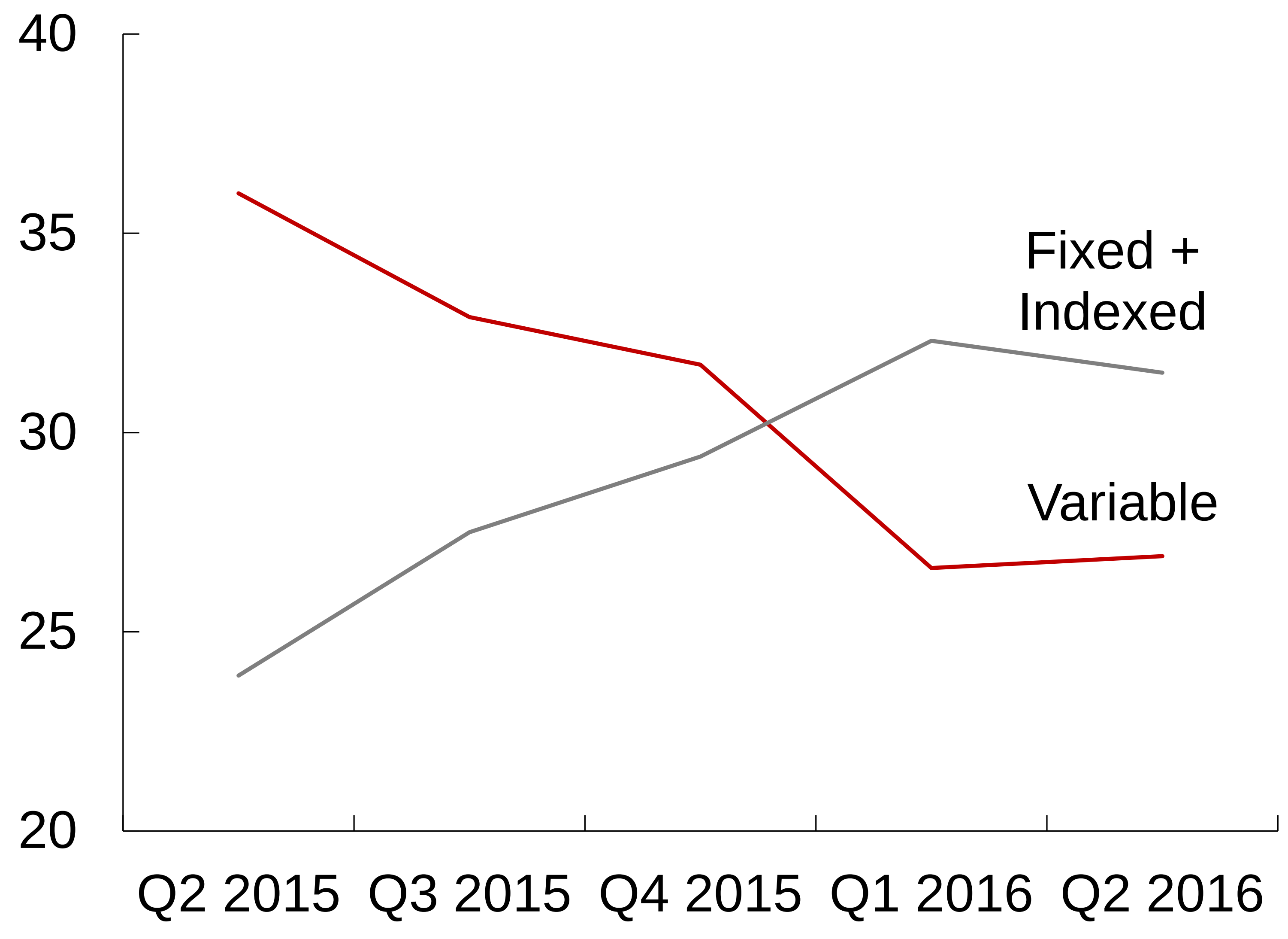
Chad Myers

US

INVESTOR CONFERENCE

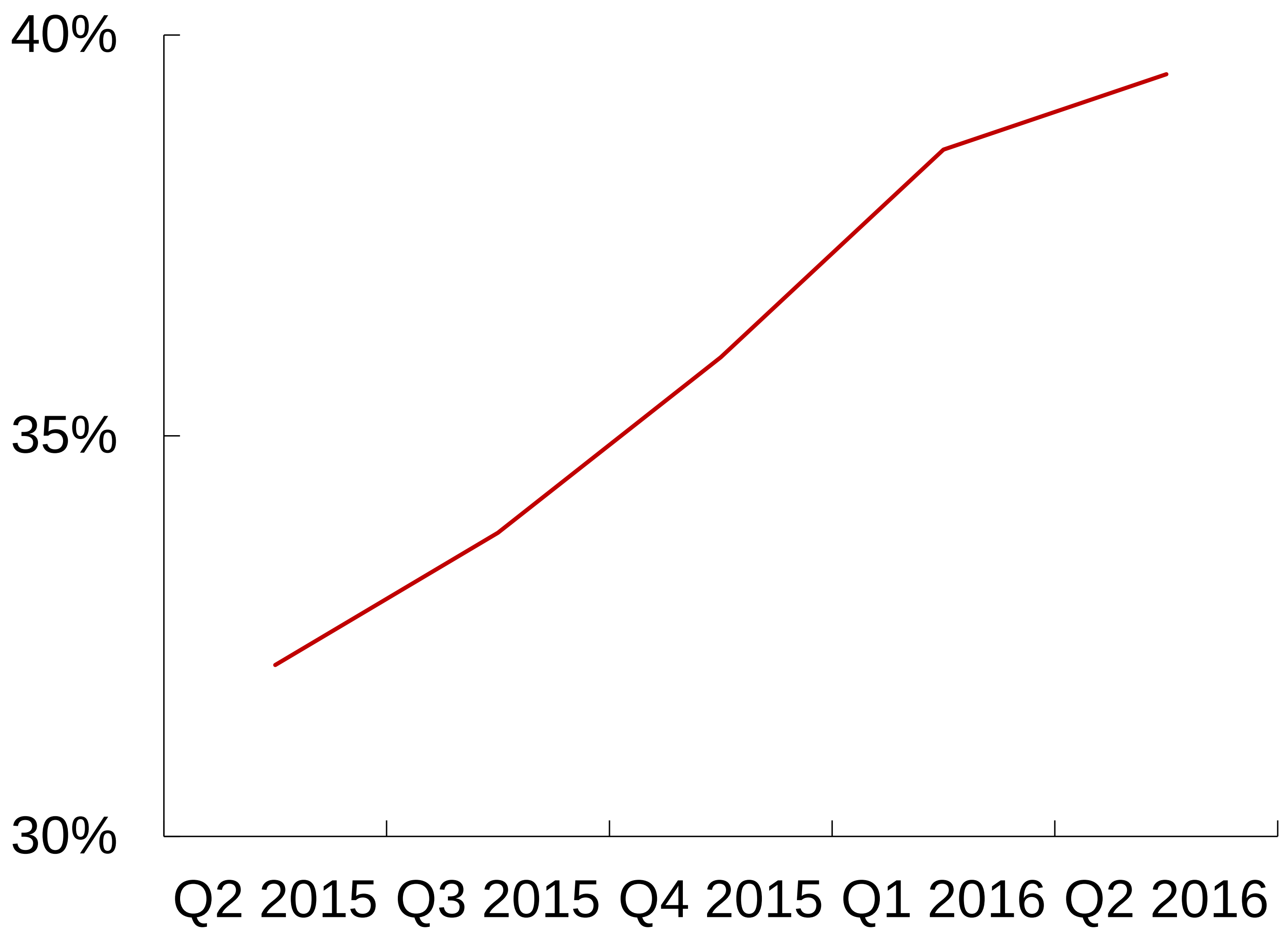
Annuity Industry Trends

Variable vs Fixed Sales



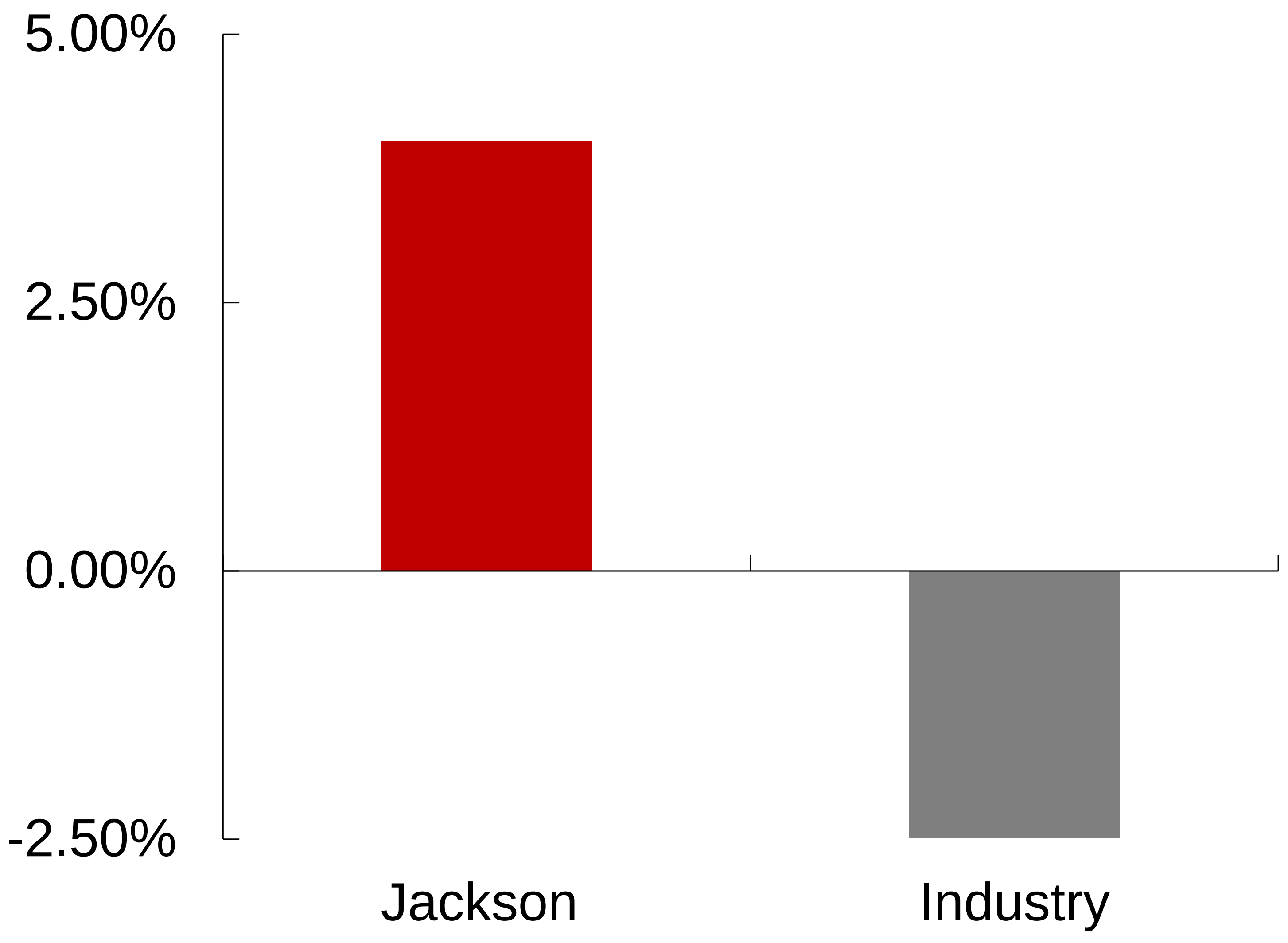
Source: LIMRA/SRI U.S. Individual Annuity Participant's Report 2Q YTD 2016.

Captive Share of VA Sales



Source: MARC. © 2016 Morningstar, Inc. All Rights Reserved.

