

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 08, 2021

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 8, 2021, the registrant issued a press release announcing its financial results for the quarter ended September 30, 2021, 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, 2021, 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	<u>Press release dated November 8, 2021, announcing American Equity Investment Life Holding Company's financial results for the quarter ended September 30, 2021.</u>
99.2	<u>American Equity Investment Life Holding Company's Financial Supplement for the quarter ended September 30, 2021.</u>
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 8, 2021

**AMERICAN EQUITY
INVESTMENT LIFE HOLDING COMPANY**

By: /s/ Scott A. Samuelson
Scott A. Samuelson
Vice President and Chief Accounting Officer



For more information, contact:

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

FOR IMMEDIATE RELEASE

November 8, 2021

American Equity Reports Third Quarter 2021 Results

Company Highlights

- Third quarter 2021 net income available to common stockholders of \$141.9 million, or \$1.53 per diluted common share compared to net income available to common stockholders of \$661.3 million, or \$7.17 per diluted common share, for third quarter 2020
- Third quarter 2021 non-GAAP operating income available to common stockholders, excluding notable items¹, of \$136.3 million, or \$1.46 per diluted common share
- Only notable item this quarter, the annual actuarial update, negatively impacted non-GAAP operating income¹ by \$56.8 million, or \$0.61 per diluted common share
- Closed industry re-defining reinsurance partnership with Brookfield Asset Management Re
- Signed agreements with BlackRock and Conning to manage core fixed income and syndicated private placement investments in the quarter; Executed migration of over \$45 billion of invested assets since quarter-end
- Deployed \$375 million in private assets in the quarter bringing year-to-date as of today total to \$2.5 billion; Private assets are at approximately 15% of total invested assets as part of plans to ramp to 30-40% asset allocation over time
- Book value per common share of \$61.34 at September 30, 2021; Non-GAAP book value per common share excluding accumulated other comprehensive income (AOCI)¹ of \$40.19; Excluding both AOCI and net impact of accounting for fair value of derivatives and embedded derivatives, non-GAAP book value per common share¹ of \$37.33

WEST DES MOINES, Iowa (November 8, 2021) - American Equity Investment Life Holding Company (NYSE: AEL), a leading issuer of fixed index annuities (FIAs) today reported on its third quarter 2021 results. These results include substantial progress on the key goals of AEL 2.0 by closing a major reinsurance transaction with Brookfield that generates on-going fee revenues for American Equity and committing significant amounts of the cash the company had on hand to key private asset classes. The majority of investment commitments made in the third quarter represent the continued expansion of American Equity's allocation to residential and commercial real estate assets while the capital deployed in private assets was across middle market corporate loans, agriculture loans and real estate debt.

American Equity's President and CEO, Anant Bhalla, noted the tremendous progress the company has made since the AEL 2.0 strategy was introduced last October, stating: "I am proud of the pace of execution in all three elements of the virtuous fly-wheel of our business strategy. Now we have in place the necessary building blocks of the American Equity strategy. Over the next few years, we intend to further scale up the following three areas: allocation to private assets, total assets earning fees or investment spread, and third party capital through reinsurance. This should result in the realization of the full potential of our business strategy; thereby improving shareholder returns by migration to the capital-light model we envisioned. Beyond that, AEL is re-imaging its target markets to be The Financial Dignity Company that delights customers as they realize financial dignity from our solutions well beyond their prime earnings years."

Non-GAAP operating income¹ available to common stockholders for the third quarter of 2021 was \$79.5 million, or \$0.85 per diluted common share, compared to non-GAAP operating loss¹ available to common stockholders of \$(249.8) million, or \$(2.72) per diluted common share, for third quarter 2020. Excluding the one notable item this quarter, the impact of actuarial assumption revisions, third quarter 2021 non-GAAP operating income¹ available to common stockholders was \$136.3 million, or \$1.46 per diluted common share, compared to \$91.1 million, or \$0.98 per diluted common share, for the third quarter of 2020.

Actuarial assumption revisions utilized in the determination of deferred policy acquisition costs, deferred sales inducements, and the liability for future policy benefits to be paid for lifetime income benefit riders (LIBR) negatively affected non-GAAP operating income¹ by \$56.8 million, or \$0.61 per diluted common share, in the third quarter of 2021 and by \$340.9 million, or \$3.70 per diluted common share, in the third quarter of 2020.

The year-over-year increase in quarterly non-GAAP operating income¹ available to common stockholders excluding the impact of actuarial assumption revisions primarily reflected decreases in the change in LIBR liability as well as the amortization of the deferred acquisition cost and deferred sales inducement assets offset partly by an increase in other operating costs and expenses.

Compared to the third quarter of 2020, the change in the liability for future benefits to be paid for LIBR declined by \$77 million. Excluding the impact of actuarial assumption revisions, the change in liability for future policy benefits to be paid for LIBR¹ decreased by \$25 million from the third quarter of 2020. In the third quarter of 2021, the change in the liability for future policy benefits to be paid for LIBR was reduced by \$15 million for actual versus modeled experience; actual versus modeled experience increased the reserve by \$5 million in the third quarter of 2020. The positive difference between actual versus modeled expectations in the third quarter of 2021 primarily reflected the level of equity index credits, offset partly by greater than modeled utilization of lifetime income benefit riders in certain cohorts and lower than modeled lapsation. The completed reinsurance agreement with Brookfield Asset Management Re reduced the expected increase in the liability for future policy benefits to be paid for LIBR by \$7 million.

Compared to the third quarter of 2020, the change in amortization of deferred policy acquisition and sales inducement costs declined by \$355 million. Excluding the impact of actuarial assumption revisions, amortization of deferred policy acquisition and sales inducement costs¹ decreased \$46 million from the third quarter of 2020. The change to earnings patterns resulting from the impact of the actuarial assumption revisions reduced total expected amortization for the quarter by \$21 million while the completed reinsurance transaction with Brookfield Asset Management Re reduced expected total amortization by \$7 million. Actual versus modeled expectations in the third quarter of 2021, primarily reflecting the level of equity index credits, reduced amortization by \$12 million.

Amortization of deferred sales inducements and policy acquisition costs was negatively affected by \$10 million in the third quarter of 2020 from actual versus modeled expectations.

CONTINUED DEPLOYMENT INTO PRIVATE ASSETS AS PART OF RAMPING TO 30%-40% OF ASSET ALLOCATION OVER TIME

American Equity's investment spread was 2.40% for the third quarter of 2021 compared to 1.95% for the second quarter of 2021 and 2.44% for the third quarter of 2020. On a sequential basis, the average yield on invested assets increased by 40 basis points while the cost of money fell by 5 basis points. Adjusted investment spread excluding non-trendable items³ increased to 2.20% in the third quarter of 2021 from 1.81% in the second quarter of 2021.

Average yield on invested assets was 3.91% in the third quarter of 2021 compared to 3.51% in the second quarter of 2021. The average adjusted yield on invested assets excluding non-trendable items³ was 3.79% in the third quarter of 2021 compared to 3.41% in the second quarter of 2021. Relative to the prior quarter, the average adjusted yield in the third quarter of 2021 benefited by 22 basis points from returns on mark-to-market assets and by 18 basis points due to lower cash holdings relative to invested assets as a result of the completed reinsurance transactions with Brookfield Asset Management Re. Average cash and equivalents in the insurance company portfolio was \$6.9 billion compared to \$10 billion in the second quarter of 2021.

The aggregate cost of money for annuity liabilities of 1.51% in the third quarter of 2021 was down 5 basis points from 1.56% in the second quarter of 2021. The cost of money in the third quarter of 2021 was positively affected by 8 basis points of over-hedging of index-linked credits compared to 4 basis point of hedge gain in the second quarter of 2021.

Commenting on investment activities, Jim Hamalainen, Chief Investment Officer, said: "Year to date as of today, we have deployed approximately \$2.5 billion in private assets. This exceeds our plans for 2021 and was supported by our acquisition of a residential loan portfolio from the Anchor Loan platform to help support its acquisition by our residential real estate partner, Pretium. We now have access to necessary investment capabilities, and scaling to target will allow American Equity shareholders to realize the full potential of differentiated asset management with a lower risk profile than other asset intensive insurance business models.

