Investment income: | | | | | |
| \$ 1,606,636 | \$ 1,597,011 | Fixed income (a) | \$ 539,584 | \$ 533,930 | \$ 533,122 | \$ 511,077 | \$ 547,326 |
| 69,562 | 173,533 | Mark-to-market private asset income (a) | 40,900 | 9,035 | 19,627 | 26,816 | 61,671 |
| \$ 1,676,198 | \$ 1,770,544 | Total non-GAAP investment income (b) | \$ 580,484 | \$ 542,965 | \$ 552,749 | \$ 537,893 | \$ 608,997 |
| | | Investment yield: | | | | | |
| 4.56% | 4.01% | Fixed income investment yield | 4.61% | 4.57% | 4.52% | 4.26% | 4.16% |
| 3.75% | 16.44% | Mark-to-market private asset yield | 6.12% | 1.48% | 3.61% | 5.29% | 13.89% |
| 4.52% | 4.33% | Total investment yield | 4.69% | 4.42% | 4.48% | 4.30% | 4.48% |
| | | Weighted average investments: | | | | | |
| \$ 46,959,205 | \$ 53,146,050 | Fixed income investments | \$ 46,853,771 | \$ 46,684,803 | \$ 47,129,120 | \$ 48,012,311 | \$ 52,602,319 |
| 2,470,908 | 1,407,146 | Mark-to-market private assets | 2,674,484 | 2,440,394 | 2,175,099 | 2,027,917 | 1,775,835 |
| \$ 49,430,113 | \$ 54,553,196 | Total weighted average investments | \$ 49,528,255 | \$ 49,125,197 | \$ 49,304,219 | \$ 50,040,228 | \$ 54,378,154 |

(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 (loss) on page 5. The net impact of the adjustments for income associated with cash held by the Holding Company and tax exempt investment income was \$4,384 thousand in Q3 2023, \$4,329 thousand in Q2 2023, \$6,083 thousand in Q1 2023, \$1,578 thousand in Q4 2022, and \$740 thousand in Q3 2022, respectively.

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Summary of Cost of Money for Deferred Annuities

| Nine Months Ended September 30, | | | Q3 2023 | Q2 2023 | Q1 2023 | Q4 2022 | Q3 2022 |
|------------------------------------|-------------------|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| 2023 | 2022 | | | | | | |
| | | Included in interest sensitive and index product benefits: | | | | | |
| \$ 189,934 | \$ 301,431 | Index credits | \$ 120,894 | \$ 65,507 | \$ 3,533 | \$ 3,861 | \$ 4,648 |
| 175,097 | 184,487 | Interest credited | 61,546 | 57,235 | 56,316 | 56,402 | 62,383 |
| | | Included in change in fair value of derivatives: | | | | | |
| (199,800) | (308,072) | Proceeds received at option expiration | (126,750) | (69,449) | (3,601) | (4,061) | (4,865) |
| 496,866 | 492,669 | Pro rata amortization of option cost | 175,603 | 163,992 | 157,271 | 154,463 | 167,197 |
| <u>\$ 662,097</u> | <u>\$ 670,515</u> | Cost of money for deferred annuities | <u>\$ 231,293</u> | <u>\$ 217,285</u> | <u>\$ 213,519</u> | <u>\$ 210,665</u> | <u>\$ 229,363</u> |
| \$ 47,273,505 | \$ 52,811,080 | Weighted average liability balance outstanding | \$ 47,280,339 | \$ 47,086,271 | \$ 47,266,672 | \$ 47,802,219 | \$ 52,337,208 |