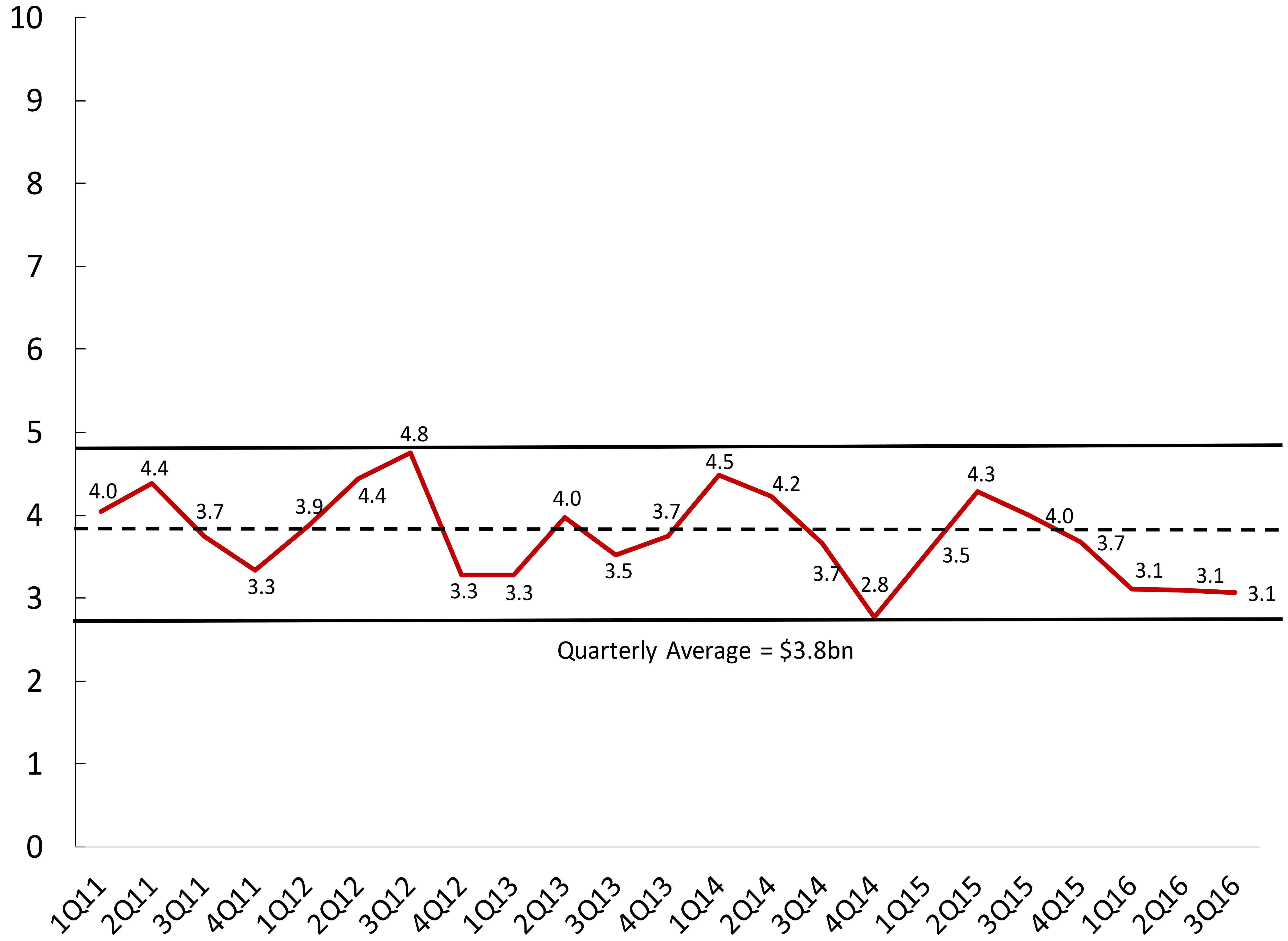
Jackson VA Asset Growth vs Industry



Source: MARC. Asset growth is 2Q16 compared to 2Q15. . ©2016 Morningstar, Inc. All Rights Reserved

Consistent Variable Annuity Volumes

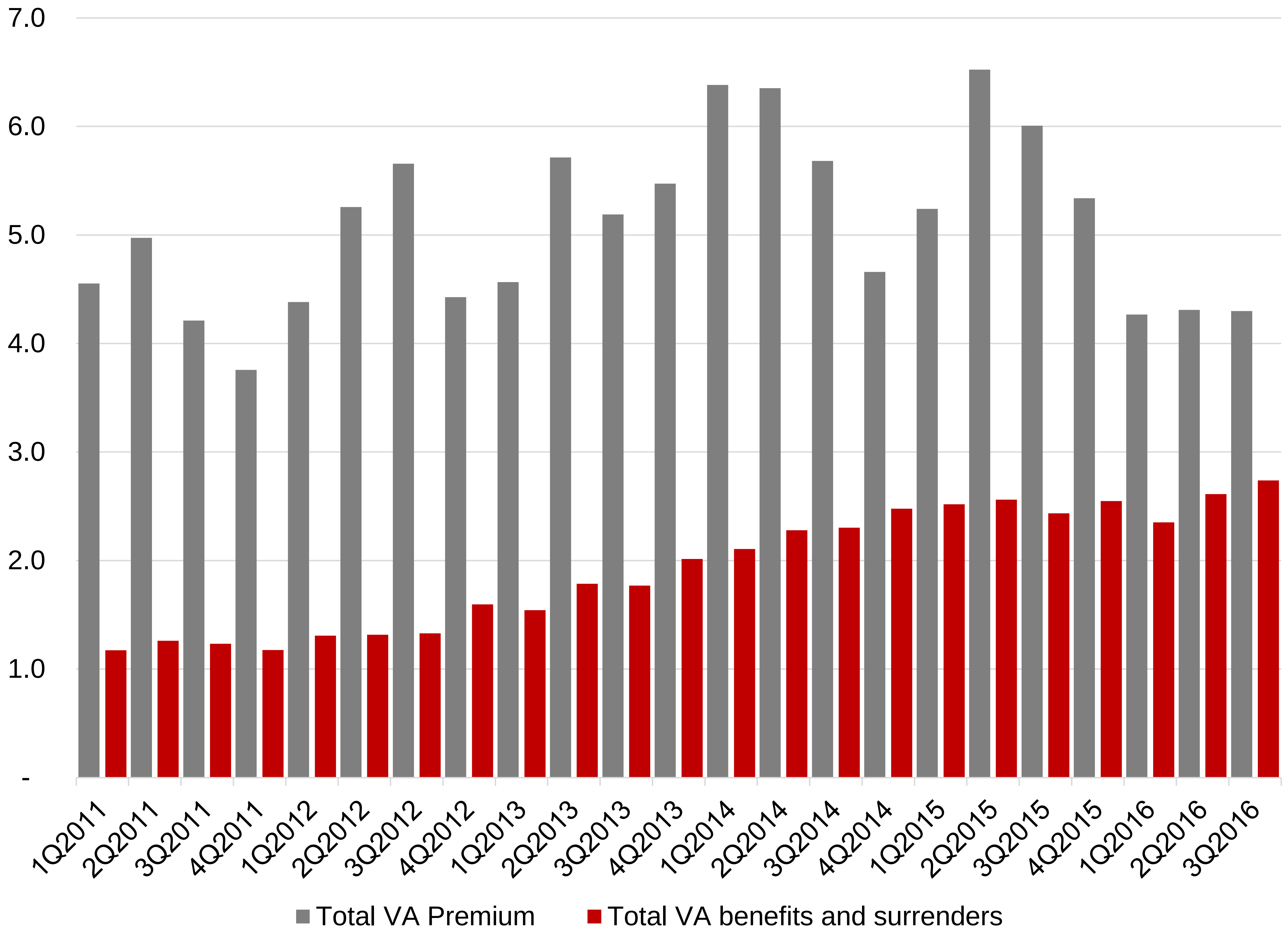
$ in billions



- Jackson's quarterly living benefit VA sales have fluctuated around the $4bn level over the last several years

Strong Variable Annuity Net Inflows

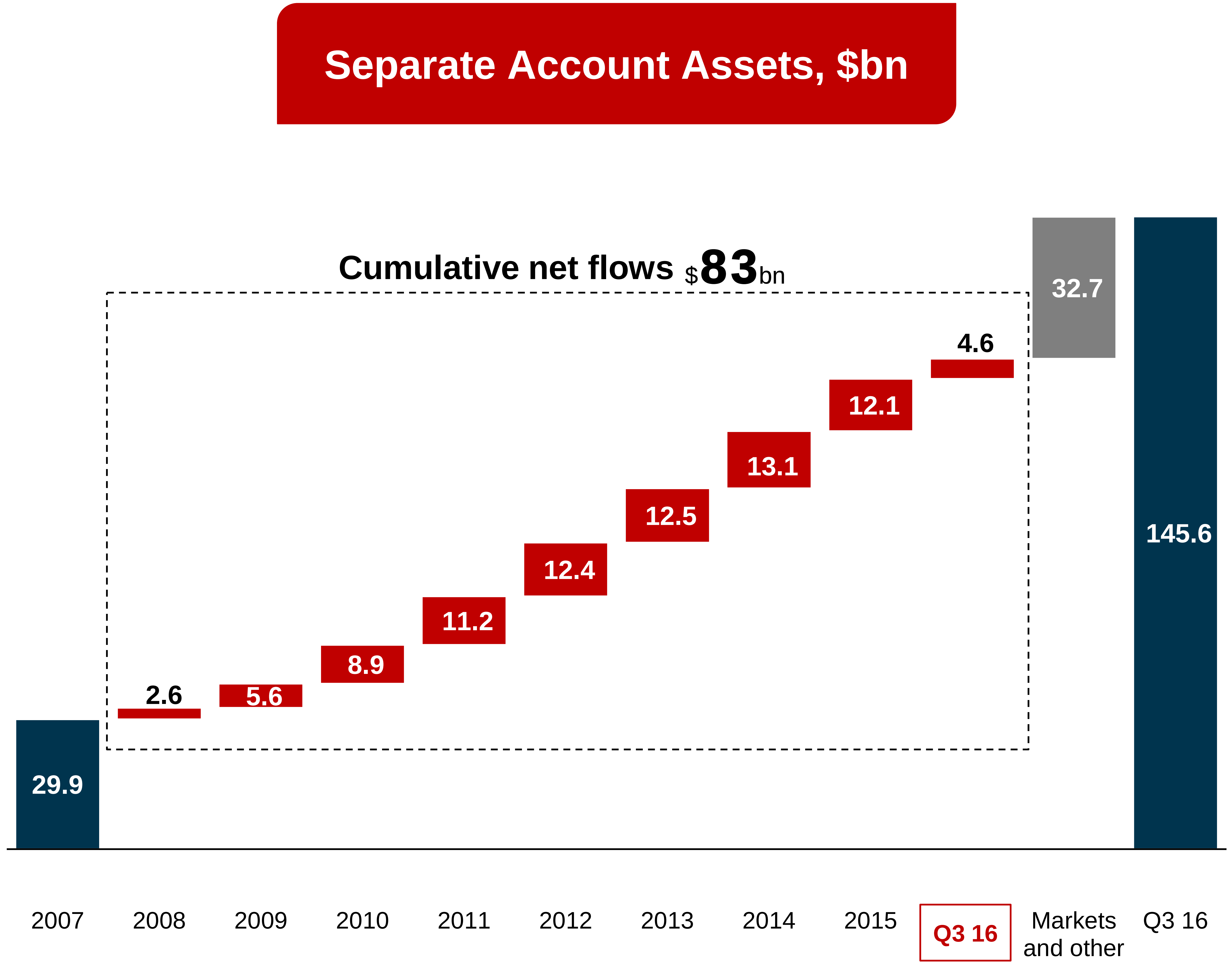
Variable Annuity Quarterly Gross Sales and Benefits/Lapses 2011 – 3Q16 ($ billions)



- Despite the reduction in sales volumes, variable annuity net sales have continued to be positive
- 3Q 2016 YTD surrenders and benefits have been only 60% of total premium
- 3Q 2016 YTD net inflows of $5.2 billion ($4.6 billion of separate account VA inflows)
- The total VA industry reported net outflows of $15.3 billion during the 1st half of 2016 (Source: MARC)

