

AEL

**Investor
Symposium**

DECEMBER 7, 2022

American Equity AEL 2.0 Investor Symposium

AEL

3:00 – 3:40

Welcome/Safe Harbor

– Steven Schwartz

AEL Presentation

– Anant Bhalla, Jim Hamalainen, Axel André

3:40 – 4:00

Pretium Partners

– Ted Huffman

4:00 – 4:20

Adams Street Partners

– Bill Sacher

4:20 – 4:40

26North

– Josh Harris

4:40 – 5:00

Q&A

– Anant Bhalla, Jim Hamalainen, Axel André

Information on Forward-Looking Statements, Non-GAAP Financial Measures, and Partner Presentations

The forward-looking statements in this presentation or that American Equity Life uses on the accompanying conference call, such as 2022E, 2023E, 2024E, 2025E, beyond, illustration, long-term, near-term, path, scenario, strategy, sustainable, anticipate, assume, become, believe, can, could, estimate, expect, forward, future, goal, guidance, intend, likely, may, might, model, opportunity, outlook, over time, plan, project, risk, should, target, toward, trends, will, would, and their derivative forms and similar words, as well as any projections of future results, are based on assumptions and expectations that involve risks and uncertainties, including the "Risk Factors" the company describes in its U.S. Securities and Exchange Commission filings. The Company's future results could differ, and it has no obligation to correct or update any of these statements.

We use non-certain GAAP financial measures in this presentation and on the accompanying conference call. These are not a replacement for financial measures based on generally accepted account principles. We believe the combined presentation and evaluation of such measures provides information that may enhance an investor's understanding of our underlying results and profitability. For more information on non-GAAP financial measures, see the information in the following slides and on the investor relations pages of our website, ir.american-equity.com.

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AEL 2.0 — Today

Assembled a Strong Team with Execution Focus



Anant Bhalla
Chief Executive
Officer & President

Previous Experience:
AIG, Brighthouse, MetLife, Ameriprise,
Lincoln Financial

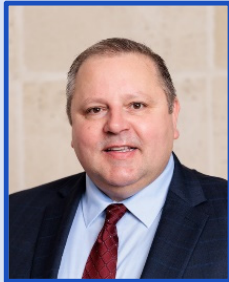
20+ Years Industry Experience
(2+ Years at AEL)



Axel André
Executive Vice
President & Chief
Financial Officer

Previous Experience:
Jackson, AIG, Goldman Sachs

20+ Years Industry Experience
(1+ Years at AEL)



Jim Hamalainen
Executive Vice
President & Chief
Investment Officer

Previous Experience:
Brighthouse, Ameriprise, American
Express

25+ Years Industry Experience
(2+ Years at AEL)



Jeffrey Lorenzen
Executive Vice
President & Chief
Risk Officer

Previous Experience:
West Bank, Investors Management
Group

30+ Years Industry Experience
(13+ Years at AEL)



Nick Volpe
Chief Technology
Officer

Previous Experience:
Guardian Life, AXA

20+ Years Industry Experience
(<1 Years at AEL)



Pradip Ghosh
Senior Managing
Director, Private
Asset Partnerships
& Special
Situations Investing

Previous Experience:
Lockton, Ares, Lehman Brothers,
Barclays

25+ Years Industry Experience
(1+ Years at AEL)



Mark Reilly
Chief Client
Solutions Officer

Previous Experience:
Brighthouse, MetLife, Travelers

25+ Years Industry Experience
(2+ Years at AEL)



Graham Day
President, Eagle
Life Insurance
Company

Previous Experience:
Equitable, Donaldson, Lufkin & Jenrette

20+ Years Industry Experience
(2+ Years at AEL)



Michael Brandriet
Chief Distribution
Officer, American
Equity Investment
Life Insurance
Company

Previous Experience:
Allianz, AXA

25+ Years Industry Experience
(2+ Years at AEL)



