

PEOPLE

SERVICE

FUTURE



AMERICAN EQUITY

INVESTMENT LIFE INSURANCE COMPANY

WHO IS AMERICAN EQUITY

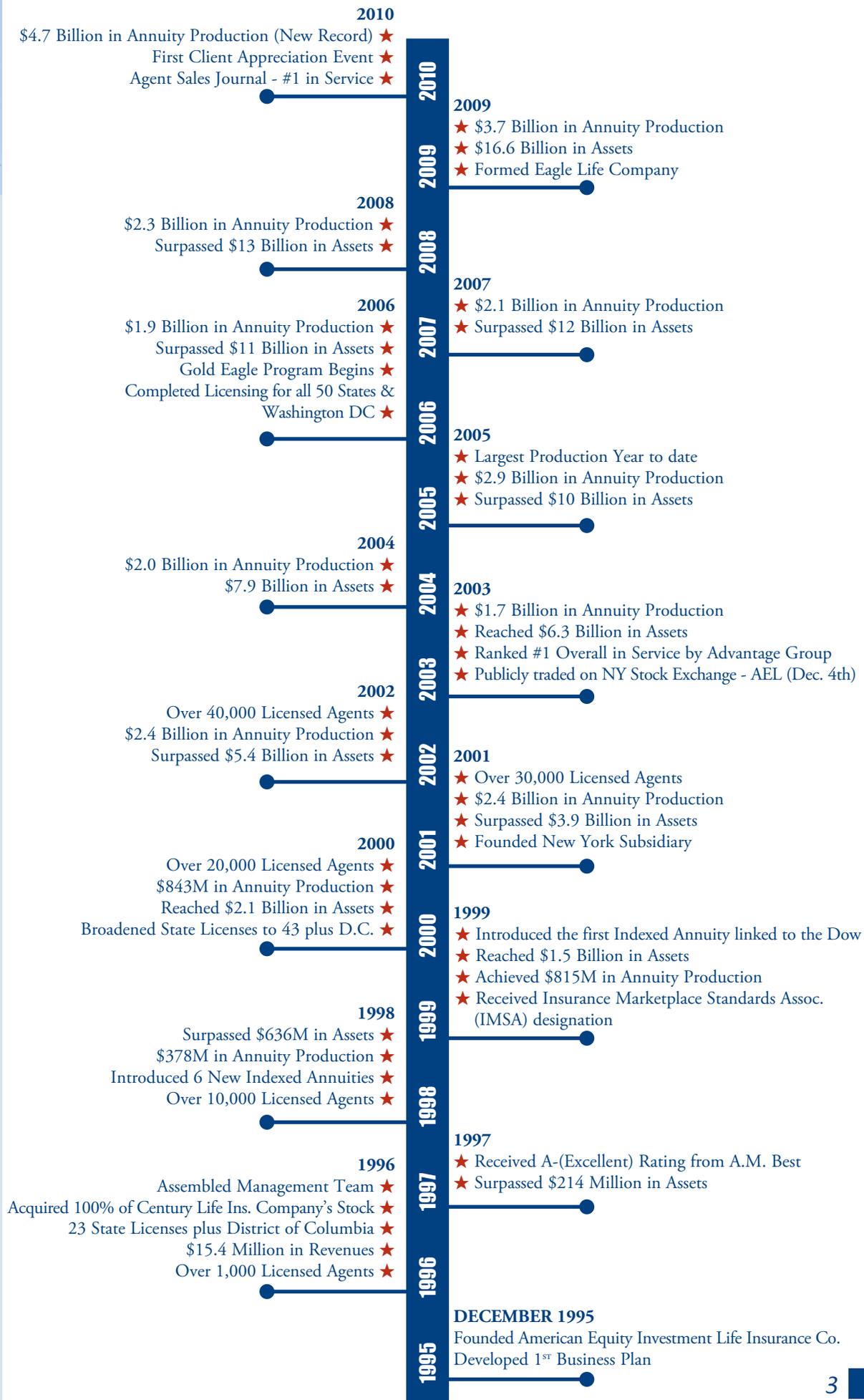
In 1995, David Noble retired...for 3 days. He had spent almost a half century in the insurance industry and did not like how companies were losing touch with their customers and offering poor service. He formed a company that was going to focus on 2 crucial components: GREAT SERVICE AND SLEEP INSURANCE. To capitalize and give a strong foundation, David started by putting his net worth on the line and borrowed money on top of it. Next, he assembled a management team that had a minimum of 5 years working experience with him. He was able to hand pick some of the best talent in the industry who shared his passion for insurance. Additionally, each member was required to invest some of their own net worth into the company and have “skin in the game.”