FUNDS UNDER MANAGEMENT INCREASE 1.1% ON \$1.3 BILLION OF SALES⁴

Policyholder funds under management at September 30, 2021 were \$52.9 billion, a \$588 million, or 1.1% increase from June 30, 2021, adjusted for the completion of the in-force reinsurance transaction with Brookfield Asset Management Re. Third quarter sales were \$1,310 million, representing an increase of 128% from the third quarter 2020 sales level. On a sequential basis, sales increased 11% from the second quarter of 2021. Compared to the second quarter of 2021, sales of fixed index annuities at American Equity Life increased 4% while Eagle Life sales of fixed index annuities rose 2%.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

The forward-looking statements in this release, such as believe, enable, expect, intend, may, plan, ramping to, strategy, or similar words, as well as specific 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. The Company's future results could differ, and it has no obligation to correct or update any of these statements.

CONFERENCE CALL

American Equity will hold a conference call to discuss third quarter 2021 earnings on Tuesday, November 9, at 8:00 a.m. CT. The conference call will be webcast live on the Internet. Investors and interested parties who wish to listen to the call on the internet may do so at www.american-equity.com.

The call may also be accessed by telephone at 855-865-0606, passcode 6635087 (international callers, please dial 704-859-4382). An audio replay will be available shortly after the call on American Equity's website. An audio replay will also be available via telephone through November 16, 2021 at 855-859-2056, passcode 6635087 (international callers will need to dial 404-537-3406).

ABOUT AMERICAN EQUITY

At American Equity Investment Life Holding Company, we think of ourselves as The Financial Dignity Company that offers solutions designed to create financial dignity in retirement. Our policyholders work with independent agents, banks and broker-dealers, through our wholly-owned operating subsidiaries, to choose one of our leading annuity products best suited for their personal needs. To deliver on our promises to policyholders, American Equity has reframed its investment focus, building a stronger emphasis on insurance liability driven asset allocation as well as the origination and management of private assets. Our company is headquartered in West Des Moines, Iowa with satellite offices slated to open in 2022 in Charlotte, NC and New York, NY. For more information, please visit www.american-equity.com.

1 Use of non-GAAP financial measures, including those that isolate notable items, is discussed in this release in the tables that follow the text of the release.

2 Pertinent notable items consist of \$56,801 impact related to actuarial assumption updates made in Q3 2021 and \$340,895 impact related to actuarial assumption updates made in Q3 2020. The presentation of notable items is intended to help investors better understand our results and to evaluate and forecast those results. For more information, see page 6 of our September 30, 2021 financial supplement.

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, 2021 financial supplement on page 11, "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.

###

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,	
	2021	2020	2021	2020
Revenues:				
Premiums and other considerations	\$ 15,841	\$ 10,407	\$ 43,649	\$ 29,103
Annuity product charges	58,480	62,277	182,321	185,264
Net investment income	526,366	543,331	1,522,876	1,660,353
Change in fair value of derivatives	(70,701)	205,011	826,484	(409,201)
Net realized gains (losses) on investments	4,933	(22,321)	(2,764)	(68,545)
Other revenue	7,644	—	7,644	—
Loss on extinguishment of debt	—	—	—	(2,024)
Total revenues	542,563	798,705	2,580,210	1,394,950
Benefits and expenses:				
Insurance policy benefits and change in future policy benefits	18,756	13,273	51,008	36,676
Interest sensitive and index product benefits	817,014	576,147	2,106,590	1,217,358
Amortization of deferred sales inducements	(17,172)	416,983	93,283	415,396
Change in fair value of embedded derivatives	(536,404)	(1,732,497)	(545,104)	(1,855,623)
Interest expense on notes payable	6,535	6,388	19,322	19,161
Interest expense on subordinated debentures	1,342	1,323	3,994	4,232
Amortization of deferred policy acquisition costs	(1,588)	622,596	185,329	623,409
Other operating costs and expenses	56,518	42,738	177,433	128,315
Total benefits and expenses	345,001	(53,049)	2,091,855	588,924
Income before income taxes	197,562	851,754	488,355	806,026
Income tax expense	44,697	184,554	107,500	143,308
Net income	152,865	667,200	380,855	662,718
Less: Preferred stock dividends	10,918	5,950	32,756	18,511
Net income available to common stockholders	\$ 141,947	\$ 661,250	\$ 348,099	\$ 644,207
Earnings per common share				
Earnings per common share	\$ 1.53	\$ 7.20	\$ 3.69	\$ 7.02
Earnings per common share - assuming dilution	\$ 1.53	\$ 7.17	\$ 3.67	\$ 7.00
Weighted average common shares outstanding (in thousands):				
Earnings per common share	92,478	91,861	94,326	91,770
Earnings per common share - assuming dilution	93,044	92,163	94,867	92,071

NON-GAAP FINANCIAL MEASURES

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net income available to common stockholders	\$ 141,947	\$ 661,250	\$ 348,099	\$ 644,207
Adjustments to arrive at non-GAAP operating income (loss) available to common stockholders: (a)				
Net realized (gains) losses on financial assets, including credit losses	(3,900)	15,145	2,528	49,986
Change in fair value of derivatives and embedded derivatives - fixed index annuities	(75,879)	(1,176,909)	(172,746)	(873,773)
Change in fair value of derivatives - interest rate caps and swap	—	—	—	(848)
Income taxes	17,285	250,701	36,801	177,804
Non-GAAP operating income (loss) available to common stockholders	79,453	(249,813)	214,682	(2,624)
Impact of notable items (b)	56,801	340,895	56,801	310,117
Non-GAAP operating income available to common stockholders, excluding notable items	\$ 136,254	\$ 91,082	\$ 271,483	\$ 307,493
Per common share - assuming dilution:				
Net income available to common stockholders	\$ 1.53	\$ 7.17	\$ 3.67	\$ 7.00
Adjustments to arrive at non-GAAP operating income (loss) available to common stockholders:				
Anti-dilutive effect of operating loss	—	0.01	—	—
Net realized (gains) losses on financial assets, including credit losses	(0.04)	0.16	0.02	0.54
Change in fair value of derivatives and embedded derivatives - fixed index annuities	(0.82)	(12.77)	(1.82)	(9.49)
Change in fair value of derivatives - interest rate caps and swap	—	—	—	(0.01)
Income taxes	0.18	2.71	0.39	1.93
Non-GAAP operating income (loss) available to common stockholders	0.85	(2.72)	2.26	(0.03)
Impact of notable items	0.61	3.70	0.60	3.37
Non-GAAP operating income available to common stockholders, excluding notable items	\$ 1.46	\$ 0.98	\$ 2.86	\$ 3.34

Notable Items

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Notable items impacting non-GAAP operating income (loss) available to common stockholders:				
Impact of actuarial assumption updates	\$ 56,801	\$ 340,895	\$ 56,801	\$ 340,895
Tax benefit related to the CARES Act	—	—	—	(30,778)
Total notable items (b)	\$ 56,801	\$ 340,895	\$ 56,801	\$ 310,117

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

Book Value per Common Share

		Q3 2021
Total stockholders' equity	\$	6,375,208
Equity available to preferred stockholders (a)		(700,000)
Total common stockholders' equity (b)		5,675,208
Accumulated other comprehensive income		(1,956,974)
Total common stockholders' equity excluding AOCI (b)		3,718,234
Net impact of fair value accounting for derivatives and embedded derivatives		(265,018)
Total common stockholders' equity excluding AOCI and the net impact of fair value accounting for derivatives and embedded derivatives (b)	\$	3,453,216
Common shares outstanding		92,513,517
Book Value per Common Share: (c)		
Book value per common share	\$	61.34
Book value per common share excluding AOCI (b)	\$	40.19
Book value per common share excluding AOCI and the net impact of fair value accounting for derivatives and embedded derivatives (b)	\$	37.33

- (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 derivatives and embedded derivatives, non-GAAP financial measures, exclude equity available to preferred stockholders. Total common stockholders' equity and book value per common share excluding AOCI, non-GAAP financial measures, are based on common stockholders' equity excluding the effect of AOCI. Since AOCI fluctuates from quarter to quarter due to unrealized changes in the fair value of available for sale securities, we believe these non-GAAP financial measures provide useful supplemental information. Total common stockholders' equity and book value per common share excluding AOCI and the net impact of fair value accounting for derivatives and embedded derivatives, non-GAAP financial measures, are based on common stockholders' equity excluding AOCI and the net impact of fair value accounting for derivatives and embedded derivatives. Since the net impact of fair value accounting for our derivatives and embedded derivatives fluctuates from quarter to quarter and the most significant impacts relate to fair value accounting for our fixed index annuity business and are not economic in nature but rather impact the timing of reported results, we believe these non-GAAP financial measures provide useful supplemental information.
- (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 derivatives and embedded derivatives are calculated as total common stockholders' equity, total common stockholders' equity excluding AOCI and total common stockholders' equity excluding AOCI and the net impact of fair value accounting for derivatives and embedded derivatives divided by the total number of shares of common stock outstanding.