Annuity Account Balance Rollforward

| Nine Months Ended September 30, | | | Q3 2023 | Q2 2023 | Q1 2023 | Q4 2022 | Q3 2022 |
|------------------------------------|----------------------|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2023 | 2022 | | | | | | |
| \$ 47,504,615 | \$ 53,191,277 | Account balances at beginning of period | \$ 47,143,582 | \$ 47,031,605 | \$ 47,504,615 | \$ 51,913,689 | \$ 52,762,558 |
| — | (257,779) | Reserves ceded - in-force | — | — | — | (3,810,982) | (257,779) |
| 47,504,615 | 52,933,498 | Account balance at beginning of period, net of reinsurance ceded | 47,143,582 | 47,031,605 | 47,504,615 | 48,102,707 | 52,504,779 |
| 3,273,742 | 1,734,231 | Net deposits | 1,366,125 | 1,174,953 | 732,664 | 613,084 | 496,940 |
| 353,287 | 74,074 | Premium bonuses | 171,164 | 136,856 | 45,267 | 33,617 | 27,385 |
| 365,031 | 485,918 | Fixed interest credited and index credits | 182,440 | 122,742 | 59,849 | 60,263 | 67,031 |
| (105,869) | (50,669) | Surrender charges | (45,550) | (33,777) | (26,542) | (22,030) | (19,783) |
| (112,680) | (118,019) | Lifetime income benefit rider fees | (38,766) | (37,865) | (36,049) | (39,636) | (41,036) |
| (3,858,709) | (3,145,344) | Surrenders, withdrawals, deaths, etc. | (1,359,578) | (1,250,932) | (1,248,199) | (1,243,390) | (1,121,627) |
| <u>\$ 47,419,417</u> | <u>\$ 51,913,689</u> | Account balances at end of period | <u>\$ 47,419,417</u> | <u>\$ 47,143,582</u> | <u>\$ 47,031,605</u> | <u>\$ 47,504,615</u> | <u>\$ 51,913,689</u> |

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MRB Liability

| Nine Months Ended September 30, | | | Q3 2023 | Q2 2023 | Q1 2023 | Q4 2022 | Q3 2022 |
|------------------------------------|--------------|--|--------------|--------------|--------------|--------------|--------------|
| 2023 | 2022 | | | | | | |
| \$ 1,521,954 | \$ 2,362,947 | MRB balance at beginning of period | \$ 1,587,694 | \$ 1,632,918 | \$ 1,521,954 | \$ 1,762,629 | \$ 1,721,376 |
| — | 4,496 | Reserves ceded - in-force | — | — | — | (331,020) | 4,496 |
| (2,202) | 6,199 | Issuances | (3,052) | (2,071) | 2,921 | 1,230 | 1,366 |
| 95,288 | 42,288 | Interest accrual | 32,355 | 33,374 | 29,559 | 23,910 | 20,626 |
| 85,798 | 87,901 | Attributed fees collected | 29,354 | 28,247 | 28,197 | 29,585 | 29,010 |
| — | — | Benefits payments | — | — | — | — | — |
| (368,525) | (433,651) | Effect of changes in interest rates and equity markets | (284,238) | (202,709) | 118,422 | (16,236) | (197,978) |
| (69,648) | 268,853 | Effect of changes in assumptions and policyholder behavior | (70,544) | (974) | 1,870 | (5,023) | 224,522 |
| 205,606 | (576,404) | Effect of changes in instrument specific credit risk | 176,702 | 98,909 | (70,005) | 56,879 | (40,789) |
| 1,468,271 | 1,762,629 | MRB balance at end of period, net (a) | 1,468,271 | 1,587,694 | 1,632,918 | 1,521,954 | 1,762,629 |
| 1,103,860 | 767,862 | MRB net deferred capital markets impact, end of period | 1,103,860 | 813,302 | 628,602 | 765,552 | 767,862 |
| \$ 2,572,131 | \$ 2,530,491 | Non-GAAP MRB balance, end of period (b) | \$ 2,572,131 | \$ 2,400,996 | \$ 2,261,520 | \$ 2,287,506 | \$ 2,530,491 |

- (a) The MRB balance is the MRB liability net of the MRB asset and reinsurance recoverable asset associated with the ceded MRB. The reinsurance recoverable asset associated with the ceded MRB is included in coinsurance deposits on the Consolidated Balance Sheet.
- (b) Non-GAAP MRB balance is comprised of the GAAP MRB balance adjusted for the pre-tax cumulative effect of the deferral of capital markets impact on the fair value of MRB. See page 9 for the non-GAAP definition and reconciliation of total common stockholders' equity to total common stockholders' equity excluding AOCI and the net impact of fair value accounting for fixed index annuities which includes the adjustment for the after-tax cumulative effect of the deferral of capital markets impact on the fair value of MRB.