Fast forward to today and American Equity’s accomplishments are amazing:

- \$0-\$21B in Assets
- 0-40,000 Active Agents
- 0-350,000+ Active Policyholders
- 1-400 Active Employees
- Listed on the New York Stock Exchange (NYSE:AEL)
- #3 All-Time in Indexed Annuity Sales*
- Best service in the Industry

Looking back it would seem impossible to achieve such results. But then David Noble is no ordinary CEO. He stuck to his business plan of “People, Service, and Future”. Today, American Equity is one of the few American-owned, American-operated insurance companies in the industry. Our profits remain on our soil!

**Source: AnnuitySpecs.com*

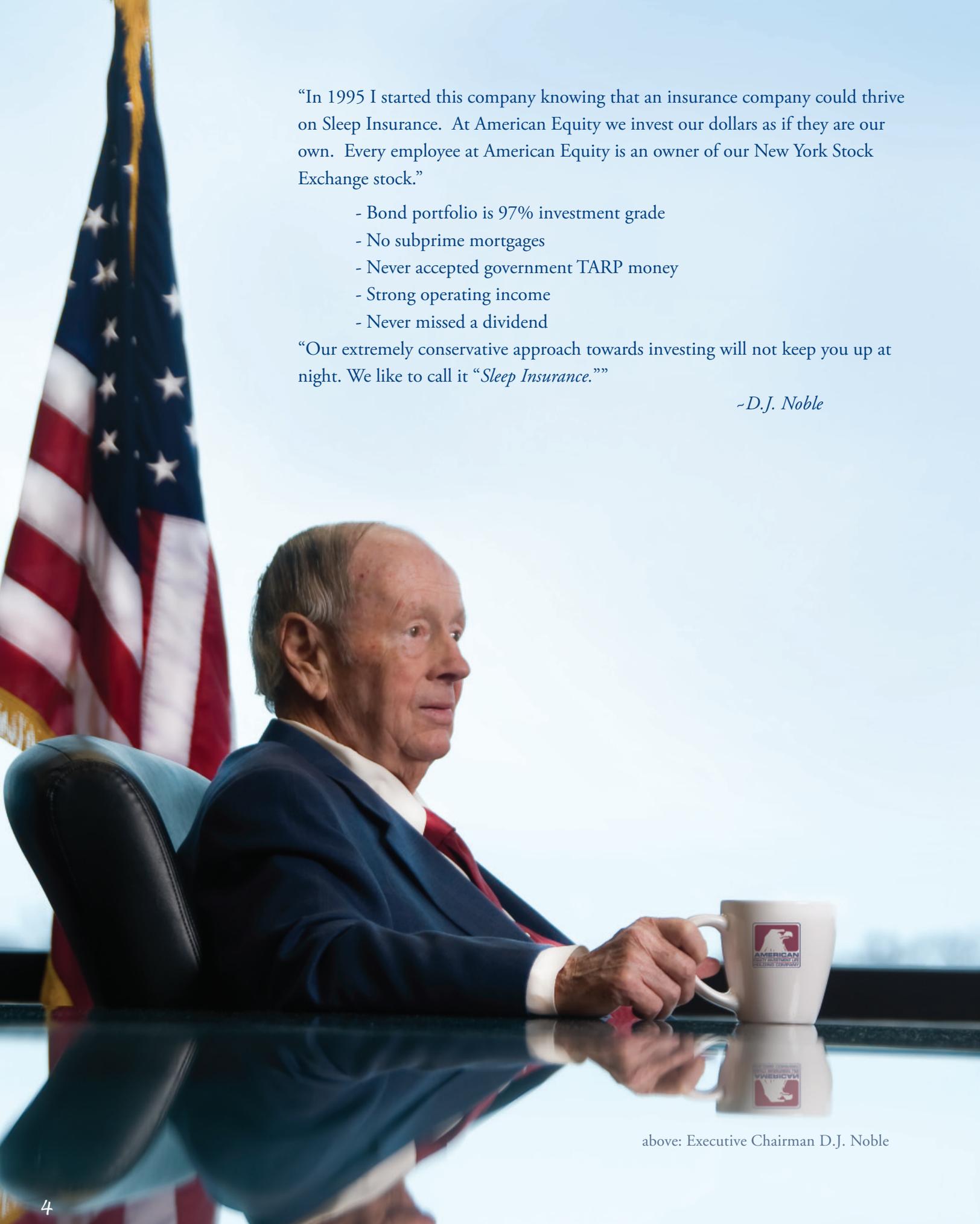


“In 1995 I started this company knowing that an insurance company could thrive on Sleep Insurance. At American Equity we invest our dollars as if they are our own. Every employee at American Equity is an owner of our New York Stock Exchange stock.”

- Bond portfolio is 97% investment grade
- No subprime mortgages
- Never accepted government TARP money
- Strong operating income
- Never missed a dividend

“Our extremely conservative approach towards investing will not keep you up at night. We like to call it “*Sleep Insurance*.””

-D.J. Noble



above: Executive Chairman D.J. Noble

AMERICAN EQUITY IN COMPARISON TO OUR PEER GROUP

Insurance Carrier	Solvency ¹	Liquid Assets ¹	Capital & Surplus to Assets ²	AM Best Rating ³
American Equity Investment Life Insurance Company	\$107.70	\$86.40	7.15%	A-
Allianz Life Insurance Company of North America	\$105.48	\$90.76	5.20%	A