Kate Etinger
Chief People
Officer

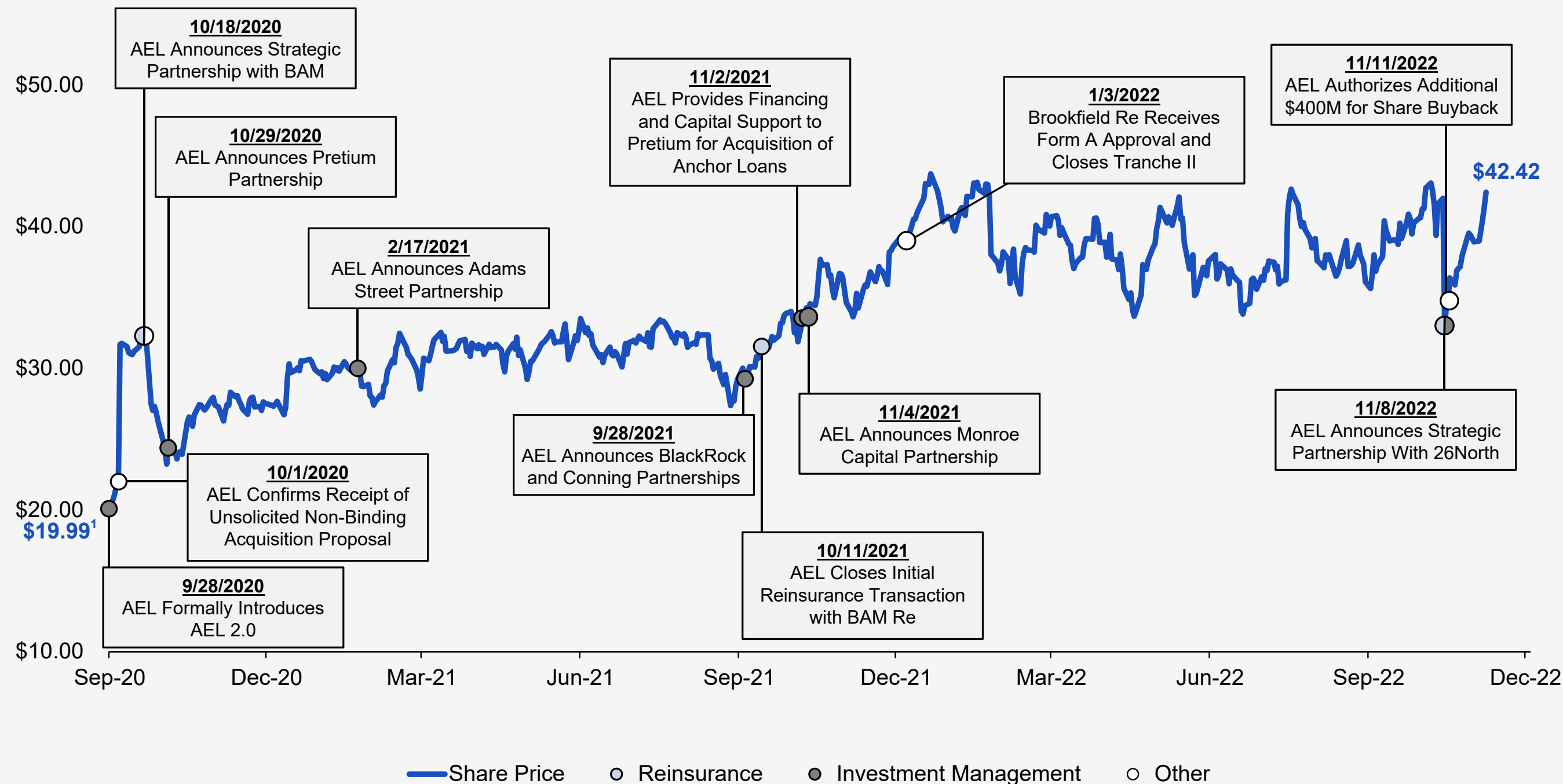
Previous Experience:
Bank Leumi USA, Citi, Knight Capital,
Merrill Lynch, HSBC

20+ Years Industry Experience
(<1 Years at AEL)

Virtuous Flywheel



AEL Has Continued to Execute on Its AEL 2.0 Strategy



Source: FactSet. Data as at 12/2/2022.

¹ Share price as at 9/25/2020.



Go-to-Market Strategy — Today: At-Scale Leading U.S. Platform



1 Scaled Origination Machine

- 27 year history of selling fixed annuities
- Ability to originate liabilities for AEL’s balance sheet and to fund vehicles backed by third-party capital
- Flexible to adjust to rapid market changes like quickly changing caps, participation rates, and crediting rates and distribution focused products
- **Key focus:** React to competitor actions quickly — when appropriate

3 Diversified Distribution

- Top 5 FIA origination in IMO channel (2021)¹
- Significant agent loyalty in IMO channel
- Scaling Eagle Life (IBDs and banks emphasis)
- Purchase of broker dealer to enter registered products
- **Key focus:** channel expansion and grow loyal producer base leveraging AEL strengths



Resilient Product Suite 2

- Complete package for clients & distributors
- Stable product suite including accumulation and income offerings
- **Key focus:** Products with risk / return profile commensurate with public & private investor appetite

Service + Value Add 4

- Industry-leading customer service (#1 for Customer Satisfaction among Annuity Providers in the J.D. Power 2022 U.S. Individual Annuity Study)
- Expand to omni-channel experience for agents
- Marketing support to producers (e.g., FIAs as a bond replacement asset class in 60 – 40 allocations)
- **Key focus:** Ease of doing business

¹ Secured Retirement Institute U.S. Individual Annuities Sales Survey, Fourth Quarter 2021.