Account Values Subject to Recurring Fees Under Reinsurance Agreements

| Nine Months Ended September 30, | | | Q3 2023 | Q2 2023 | Q1 2023 | Q4 2022 | Q3 2022 |
|------------------------------------|--------------|--|---------------|---------------|---------------|--------------|--------------|
| 2023 | 2022 | | | | | | |
| \$ 9,642,336 | \$ 4,660,690 | Account value of business ceded subject to fee income at beginning of period | \$ 10,863,738 | \$ 10,155,767 | \$ 9,642,336 | \$ 5,612,098 | \$ 5,065,538 |
| — | 257,779 | In-force account value ceded subject to fee income | — | — | — | 3,810,982 | 257,779 |
| 2,325,594 | 693,629 | Premiums on business ceded subject to fee income | 870,021 | 821,413 | 634,160 | 351,971 | 288,781 |
| (375,263) | — | Disbursements on business ceded subject to fee income | (141,092) | (113,442) | (120,729) | (132,715) | — |
| \$ 11,592,667 | \$ 5,612,098 | Account value of business ceded subject to fee income at end of period | \$ 11,592,667 | \$ 10,863,738 | \$ 10,155,767 | \$ 9,642,336 | \$ 5,612,098 |
| \$ 71,800 | \$ 29,213 | Non-GAAP operating revenue associated with recurring fees (a) | \$ 26,732 | \$ 22,705 | \$ 22,363 | \$ 19,001 | \$ 10,988 |

- (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 7 for the reconciliation of Net Income (Loss) to Non-GAAP Operating Income (Loss) and page 8 for the summary of adjustments to arrive at Non-GAAP Operating Income (Loss).

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Annuity Deposits by Product Type

| Nine Months Ended September 30, | | | Q3 2023 | Q2 2023 | Q1 2023 | Q4 2022 | Q3 2022 |
|------------------------------------|--------------|------------------------------------|--------------|--------------|------------|------------|------------|
| 2023 | 2022 | | | | | | |
| | | American Equity Life: | | | | | |
| \$ 3,922,839 | \$ 2,055,120 | Fixed index annuities | \$ 1,715,362 | \$ 1,471,638 | \$ 735,839 | \$ 637,021 | \$ 627,444 |
| 1,777 | 3,473 | Annual reset fixed rate annuities | 250 | 834 | 693 | 1,856 | 1,271 |
| 206,193 | 7,295 | Multi-year fixed rate annuities | 13,127 | 37,032 | 156,034 | 49,216 | 4,465 |
| 915 | 18,441 | Single premium immediate annuities | 210 | 278 | 427 | 494 | 1,915 |
| 4,131,724 | 2,084,329 | | 1,728,949 | 1,509,782 | 892,993 | 688,587 | 635,095 |
| | | Eagle Life: | | | | | |
| 1,133,303 | 333,507 | Fixed index annuities | 498,431 | 406,273 | 228,599 | 145,772 | 102,379 |
| 3,039 | 150 | Annual reset fixed rate annuities | — | 1,770 | 1,269 | 230 | 143 |
| 341,777 | 17,147 | Multi-year fixed rate annuities | 10,616 | 82,932 | 248,229 | 65,434 | 14,684 |
| 1,478,119 | 350,804 | | 509,047 | 490,975 | 478,097 | 211,436 | 117,206 |
| | | Consolidated: | | | | | |
| 5,056,142 | 2,388,627 | Fixed index annuities | 2,213,793 | 1,877,911 | 964,438 | 782,793 | 729,823 |
| 4,816 | 3,623 | Annual reset fixed rate annuities | 250 | 2,604 | 1,962 | 2,086 | 1,414 |
| 547,970 | 24,442 | Multi-year fixed rate annuities | 23,743 | 119,964 | 404,263 | 114,650 | 19,149 |
| 915 | 18,441 | Single premium immediate annuities | 210 | 278 | 427 | 494 | 1,915 |
| 5,609,843 | 2,435,133 | Total before coinsurance ceded | 2,237,996 | 2,000,757 | 1,371,090 | 900,023 | 752,301 |
| 2,335,186 | 682,461 | Coinsurance ceded | 871,661 | 825,526 | 637,999 | 286,445 | 253,446 |
| \$ 3,274,657 | \$ 1,752,672 | Net after coinsurance ceded | \$ 1,366,335 | \$ 1,175,231 | \$ 733,091 | \$ 613,578 | \$ 498,855 |