INVESTOR CONFERENCE

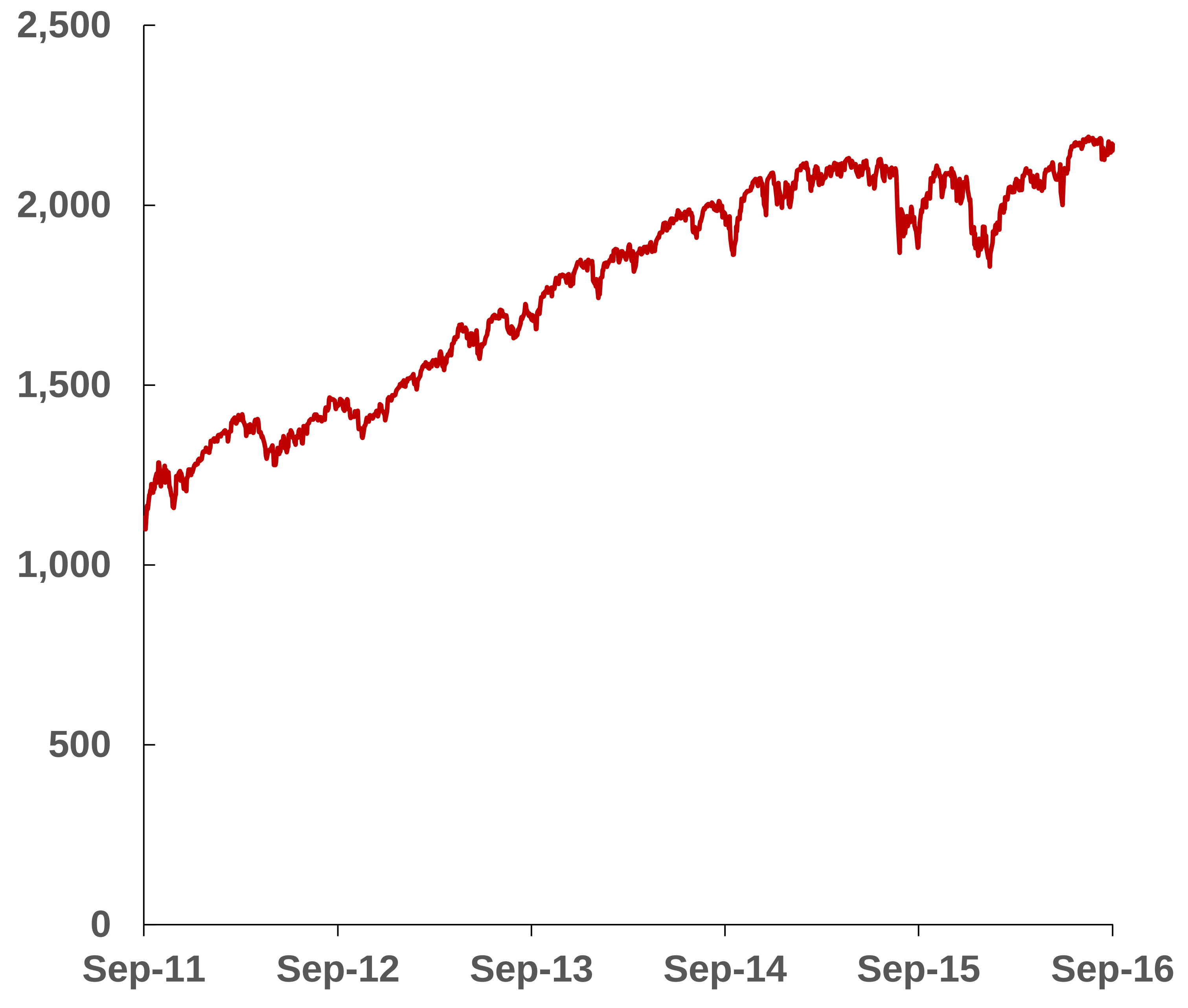
Separate Account Growth



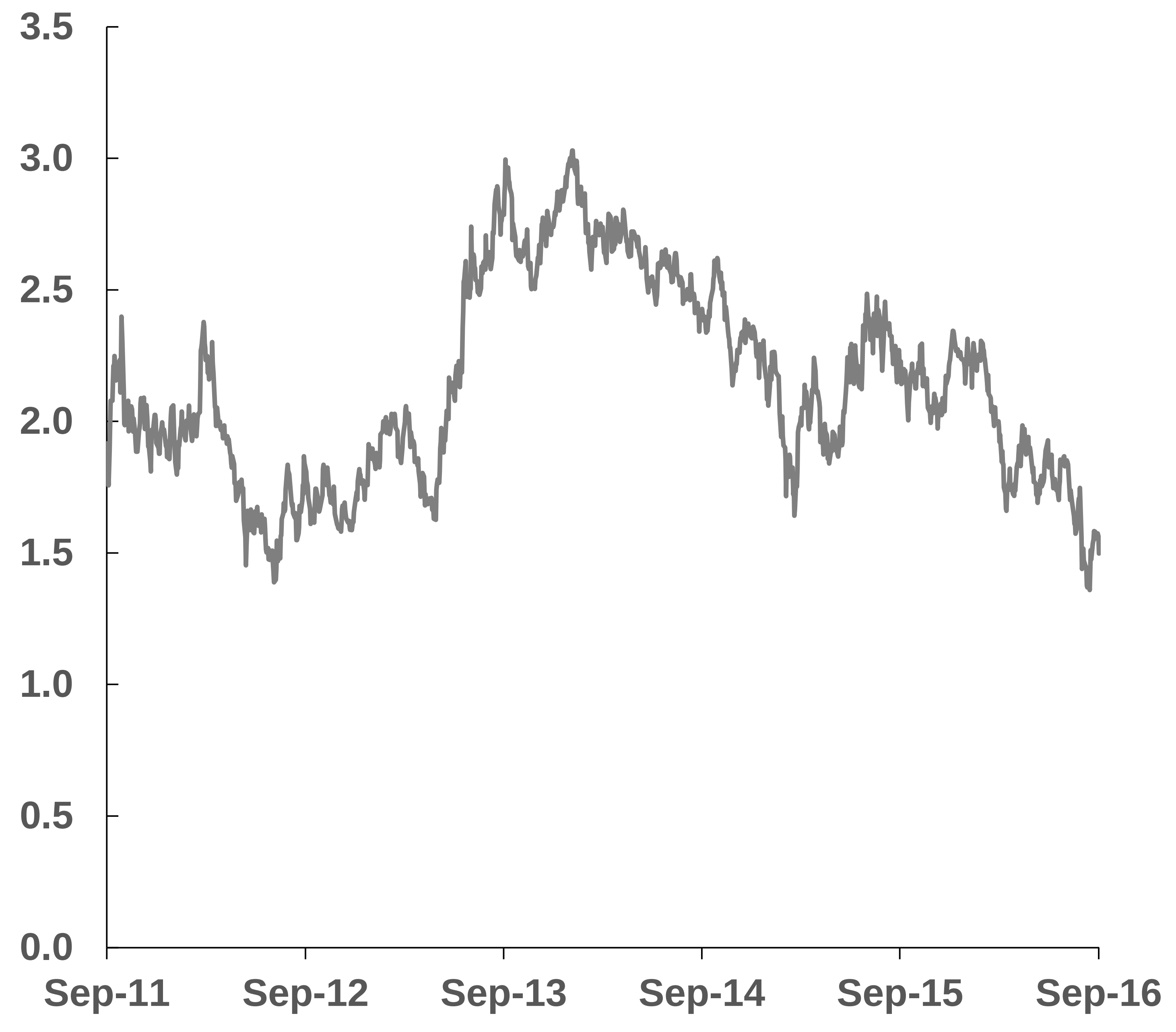
- Separate account growth has been driven over time by a combination of both positive net flows and equity market growth
- Very strong net flows relative to the size of the book in the years following the financial crisis meant that this was the main factor in the growth of the block
- Going forward, the size of the in-force book will mean that equity market movements will have a larger impact on the growth of the separate account than before