Aviva Life and Annuity Company	\$105.75	\$90.84	5.44%	A
ING USA Annuity and Life Insurance Company	\$102.11	\$78.27	2.06%	A
The Lincoln National Life Insurance Company	\$104.56	\$86.92	4.36%	A+
Midland National Life Insurance Company	\$105.54	\$95.37	5.25%	A+
OM Financial Life Insurance Company	\$105.13	\$98.43	4.88%	A-

Financial Information current as of 12/31/09.

INFORMATION GATHERED FROM: Best's Insurance Reports - Life Health, US 2010 Edition (2009 Annual Data, Version 2010.1)

¹**Solvency:** Assets over Liabilities indicates financial soundness and a company's ability to meet all obligations as they become due. **Liquid Assets:** Assets in Bonds, Stocks, Cash and Short-Term Investments for each \$100 of Liabilities (excluding separate account liabilities). A high ratio may indicate a more liquid investment position to cover unforeseen emergency cash requirements that may arise.

²**Capital and Surplus to Assets:** Capital and surplus divided by total assets.

³A.M. Best's rating is a measure of performance in the areas of Investment Quality, Policy Reserves, Capital Adequacy, Cost Control and Management Experience. A.M. Best uses 15 rating categories ranging from A++ to F. An A- rating from A.M. Best is its fourth-highest rating.

SOLVENCY* — AMERICAN EQUITY IN COMPARISON TO THE TOP 25 COMPANIES

Assets for each \$100 of Liabilities

A high ration of Assets over Liabilities is a significant safety factor. This indicates that a company has enough assets to cover its liabilities and to meet all obligations as they become due.