Surrender Charge Protection and Account Values by Product Type

Annuity Surrender Charges and Net (of Coinsurance) Account Values at September 30, 2023:

| Product Type | Surrender Charge | | | Net Account Value | |
|-----------------------------------|---------------------|----------------------|------------------|----------------------|---------|
| | Avg. Years At Issue | Avg. Years Remaining | Avg. % Remaining | Dollars in Thousands | % |
| Fixed Index Annuities | 12.1 | 4.8 | 8.0% | \$ 41,949,830 | 88.5 % |
| Annual Reset Fixed Rate Annuities | 7.2 | 1.5 | 3.1% | 1,153,026 | 2.4 % |
| Multi-Year Fixed Rate Annuities | 3.9 | 1.2 | 6.9% | 4,316,561 | 9.1 % |
| Total | 11.3 | 4.4 | 7.7% | \$ 47,419,417 | 100.0 % |

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Annuity Liability Characteristics

| <u>Surrender Charge Percentages:</u> | Fixed Annuities Account Value | Fixed Index Annuities Account Value |
|---|--|--|
| No surrender charge | \$ 884,374 | \$ 4,935,647 |
| 0.0% < 2.0% | 69,501 | 2,720,098 |
| 2.0% < 3.0% | 21,420 | 3,207,130 |
| 3.0% < 4.0% | 11,004 | 710,847 |
| 4.0% < 5.0% | 6,347 | 2,913,937 |
| 5.0% < 6.0% | 44,961 | 2,044,412 |
| 6.0% < 7.0% | 72,481 | 2,386,991 |
| 7.0% < 8.0% | 3,716,813 | 2,063,075 |
| 8.0% < 9.0% | 322,400 | 3,543,497 |
| 9.0% < 10.0% | 140,766 | 3,301,744 |
| 10.0% or greater | 179,520 | 14,122,452 |
| | <u>\$ 5,469,587</u> | <u>\$ 41,949,830</u> |

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| Surrender Charge Expiration By Year: | Fixed and Fixed Index Annuities Account Value | Weighted Average Surrender Charge |
|---|--|--|
| Out of Surrender Charge | \$ 5,820,021 | 0.00 % |
| 2023 | 1,758,500 | 4.68 % |
| 2024 | 3,655,105 | 4.51 % |
| 2025 | 4,894,123 | 3.59 % |
| 2026 | 4,439,164 | 5.12 % |
| 2027 | 3,855,433 | 6.50 % |
| 2028 | 3,916,461 | 7.93 % |
| 2029 | 3,892,192 | 9.37 % |
| 2030 | 3,599,233 | 10.97 % |
| 2031 | 3,680,800 | 13.05 % |
| 2032 | 3,147,057 | 13.74 % |
| 2033 | 3,345,772 | 15.83 % |
| 2034 | 642,054 | 17.52 % |
| 2035 | 332,756 | 18.16 % |
| 2036 | 191,196 | 18.61 % |
| 2037 | 119,832 | 19.12 % |
| 2038 | 100,996 | 19.60 % |
| 2039 | 28,722 | 20.00 % |
| | <u>\$ 47,419,417</u> | <u>7.73 %</u> |

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 September 30, 2023 for the \$12.3 billion of account value of fixed annuities and funds allocated to the fixed rate strategy for fixed index annuities would decrease by 0.26%.

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 \$35.1 billion of account value allocated to index strategies, the cost of options would decrease by 1.59% based upon prices of options for the week ended September 30, 2023.

