

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY
Financial Supplement

September 30, 2021

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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 | <u>\$ 78,317,963</u> | <u>\$ 71,688,579</u> |
| 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 | <u>\$ 78,317,963</u> | <u>\$ 71,688,579</u> |

- (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.

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**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 | | | | |
| 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
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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 | \$ 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.

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- (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.

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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 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 |

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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 (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) |
| | \$ (3,062) | \$ 11,874 | \$ 1,984 | \$ 39,189 |
| 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 |
| | \$ (59,432) | \$ (922,937) | \$ (135,401) | \$ (686,020) |

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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 and Non-GAAP Operating Income Available to Common Stockholders, Excluding Notable Items

| | <u>Q3 2021</u> | <u>Q2 2021</u> | <u>Q1 2021</u> | <u>Q4 2020</u> | <u>Q3 2020</u> |
|---|-------------------|------------------|------------------|------------------|------------------|
| 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 | <u>\$ 136,254</u> | <u>\$ 93,788</u> | <u>\$ 41,441</u> | <u>\$ 71,727</u> | <u>\$ 91,082</u> |
| 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 | <u>\$ 1.46</u> | <u>\$ 0.98</u> | <u>\$ 0.43</u> | <u>\$ 0.77</u> | <u>\$ 0.98</u> |

Notable Items

| | <u>Q3 2021</u> | <u>Q2 2021</u> | <u>Q1 2021</u> | <u>Q4 2020</u> | <u>Q3 2020</u> |
|--|------------------|----------------|----------------|----------------|-------------------|
| 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) | <u>\$ 56,801</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ 340,895</u> |

(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.

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- (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.

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NON-GAAP FINANCIAL MEASURES

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

| | <u>Q3 2021</u> | <u>Q2 2021</u> | <u>Q1 2021</u> | <u>Q4 2020</u> | <u>Q3 2020</u> |
|---|--------------------|-------------------|---------------------|------------------|---------------------|
| 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 | <u>\$ (62,494)</u> | <u>\$ 159,401</u> | <u>\$ (230,324)</u> | <u>\$ 77,989</u> | <u>\$ (911,063)</u> |

- (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.

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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.

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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 |
| <u>\$ 634,359</u> | <u>\$ 680,148</u> | Cost of money for deferred annuities | <u>\$ 198,456</u> | <u>\$ 218,578</u> | <u>\$ 217,325</u> | <u>\$ 218,062</u> | <u>\$ 220,199</u> |
| \$ 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 |

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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) |
| <u>\$ 52,938,493</u> | <u>\$ 53,006,150</u> | Account balances at end of period | <u>\$ 52,938,493</u> | <u>\$ 56,630,138</u> | <u>\$ 55,813,480</u> | <u>\$ 54,056,725</u> | <u>\$ 53,006,150</u> |
| \$ 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.

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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 |
| <u>2,847,259</u> | <u>1,524,698</u> | | <u>759,581</u> | <u>767,365</u> | <u>1,320,313</u> | <u>904,932</u> | <u>445,155</u> |
| | | 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 |
| <u>2,077,695</u> | <u>312,832</u> | | <u>550,380</u> | <u>412,892</u> | <u>1,114,423</u> | <u>939,935</u> | <u>128,721</u> |
| | | 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 |
| <u>4,924,954</u> | <u>1,837,530</u> | Total before coinsurance ceded | <u>1,309,961</u> | <u>1,180,257</u> | <u>2,434,736</u> | <u>1,844,867</u> | <u>573,876</u> |
| 209,968 | 29,390 | Coinsurance ceded | 203,218 | 3,702 | 3,048 | 6,277 | 5,996 |
| <u>\$ 4,714,986</u> | <u>\$ 1,808,140</u> | Net after coinsurance ceded | <u>\$ 1,106,743</u> | <u>\$ 1,176,555</u> | <u>\$ 2,431,688</u> | <u>\$ 1,838,590</u> | <u>\$ 567,880</u> |

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% | <u>\$ 52,938,493</u> | <u>100.0 %</u> |

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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> |

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Annuity Liability Characteristics

| <u>Credited Rate vs. Ultimate Minimum Guaranteed Rate Differential:</u> | 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%.

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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.

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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.

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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> |

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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> |

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| | 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> |

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Shareholder Information

Corporate Offices:

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Inquiries:

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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 |

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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.

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