Adams Street

iSQUARED CAPITAL

MONROE CAPITAL

BlackRock

CONNING®

26NORTH*
(Exp. 2023)

Pretium

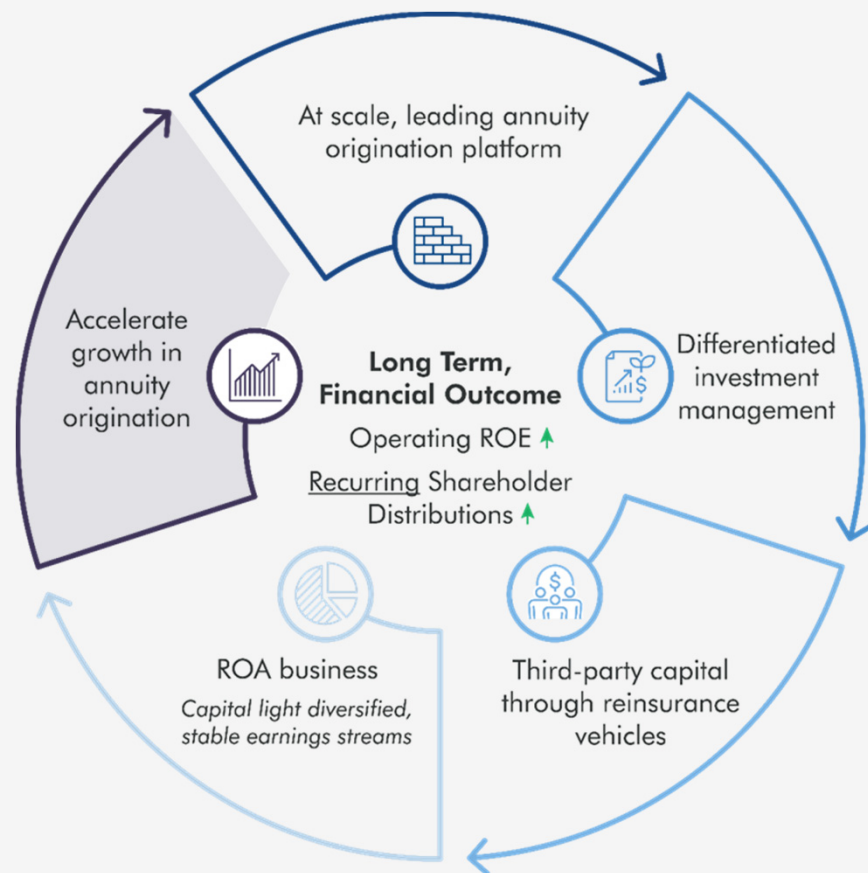
AEL Re Bermuda & AEL Vermont

agam / 26NORTH*

Brookfield Reinsurance Partners (Brookfield Re)

Future sidecar vehicles (2023 and beyond)

Partnerships executed to-date highlight the open architecture model in action



1 Expand in U.S. Distribution

- Advisor loyalty
- Deepen share of wallet with IMO's and select IBDs
- Proactive product re-pricing

2 Product Expansion

- RILA in 2024
- FAs with flow reinsurance support

3 Long-Term Opportunities

- International markets
- Reinsurance support to other insurers

Delivering Superior Differentiated Investment Management Capabilities on Par with Alternative Asset Managers



Differentiated Partnerships with Industry-Leading Asset Managers...



Residential real estate credit (whole loans) and equity (single family rental); short-term mortgage loans through Anchor Loan acquisition



Insurer capital efficient investment vehicles established primarily to invest in secured loans to US middle-market private companies



Dedicated technology lending platform focusing on middle-market Software, Technology and Recurring Revenue ("STARR") loans



Multi-asset class investment platform, with investment strategies including private equity and private credit in insurer-friendly format



Global infrastructure investment manager focusing on energy, utilities, telecom and transport in North America, Europe, and select high growth economies