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) 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. We exclude AOCI because AOCI fluctuates from quarter to quarter due to unrealized changes in the fair value of available for sale investments.

	Twelve Months Ended September 30, 2021
Average Common Stockholders' Equity Excluding Average AOCI	
Average total stockholders' equity	\$ 6,146,712
Average equity available to preferred stockholders	(700,000)
Average equity available to common stockholders	5,446,712
Average AOCI	(1,934,284)
Average common stockholders' equity excluding average AOCI	3,512,428
Impact of notable items on average common stockholders' equity excluding average AOCI	28,401
Average common stockholders' equity excluding average AOCI and notables	\$ 3,540,829
Net income available to common stockholders	\$ 341,837
Adjustments to arrive at non-GAAP operating income available to common stockholders: (a)	
Net realized losses on financial assets, including credit losses	11,897
Change in fair value of derivatives and embedded derivatives - fixed index annuities	(82,130)
Income taxes	14,805
Non-GAAP operating income available to common stockholders	286,409
Impact of notable items (b)	56,801
Non-GAAP operating income available to common stockholders, excluding notable items	\$ 343,210
Return on Average Common Stockholders' Equity	
Net income available to common stockholders	6.3 %
Return on Average Common Stockholders' Equity Excluding Average AOCI	
Non-GAAP operating income available to common stockholders	8.2 %
Non-GAAP operating income available to common stockholders, excluding notable items	9.7 %

Notable Items

	Twelve Months Ended September 30, 2021
Notable items impacting Non-GAAP operating income available to common stockholders:	
Impact of actuarial assumption updates	\$ 56,801
Total notable items (b)	\$ 56,801

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

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY
Financial Supplement

September 30, 2021

A.	<u>Financial Highlights</u>	
	<i>Condensed Consolidated Balance Sheets</i>	<u>1</u>
	<i>Consolidated Statements of Operations</i>	<u>2</u>
	<i>Quarterly Summary - Most Recent 5 Quarters</i>	<u>3</u>
	<i>Non-GAAP Financial Measures</i>	
	<i>Reconciliation from Net Income Available to Common Stockholders to Non-GAAP Operating Income (Loss) Available to Common Stockholders and Non-GAAP Operating Income Available to Common Stockholders, Excluding Notable Items</i>	<u>5</u>
	<i>Summary of Adjustments to Arrive at Non-GAAP Operating Income (Loss) Available to Common Stockholders</i>	<u>6</u>
	<i>Quarterly Summary - Reconciliation from Net Income (Loss) Available to Common Stockholders to Non-GAAP Operating Income (Loss) Available to Common Stockholders and Non-GAAP Operating Income Available to Common Stockholders, Excluding Notable Items</i>	<u>7</u>
	<i>Quarterly Summary - Summary of Adjustments to Arrive at Non-GAAP Operating Income (Loss) Available to Common Stockholders</i>	<u>9</u>
	<i>Capitalization/Book Value per Common Share</i>	<u>10</u>
	<i>Spread Results</i>	<u>11</u>
B.	<u>Product Summary</u>	
	<i>Summary of Cost of Money for Deferred Annuities</i>	<u>11</u>
	<i>Annuity Account Balance Rollforward</i>	<u>12</u>
	<i>Notional Values Subject to Recurring Fees Under Reinsurance Agreements</i>	<u>12</u>
	<i>Annuity Deposits by Product Type</i>	<u>13</u>
	<i>Surrender Charge Protection and Account Values by Product Type</i>	<u>13</u>
	<i>Annuity Liability Characteristics</i>	<u>14</u>
C.	<u>Investment Summary</u>	
	<i>Summary of Invested Assets</i>	<u>17</u>
	<i>Credit Quality of Fixed Maturity Securities</i>	<u>17</u>
	<i>Watch List Securities</i>	<u>17</u>
	<i>Fixed Maturity Securities by Sector</i>	<u>18</u>
	<i>Mortgage Loans on Real Estate</i>	<u>19</u>
D.	<u>Shareholder Information</u>	<u>21</u>
E.	<u>Research Analyst Coverage</u>	<u>22</u>

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY
Financial Supplement - September 30, 2021
Unaudited (Dollars in thousands)

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2021	December 31, 2020 (a)
Assets		
Investments:		
Fixed maturity securities, available for sale, at fair value	\$ 45,738,097	\$ 47,538,893
Mortgage loans on real estate	4,288,742	4,165,489
Real estate	259,262	—
Derivative instruments	990,033	1,310,954
Other investments	1,021,226	590,078
Total investments	52,297,360	53,605,414
Cash and cash equivalents	12,684,793	9,095,522
Coinsurance deposits	8,733,096	4,844,927
Accrued investment income	413,370	398,082
Deferred policy acquisition costs	2,193,889	2,225,199
Deferred sales inducements	1,545,494	1,448,375
Income taxes recoverable	—	862
Other assets	449,961	70,198
Total assets	\$ 78,317,963	\$ 71,688,579
Liabilities and Stockholders' Equity		
Liabilities:		
Policy benefit reserves	\$ 64,810,504	\$ 62,352,882
Other policy funds and contract claims	229,199	240,904
Notes payable	496,101	495,668
Subordinated debentures	78,342	78,112
Deferred income taxes	426,176	504,000
Income taxes payable	39,478	—
Other liabilities	5,862,955	1,668,025
Total liabilities	71,942,755	65,339,591
Stockholders' equity:		
Preferred stock, Series A	16	16
Preferred stock, Series B	12	12
Common stock	92,513	95,721
Additional paid-in capital	1,609,039	1,681,127
Accumulated other comprehensive income	1,956,974	2,203,557
Retained earnings	2,716,654	2,368,555
Total stockholders' equity	6,375,208	6,348,988
Total liabilities and stockholders' equity	\$ 78,317,963	\$ 71,688,579

- (a) The December 31, 2020 balance sheet includes reclassifications from previously reported amounts for the correction of an immaterial error in the calculation of the impact of unrealized gains and losses on lifetime income benefit reserves which was determined in the first quarter of 2021. This is reflected in deferred policy acquisition costs, deferred sales inducements, policy benefit reserves, deferred income taxes and accumulated other comprehensive income.

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY
Financial Supplement - September 30, 2021
Unaudited (Dollars in thousands, except per share data)
**AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY
CONSOLIDATED STATEMENTS OF OPERATIONS**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Revenues:				
Premiums and other considerations	\$ 15,841	\$ 10,407	\$ 43,649	\$ 29,103
Annuity product charges	58,480	62,277	182,321	185,264
Net investment income	526,366	543,331	1,522,876	1,660,353
Change in fair value of derivatives	(70,701)	205,011	826,484	(409,201)
Net realized gains (losses) on investments	4,933	(22,321)	(2,764)	(68,545)
Other revenue	7,644	—	7,644	—
Loss on extinguishment of debt	—	—	—	(2,024)
Total revenues	542,563	798,705	2,580,210	1,394,950
Benefits and expenses:				
Insurance policy benefits and change in future policy benefits	18,756	13,273	51,008	36,676
Interest sensitive and index product benefits	817,014	576,147	2,106,590	1,217,358
Amortization of deferred sales inducements	(17,172)	416,983	93,283	415,396
Change in fair value of embedded derivatives	(536,404)	(1,732,497)	(545,104)	(1,855,623)
Interest expense on notes payable	6,535	6,388	19,322	19,161
Interest expense on subordinated debentures	1,342	1,323	3,994	4,232
Amortization of deferred policy acquisition costs	(1,588)	622,596	185,329	623,409
Other operating costs and expenses	56,518	42,738	177,433	128,315
Total benefits and expenses	345,001	(53,049)	2,091,855	588,924
Income before income taxes	197,562	851,754	488,355	806,026
Income tax expense	44,697	184,554	107,500	143,308
Net income	152,865	667,200	380,855	662,718
Less: Preferred stock dividends	10,918	5,950	32,756	18,511
Net income available to common stockholders	\$ 141,947	\$ 661,250	\$ 348,099	\$ 644,207
Earnings per common share	\$ 1.53	\$ 7.20	\$ 3.69	\$ 7.02
Earnings per common share - assuming dilution	\$ 1.53	\$ 7.17	\$ 3.67	\$ 7.00
Weighted average common shares outstanding (in thousands):				
Earnings per common share	92,478	91,861	94,326	91,770
Earnings per common share - assuming dilution	93,044	92,163	94,867	92,071