Economic Backdrop

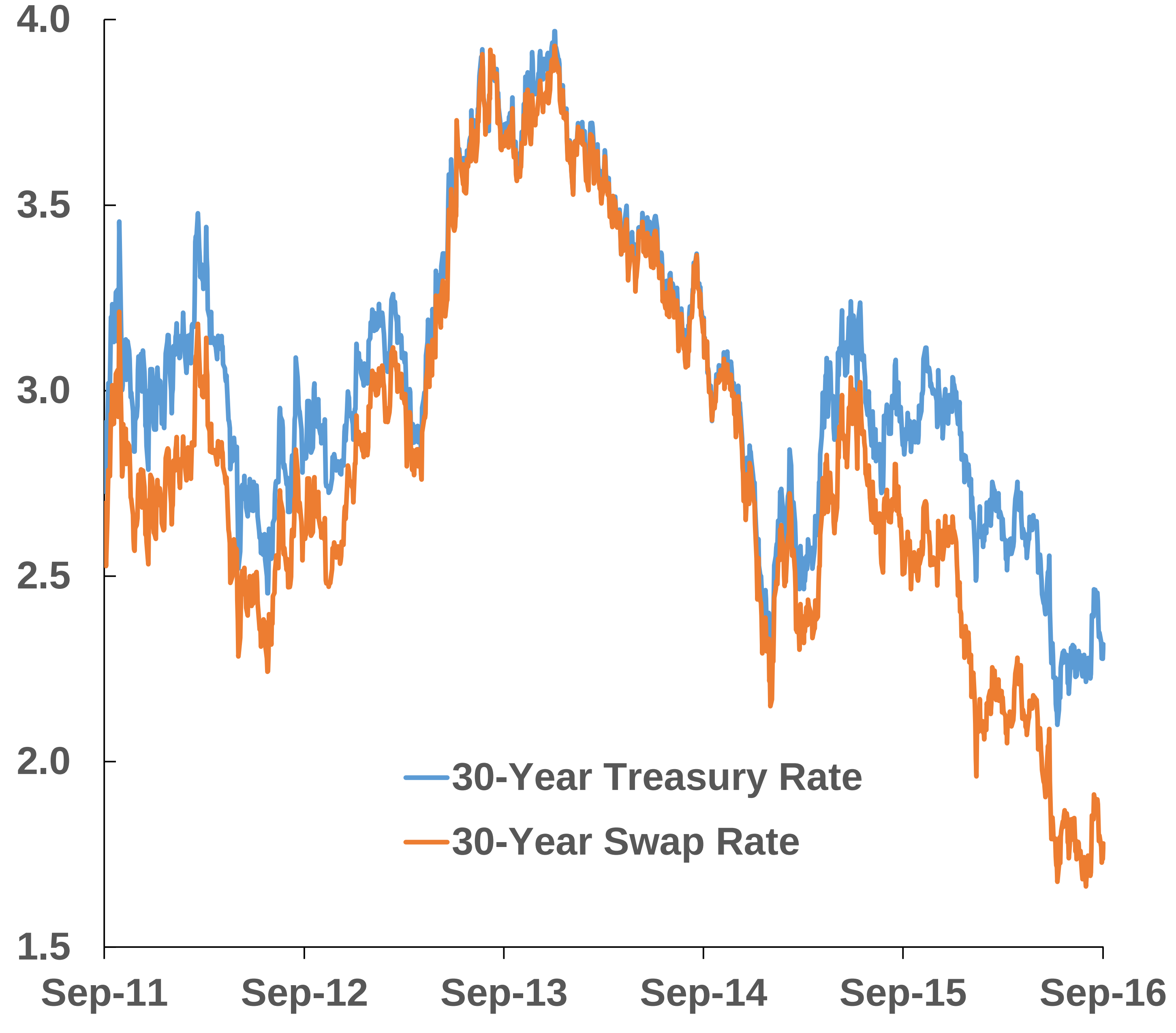
S&P 500



10-year Treasury Rate

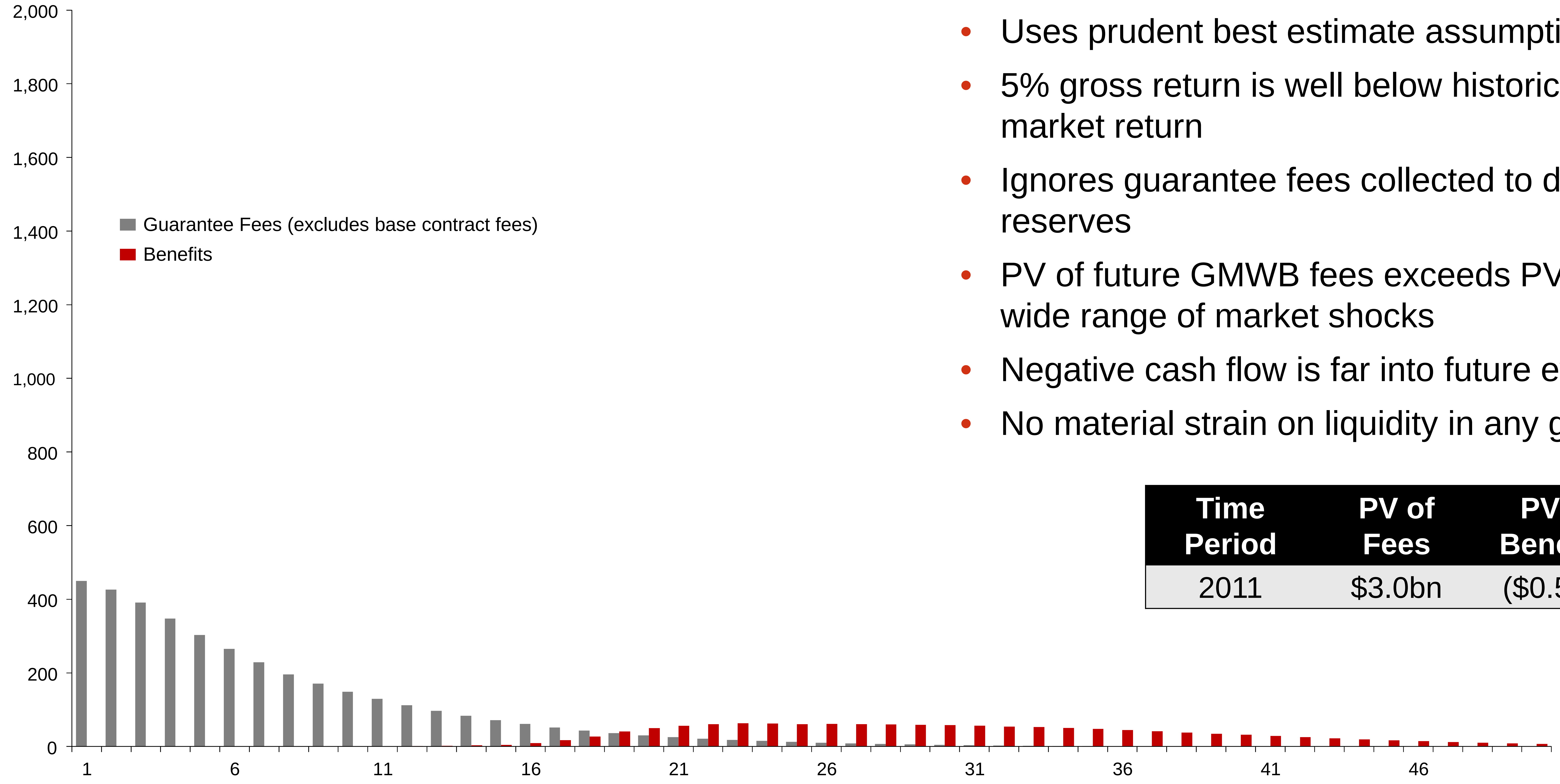


30-year Treasury vs 30-year Swap



Economic Value of VA Book Has Improved Over Time

As of 2011 Year-End

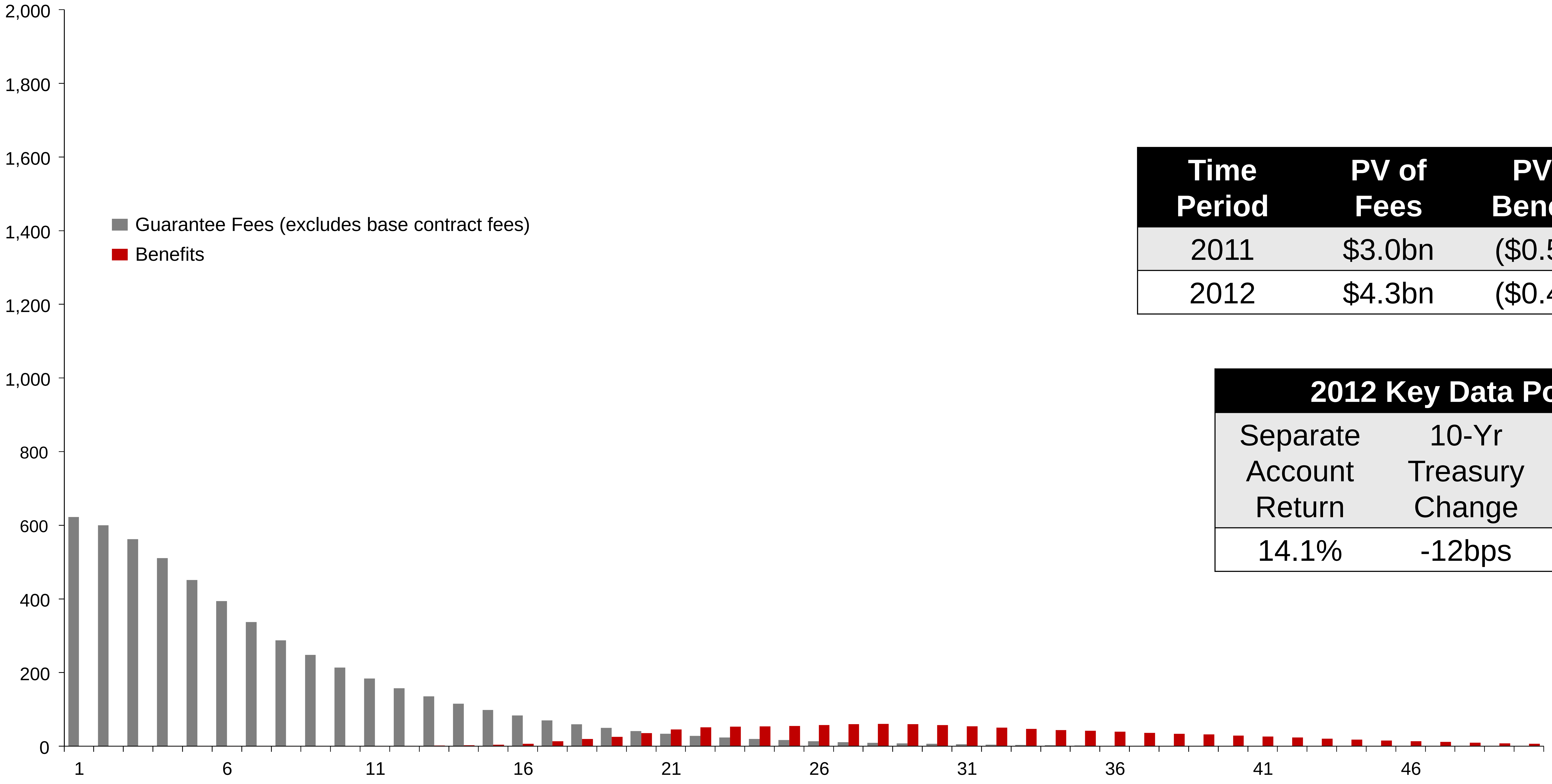


- Includes guarantee fees only
- Uses prudent best estimate assumptions (AG43, C3P2)
- 5% gross return is well below historical average market return
- Ignores guarantee fees collected to date as well as reserves
- PV of future GMWB fees exceeds PV of benefits over a wide range of market shocks
- Negative cash flow is far into future even in bad scenarios
- No material strain on liquidity in any given year

Time Period	PV of Fees	PV of Benefits	Net PV
2011	$3.0bn	($0.5bn)	$2.5bn

Economic Value of VA Book Has Improved Over Time

As of 2012 Year-End

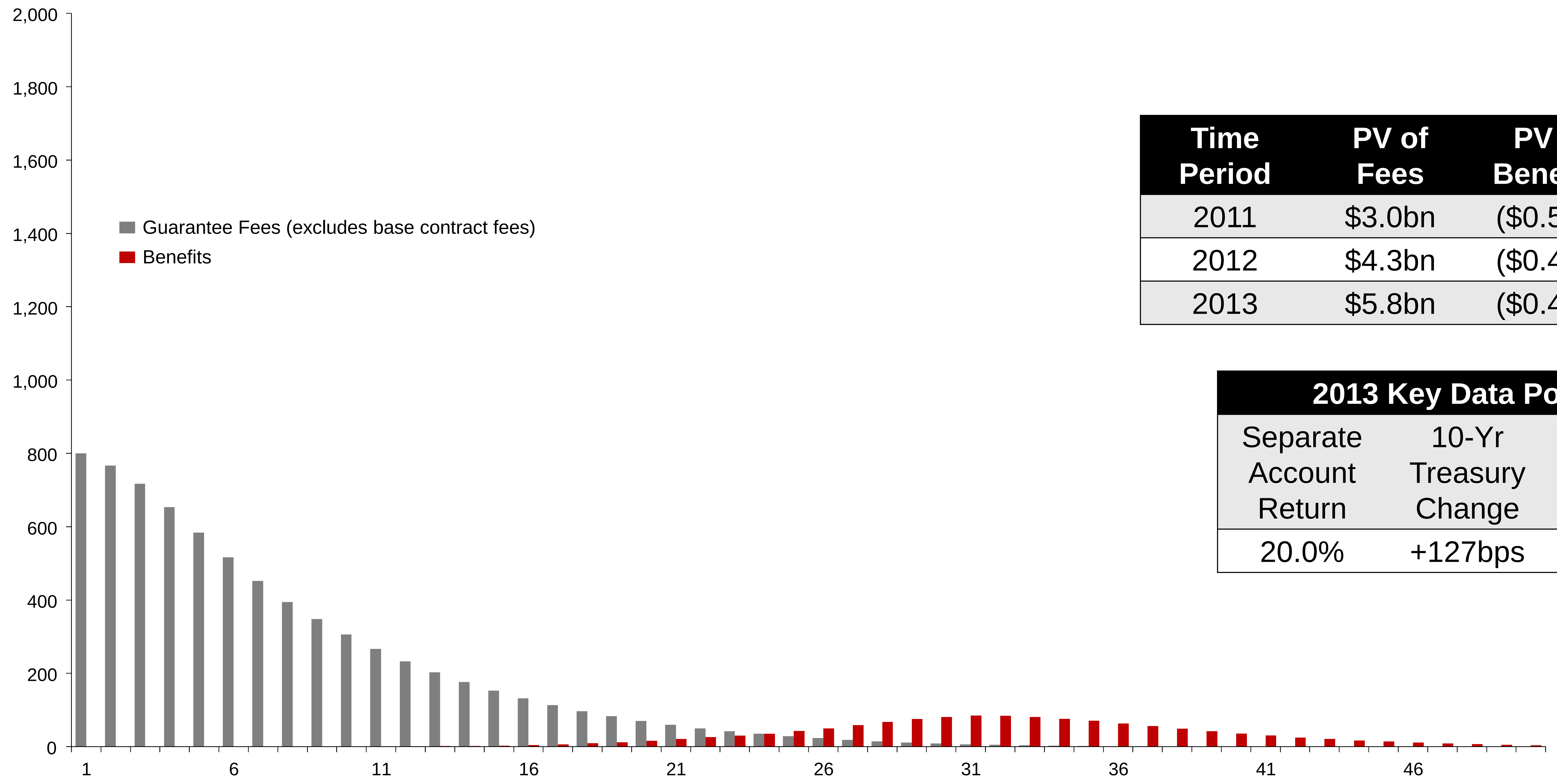


Time Period	PV of Fees	PV of Benefits	Net PV
2011	$3.0bn	($0.5bn)	$2.5bn
2012	$4.3bn	($0.4bn)	$3.9bn

2012 Key Data Points		
Separate Account Return	10-Yr Treasury Change	VA GMWB Sales
14.1%	-12bps	$16.3bn

Economic Value of VA Book Has Improved Over Time

As of 2013 Year-End

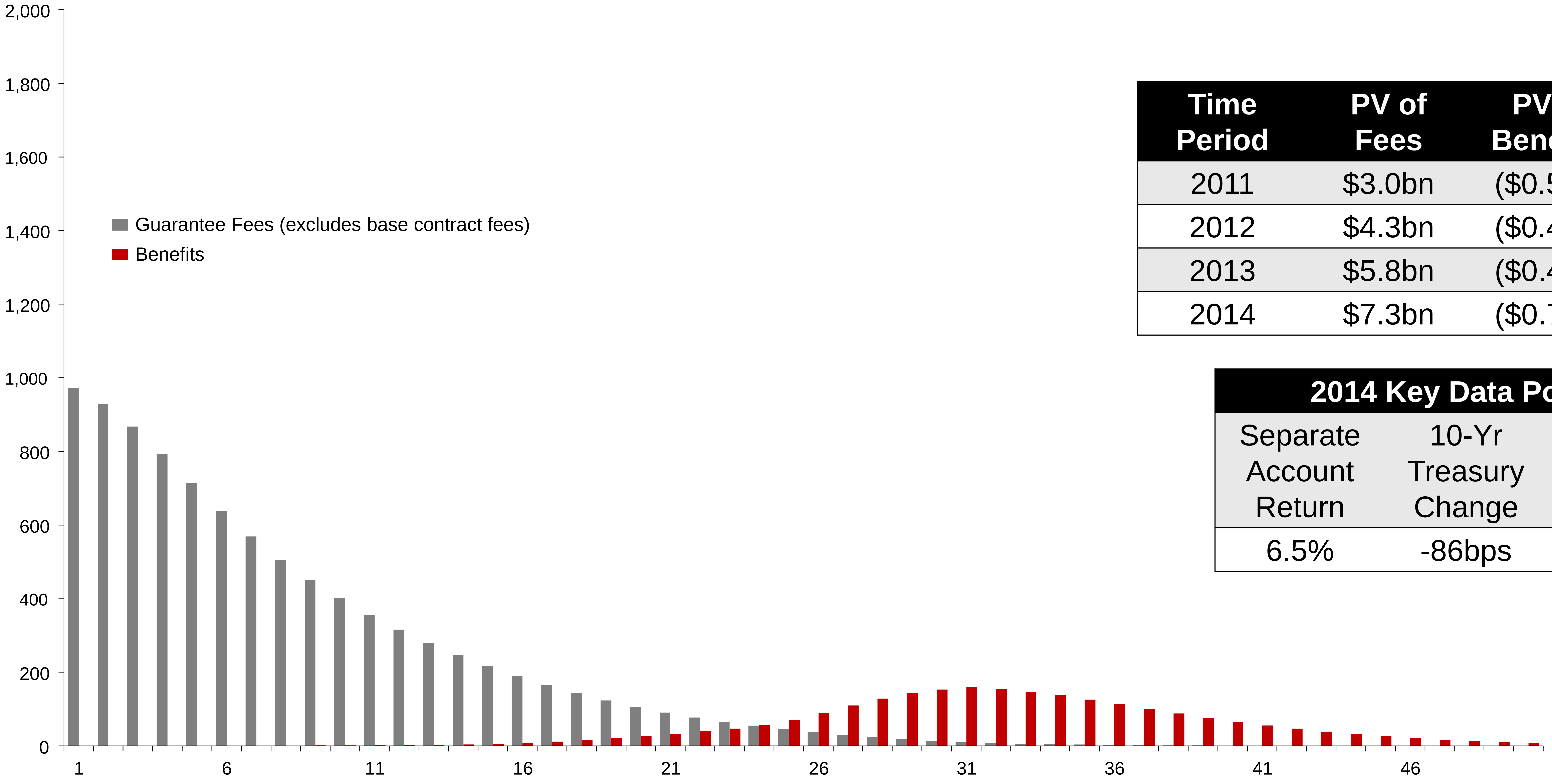


Time Period	PV of Fees	PV of Benefits	Net PV
2011	$3.0bn	($0.5bn)	$2.5bn
2012	$4.3bn	($0.4bn)	$3.9bn
2013	$5.8bn	($0.4bn)	$5.4bn

2013 Key Data Points		
Separate Account Return	10-Yr Treasury Change	VA GMWB Sales
20.0%	+127bps	$14.5bn

Economic Value of VA Book Has Improved Over Time

As of 2014 Year-End

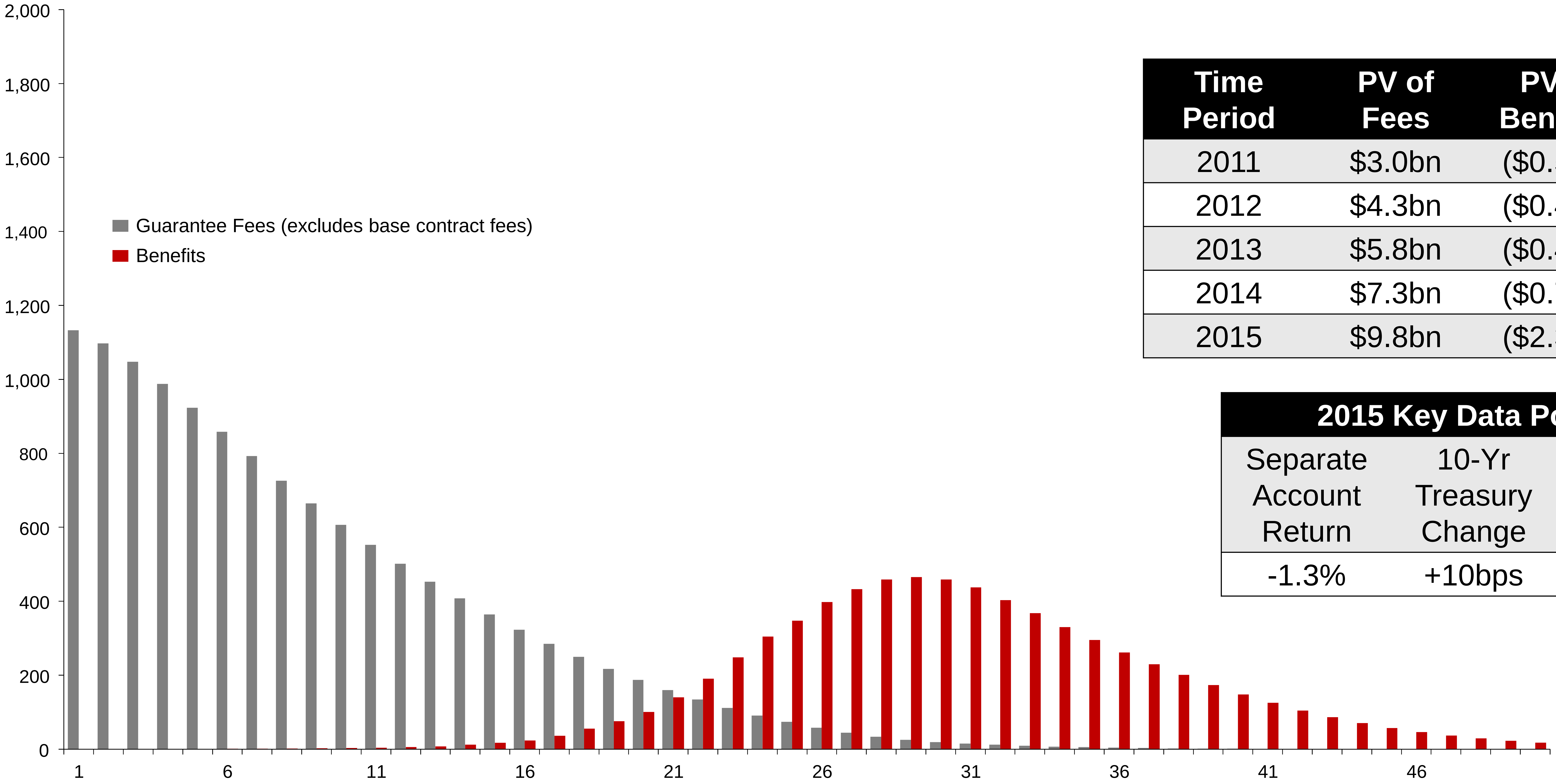


Time Period	PV of Fees	PV of Benefits	Net PV
2011	$3.0bn	($0.5bn)	$2.5bn
2012	$4.3bn	($0.4bn)	$3.9bn
2013	$5.8bn	($0.4bn)	$5.4bn
2014	$7.3bn	($0.7bn)	$6.6bn