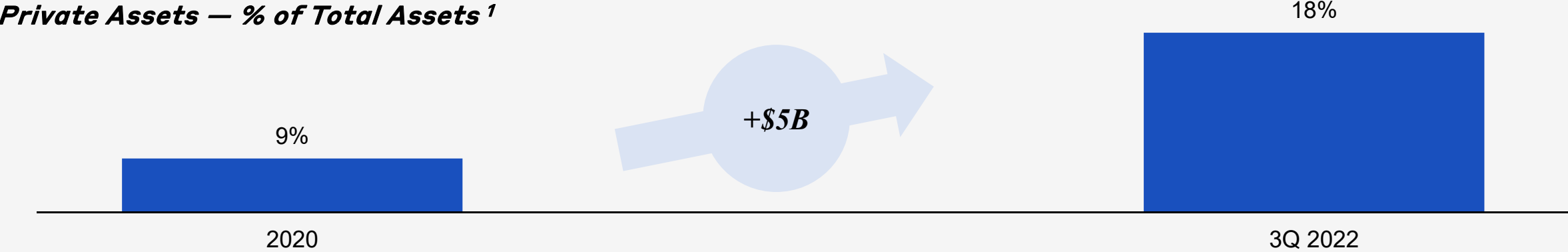


Asset manager providing investment management, risk management and advisory services to institutional, intermediary and retail clients worldwide

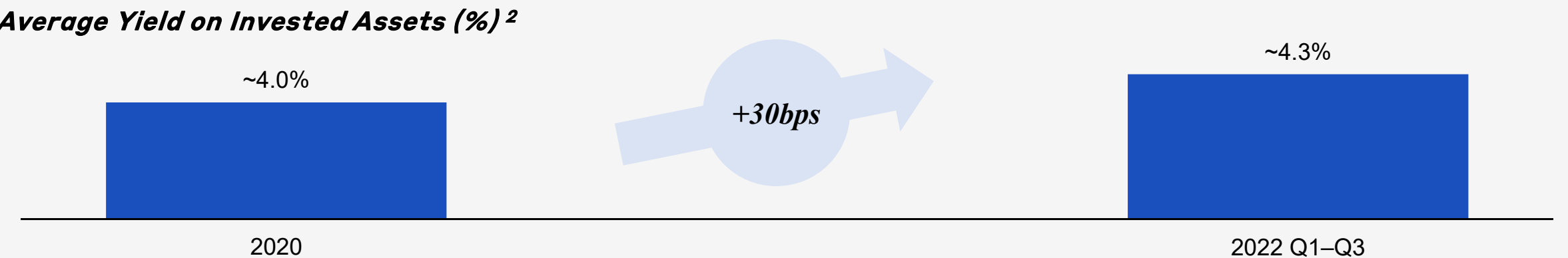


Investment manager providing investment expertise, software and services, and insurance research services

...Drive Private Asset Origination...



...While Optimizing Investment Yield



¹ Private assets include mortgage loans on real estate, real estate investments and other investments. ² Excludes impact of additional prepayment income.

Overview of Private Assets: ~18% of Invested Assets

	Asset Class	%	Reward	Key Risks
Loans	Residential	5%	Investments in residential loans provide an attractive risk-adjusted return through underwriting that results in a prime borrower profile with high levels of equity subordination.	Declining home values could change borrower behavior and potentially increase loss severity in the event of default.
	Commercial	6%	Senior secured loan structures insulate the investment from loss risk. Focused on asset selection in higher growth markets and less volatile asset types (multifamily, industrial, and technical infrastructure).	Macroeconomics and inflationary pressure may lead to occupancy declines, which will add to borrower stress from increasing debt service obligations and/or refinancing risk.
	Agricultural	1%	Stable and long-term asset provides capital preservation during economic uncertainty; good inflation hedge. Farmland is a finite resource with favorable long-term supply and demand dynamics; Low volatility asset class and low correlation to other asset classes.	Crop production risk stemming from unpredictable weather events, pests, disease and other factors can negatively impact net farm income.
Private Credit	Middle-Market Credit	2%	Senior secured loans to small- and medium-sized companies with strong lender protections. Scalable and diversified asset class across borrower end markets, with lower rate risk (given floating terms) and better structure versus high yield public credit markets.	A recessionary environment may lead to a higher probability of borrowers coming under stress and limit market access to refinance debt.
	Specialty Finance / Asset-Backed Credit	<1%	Loans secured by asset level cash flows in which structures are bilaterally negotiated, which provides stronger credit protection, better alignment with borrowers, and better ratings stability and regulatory capital efficiency. Diversified and heterogeneous collateral.	Default and prepayment experience that exceeds historical thresholds can negatively impact returns.
	Infrastructure Debt	1%	Senior secured loans made against infrastructure assets or to operators of infrastructure assets with yields that are at premium to public credit. Structural subordination mitigates downside risk. Given nature of underlying assets, historical loss rates have been below comparably rated corporate bonds.	Underperformance of underlying asset can stress cash flows. Complex workout in a default scenario that requires sector specific and deep operational expertise to mitigate adverse outcomes.
Equity	Residential Real Estate	2%	Long-term stability through a portfolio of geographically diversified, desirable rental houses in growing locations. Benefit from long-term appreciation and rent growth.	Negative rent growth for an extended time period or declining real estate values could degrade returns.
	Commercial Real Estate	<1%	Long-term appreciation of real estate values in multifamily, industrial, and infrastructure investments. Opportunities to invest in difficult to replace assets, expected to be resilient through economic cycles.	Adverse net operating income generation for an extended time period or declining real estate values could degrade returns.
	Infrastructure	0%	Strong hedge against inflation. Generally low market volatility and little correlation to other asset classes. Due to infrastructure assets' inelastic demand profile, investments tend to largely be unaffected by fluctuations of moderate volatility in the market, with low correlation to other asset classes.	Illiquid nature of infrastructure assets. Wide variety of risk profiles and return drivers across infrastructure types.
	Core Private Equity	0%	Valuation becoming more compelling, good entry point. Existing deals may benefit from their lower debt financing.	Entering a more uncertain economic environment may be more challenging given inflationary and interest rate risks. New deals will likely require more equity. Legacy assets could be mispriced, have higher risk of default (more leverage) and more difficult exits. Deal flow is declining.