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY
Financial Supplement - September 30, 2021
Unaudited (Dollars in thousands, except per share data)
Quarterly Summary - Most Recent 5 Quarters

	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Revenues:					
Traditional life insurance premiums	\$ 697	\$ 708	\$ 706	\$ 701	\$ 708
Life contingent immediate annuity considerations	15,144	13,887	12,507	9,578	9,699
Surrender charges	16,481	18,057	19,481	17,009	16,447
Lifetime income benefit rider fees	41,999	45,702	40,601	48,954	45,830
Net investment income	526,366	499,320	497,190	521,725	543,331
Change in fair value of derivatives	(70,701)	500,880	396,305	443,867	205,011
Net realized gains (losses) on investments	4,933	(3,114)	(4,583)	(12,135)	(22,321)
Other revenue (a)	7,644	—	—	—	—
Total revenues	542,563	1,075,440	962,207	1,029,699	798,705
Benefits and expenses:					
Traditional life insurance policy benefits and change in future policy benefits	798	502	1,049	1,091	655
Life contingent immediate annuity benefits and change in future policy benefits	17,958	15,326	15,375	11,975	12,618
Interest sensitive and index product benefits (b)	817,014	812,981	476,595	325,912	576,147
Amortization of deferred sales inducements (c)	(17,172)	(12,520)	122,975	22,768	416,983
Change in fair value of embedded derivatives (d)	(536,404)	273,713	(282,413)	568,836	(1,732,497)
Interest expense on notes payable	6,535	6,394	6,393	6,391	6,388
Interest expense on subordinated debentures	1,342	1,326	1,326	1,325	1,323
Amortization of deferred policy acquisition costs (c)	(1,588)	(16,906)	203,823	26,145	622,596
Other operating costs and expenses	56,518	65,050	55,865	55,321	42,738
Total benefits and expenses	345,001	1,145,866	600,988	1,019,764	(53,049)
Income (loss) before income taxes	197,562	(70,426)	361,219	9,935	851,754
Income tax expense (benefit)	44,697	(15,732)	78,535	1,193	184,554
Net income (loss) (a)(b)(c)	152,865	(54,694)	282,684	8,742	667,200
Less: Preferred stock dividends	10,918	10,919	10,919	15,004	5,950
Net income (loss) available to common stockholders (b)(c)(d)	\$ 141,947	\$ (65,613)	\$ 271,765	\$ (6,262)	\$ 661,250
Earnings (loss) per common share					
Earnings (loss) per common share	\$ 1.53	\$ (0.69)	\$ 2.84	\$ (0.07)	\$ 7.20
Earnings (loss) per common share - assuming dilution (b)(c)(d)	\$ 1.53	\$ (0.69)	\$ 2.82	\$ (0.07)	\$ 7.17
Weighted average common shares outstanding (thousands):					
Earnings (loss) per common share	92,478	94,801	95,735	92,904	91,861
Earnings (loss) per common share - assuming dilution	93,044	95,379	96,216	93,352	92,163

(a) Other revenue consists of \$2.7 million related to an asset liability management fee and \$4.9 million related to amortization of the deferred gain associated with the cost of reinsurance. The deferred gain, which is recorded in Other Liabilities on the Consolidated Balance Sheet, was \$292.9 million at September 30, 2021. The deferred gain consists primarily of a difference between liabilities ceded and assets transferred of \$510.0 million and the present value of the ceding commissions of \$127.0 million offset by a reduction in deferred policy acquisition costs of \$341.4 million associated with the in-force business ceded.

(b) Q3 2021 includes expense from the update of assumptions used in determining reserves held for lifetime income benefit riders. The impact increased interest sensitive and index products by \$233.2 million and decreased both net income and net income available to common stockholders by \$183.0 million and decreased earnings per common share - assuming dilution by \$1.97 per share.

Q3 2020 includes expense from the update of assumptions used in determining reserves held for lifetime income benefit riders. The impact increased interest sensitive and index products by \$285.8 million and decreased both net income and net income available to common stockholders by \$224.4 million and decreased earnings per common share - assuming dilution by \$2.44 per share.

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY

Financial Supplement - September 30, 2021

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

- (c) Q3 2021 includes a benefit from the update of assumptions which decreased amortization of deferred sales inducements and deferred policy acquisition costs by \$51.4 million and \$52.6 million, respectively, and increased both net income and net income available to common stockholders by \$81.7 million and increased earnings per common share - assuming dilution by \$0.88 per share.

Q3 2020 includes expense from the update of assumptions which increased amortization of deferred sales inducements and deferred policy acquisition costs by \$391.4 million and \$589.2 million, respectively, and decreased both net income and net income available to common stockholders by \$769.8 million and decreased earnings per common share - assuming dilution by \$8.35 per share.

- (d) Q3 2021 includes a benefit from the update of assumptions used in determining the embedded derivative component of our fixed index annuity policy benefit reserves. The impact decreased change in fair value of embedded derivatives by \$125.8 million and increased both net income and net income available to common stockholders by \$98.7 million and increased earnings per common share - assuming dilution by \$1.06 per share.

Q3 2020 includes a benefit from the update of assumptions used in determining the embedded derivative component of our fixed index annuity policy benefit reserves. The impact decreased change in fair value of embedded derivatives by \$2,111.1 million and increased both net income and net income available to common stockholders by \$1,657.2 million and increased earnings per common share - assuming dilution by \$17.98 per share.

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY
Financial Supplement - September 30, 2021
Unaudited (Dollars in thousands, except per share data)
NON-GAAP FINANCIAL MEASURES

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net income available to common stockholders	\$ 141,947	\$ 661,250	\$ 348,099	\$ 644,207
Adjustments to arrive at non-GAAP operating income (loss) available to common stockholders: (a)				
Net realized (gains) losses on financial assets, including credit losses	(3,900)	15,145	2,528	49,986
Change in fair value of derivatives and embedded derivatives - fixed index annuities	(75,879)	(1,176,909)	(172,746)	(873,773)
Change in fair value of derivatives - interest rate caps and swap	—	—	—	(848)
Income taxes	17,285	250,701	36,801	177,804
Non-GAAP operating income (loss) available to common stockholders	79,453	(249,813)	214,682	(2,624)
Impact of notable items (b)	56,801	340,895	56,801	310,117
Non-GAAP operating income available to common stockholders, excluding notable items	<u>\$ 136,254</u>	<u>\$ 91,082</u>	<u>\$ 271,483</u>	<u>\$ 307,493</u>
Per common share - assuming dilution:				
Net income available to common stockholders	\$ 1.53	\$ 7.17	\$ 3.67	\$ 7.00
Adjustments to arrive at non-GAAP operating income (loss) available to common stockholders:				
Anti-dilutive effect of operating loss	—	0.01	—	—
Net realized (gains) losses on financial assets, including credit losses	(0.04)	0.16	0.02	0.54
Change in fair value of derivatives and embedded derivatives - fixed index annuities	(0.82)	(12.77)	(1.82)	(9.49)
Change in fair value of derivatives - interest rate caps and swap	—	—	—	(0.01)
Income taxes	0.18	2.71	0.39	1.93
Non-GAAP operating income (loss) available to common stockholders	0.85	(2.72)	2.26	(0.03)
Impact of notable items	0.61	3.70	0.60	3.37
Non-GAAP operating income available to common stockholders, excluding notable items	<u>\$ 1.46</u>	<u>\$ 0.98</u>	<u>\$ 2.86</u>	<u>\$ 3.34</u>

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY
Financial Supplement - September 30, 2021
Unaudited (Dollars in thousands, except per share data)
Notable Items

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Notable items impacting non-GAAP operating income (loss) available to common stockholders:				
Impact of actuarial assumption updates	\$ 56,801	\$ 340,895	\$ 56,801	\$ 340,895
Tax benefit related to the CARES Act	—	—	—	(30,778)
Total notable items (b)	<u>\$ 56,801</u>	<u>\$ 340,895</u>	<u>\$ 56,801</u>	<u>\$ 310,117</u>

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

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net realized (gains) losses on financial assets, including credit losses:				
Net realized (gains) losses on financial assets, including credit losses	\$ (4,016)	\$ 21,023	\$ 3,573	\$ 67,956
Amortization of DAC and DSI and accretion of LIBR reserves	116	(5,878)	(1,045)	(17,970)
Income taxes	838	(3,271)	(544)	(10,797)
	<u>\$ (3,062)</u>	<u>\$ 11,874</u>	<u>\$ 1,984</u>	<u>\$ 39,189</u>
Change in fair value of derivatives and embedded derivatives:				
Fixed index annuities	\$ (125,075)	\$ (1,935,585)	\$ (287,606)	\$ (1,432,030)
Interest rate caps and swap	—	—	—	(848)
Amortization of DAC and DSI	49,196	758,676	114,860	558,257
Income taxes	16,447	253,972	37,345	188,601
	<u>\$ (59,432)</u>	<u>\$ (922,937)</u>	<u>\$ (135,401)</u>	<u>\$ (686,020)</u>