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Summary of Invested Assets

| | September 30, 2023 | | December 31, 2022 | |
|--|--------------------|---------|-------------------|---------|
| | Carrying Amount | Percent | Carrying Amount | Percent |
| Fixed maturity securities: | | | | |
| U.S. Government and agencies | \$ 162,885 | 0.4 % | \$ 169,071 | 0.4 % |
| States, municipalities and territories | 2,564,632 | 6.6 % | 3,822,943 | 8.5 % |
| Foreign corporate securities and foreign governments | 376,549 | 1.0 % | 616,938 | 1.4 % |
| Corporate securities | 15,327,047 | 39.2 % | 20,201,774 | 44.8 % |
| Residential mortgage backed securities | 1,179,159 | 3.0 % | 1,366,927 | 3.0 % |
| Commercial mortgage backed securities | 2,666,615 | 6.8 % | 3,447,075 | 7.6 % |
| Other asset backed securities | 4,544,208 | 11.6 % | 5,155,254 | 11.4 % |
| Total fixed maturity securities | 26,821,095 | 68.6 % | 34,779,982 | 77.1 % |
| Mortgage loans on real estate | 7,253,036 | 18.6 % | 6,778,977 | 15.0 % |
| Real estate investments | 1,302,185 | 3.3 % | 1,056,063 | 2.3 % |
| Limited partnerships and limited liability companies | 1,763,551 | 4.5 % | 1,266,779 | 2.8 % |
| Derivative instruments | 733,784 | 1.9 % | 431,727 | 1.0 % |
| Other investments | 1,207,672 | 3.1 % | 829,900 | 1.8 % |
| Total investments, net of modified coinsurance investments | 39,081,323 | 100.0 % | 45,143,428 | 100.0 % |
| Coinsurance investments (a) | 5,505,784 | | 6,181,870 | |
| Total investments | \$ 44,587,107 | | \$ 51,325,298 | |

(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 - September 30, 2023

| NAIC Designation (b) | Amortized Cost | Carrying Amount | Percent | Rating Agency Rating (b) | Amortized Cost | Carrying Amount | Percent |
|-----------------------------|----------------|-----------------|---------|-----------------------------|----------------|-----------------|---------|
| 1 | \$ 19,327,495 | \$ 16,056,424 | 60.0 % | Aaa/Aa/A | \$ 19,135,971 | \$ 15,898,906 | 59.4 % |
| 2 | 11,960,953 | 10,118,937 | 37.8 % | Baa | 12,120,183 | 10,243,694 | 38.3 % |
| 3 | 486,580 | 424,137 | 1.6 % | Ba | 465,323 | 408,223 | 1.6 % |
| 4 | 116,264 | 98,929 | 0.4 % | B | 134,646 | 113,734 | 0.4 % |
| 5 | 61,334 | 45,253 | 0.2 % | Caa | 72,400 | 55,761 | 0.2 % |
| 6 | 10,000 | 7,127 | — % | Ca and lower | 34,103 | 30,489 | 0.1 % |
| | 31,962,626 | 26,750,807 | 100.0 % | | 31,962,626 | 26,750,807 | 100.0 % |
| Coinsurance investments (a) | 5,792,530 | 5,263,837 | | Coinsurance investments (a) | 5,792,530 | 5,263,837 | |
| | \$ 37,755,156 | \$ 32,014,644 | | | \$ 37,755,156 | \$ 32,014,644 | |

(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.

(b) The table excludes residual tranche securities that are not rated with an amortized cost of \$58,394 and carrying amount of \$70,288 as of September 30, 2023.

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Watch List Securities - September 30, 2023

| 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 | \$ (5,211) | \$ 15,446 |
| Corporate securities - Public securities | 31,490 | — | 31,490 | (3,174) | 28,316 |
| Corporate securities - Private placement securities | 5,902 | (2,911) | 2,991 | (1,220) | 1,771 |
| Residential mortgage backed securities | 56,503 | (97) | 56,406 | (9,757) | 46,649 |
| Commercial mortgage backed securities | 140,270 | — | 140,270 | (29,352) | 110,918 |
| Other asset backed securities | 1,632 | — | 1,632 | (17) | 1,615 |
| Collateralized loan obligations | 159,599 | (610) | 158,989 | (22,537) | 136,452 |
| | <u>\$ 416,053</u> | <u>\$ (3,618)</u> | <u>\$ 412,435</u> | <u>\$ (71,268)</u> | <u>\$ 341,167</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.