2014 Key Data Points		
Separate Account Return	10-Yr Treasury Change	VA GMWB Sales
6.5%	-86bps	$15.1bn

Economic Value of VA Book Has Improved Over Time

As of 2015 Year-End

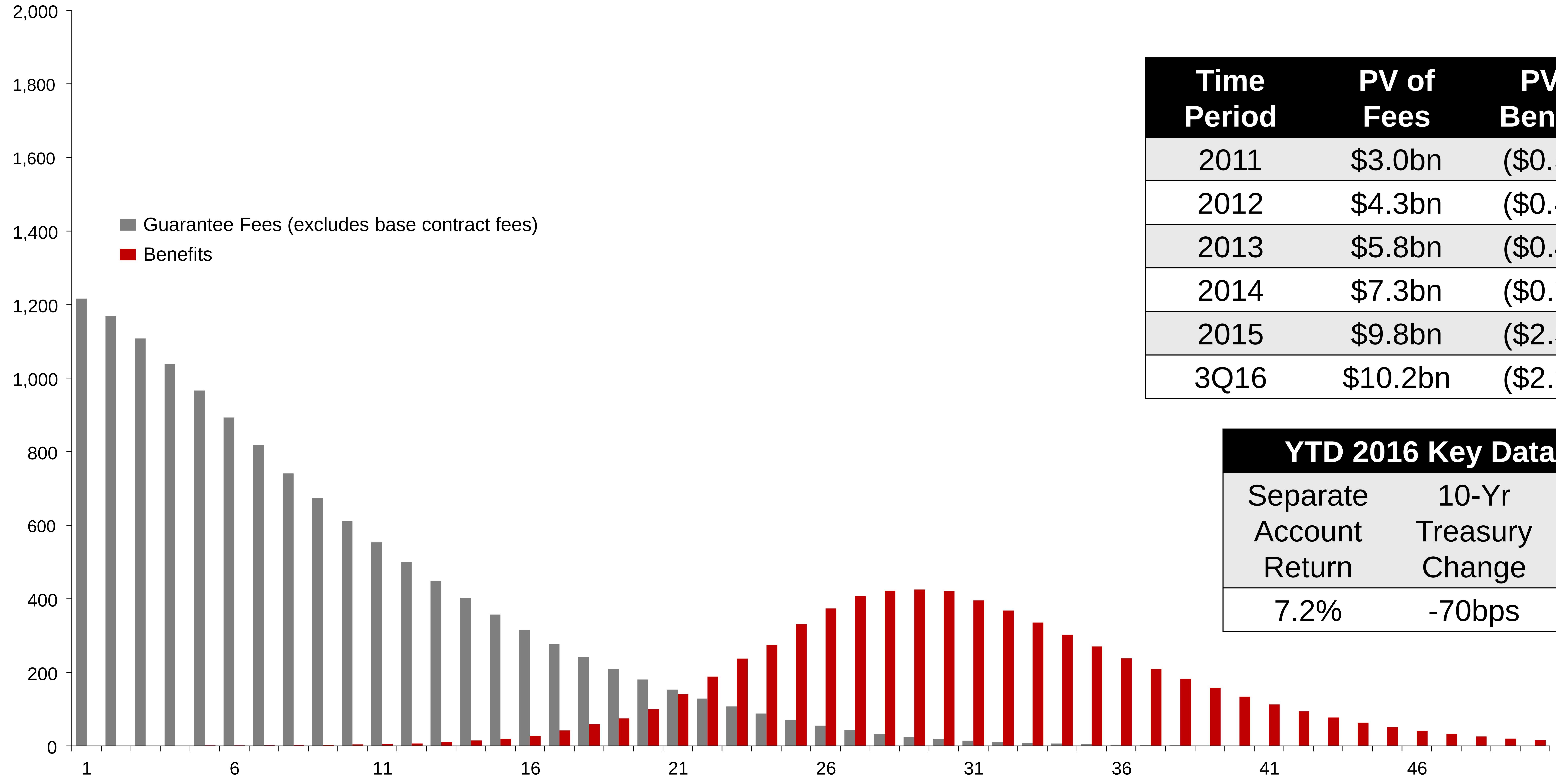


Time Period	PV of Fees	PV of Benefits	Net PV
2011	$3.0bn	($0.5bn)	$2.5bn
2012	$4.3bn	($0.4bn)	$3.9bn
2013	$5.8bn	($0.4bn)	$5.4bn
2014	$7.3bn	($0.7bn)	$6.6bn
2015	$9.8bn	($2.3bn)	$7.5bn

2015 Key Data Points		
Separate Account Return	10-Yr Treasury Change	VA GMWB Sales
-1.3%	+10bps	$15.5bn

Economic Value of VA Book Has Improved Over Time

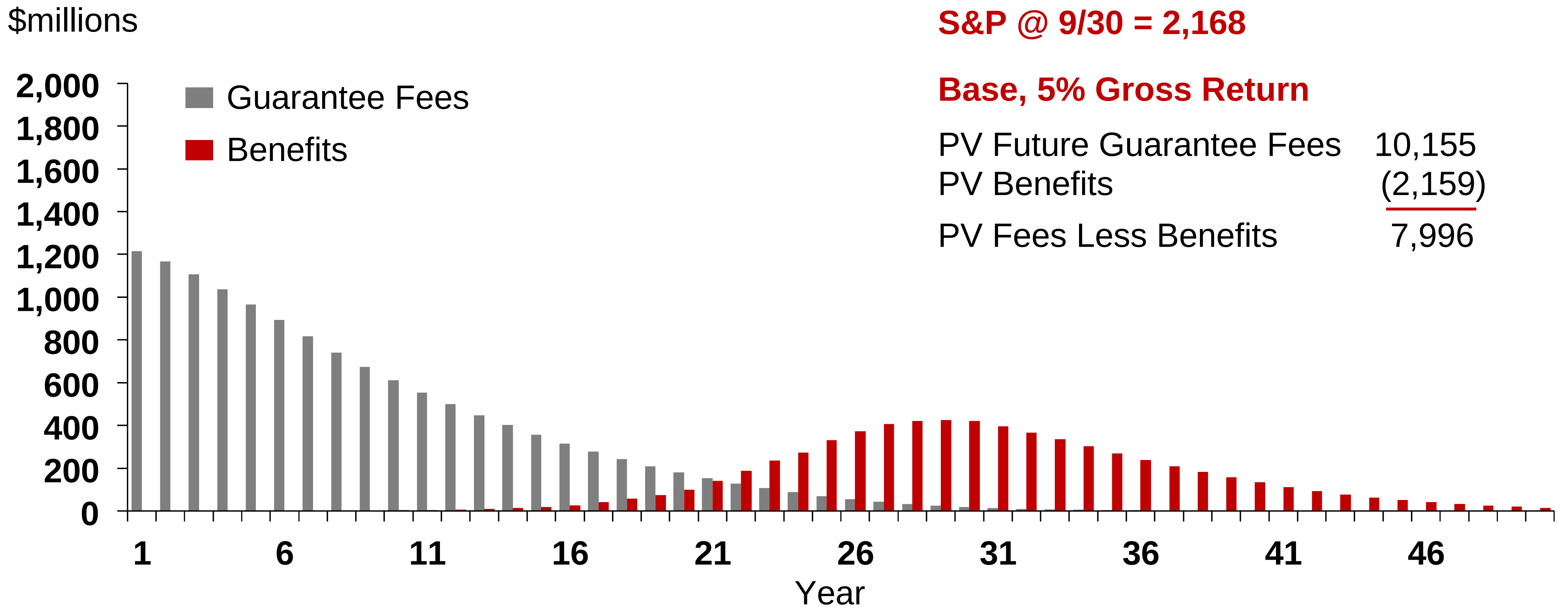
As of 3rd Quarter 2016



Time Period	PV of Fees	PV of Benefits	Net PV
2011	$3.0bn	($0.5bn)	$2.5bn
2012	$4.3bn	($0.4bn)	$3.9bn
2013	$5.8bn	($0.4bn)	$5.4bn
2014	$7.3bn	($0.7bn)	$6.6bn
2015	$9.8bn	($2.3bn)	$7.5bn
3Q16	$10.2bn	($2.2bn)	$8.0bn

YTD 2016 Key Data Points		
Separate Account Return	10-Yr Treasury Change	VA GMWB Sales
7.2%	-70bps	$9.3bn