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY
Financial Supplement - September 30, 2021
Unaudited (Dollars in thousands, except per share data)
NON-GAAP FINANCIAL MEASURES
Quarterly Summary - Most Recent 5 Quarters
Reconciliation from Net Income (Loss) Available to Common Stockholders to Non-GAAP Operating Income (Loss) Available to Common Stockholders and Non-GAAP Operating Income Available to Common Stockholders, Excluding Notable Items

	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Net income (loss) available to common stockholders	\$ 141,947	\$ (65,613)	\$ 271,765	\$ (6,262)	\$ 661,250
Adjustments to arrive at non-GAAP operating income (loss) available to common stockholders: (a)					
Net realized (gains) losses on financial assets, including credit losses	(3,900)	2,912	3,516	9,369	15,145
Change in fair value of derivatives and embedded derivatives - fixed index annuities	(75,879)	200,767	(297,634)	90,616	(1,176,909)
Income taxes	17,285	(44,278)	63,794	(21,996)	250,701
Non-GAAP operating income (loss) available to common stockholders (b)(c)	79,453	93,788	41,441	71,727	(249,813)
Impact of notable items (d)	56,801	—	—	—	340,895
Non-GAAP operating income available to common stockholders, excluding notable items	\$ 136,254	\$ 93,788	\$ 41,441	\$ 71,727	\$ 91,082
Per common share - assuming dilution:					
Net income (loss) available to common stockholders	\$ 1.53	\$ (0.69)	\$ 2.82	\$ (0.07)	\$ 7.17
Adjustments to arrive at non-GAAP operating income (loss) available to common stockholders:					
Anti-dilutive effect of operating loss	—	—	—	—	0.01
Net realized (gains) losses on financial assets, including credit losses	(0.04)	0.03	0.04	0.10	0.16
Change in fair value of derivatives and embedded derivatives - fixed index annuities	(0.82)	2.10	(3.09)	0.97	(12.77)
Income taxes	0.18	(0.46)	0.66	(0.23)	2.71
Non-GAAP operating income (loss) available to common stockholders (b)(c)	0.85	0.98	0.43	0.77	(2.72)
Impact of notable items (d)	0.61	—	—	—	3.70
Non-GAAP operating income available to common stockholders, excluding notable items	\$ 1.46	\$ 0.98	\$ 0.43	\$ 0.77	\$ 0.98

Notable Items

	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Notable items impacting non-GAAP operating income (loss) available to common stockholders:					
Impact of actuarial assumption updates (b)(c)	\$ 56,801	\$ —	\$ —	\$ —	\$ 340,895
Total notable items (d)	\$ 56,801	\$ —	\$ —	\$ —	\$ 340,895

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

(b) Q3 2021 includes expense from the update of assumptions used in determining reserves held for lifetime income benefit riders. The impact increased interest sensitive and index products by \$233.2 million and decreased both non-GAAP operating income available to common stockholders and non-GAAP operating income available to common stockholders per share - assuming dilution by \$183.0 million and \$1.97 per share, respectively.

Q3 2020 includes expense from the update of assumptions used in determining reserves held for lifetime income benefit riders. The impact increased interest sensitive and index products by \$285.8 million and increased non-GAAP operating loss available to common stockholders and non-GAAP operating loss available to common stockholders per common share - assuming dilution by \$224.4 million and \$2.44 per share, respectively.

(c) Q3 2021 includes a benefit from the update of assumptions which decreased amortization of deferred sales inducements and deferred policy acquisition costs by \$73.8 million and \$87.0 million, respectively, and increased non-GAAP operating income available to common stockholders and non-GAAP operating income available to common stockholders per common share - assuming dilution by \$126.2 million and \$1.36 per share, respectively.

Q3 2020 includes expense from the update of assumptions which increased amortization of deferred sales inducements and deferred policy acquisition costs by \$57.5 million and \$91.0 million, respectively, and increased non-GAAP operating loss available to common stockholders and non-GAAP operating loss available to common stockholders per common share - assuming dilution by \$116.5 million and \$1.26 per share, respectively.

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY
Financial Supplement - September 30, 2021
Unaudited (*Dollars in thousands, except per share data*)

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

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY
Financial Supplement - September 30, 2021
Unaudited (Dollars in thousands)
NON-GAAP FINANCIAL MEASURES
Summary of Adjustments to Arrive at Non-GAAP Operating Income (Loss) Available to Common Stockholders

	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Net realized (gains) losses on investments	\$ (4,933)	\$ 3,114	\$ 4,583	\$ 12,135	\$ 22,321
Change in fair value of derivatives	411,330	57,555	(211,387)	(416,450)	(203,088)
Increase (decrease) in total revenues	406,397	60,669	(206,804)	(404,315)	(180,767)
Amortization of deferred sales inducements	(17,682)	52,074	(69,788)	22,785	(303,710)
Change in fair value of embedded derivatives	536,404	(273,713)	282,413	(568,836)	1,732,497
Interest sensitive and index product benefits (a)	(944)	227	(145)	761	1,298
Amortization of deferred policy acquisition costs	(31,602)	78,402	(125,166)	40,990	(449,088)
Increase (decrease) in total benefits and expenses	486,176	(143,010)	87,314	(504,300)	980,997
Increase in income (loss) before income taxes	(79,779)	203,679	(294,118)	99,985	(1,161,764)
Increase (decrease) in income tax expense (benefit)	(17,285)	44,278	(63,794)	21,996	(250,701)
Increase (decrease) in net income (loss) available to common stockholders	\$ (62,494)	\$ 159,401	\$ (230,324)	\$ 77,989	\$ (911,063)

- (a) Interest sensitive and index product benefits adjustment reflects the change in the allowance for credit losses on our reinsurance recoverable/coinsurance deposits under a revised impairment model for financial assets measured at amortized cost which we were required to adopt on January 1, 2020. The change in this allowance is reflected in the net realized (gains) losses of financial assets, including credit losses line in the other Non-GAAP financial measures tables in this financial supplement.

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY
Financial Supplement - September 30, 2021
Unaudited (Dollars in thousands, except share and per share data)
Capitalization/Book Value per Common Share

	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Capitalization:					
Notes payable	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Subordinated debentures payable to subsidiary trusts	78,342	78,264	78,187	78,112	78,037
Total debt	578,342	578,264	578,187	578,112	578,037
Total stockholders' equity (a)	6,375,208	6,295,735	5,928,760	6,348,988	5,918,216
Total capitalization (a)	6,953,550	6,873,999	6,506,947	6,927,100	6,496,253
Accumulated other comprehensive income (AOCI) (a)	(1,956,974)	(2,023,911)	(1,505,260)	(2,203,557)	(1,911,593)
Total capitalization excluding AOCI (b)	\$ 4,996,576	\$ 4,850,088	\$ 5,001,687	\$ 4,723,543	\$ 4,584,660
Total stockholders' equity (a)	\$ 6,375,208	\$ 6,295,735	\$ 5,928,760	\$ 6,348,988	\$ 5,918,216
Equity available to preferred stockholders (c)	(700,000)	(700,000)	(700,000)	(700,000)	(700,000)
Total common stockholders' equity (a)(d)	5,675,208	5,595,735	5,228,760	5,648,988	5,218,216
Accumulated other comprehensive income (a)	(1,956,974)	(2,023,911)	(1,505,260)	(2,203,557)	(1,911,593)
Total common stockholders' equity excluding AOCI (d)	3,718,234	3,571,824	3,723,500	3,445,431	3,306,623
Net impact of fair value accounting for derivatives and embedded derivatives	(265,018)	(242,423)	(399,538)	(166,453)	(237,099)
Total common stockholders' equity excluding AOCI and the net impact of fair value accounting for derivatives and embedded derivatives (d)	\$ 3,453,216	\$ 3,329,401	\$ 3,323,962	\$ 3,278,978	\$ 3,069,524
Common shares outstanding	92,513,517	92,553,825	95,482,733	95,720,622	91,931,837
Book Value per Common Share: (e)					
Book value per common share (a)	\$ 61.34	\$ 60.46	\$ 54.76	\$ 59.02	\$ 56.76
Book value per common share excluding AOCI (d)	\$ 40.19	\$ 38.59	\$ 39.00	\$ 35.99	\$ 35.97
Book value per common share excluding AOCI and the net impact of fair value accounting for derivatives and embedded derivatives (d)	\$ 37.33	\$ 35.97	\$ 34.81	\$ 34.26	\$ 33.39
Debt-to-Capital Ratios: (f)					
Senior debt / Total capitalization	10.0 %	10.3 %	10.0 %	10.6 %	10.9 %
Total debt / Total capitalization	11.6 %	11.9 %	11.6 %	12.2 %	12.6 %

