



## American Equity, Varde Partners and Agam Capital Management Announce Strategic Partnership

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WEST DES MOINES, Iowa & MINNEAPOLIS & NEW YORK--(BUSINESS WIRE)--Sep. 28, 2020-- American Equity Investment Life Holding Company ("American Equity") (NYSE: AEL), a leading issuer of fixed index annuities, Varde Partners ("Varde"), a leading global alternative investment firm, and Agam Capital Management, LLC ("Agam"), an insurance solutions provider, announced they have reached agreement in principle to form a strategic partnership intended to drive value for investors, retirement planners and retirees by combining the capabilities, resources and expertise of each organization.

This press release features multimedia. View the full release here: <https://www.businesswire.com/news/home/20200928005433/en/>

Under the terms of the agreement in principle, Varde will establish a Bermuda reinsurance company that would reinsure \$5 billion of American Equity fixed index annuity liabilities. American Equity and Varde will also jointly establish an asset management entity to provide insurance asset management services to the reinsurance company. American Equity is intended to have a significant minority interest in the new reinsurer and a 35% interest in the newly formed asset manager.

Each of the three companies brings distinct capabilities to the partnership. American Equity brings distribution, policyholder service and administration, product development and insurance specific asset management expertise. Varde brings alternative asset management capabilities and Agam brings differentiated risk management solutions. By combining these complementary capabilities in a new reinsurance company and a new asset management entity, all three partners will benefit from the growth of the reinsurance business and assets under management.

"We are very pleased to announce our strategic partnership with Varde and Agam, which we believe could define the next phase in the evolution of the intersection of the insurance and asset management sectors," said Anant Bhalla, CEO of American Equity. "This is the first of many steps in us executing our new AEL 2.0 strategy. This would expand our presence into new markets with world class partners through strong structural and economic alignment. As this venture scales, it would expand American Equity into the global life and annuity reinsurance and third party insurance asset management businesses. Additionally, by starting this venture with plans to transfer a \$5 billion block of annuities to the reinsurer, American Equity shareholders would benefit by the freeing up of approximately \$350 million of capital. Finally, this is intended to provide American Equity with access to differentiated asset origination which creates investment flexibility across market cycles. This would ultimately enable the company to offer more attractive, and a wider variety of, products to America's retirees and pre-retirees."

Elena Lieskovska, Partner at Varde, said: "Varde is pleased to partner with American Equity as we grow our global insurance asset management business with Agam. This is a strategic extension of our long established capabilities as a leading investor in credit and alternatives. Our goal is to build a world-class insurance solutions platform combining Varde's core strengths and Agam's differentiated pALM technology and insurance expertise. Through this partnership we anticipate being able to execute on a number of follow-on transactions in the life and annuity space."

Agam's co-Founders, Chak Raghunathan and Avi Katz, said: "This transformative strategic partnership will set the standard for multi-dimensional solutions towards value creation in the retirement income market. We believe that Agam's differentiated pALM platform will provide the foundation for the robust ALM and ERM infrastructure underpinning this initiative and, combined with Varde's world class investment management capabilities, will unlock significant value for American Equity. We look forward to working with Anant and his leadership team as we embark on this exciting long-term partnership."

The partnership is intended to be finalized in the first half of 2021, pending regulatory approvals and customary closing conditions.

### NOTE REGARDING FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995. Forward-looking statements relate to future operations, strategies, financial results or other developments, and are subject to assumptions, risks and uncertainties. Statements such as "guidance", "expect", "anticipate", "believe", "goal", "objective", "target", "may", "should", "estimate", "projects" or similar words as well as specific projections of future results qualify as forward-looking statements. Factors that may cause our actual results to differ materially from those contemplated by these forward looking statements can be found in the company's Form 10-K filed with the SEC. Forward-looking statements speak only as of the date the statement was made, and the Company undertakes no obligation to update such forward-looking statements. There can be no assurance that other factors not currently anticipated by the Company will not materially and adversely affect our results of operations. Investors are cautioned not to place undue reliance on any forward-looking statements made by us or on our behalf.

### ABOUT AMERICAN EQUITY

American Equity Investment Life Holding Company, through its wholly-owned operating subsidiaries, is a leading issuer of fixed index annuities through independent agents, banks and broker-dealers. American Equity Investment Life Holding Company, a New York Stock Exchange listed company (NYSE: AEL), is headquartered in West Des Moines, Iowa.

### ABOUT VARDE PARTNERS

Varde Partners is a leading global alternative investment firm with roots in credit and distressed. Founded in 1993, the firm has invested more than \$70 billion since inception and manages over \$14 billion on behalf of a global investor base. The firm's investments span corporate and traded credit, real estate and mortgages, private equity and direct lending. Varde employs more than 300 professionals across 12 offices worldwide. For more information, please visit [www.varde.com](http://www.varde.com).

## ABOUT AGAM CAPITAL MANAGEMENT

Agam is a New Jersey-based insurance solutions provider, founded by Abraham Katz and Chak Raghunathan, senior executives from Apollo Global Management and Aflac Inc. While traditional insurance solutions have been aimed at enhancing asset yield to support a liability structure, Agam has focused its efforts on building technology for risk management with integrated analytics. Agam's expertise is to develop solutions for complex cash flow streams through greater hedging optimization and meaningfully lower operating costs.

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