Rating Agency Excess Capital	\$850M+ <i>Today</i> ¹		\$500M+ <i>Moderate Recession Scenario</i> ¹	
Financial Strength Ratings	A- <i>AM Best</i>	A- <i>S&P Global</i>	A- <i>Fitch</i>	
Liquidity	~\$320M <i>Hold Co Liquid Assets</i>		~\$1.8B <i>Liquidity at Operating Companies</i> ²	
Leverage	~13x <i>Asset Leverage</i> ³		13.9% <i>Debt / Cap. Ratio</i> ⁴	

Note: As of 9/30/2022.

¹ Based on internal estimates. ² Includes cash and cash equivalents plus FHLB borrowing capacity. ³ Calculated as total statutory assets / total adjusted capital. ⁴ Total capitalization is calculated as \$3.2 billion of total stockholders' equity plus \$0.9 billion of debt excluding \$2.2 billion of accumulated other comprehensive income.

AEL 2.0

Path to Incremental Value Realization

Three Drivers to Shareholder Value Realization

- 1 **Yield Enhancement**
- 2 **Business Mix Transformation**
- 3 **Capital Optimization**

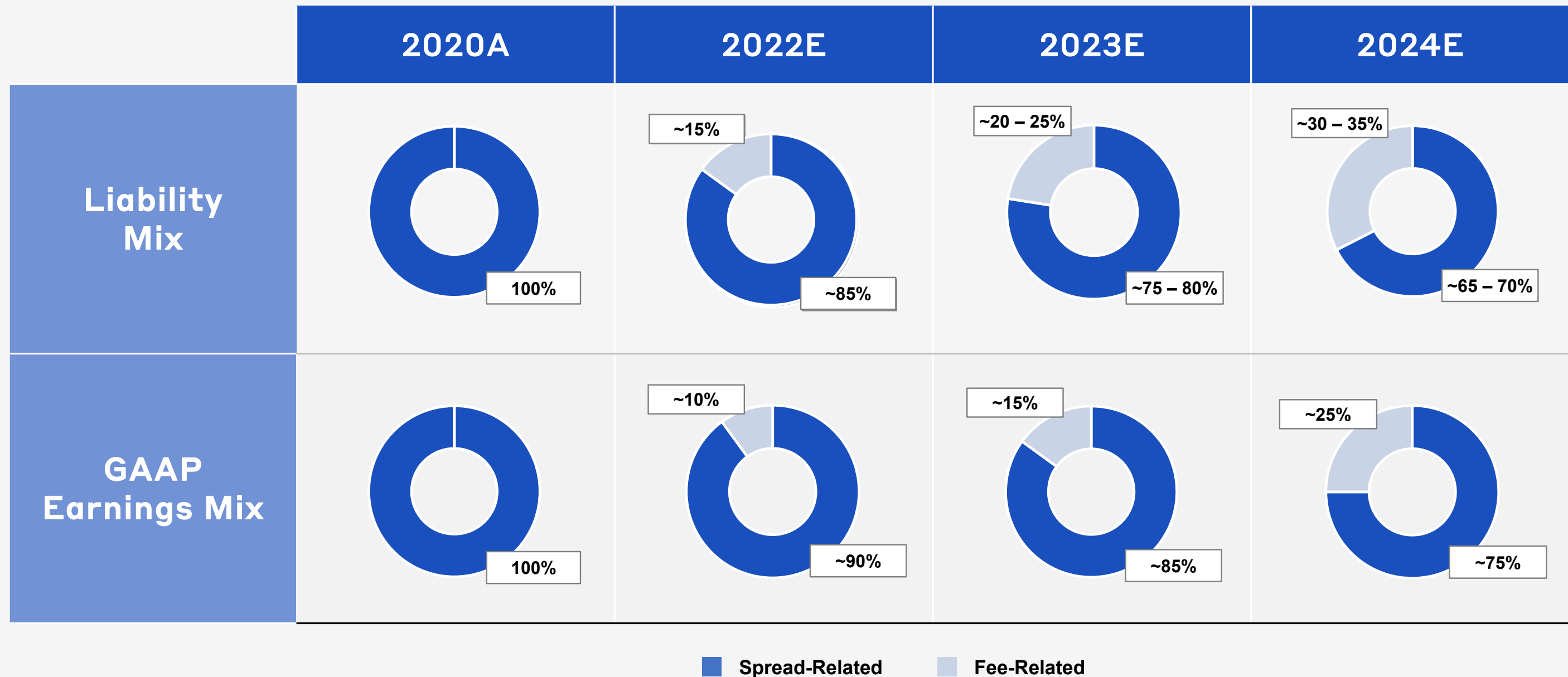
Key Driver ① : Yield Enhancement



	2020A	2022E	2025E (and beyond)
Average Yield ¹	~4.0%	~4.3%	~4.8%+
Investment Spread	~2.4%	~2.6%	~2.9%
New Business IRRs	~10%	12–14%	12–15%
Annual Private Asset Origination	~\$1.2B	~\$5.0B	~\$4.0B+

¹ Assuming current forward rate curve.

Key Driver 2 : Business Mix Transformation



Note: Spread-related refers to in-force liabilities and earnings generated from those liabilities. Fee-related refers to those liabilities that have been reinsured and upon which the company receives fees or commissions from its reinsurance counterparties.

AEL 1.0 *2020A and prior*

1. 100% U.S. insurance regulatory regime
2. Trapped capital without reinsurance optimization
3. Historically, no capital return to shareholders beyond common stock dividends

AEL 2.0 (Today) *2021A – 2022E*

Initial Actions

1. Released trapped capital via Bermuda regime and redundant reserve financing
2. Capital release via in-force reinsurance
3. Capital efficient growth in fee-related earnings (FRE) via new business / flow reinsurance with Brookfield Re
4. Reinvested freed up capital to grow NII from private assets
5. Initiated capital return to shareholders through share buyback

AEL 2.0 (Future) *2023E – 2024E*

Continuing Actions

1. Growing spread-related earnings (SRE) investment margin by reinvesting capital to support private asset ramp
2. Attracting third-party capital via reinsurance sidecars for growth in FRE
3. Growing FRE via flow insurance with Brookfield Re, other reinsurance partners and sidecar vehicles
4. Sustained capital return to shareholders