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Fixed Maturity Securities by Sector

| | September 30, 2023 | | December 31, 2022 | |
|--|----------------------|----------------------|----------------------|----------------------|
| | Amortized Cost | Fair Value | Amortized Cost | Fair Value |
| Available for sale: | | | | |
| U.S. Government and agencies | \$ 172,650 | \$ 162,885 | \$ 173,638 | \$ 169,071 |
| States, municipalities and territories | 3,198,030 | 2,564,632 | 4,356,191 | 3,822,943 |
| Foreign corporate securities and foreign governments | 471,253 | 376,549 | 680,263 | 616,938 |
| Corporate securities: | | | | |
| Capital goods | 1,196,803 | 955,857 | 1,601,113 | 1,395,595 |
| Consumer discretionary | 3,986,069 | 3,098,900 | 5,086,479 | 4,320,219 |
| Energy | 898,830 | 777,821 | 1,219,370 | 1,111,891 |
| Financials | 5,912,712 | 4,993,005 | 6,467,052 | 5,634,229 |
| Government non-guaranteed | 172,445 | 140,264 | 202,740 | 179,440 |
| Industrials | 105,153 | 74,555 | 166,061 | 138,999 |
| Information technology | 951,613 | 751,771 | 1,344,461 | 1,160,067 |
| Materials | 838,165 | 662,877 | 1,169,188 | 1,021,288 |
| Telecommunications | 1,054,950 | 801,928 | 1,306,495 | 1,090,868 |
| Transportation | 872,240 | 728,781 | 1,100,681 | 975,393 |
| Utilities | 2,861,062 | 2,272,475 | 3,620,946 | 3,115,520 |
| Other | 71,761 | 68,813 | 58,184 | 58,265 |
| Residential mortgage backed securities: | | | | |
| Government agency | 741,965 | 666,154 | 806,999 | 754,349 |
| Prime | 359,188 | 292,854 | 387,838 | 334,613 |
| Alt-A | 54,056 | 52,653 | 54,910 | 58,091 |
| Non-qualified mortgage | 161,973 | 149,121 | 169,847 | 157,960 |
| Other | 18,355 | 18,377 | 62,235 | 61,914 |
| Commercial mortgage backed securities: | | | | |
| Government agency | 145,436 | 131,881 | 170,307 | 157,903 |
| Non-agency | 3,011,835 | 2,534,734 | 3,668,300 | 3,289,172 |
| Other asset backed securities: | | | | |
| Auto | 248,005 | 244,709 | 44,450 | 41,896 |
| Consumer discretionary | 567,460 | 527,291 | 122,068 | 118,843 |
| Financials | 307,945 | 282,731 | 283,238 | 252,493 |
| Collateralized loan obligations | 3,004,676 | 2,870,726 | 4,071,929 | 3,775,347 |
| Other | 636,390 | 618,751 | 1,005,440 | 966,675 |
| | 32,021,020 | 26,821,095 | 39,400,423 | 34,779,982 |
| Coinsurance investments (a) | 5,792,530 | 5,263,837 | 5,465,596 | 5,024,635 |
| | <u>\$ 37,813,550</u> | <u>\$ 32,084,932</u> | <u>\$ 44,866,019</u> | <u>\$ 39,804,617</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.

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Mortgage Loans on Real Estate

| | September 30, 2023 | | December 31, 2022 | |
|-----------------------------------|--------------------|---------|-------------------|---------|
| | Principal | Percent | Principal | Percent |
| Property type distribution | | | | |
| Commercial mortgage loans: | | | | |
| Office | \$ 248,345 | 3.4 % | \$ 277,767 | 4.1 % |
| Retail | 806,724 | 11.2 % | 878,352 | 13.0 % |
| Industrial/Warehouse | 887,129 | 12.3 % | 853,215 | 12.6 % |
| Apartment | 986,690 | 13.6 % | 893,910 | 13.2 % |
| Hotel | 285,271 | 3.9 % | 285,271 | 4.2 % |
| Mixed Use/Other | 77,140 | 1.1 % | 200,756 | 3.0 % |
| Agricultural mortgage loans | 585,020 | 8.1 % | 567,630 | 8.4 % |
| Residential mortgage loans | 3,359,939 | 46.4 % | 2,807,652 | 41.5 % |
| | 7,236,258 | 100.0 % | 6,764,553 | 100.0 % |
| Coinsurance investments (a) | 243,203 | | 171,633 | |
| | \$ 7,479,461 | | \$ 6,936,186 | |