GMWB Cash Flow Stress Scenarios

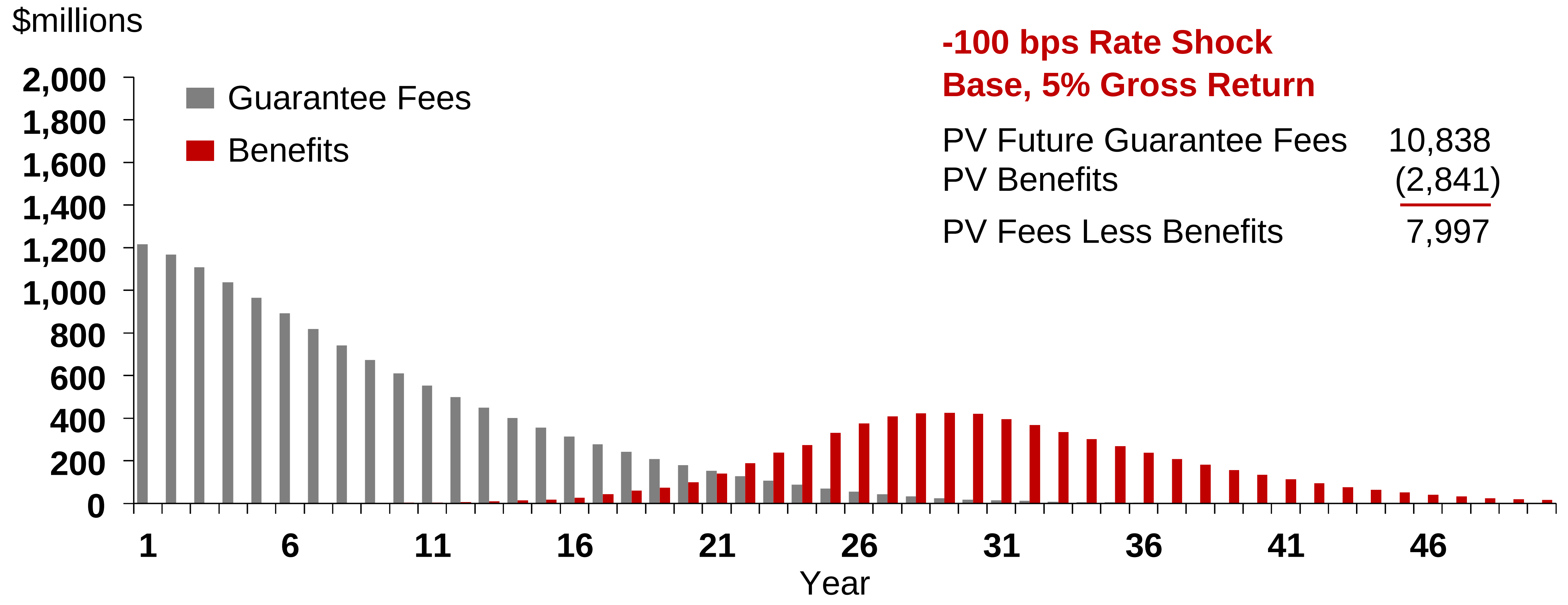


S&P @ 9/30 = 2,168

Base, 5% Gross Return

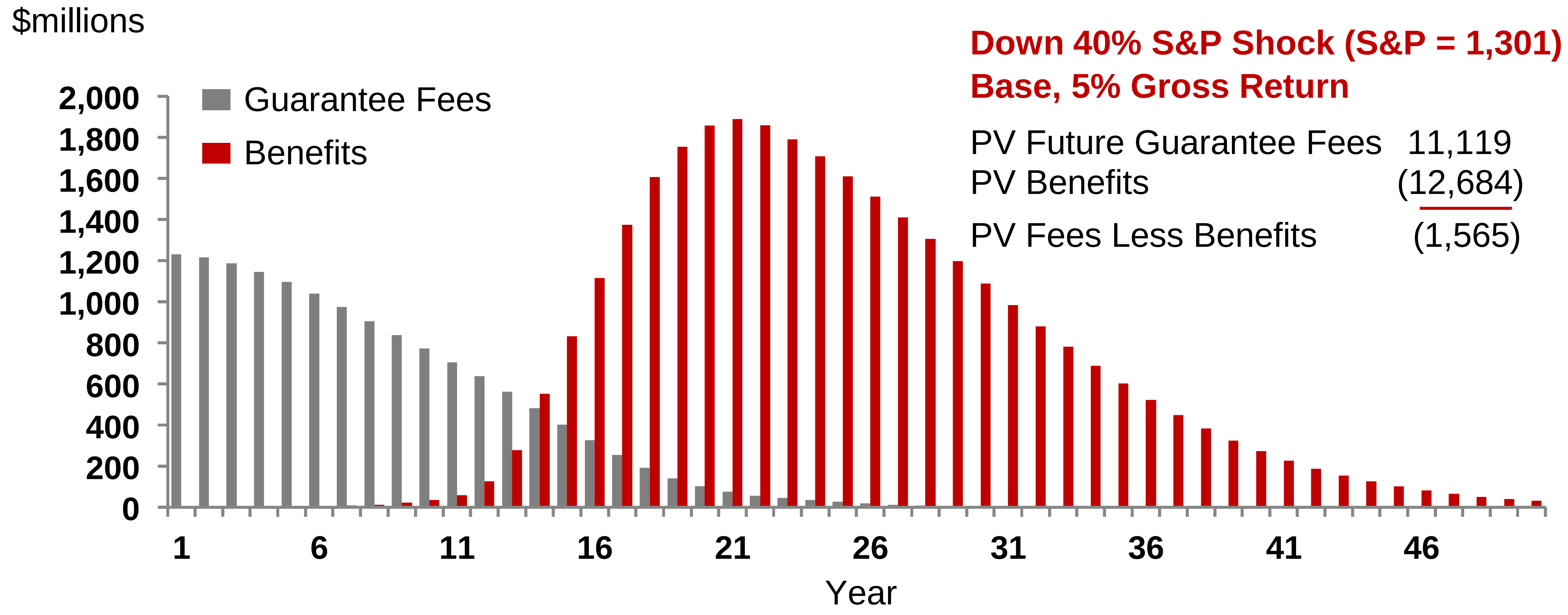
PV Future Guarantee Fees	10,155
PV Benefits	(2,159)
PV Fees Less Benefits	7,996

- Includes guarantee fees only
- Uses prudent best estimate assumptions (AG43, C3P2)
- 5% gross return is well below historical average market return
- Ignores guarantee fees collected to date as well as reserves
- PV of future GMWB fees exceeds PV of benefits over a wide range of market shocks
- Negative cash flow is far into future even in bad scenarios
- No material strain on liquidity in any given year



-100 bps Rate Shock
Base, 5% Gross Return

PV Future Guarantee Fees	10,838
PV Benefits	(2,841)
PV Fees Less Benefits	7,997



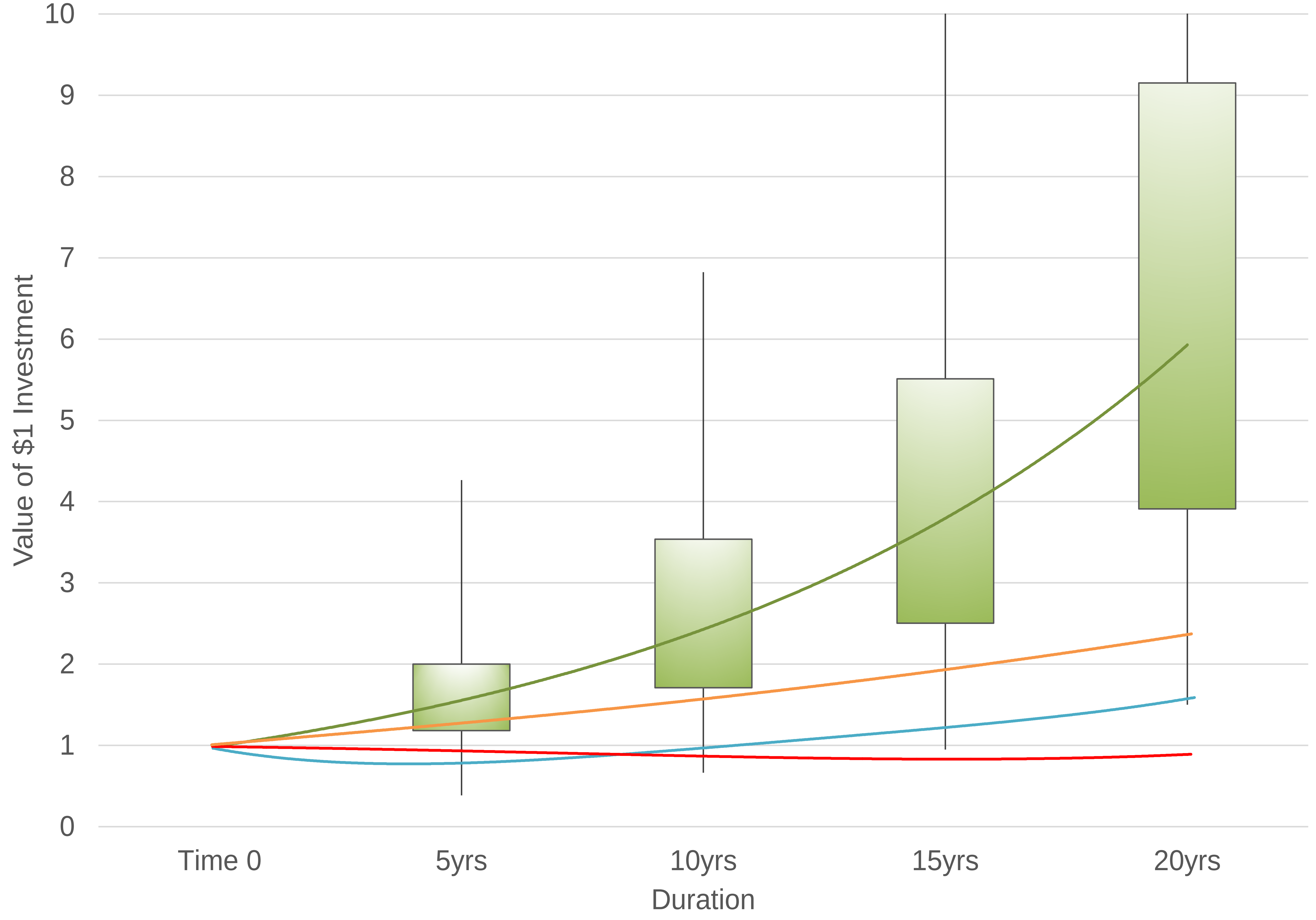
Down 40% S&P Shock (S&P = 1,301)
Base, 5% Gross Return

PV Future Guarantee Fees	11,119
PV Benefits	(12,684)
PV Fees Less Benefits	(1,565)

As of September 30, 2016

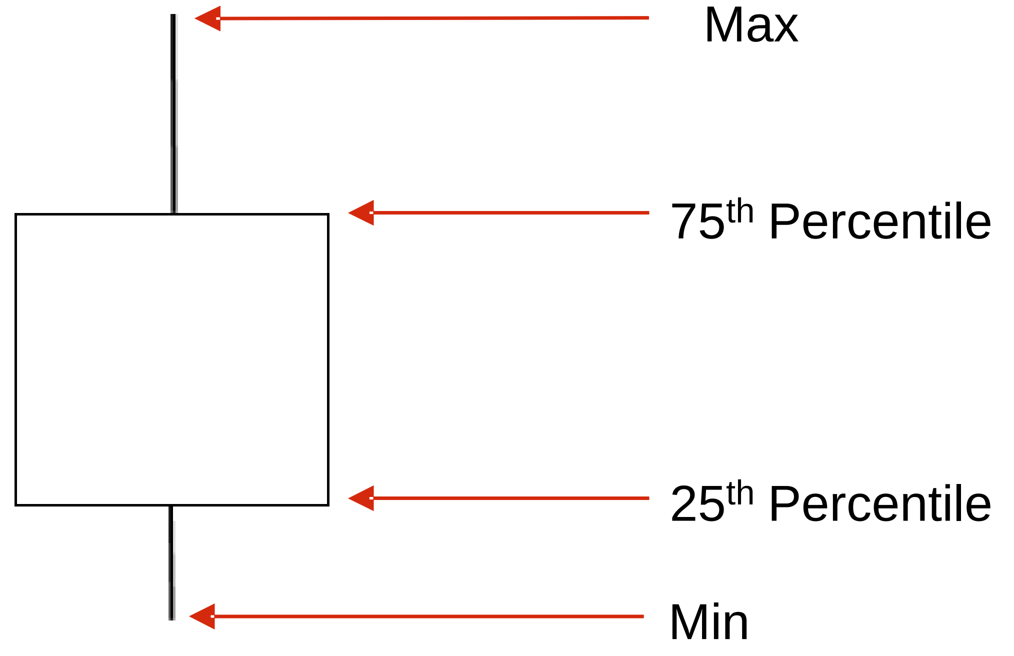
Reserves are Based on Conservative Return Assumptions

IFRS Mean Return vs S&P Historical



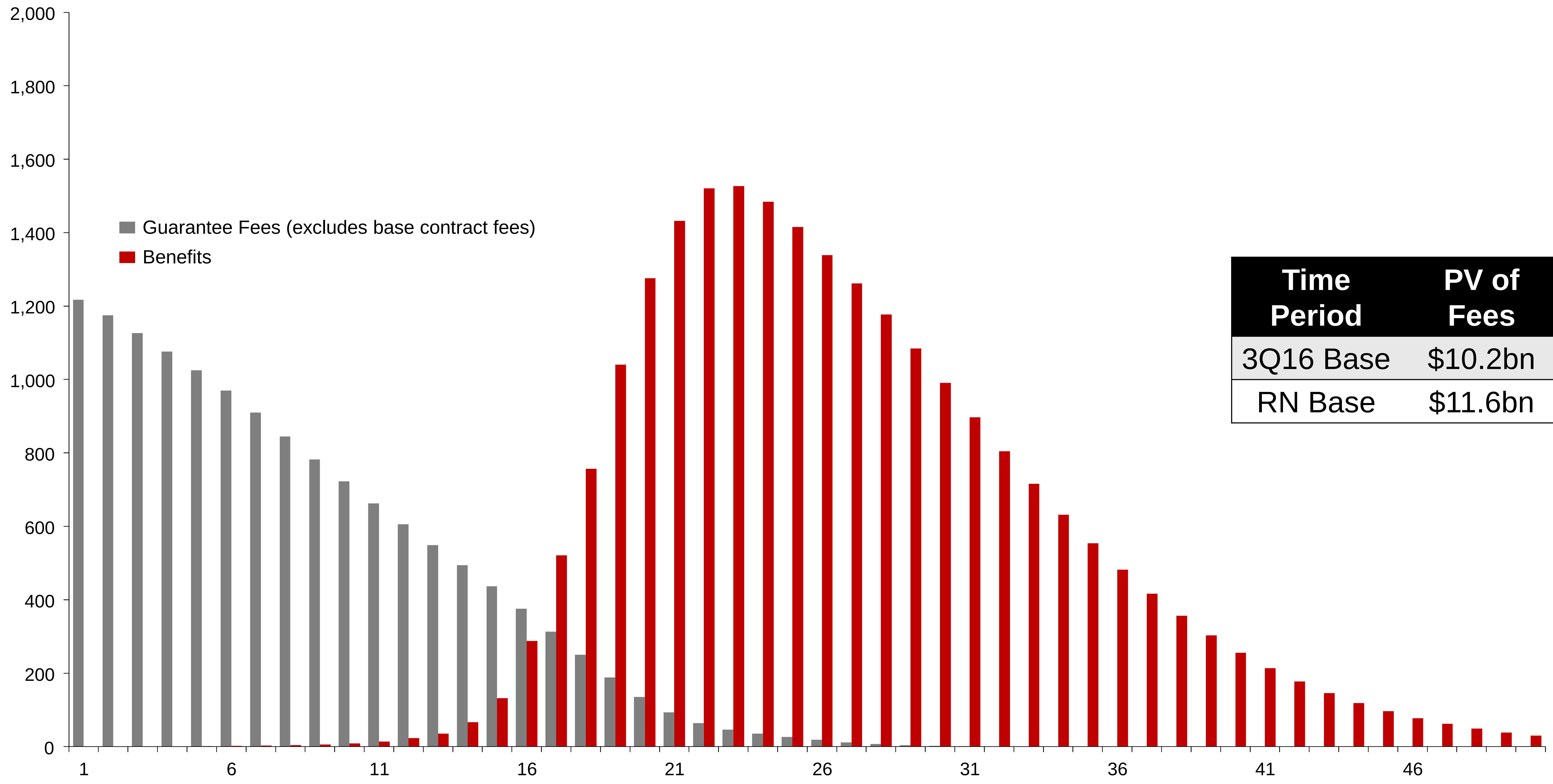
- All accounting bases assume 20-year equity market returns well below the mean returns posted by the S&P 500
- IFRS return assumptions are especially punitive. There has never been a 20-year period for the S&P with as weak a return profile as what is used in the mean IFRS scenario. In fact, the 20-year assumption is now negative