Projected Growth in Balance of Fee-Generating Reinsured Liabilities

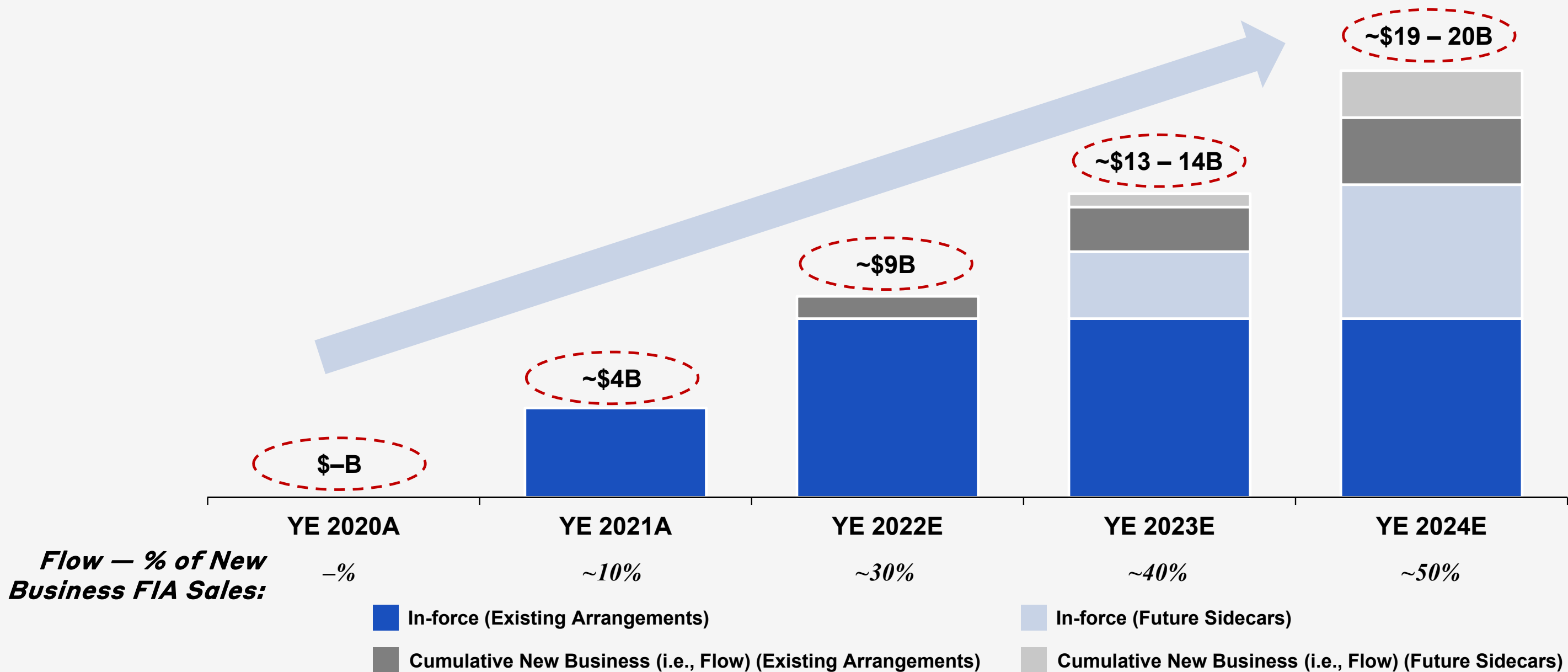


Illustration: Free Cash Flows from a Single Reinsurance Sidecar Vehicle



Sidecar vehicles to provide (a) in-force reinsurance and (b) new business flow capacity

Assumed 5.0% Upfront Ceding Commission

Sidecar Illustrative Cash Example \$M				
	Year 1	Year 2	Year 3	
Illustrative Sidecar Liabilities				
Beginning of Period	—	\$4,000	\$5,000	
In-Force Premium	\$3,000	—	—	
Flow Premium	1,000	\$1,000	\$1,000	
End of Period	\$4,000	\$5,000	\$6,000	
Illustrative Cash Impact				
Ceding Commission (In-Force)	\$150	—	—	
Ceding Commission (Flow)	50	\$50	\$50	
Total	\$200	\$50	\$50	

2 Sidecars → Reinsurance of \$2B of run-rate annual flow resulting in ~\$100M of sustainable distributable earnings (pre-tax)