| | Commercial | | Agricultural | |
|--|----------------|-------------|----------------|-------------|
| | Amortized Cost | Average LTV | Amortized Cost | Average LTV |
| As of September 30, 2023: | | | | |
| Debt Service Coverage Ratio: | | | | |
| Greater than or equal to 1.5 | \$ 2,322,151 | 50% | \$ 275,965 | 49% |
| Greater than or equal to 1.2 and less than 1.5 | 332,692 | 60% | 247,369 | 52% |
| Greater than or equal to 1.0 and less than 1.2 | 575,795 | 47% | 15,741 | 43% |
| Less than 1.0 | 56,421 | 54% | 44,238 | 41% |
| | 3,287,059 | 51% | 583,313 | 50% |
| Coinsurance investments (a) | 241,947 | 50% | — | —% |
| | \$ 3,529,006 | 51% | \$ 583,313 | 50% |

| | | | | |
|--|--------------|-----|------------|-----|
| 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% |
| | 3,384,508 | 54% | 565,963 | 45% |
| Coinsurance investments (a) | 170,050 | 61% | — | —% |
| | \$ 3,554,558 | 54% | \$ 565,963 | 45% |

(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.

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| | September 30, 2023 | | | |
|--|--------------------------|-------------------|---------------------|---------------------|
| | Commercial | Agricultural | Residential | Total |
| Credit exposure - by payment activity | | | | |
| Performing | \$ 3,291,299 | \$ 585,020 | \$ 3,266,094 | \$ 7,142,413 |
| In workout | — | — | — | — |
| Delinquent | — | — | 93,845 | 93,845 |
| Principal outstanding | 3,291,299 | 585,020 | 3,359,939 | 7,236,258 |
| Unamortized discounts and premiums, net | (958) | — | 67,138 | 66,180 |
| Deferred fees and costs, net | (3,282) | (1,707) | 669 | (4,320) |
| Amortized cost | 3,287,059 | 583,313 | 3,427,746 | 7,298,118 |
| Valuation allowance | (21,802) | (1,105) | (22,175) | (45,082) |
| Carrying value | 3,265,257 | 582,208 | 3,405,571 | 7,253,036 |
| Coinsurance investments (a) | 241,947 | — | — | 241,947 |
| | <u>\$ 3,507,204</u> | <u>\$ 582,208</u> | <u>\$ 3,405,571</u> | <u>\$ 7,494,983</u> |
| | 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> |

(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.

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Shareholder Information

| | A.M. Best | S&P | Fitch |
|---|------------|------------|-------------|
| Financial Strength Ratings | | | |
| American Equity Investment Life Insurance Company | A- (watch) | A- (watch) | A- (stable) |
| American Equity Investment Life Insurance Company of New York | A- (watch) | A- (watch) | A- (stable) |
| Eagle Life Insurance Company | A- (watch) | A- (watch) | A- (stable) |

Credit Ratings

| | | | |
|---|--------------|--------------|------|
| American Equity Investment Life Holding Company | bbb- (watch) | BBB- (watch) | BBB |
| Senior unsecured debt | bbb- (watch) | BBB- | BBB- |
| Perpetual, non-cumulative preferred stock | bb (watch) | BB | BB |

Corporate Offices:

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

Inquiries:

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

Common Stock and Dividend Information:

New York Stock Exchange symbol: "AEL"

| | High | Low | Close | Dividend Declared |
|----------------|---------|---------|---------|-------------------|
| 2023 | | | | |
| First Quarter | \$48.37 | \$31.57 | \$36.49 | \$0.00 |
| Second Quarter | \$53.68 | \$35.22 | \$52.11 | \$0.00 |
| Third Quarter | \$54.44 | \$51.73 | \$53.64 | \$0.00 |
| 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 |

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, Head of Investor Relations, at (515) 273-3763 or by visiting our website at www.american-equity.com.

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Research Analyst Coverage

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

Suneet Kamath
Jefferies
(212) 778-8602
skamath@jefferies.com

Ryan Krueger
Keefe, Bruyette & Woods
(860) 722-5930
rkrueger@kbw.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 Hughes
Truist Securities
(615) 748-4422
mark.hughes@research.truist.com