S&P (mean)
EEV (mean)
Statutory (CTE 90)
IFRS



From Economic to IFRS

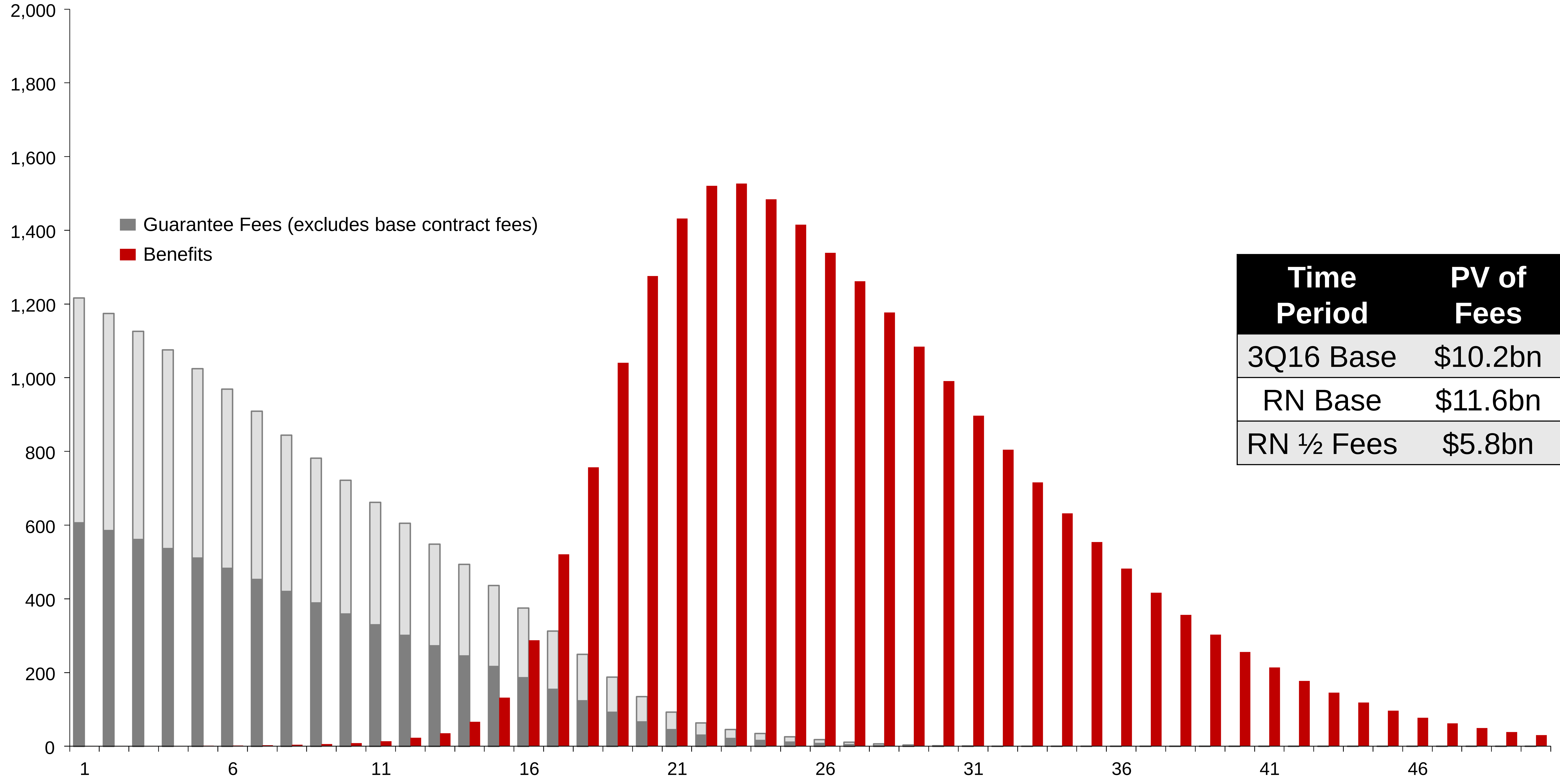
PV of cash flows remains positive even using risk-neutral growth scenarios



Time Period	PV of Fees	PV of Benefits	Net PV
3Q16 Base	$10.2bn	($2.2bn)	$8.0bn
RN Base	$11.6bn	($9.2bn)	$2.4bn

From Economic to IFRS

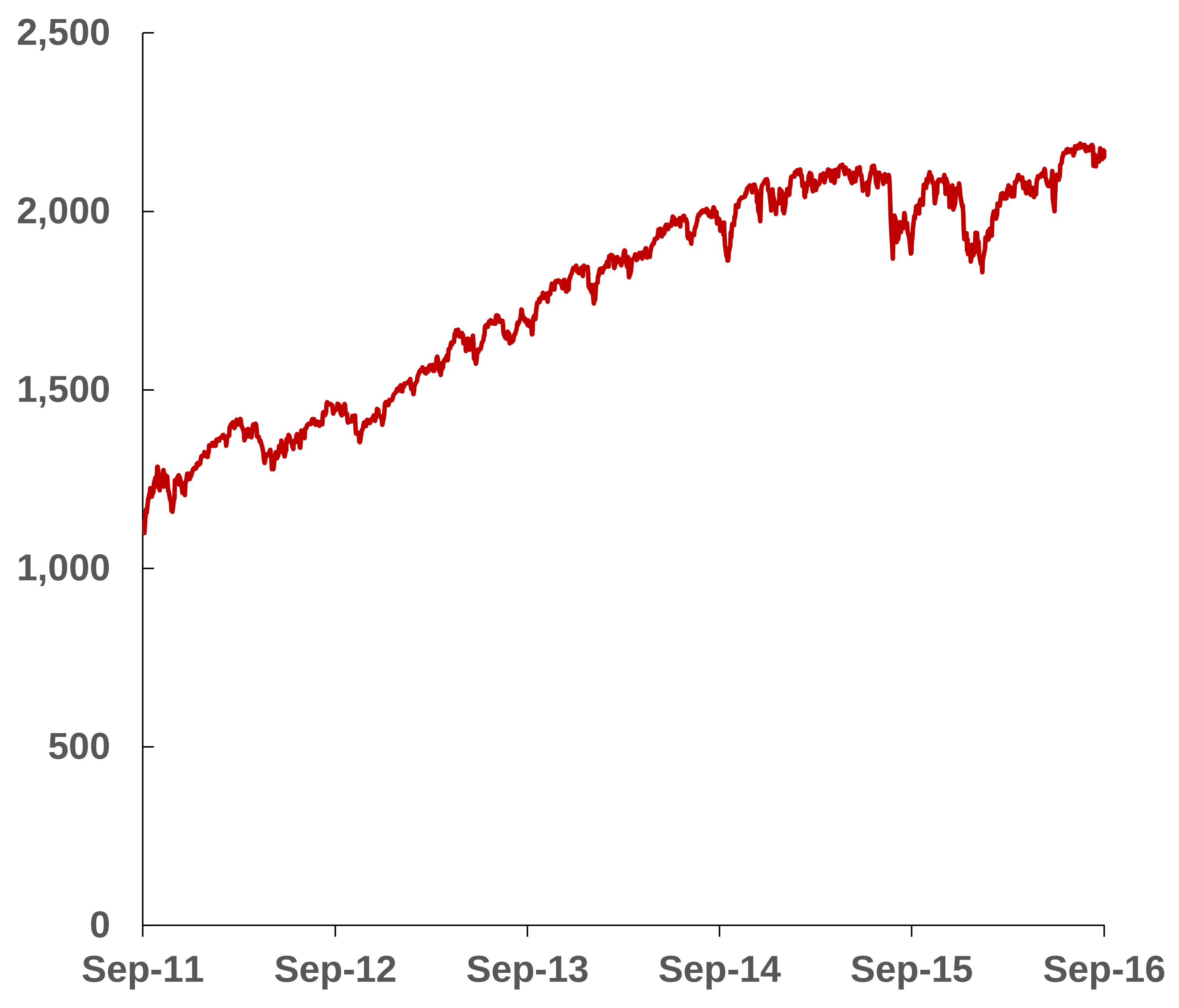
IFRS also does not allow full fee recognition in reserves



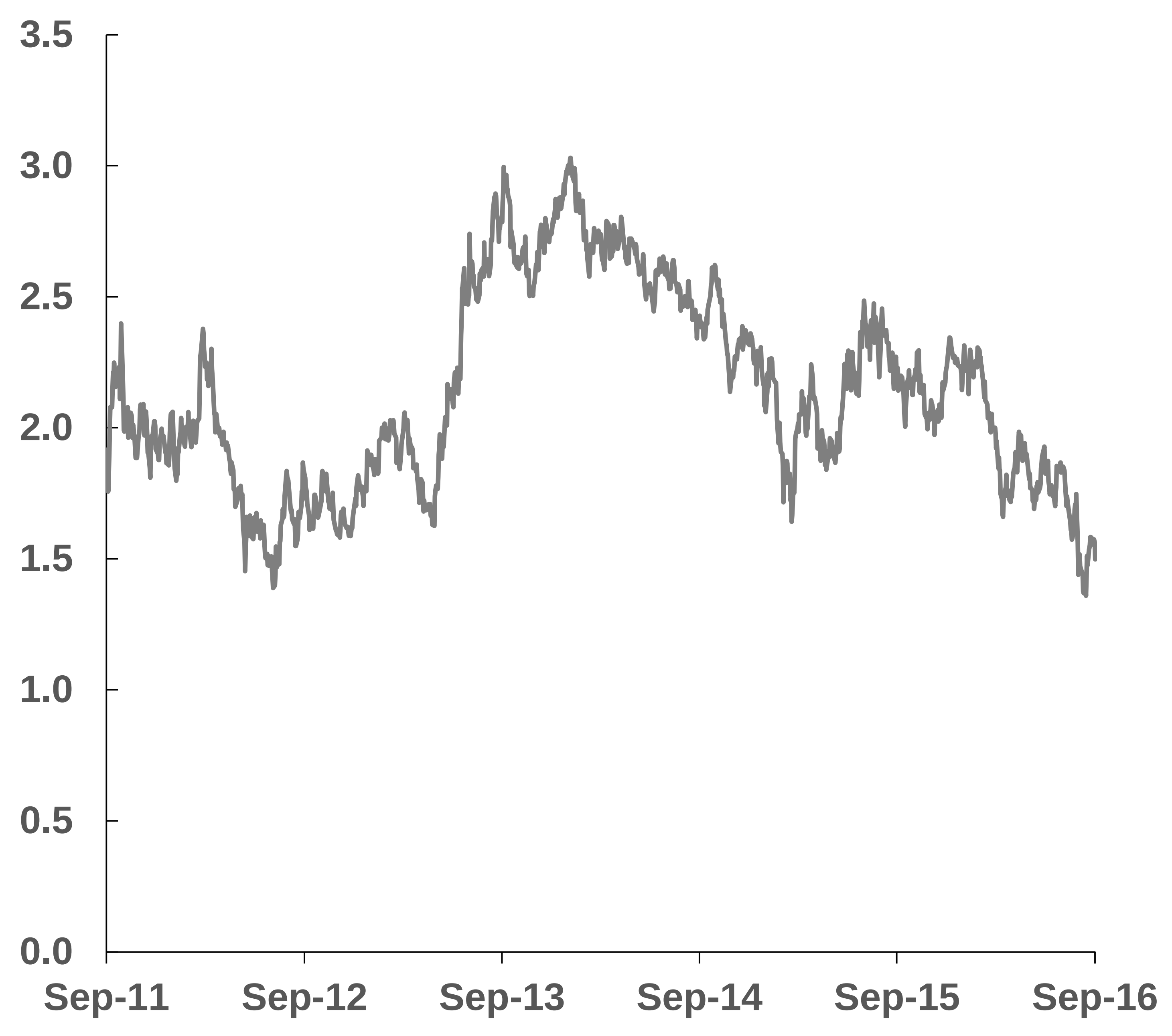
Time Period	PV of Fees	PV of Benefits	Net PV
3Q16 Base	$10.2bn	($2.2bn)	$8.0bn
RN Base	$11.6bn	($9.2bn)	$2.4bn
RN ½ Fees	$5.8bn	($9.2bn)	($3.4bn)