- (a) Q3 2020 and Q4 2020 include the impact of a correction of an immaterial error in the calculation of the impact of unrealized gains and losses on lifetime income benefit reserves which was determined in Q1 2021. This had the impact of reducing AOCI as of December 31, 2020 by \$225.7 million and decreased book value per common share by \$2.35 compared to amounts previously reported.
- (b) Total capitalization excluding AOCI, a non-GAAP financial measure, is based on stockholders' equity excluding the effect of AOCI.
- (c) Equity available to preferred stockholders is equal to the redemption value of outstanding preferred stock plus share dividends declared but not yet issued.
- (d) Total common stockholders' equity, total common stockholders' equity excluding AOCI and total common stockholders' equity excluding AOCI and the net impact of fair value accounting for derivatives and embedded derivatives, non-GAAP financial measures, exclude equity available to preferred stockholders. Total common stockholders' equity and book value per common share excluding AOCI, non-GAAP financial measures, are based on common stockholders' equity excluding the effect of AOCI. Since AOCI fluctuates from quarter to quarter due to unrealized changes in the fair value of available for sale securities, we believe these non-GAAP financial measures provide useful supplemental information. Total common stockholders' equity and book value per common share excluding AOCI and the net impact of fair value accounting for derivatives and embedded derivatives, non-GAAP financial measures, are based on common stockholders' equity excluding AOCI and the net impact of fair value accounting for derivatives and embedded derivatives. Since the net impact of fair value accounting for our derivatives and embedded derivatives fluctuates from quarter to quarter and the most significant impacts relate to fair value accounting for our fixed index annuity business and are not economic in nature but rather impact the timing of reported results, we believe these non-GAAP financial measures provide useful supplemental information.
- (e) Book value per common share including and excluding AOCI and book value per common share excluding AOCI and the net impact of fair value accounting for derivatives and embedded derivatives are calculated as total common stockholders' equity, total common stockholders' equity excluding AOCI and total common stockholders' equity excluding AOCI and the net impact of fair value accounting for derivatives and embedded derivatives divided by the total number of shares of common stock outstanding.
- (f) Debt-to-capital ratios are computed using total capitalization excluding AOCI.

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY
Financial Supplement - September 30, 2021
Unaudited (Dollars in thousands)
Spread Results

Nine Months Ended September 30,							
2021	2020		Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
3.71%	4.20%	Average yield on invested assets	3.91%	3.51%	3.58%	3.88%	4.10%
1.55%	1.71%	Aggregate cost of money	1.51%	1.56%	1.58%	1.63%	1.66%
2.16%	2.49%	Aggregate investment spread	2.40%	1.95%	2.00%	2.25%	2.44%
Impact of:							
0.11%	0.06%	Investment yield - additional prepayment income	0.12%	0.10%	0.11%	0.11%	0.10%
0.05%	0.03%	Cost of money effect of over (under) hedging	0.08%	0.04%	0.02%	0.01%	0.03%
\$54,865,298	\$52,849,751	Weighted average investments	\$53,781,352	\$56,991,393	\$55,712,648	\$53,836,378	\$53,024,798
54,197,140	53,085,683	Ending investments	54,197,140	57,144,563	56,838,224	54,587,072	53,085,683

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.

Summary of Cost of Money for Deferred Annuities

Nine Months Ended September 30,								
2021	2020		Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	
		Included in interest sensitive and index product benefits:						
\$ 1,535,320	\$ 551,562	Index credits	\$ 475,292	\$ 714,291	\$ 345,737	\$ 195,927	\$ 174,747	
181,918	142,917	Interest credited	62,804	62,637	56,477	49,551	47,376	
		Included in change in fair value of derivatives:						
(1,559,495)	(560,683)	Proceeds received at option expiration	(489,902)	(720,474)	(349,119)	(197,921)	(178,405)	
476,616	546,352	Pro rata amortization of option cost	150,262	162,124	164,230	170,505	176,481	
\$ 634,359	\$ 680,148	Cost of money for deferred annuities	\$ 198,456	\$ 218,578	\$ 217,325	\$ 218,062	\$ 220,199	
\$ 54,600,512	\$ 53,182,845	Weighted average liability balance outstanding	\$ 52,644,622	\$ 56,221,809	\$ 54,935,106	\$ 53,531,441	\$ 53,059,376	

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY
Financial Supplement - September 30, 2021
Unaudited (Dollars in thousands, except per share data)
Annuity Account Balance Rollforward

Nine Months Ended September 30,			Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
2021	2020						
\$ 54,056,725	\$ 53,233,898	Account balances at beginning of period	\$ 56,630,138	\$ 55,813,480	\$ 54,056,725	\$ 53,006,150	\$ 53,112,600
(4,279,394)	—	Reserves ceded - in-force	(4,279,394)	—	—	—	—
49,777,331	53,233,898	Account balance at beginning of period, net of reinsurance ceded	52,350,744	55,813,480	54,056,725	53,006,150	53,112,600
4,669,315	1,782,453	Net deposits	1,090,461	1,161,125	2,417,729	1,830,816	557,675
71,684	68,467	Premium bonuses	22,021	24,813	24,850	25,143	21,205
1,717,238	694,479	Fixed interest credited and index credits	538,096	776,928	402,214	245,478	222,123
(54,019)	(55,542)	Surrender charges	(16,481)	(18,057)	(19,481)	(17,009)	(16,447)
(128,302)	(129,722)	Lifetime income benefit rider fees	(41,999)	(45,702)	(40,601)	(48,954)	(45,830)
(3,114,754)	(2,587,883)	Surrenders, withdrawals, deaths, etc.	(1,004,349)	(1,082,449)	(1,027,956)	(984,899)	(845,176)
\$ 52,938,493	\$ 53,006,150	Account balances at end of period	\$ 52,938,493	\$ 56,630,138	\$ 55,813,480	\$ 54,056,725	\$ 53,006,150
\$ 2,245,040	\$ 1,821,169	Lifetime income benefit rider reserves, excluding unrealized gain/loss adjustment	\$ 2,245,040	\$ 2,007,394	\$ 1,973,223	\$ 1,900,487	\$ 1,821,169

Notional Values Subject to Recurring Fees Under Reinsurance Agreements

Nine Months Ended September 30,			Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
2021	2020						
\$ 3,736,355	\$ —	Initial cash surrender value of in-force business ceded (a)	\$ 3,736,355	\$ —	\$ —	\$ —	\$ —
164,185	—	Initial cash surrender value of flow business ceded (b)	164,185	—	—	—	—

- (a) The in-force business ceded as of September 30, 2021 to Brookfield Asset Management Re receives an annual ceding commission equal to 49 basis points and an annual asset liability management fee equal to 30 basis points calculated based on initial cash surrender value of liabilities ceded. These annual fees are fixed and contractually guaranteed for six years with the additional and final seventh year payment being contingent on certain performance obligations for both parties.
- (b) The flow business ceded as of September 30, 2021 to Brookfield Asset Management Re receives an annual ceding commission equal to 140 basis points and an annual asset liability management fee equal to 30 basis points calculated based on initial cash surrender value of liabilities ceded. These annual fees are fixed and contractually guaranteed for six years with the additional and final seventh year payment being contingent on certain performance obligations for both parties.