Assets for each \$100 of Liabilities as of Dec. 31, 2009

Aetna Life Insurance Company, CT	\$127.55
Allstate Life Insurance Company, IL	105.82
American Family Life Assurance Co., GA	108.24
AXA Equitable Life Assurance Society, NY.....	102.52
Connecticut General Life Ins. Co., CT	118.11
Great-West Life and Annuity Ins. Co., CO	103.56
Guardian Life Ins. Co. of America, NY.....	115.68
Hartford Life Insurance Company, CT	103.98
Jackson National Life Ins. Company, MI	105.38
John Hancock Life Ins. Co. (USA); MA.....	102.53
Lincoln National Life Ins. Co., IN	104.56
Massachusetts Mutual Life Ins. Co., MA.....	108.26
Metropolitan Life Insurance Co., NY.....	104.56
Minnesota Mutual Life Ins. Co., MN	108.27
Nationwide Life Insurance Co., OH	103.65
New York Life Insurance Company, NY.....	113.14
Northwestern Mutual Life Ins. Co., WI	108.04
Pacific Life Insurance Company, CA	105.58
Phoenix Life Insurance Company, CT	103.66
Principal Life Insurance Company, IA.....	104.02
Protective Life Insurance Company, TN	110.88
Prudential Insurance Co. of American, NJ	104.65
Riversource Life Insurance Company, MN.....	104.32
State Farm Life Insurance Company, IL	113.39
Transamerica Life Insurance Company, IA	105.21
AVERAGE OF 25 OF THE LARGEST LIFE CO'S.....	\$105.85
AMERICAN EQUITY INVESTMENT	\$107.70

*2010 Standard Analytical Service, 2010 Independent Comparative Report

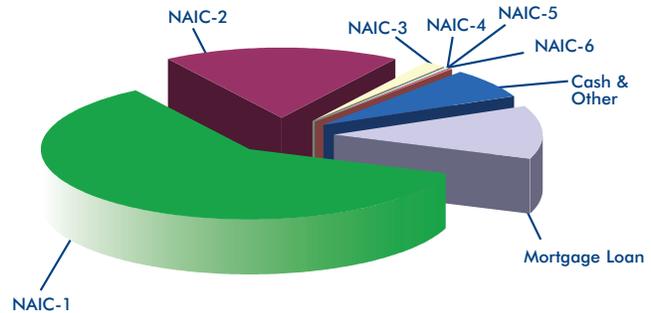
STATUTORY FINANCIAL FACTS - DECEMBER 31, 2010

Assets:	\$21,125,501,127
Liabilities:	\$19,724,816,152
Capital & Surplus: (including AVR and IMR)	\$ 1,521,239,585

Composition of Invested Assets:

NAIC Designation	Rating Agency Equivalent	Percent*
1	Aaa/Aa/A	74.7%
2	Baa	23.0%
3	Ba	2.0%
4	B	0.1%
5	Caa and lower	0.1%
6	In or near default	0.1%

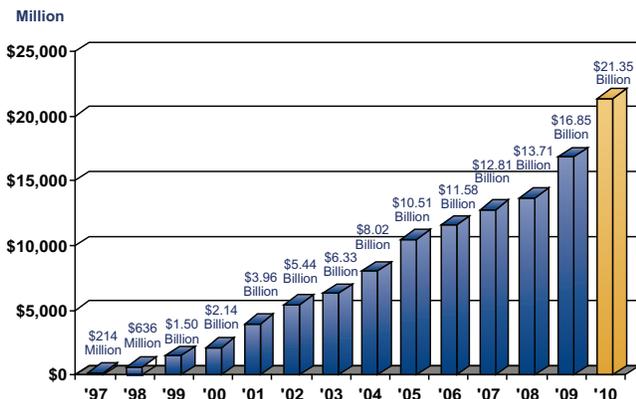
*The above table presents our fixed maturity securities by NAIC designations and the equivalent ratings of the nationally recognized securities rating organizations.



Total Cash and Investments

Bond Portfolio:	97% Investment Grade
Capital & Surplus to Annuity Reserves Ratio:	Exceeds 8.0%
Life Insurance In -Force: (American Equity is the leading insurer of National Guard members in the U.S.)	Over \$2.5 Billion
State Licenses:	50 & District of Columbia

CONSOLIDATED STATUTORY ASSETS



CAPITAL COMMITMENT

Total Statutory Capital and Surplus*



FINANCIAL RATING

American Equity's commitment to sound business principles has been recognized by A.M. Best, a nationally recognized industry rating authority.

A.M. Best's rating of "A-" (Excellent) for American Equity is a measure of performance in the areas of:

Investment Quality • Policy Reserves • Capital Adequacy • Cost Control • Management Experience

A.M. Best uses 15 rating categories ranging from A++ to F. An A- rating from AM Best is its fourth highest rating.