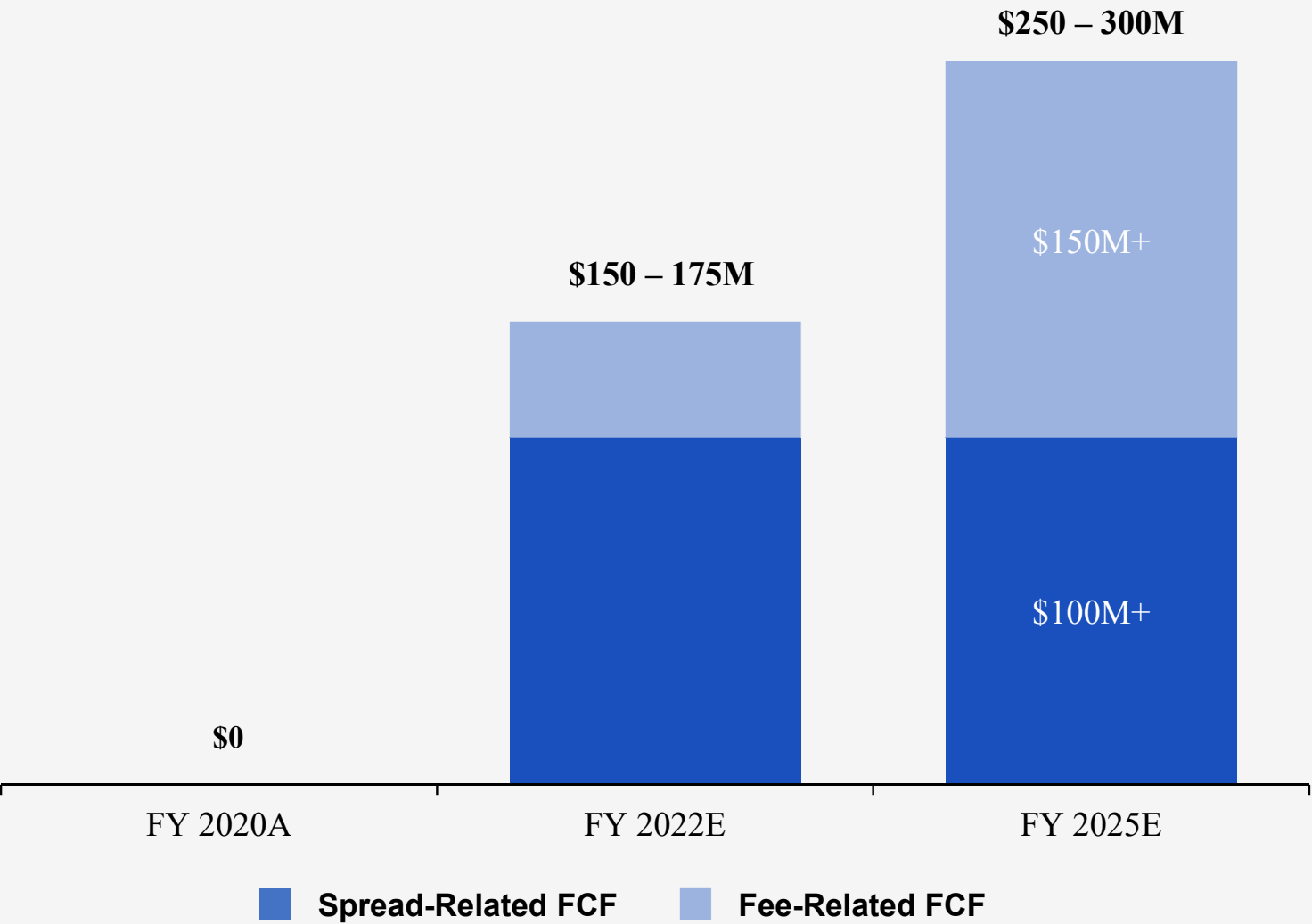
Distributable Free Cash Flow

Path to Sustainable Distributable FCF

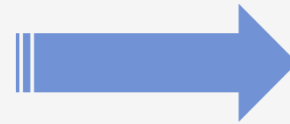
- 1 Spread-Related FCF:** supported by (1) growing effective yield through private asset origination and margin expansion, (2) writing profitable new business and (3) lowering capital requirements through reinsurance / capital management
- 2 Fee-Related FCF:** growing capital-light fee streams supported by current reinsurance relationships and new sidecars

Key Assumptions

- Gross sales: \$4B and \$5B in 2023 and 2024, respectively
- \$1B ceded to Brookfield Re annually; gross commission and ALM fee of ~170bps combined
- 1 sidecar executed in 2023 and 2024 (each \$3B in-force + \$1B flow annually)