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY
Financial Supplement - September 30, 2021
Unaudited (Dollars in thousands)
Annuity Deposits by Product Type

Nine Months Ended September 30,			Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
2021	2020						
		American Equity Life:					
\$ 1,947,241	\$ 1,491,564	Fixed index annuities	\$ 727,641	\$ 702,605	\$ 516,995	\$ 500,495	\$ 432,602
5,285	6,464	Annual reset fixed rate annuities	1,462	1,656	2,167	1,664	1,817
849,062	983	Multi-year fixed rate annuities	14,196	47,674	787,192	394,999	531
45,671	25,687	Single premium immediate annuities	16,282	15,430	13,959	7,774	10,205
2,847,259	1,524,698		759,581	767,365	1,320,313	904,932	445,155
		Eagle Life:					
520,967	239,349	Fixed index annuities	187,611	184,520	148,836	106,170	60,476
337	97	Annual reset fixed rate annuities	—	175	162	—	39
1,556,391	73,386	Multi-year fixed rate annuities	362,769	228,197	965,425	833,765	68,206
2,077,695	312,832		550,380	412,892	1,114,423	939,935	128,721
		Consolidated:					
2,468,208	1,730,913	Fixed index annuities	915,252	887,125	665,831	606,665	493,078
5,622	6,561	Annual reset fixed rate annuities	1,462	1,831	2,329	1,664	1,856
2,405,453	74,369	Multi-year fixed rate annuities	376,965	275,871	1,752,617	1,228,764	68,737
45,671	25,687	Single premium immediate annuities	16,282	15,430	13,959	7,774	10,205
4,924,954	1,837,530	Total before coinsurance ceded	1,309,961	1,180,257	2,434,736	1,844,867	573,876
209,968	29,390	Coinsurance ceded	203,218	3,702	3,048	6,277	5,996
\$ 4,714,986	\$ 1,808,140	Net after coinsurance ceded	\$ 1,106,743	\$ 1,176,555	\$ 2,431,688	\$ 1,838,590	\$ 567,880

Surrender Charge Protection and Account Values by Product Type

Annuity Surrender Charges and Net (of Coinsurance) Account Values at September 30, 2021:

Product Type	Surrender Charge			Net Account Value	
	Avg. Years At Issue	Avg. Years Remaining	Avg. % Remaining	Dollars in Thousands	%
Fixed Index Annuities	12.8	5.6	9.0%	\$ 47,343,398	89.4 %
Annual Reset Fixed Rate Annuities	8.6	2.4	4.6%	1,396,436	2.7 %
Multi-Year Fixed Rate Annuities	4.0	2.8	8.5%	4,198,659	7.9 %
Total	12.0	5.3	8.8%	\$ 52,938,493	100.0 %

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY
Financial Supplement - September 30, 2021
Unaudited (Dollars in thousands)

Annuity Liability Characteristics

<u>Surrender Charge Percentages:</u>	Fixed Annuities Account Value	Fixed Index Annuities Account Value
No surrender charge	\$ 870,624	\$ 3,391,529
0.0% < 2.0%	43,833	1,183,380
2.0% < 3.0%	60,933	3,462,733
3.0% < 4.0%	74,092	1,997,991
4.0% < 5.0%	106,566	2,616,027
5.0% < 6.0%	50,693	2,827,075
6.0% < 7.0%	61,360	3,136,458
7.0% < 8.0%	64,239	3,188,685
8.0% < 9.0%	141,324	3,394,191
9.0% < 10.0%	3,734,375	3,664,393
10.0% or greater	387,056	18,480,936
	<u>\$ 5,595,095</u>	<u>\$ 47,343,398</u>

<u>Surrender Charge Expiration By Year:</u>	Fixed and Fixed Index Annuities Account Value	Weighted Average Surrender Charge
Out of Surrender Charge	\$ 4,262,153	0.00 %
2021	339,887	2.71 %
2022	1,556,757	2.73 %
2023	4,821,166	4.64 %
2024	6,336,133	5.89 %
2025	6,067,967	6.24 %
2026	6,198,532	8.25 %
2027	4,310,393	9.86 %
2028	3,940,219	10.76 %
2029	4,086,648	12.03 %
2030	2,935,656	14.35 %
2031	3,678,975	15.31 %
2032	1,957,432	17.56 %
2033	1,133,130	18.12 %
2034	716,047	18.56 %
2035	354,586	19.07 %
2036	157,194	19.60 %
2037	85,618	20.00 %
	<u>\$ 52,938,493</u>	<u>8.81 %</u>

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY
Financial Supplement - September 30, 2021
Unaudited (Dollars in thousands)

Annuity Liability Characteristics

Credited Rate vs. Ultimate Minimum Guaranteed Rate Differential:	Fixed Annuities Account Value	Fixed Index Annuities Account Value
No differential	\$ 977,575	\$ 1,133,503
> 0.00% - 0.25%	42,032	129,948
> 0.25% - 0.50%	226,316	6,388
> 0.50% - 1.00%	6,967	882
> 1.00% - 1.50%	10,914	—
1.00% ultimate guarantee - 2.14% wtd avg interest rate (a)	4,082,018	876,578
1.50% ultimate guarantee - 1.08% wtd avg interest rate (a)	133,463	2,940,603
1.75% ultimate guarantee - 1.78% wtd avg interest rate (a)	48,439	302,751
2.00% ultimate guarantee - 1.85% wtd avg interest rate (a)	67,371	—
2.25% ultimate guarantee - 1.64% wtd avg interest rate (a)	—	614,805
3.00% ultimate guarantee - 1.95% wtd avg interest rate (a)	—	1,253,600
Allocated to index strategies (see tables that follow)	—	40,084,340
	<u>\$ 5,595,095</u>	<u>\$ 47,343,398</u>

(a) The minimum guaranteed interest rate for the fixed rate or the fixed rate strategy ranges from 0.5% - 1.75%. The ultimate guaranteed rate is applied on less than 100% of the premium.

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, 2021 for fixed annuities and funds allocated to the fixed rate strategy for fixed index annuities would decrease by 0.13%.

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY
Financial Supplement - September 30, 2021
Unaudited (Dollars in thousands)

Annuity Liability Characteristics

FIXED INDEX ANNUITIES ACCOUNT VALUE - INDEX STRATEGIES

Annual Monthly Average and Point-to-Point with Caps

	Minimum Guaranteed Cap				
	1%	3%	4%	7%	8% +
Current Cap					
At minimum	\$ 1,269	\$ 94,841	\$ 4,776,825	\$ 57,009	\$ 128,169
1.75% - 3%	7,985,608	—	—	—	—
3% - 4%	208,041	2,054	—	—	—
4% - 5%	1,793,063	206,081	990,208	—	—
5% - 6%	688,302	186,365	28,556	—	—
6% - 7%	2,065	—	741	—	—
>= 7%	—	8,124	605	4,717	—

Annual Monthly Average and Point-to-Point with Participation Rates

	Minimum Guaranteed Participation Rate			
	10%	20% - 25%	35%	50% +
Current Participation Rate				
At minimum	\$ 137,948	\$ 505,442	\$ 82,486	\$ 88,507
< 20%	1,562,664	—	—	—
20% - 40%	3,407,021	287,414	6,111	—
40% - 60%	426,869	13,044	40,490	—
60% - 100%	766,574	—	—	—
> 100%	935,686	—	—	—

S&P 500 Monthly Point-to-Point - Minimum Guaranteed Monthly Cap = 1.0%

Current Cap	
At minimum	\$ 1,769,059
1.10% - 1.30%	5,834,268
1.40% - 1.60%	1,804,754
1.70% - 2.00%	324,401
>= 2.10%	15,734

Volatility Control Index

Current Asset Fee	
At Maximum	\$ —
0.75% - 1.75%	372,320
2.00% - 2.75%	176,772
3.00% - 3.50%	1,075,244
3.75% - 5.25%	3,149,972

If all caps and participation rates were reduced to minimum caps and participation rates and current asset fees were increased to their maximums, the cost of options would decrease by 0.73% based upon prices of options for the week ended October 1, 2021.

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY
Financial Supplement - September 30, 2021
Unaudited (Dollars in thousands)
Summary of Invested Assets

	September 30, 2021		December 31, 2020	
	Carrying Amount	Percent	Carrying Amount	Percent
Fixed maturity securities:				
United States Government full faith and credit	\$ 38,486	0.1 %	\$ 39,771	0.1 %
United States Government sponsored agencies	1,043,351	2.0 %	1,039,551	1.9 %
United States municipalities, states and territories	3,596,256	6.9 %	3,776,131	7.0 %
Foreign government obligations	195,341	0.4 %	202,706	0.4 %
Corporate securities	31,021,887	59.3 %	31,156,827	58.1 %
Residential mortgage backed securities	1,053,983	2.0 %	1,512,831	2.8 %
Commercial mortgage backed securities	4,138,078	7.9 %	4,261,227	8.0 %
Other asset backed securities	4,650,715	8.9 %	5,549,849	10.4 %
Total fixed maturity securities	45,738,097	87.5 %	47,538,893	88.7 %
Mortgage loans on real estate	4,288,742	8.2 %	4,165,489	7.8 %
Real estate	259,262	0.5 %	—	— %
Derivative instruments	990,033	1.9 %	1,310,954	2.4 %
Other investments	1,021,226	1.9 %	590,078	1.1 %
	<u>\$ 52,297,360</u>	<u>100.0 %</u>	<u>\$ 53,605,414</u>	<u>100.0 %</u>