We're the One!
People Service Future



Back Row: Left to Right and years affiliated with D.J. Noble

James M. Gerlach,
Executive Vice President
40+ years

John M. Matovina,
Chief Financial Officer & Vice Chairman
30+ years

Terry A. Reimer,
Chief Operating Officer & Executive
Vice President
30+ years

Ronald J. Grensteiner,
President, American Equity Investment
Life Insurance Company
20+ years

Front Row: Left to Right

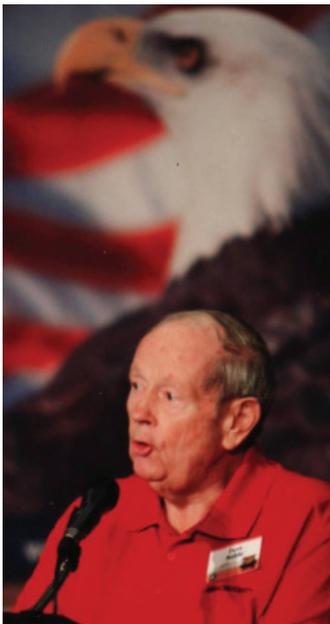
Debra J. Richardson,
Chief Administrative Officer, Executive
Vice President & Secretary
20+ years

D.J. Noble,
Founder & Executive Chairman
50+ years of Insurance Experience

Wendy L. Waugaman,
Chief Executive Officer
20+ years



AMERICAN EQUITY is one of the leading insurers of U.S. National Guard Members



RED SHIRT FRIDAY TRADITION

American Equity employees show their respect for the courageous men and women serving in our armed forces by wearing a red shirt-each week on Friday. Since the 9/11 tragedy in 2001, the tradition of wearing a red shirt to work has grown to the point where Fridays are a sea of red clothing around our West Des Moines office. That even includes Executive Chairman David Noble, as this photo shows.

Red Shirt Fridays - it's become a tradition here now, and a sincere sign of our company-wide support for Americans who are serving their country and putting their lives on the line to help assure our freedom and security.

CLIENT APPRECIATION EVENTS

In 2010, American Equity became the first major life insurance company to offer client (policyholder) appreciation events. At a time of some of the worst financial unrest in history, American Equity has made it a priority to assure our clients that our company is financially sound and their retirement dollars are safe. Since inception, American Equity has never lost a penny of policyholder funds due to market volatility. Now that's Sleep Insurance!



President
Ron Grensteiner

THE DIFFERENCE

American Equity was built on a foundation of great service. Our 400+ employee-owners are eager to serve you. We answer the phone with a live human voice in a very timely manner. Our call center is located in the heartland of America in West Des Moines, Iowa. Additionally, should you ever need to request funds from your contract, you will

be happy to know that we will process your request within 3-5 business days.

American Equity consistently ranks high in service categories in several independent surveys. Most recently, American Equity ranked #1 in 7 out of 10 categories relating to service.* We received top honors in “Best Line of

Fixed Annuities,” “Best Line of Indexed Annuities,” and “Best Call Center/Telephone Support,” just to name a few.

Perhaps the best service American Equity provides is the support we lend to a variety of charity and nonprofit organizations.

** Agent Sales Journal, April 2010.*

CHARITIES AND CAUSES WE SUPPORT

United Way

Race for the Cure

Toys for Tots

Childserve

Boy Scouts

Special Olympics

North/South Bowl

Red Shirt Friday

Blank Park Zoo

Rock In Prevention

Goodwill Industries

On with Life

Meals from the

Heartland

COMPANY HOURS & MAIN NUMBERS

NORMAL BUSINESS HOURS:

Monday - Thursday:

8:00 am - 4:45 pm (CT)

Friday:

8:00 am - 1:00 pm (CT)

Some departments have coverage rotation on Friday's due to customer needs.

MAIN PHONE NUMBER:

888-221-1234

515-221-9947 (fax)

MAILING ADDRESS:

P.O. Box 71216

Des Moines, IA 50325

www.american-equity.com



Committee for the United Way Charity



WWII Veteran Send-Off to Washington, D.C.



Company Incentives for Good Service



Meals from the Heartland



Softball Outing



Golf Outing



Employee Appreciation



6000 Westtown Parkway
West Des Moines, Iowa 50266

515.221.0002 • 888.221.1234
www.american-equity.com