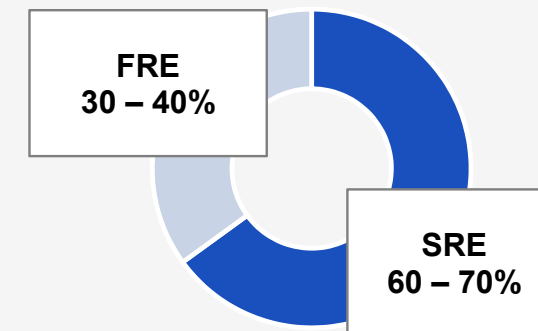
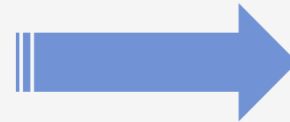


① Sustained capital return

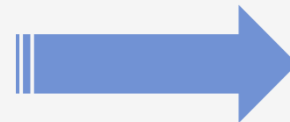


\$250–300M annually

② Transformed long-term
GAAP earnings mix



③ Operating ROE











11–14%

AEL 2.0

Open Architecture Investment Management Platform

Key Partners in Private Assets

	Asset Class	% ¹	
Loans	Residential	5%	
	Commercial	6%	
	Agricultural	1%	
Private Credit	Middle-Market Credit	2%	  <i>(Exp. 2023)</i>  
	Specialty Finance / Asset-Backed Credit	<1%	
	Infrastructure Debt	1%	
Equity	Residential Real Estate	2%	   <i>(Exp. 2023)</i>
	Commercial Real Estate	<1%	
	Infrastructure	0%	
	Core Private Equity	0%	

¹ Total privately sourced assets of 18%.

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