Credit Quality of Fixed Maturity Securities - September 30, 2021

NAIC Designation	Carrying Amount	Percent	Rating Agency Rating	Carrying Amount	Percent
1	\$ 25,508,437	55.8 %	Aaa/Aa/A	\$ 26,662,952	58.3 %
2	18,928,256	41.4 %	Baa	18,109,280	39.6 %
3	1,107,418	2.4 %	Ba	786,584	1.7 %
4	157,196	0.3 %	B	79,414	0.2 %
5	15,860	— %	Caa	40,126	0.1 %
6	20,930	0.1 %	Ca and lower	59,741	0.1 %
	<u>\$ 45,738,097</u>	<u>100.0 %</u>		<u>\$ 45,738,097</u>	<u>100.0 %</u>

Watch List Securities - September 30, 2021

General Description (a)	Amortized Cost	Allowance for Credit Losses	Amortized Cost, Net of Allowance	Net Unrealized Losses, Net of Allowance	Fair Value
Corporate securities - Public securities	\$ 6,351	\$ (209)	\$ 6,142	\$ —	\$ 6,142
Corporate securities - Private placement securities	36,589	(797)	35,792	(742)	35,050
Residential mortgage backed securities	21,470	(296)	21,174	(284)	20,890
Commercial mortgage backed securities	68,232	—	68,232	(2,989)	65,243
United States municipalities, states and territories	19,044	(2,772)	16,272	(575)	15,697
	<u>\$ 151,686</u>	<u>\$ (4,074)</u>	<u>\$ 147,612</u>	<u>\$ (4,590)</u>	<u>\$ 143,022</u>

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

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY
Financial Supplement - September 30, 2021
Unaudited (Dollars in thousands)

Fixed Maturity Securities by Sector

	September 30, 2021		December 31, 2020	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Available for sale:				
United States Government full faith and credit and sponsored agencies	\$ 1,046,092	\$ 1,081,837	\$ 1,032,936	\$ 1,079,322
United States municipalities, states and territories	3,142,857	3,596,256	3,236,767	3,776,131
Foreign government obligations	177,101	195,341	177,062	202,706
Corporate securities:				
Capital goods	2,273,954	2,612,972	2,295,927	2,721,465
Consumer discretionary	5,857,998	6,686,473	5,674,845	6,734,249
Energy	1,951,542	2,207,667	2,140,768	2,359,893
Financials	6,215,665	6,965,987	5,971,097	6,877,472
Government non-guaranteed	496,262	571,543	539,148	632,178
Industrials	377,678	420,393	276,352	319,823
Information technology	1,636,824	1,851,285	1,556,654	1,840,942
Materials	1,561,874	1,770,068	1,543,032	1,803,501
Other	287,547	334,297	315,628	370,204
Telecommunications	1,541,013	1,736,390	1,340,484	1,582,329
Transportation	1,303,221	1,441,665	1,362,858	1,511,499
Utilities	3,838,830	4,423,147	3,728,403	4,403,272
Residential mortgage backed securities:				
Government agency	479,278	529,059	549,677	627,201
Prime	438,637	445,575	771,031	788,933
Alt-A	62,923	79,349	79,248	96,697
Commercial mortgage backed securities:				
Government agency	382,685	422,726	398,141	447,726
Non-agency	3,581,048	3,715,352	3,721,509	3,813,501
Other asset backed securities:				
Auto	168,011	174,115	258,286	266,065
Energy	7,103	8,320	7,301	8,946
Financials	4,441	4,364	4,441	3,911
Industrials	39,320	40,637	60,894	61,147
Collateralized loan obligations	3,416,238	3,370,252	4,255,839	4,112,318
Military housing	466,176	536,627	464,684	538,356
Other	493,222	516,400	541,724	559,106
	<u>\$ 41,247,540</u>	<u>\$ 45,738,097</u>	<u>\$ 42,304,736</u>	<u>\$ 47,538,893</u>

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY
Financial Supplement - September 30, 2021
Unaudited (*Dollars in thousands*)

Mortgage Loans on Real Estate

	September 30, 2021		December 31, 2020	
	Principal	Percent	Principal	Percent
Geographic distribution: commercial mortgage loans				
East	\$ 672,882	20.2 %	\$ 699,741	19.5 %
Middle Atlantic	292,152	8.8 %	281,971	7.9 %
Mountain	349,747	10.5 %	391,025	10.9 %
New England	24,325	0.7 %	24,774	0.7 %
Pacific	634,074	19.1 %	659,743	18.4 %
South Atlantic	746,152	22.5 %	832,739	23.3 %
West North Central	243,396	7.3 %	266,050	7.4 %
West South Central	362,643	10.9 %	424,111	11.9 %
	<u>\$ 3,325,371</u>	<u>100.0 %</u>	<u>\$ 3,580,154</u>	<u>100.0 %</u>
Property type distribution: commercial mortgage loans				
Office	\$ 290,702	8.7 %	\$ 297,065	8.3 %
Medical Office	15,752	0.5 %	20,584	0.6 %
Retail	1,062,830	32.0 %	1,187,484	33.2 %
Industrial/Warehouse	902,412	27.1 %	929,325	25.9 %
Apartment	885,655	26.6 %	939,084	26.2 %
Mixed use/Other	168,020	5.1 %	206,612	5.8 %
	<u>\$ 3,325,371</u>	<u>100.0 %</u>	<u>\$ 3,580,154</u>	<u>100.0 %</u>

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY
Financial Supplement - September 30, 2021
Unaudited (Dollars in thousands)

	September 30, 2021			
	Commercial	Agricultural	Residential	Total
Credit exposure - by payment activity				
Performing	\$ 3,325,371	\$ 354,743	\$ 603,721	\$ 4,283,835
In workout	—	—	—	—
Delinquent	—	—	6,914	6,914
Principal outstanding	3,325,371	354,743	610,635	4,290,749
Unamortized discounts and premiums, net	—	—	20,461	20,461
Deferred fees and costs, net	(1,387)	(1,002)	1,479	(910)
Amortized cost	3,323,984	353,741	632,575	4,310,300
Valuation allowance	(17,690)	(628)	(3,240)	(21,558)
Carrying value	<u>\$ 3,306,294</u>	<u>\$ 353,113</u>	<u>\$ 629,335</u>	<u>\$ 4,288,742</u>
	December 31, 2020			
	Commercial	Agricultural	Residential	Total
Credit exposure - by payment activity				
Performing	\$ 3,580,154	\$ 245,807	\$ 366,047	\$ 4,192,008
In workout	—	—	—	—
Delinquent	—	—	273	273
Principal outstanding	3,580,154	245,807	366,320	4,192,281
Unamortized discounts and premiums, net	—	—	5,212	5,212
Deferred fees and costs, net	(1,266)	(634)	925	(975)
Amortized cost	3,578,888	245,173	372,457	4,196,518
Valuation allowance	(25,529)	(2,130)	(3,370)	(31,029)
Carrying value	<u>\$ 3,553,359</u>	<u>\$ 243,043</u>	<u>\$ 369,087</u>	<u>\$ 4,165,489</u>

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY
Financial Supplement - September 30, 2021**Shareholder Information****Corporate Offices:**

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

Inquiries:

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

Common Stock and Dividend Information:

New York Stock Exchange symbol: "AEL"

	High	Low	Close	Dividend Declared
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
2020				
First Quarter	\$34.16	\$9.07	\$18.80	\$0.00
Second Quarter	\$27.09	\$14.76	\$24.71	\$0.00
Third Quarter	\$27.32	\$19.06	\$21.99	\$0.00
Fourth Quarter	\$34.25	\$22.37	\$27.66	\$0.32
2019				
First Quarter	\$33.57	\$26.34	\$27.02	\$0.00
Second Quarter	\$30.91	\$25.84	\$27.16	\$0.00
Third Quarter	\$27.80	\$20.16	\$24.20	\$0.00
Fourth Quarter	\$30.96	\$21.75	\$29.93	\$0.30

Transfer Agent:

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

Annual Report and Other Information:

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

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY
Financial Supplement - September 30, 2021

Research Analyst Coverage

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

Wilma Burdis
Credit Suisse Securities
Equity Research | Life Insurance
(919) 306-1023
wilma.burdis@credit-suisse.com

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

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

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

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

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

C. Gregory Peters
Raymond James & Associates, Inc.
(727) 567-1534
greg.peters@raymondjames.com

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

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