Economic Backdrop

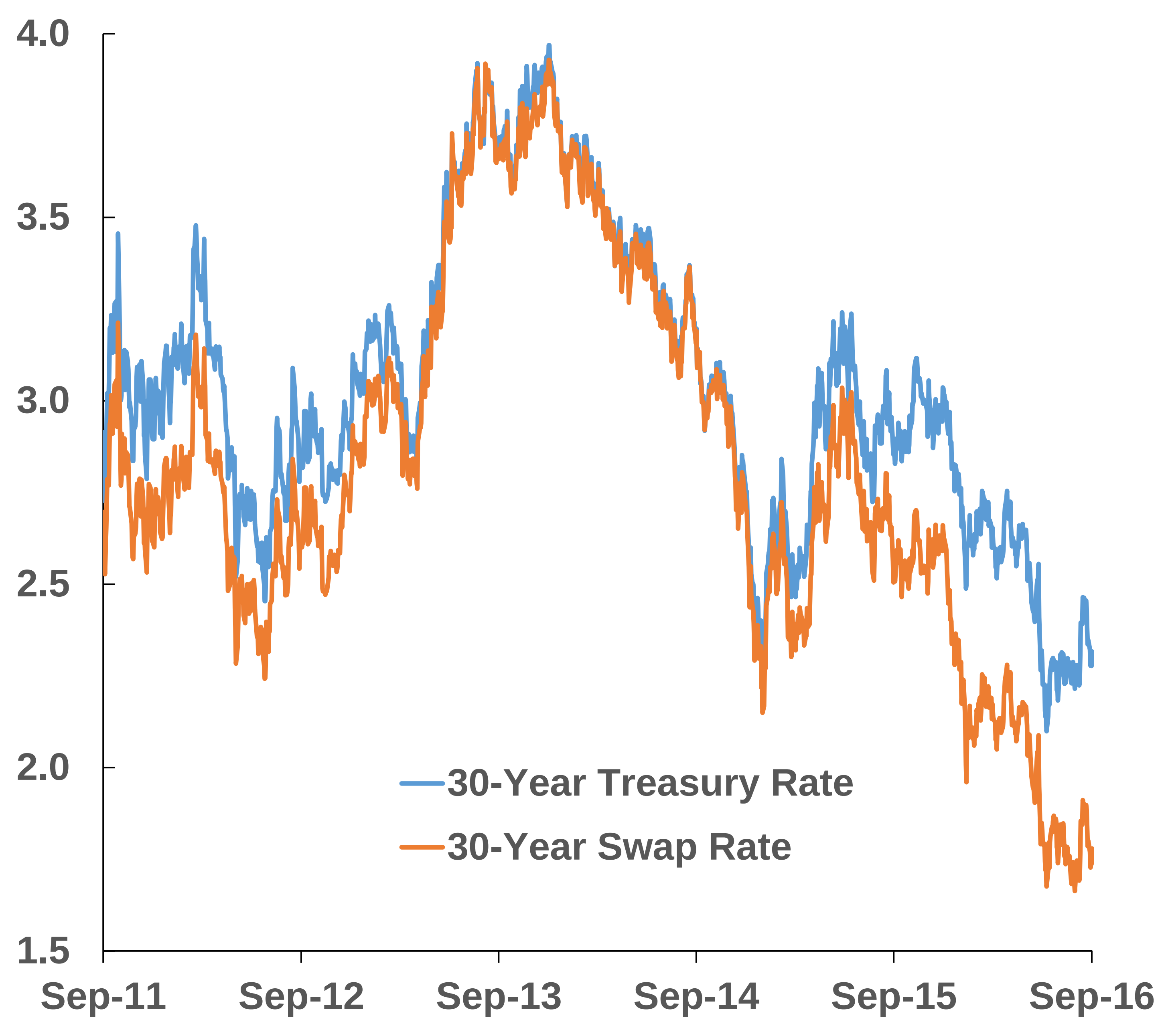
S&P 500



10-year Treasury Rate



30-year Treasury vs 30-year Swap



INVESTOR CONFERENCE

Cohort Analysis

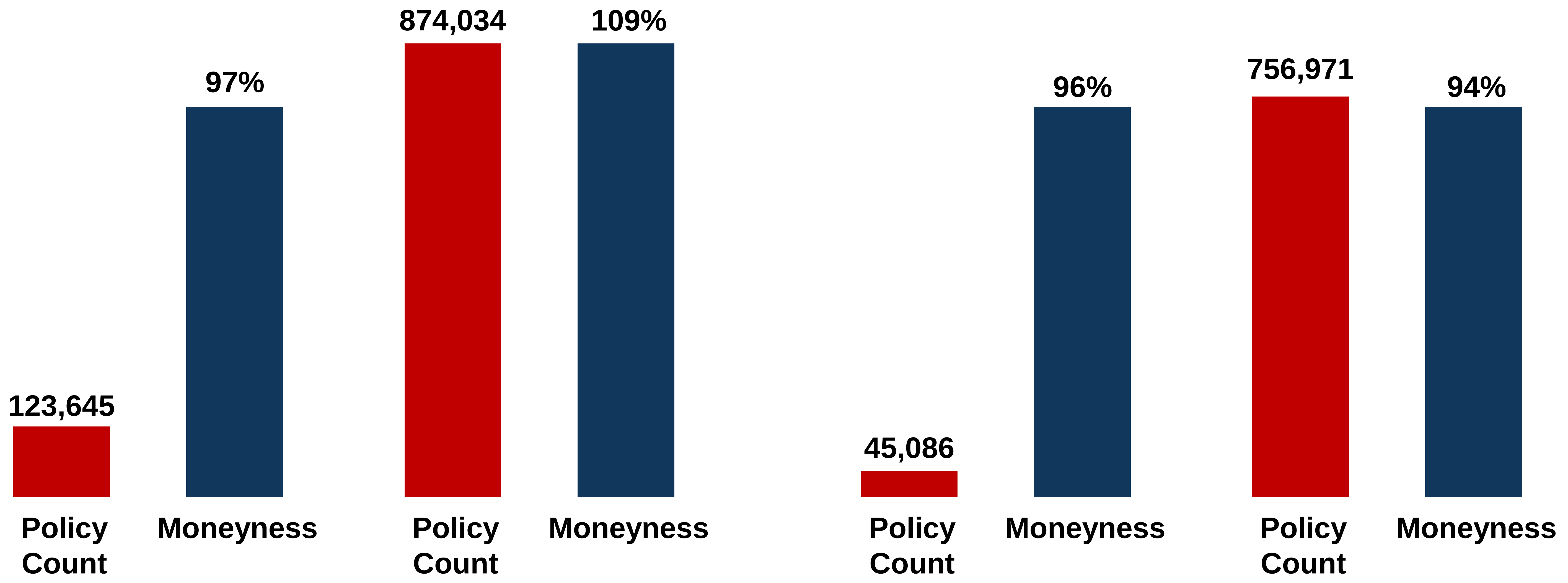
Inforce VA Cohort Analysis

GMDB

Pre 3/31/07 Cohort | **Post 3/31/07 Cohort**

GMWB

Pre 3/31/07 Cohort | **Post 3/31/07 Cohort**

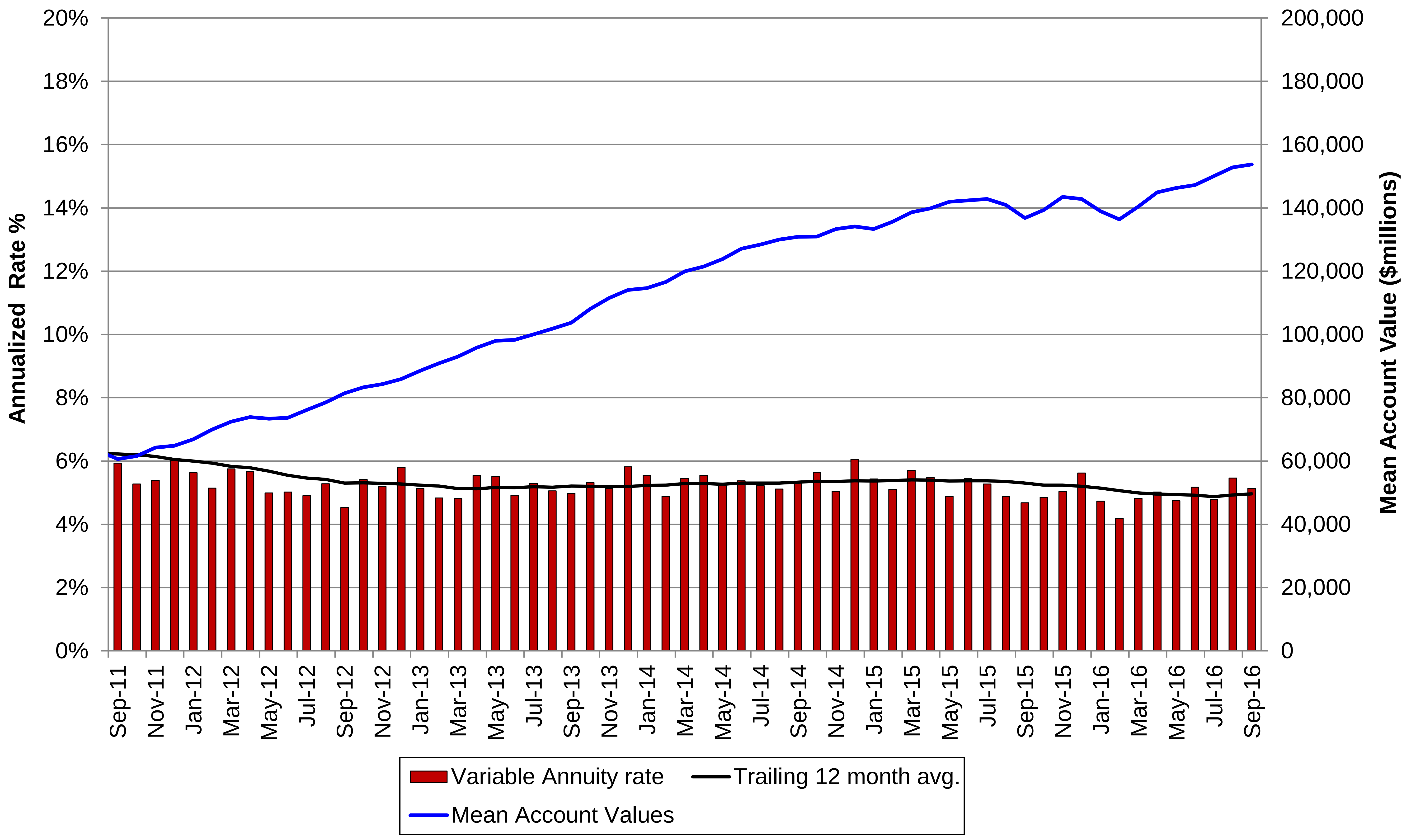


Overall, 998K inforce DB policies at 9/30/2016 with AV / GMDB of 108% (OTM)

Overall, 802K inforce WB policies at 9/30/2016 with AV / GWB of 94% (ITM)

- Pre March 2007 block still solidly profitable due to hedge program
- No write-offs, write-downs, goodwill impairments or charges taken against VA
- Post March 2007 block significantly larger as Jackson gained market share throughout the crisis
- Inherent profitability of newer block is even stronger as it was written at much lower market levels

Variable Annuity Surrender Experience

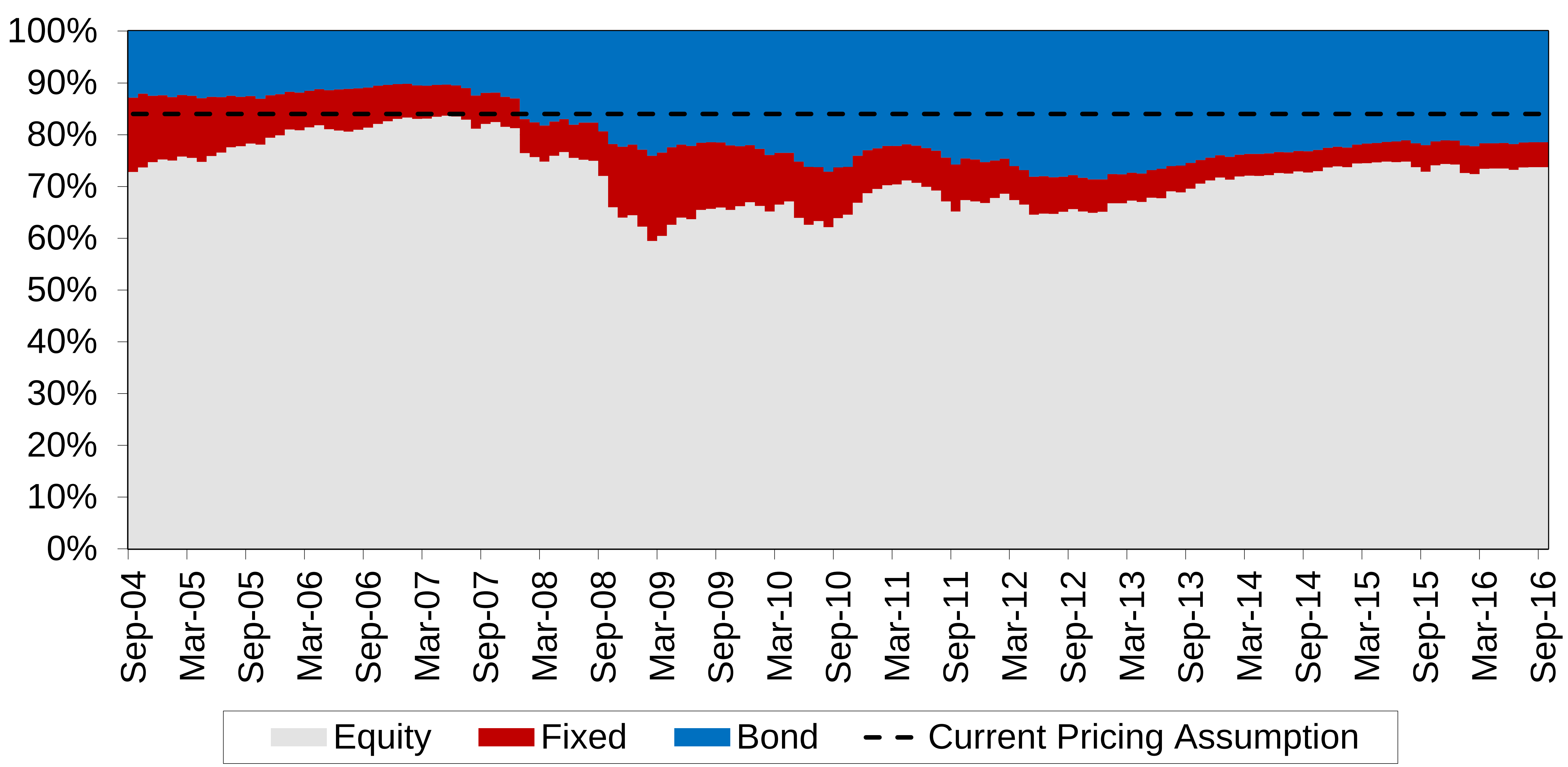


- Variable annuity surrenders have been largely stable over the last 5 years
- The initial drop from a 6% to 5% trailing average on the left hand side of the chart was mostly the result of rapid growth coming out of the financial crisis, meaning that a larger percentage of the book was in the early, low surrender period

Variable Annuities with GMWB

Allocation of Values

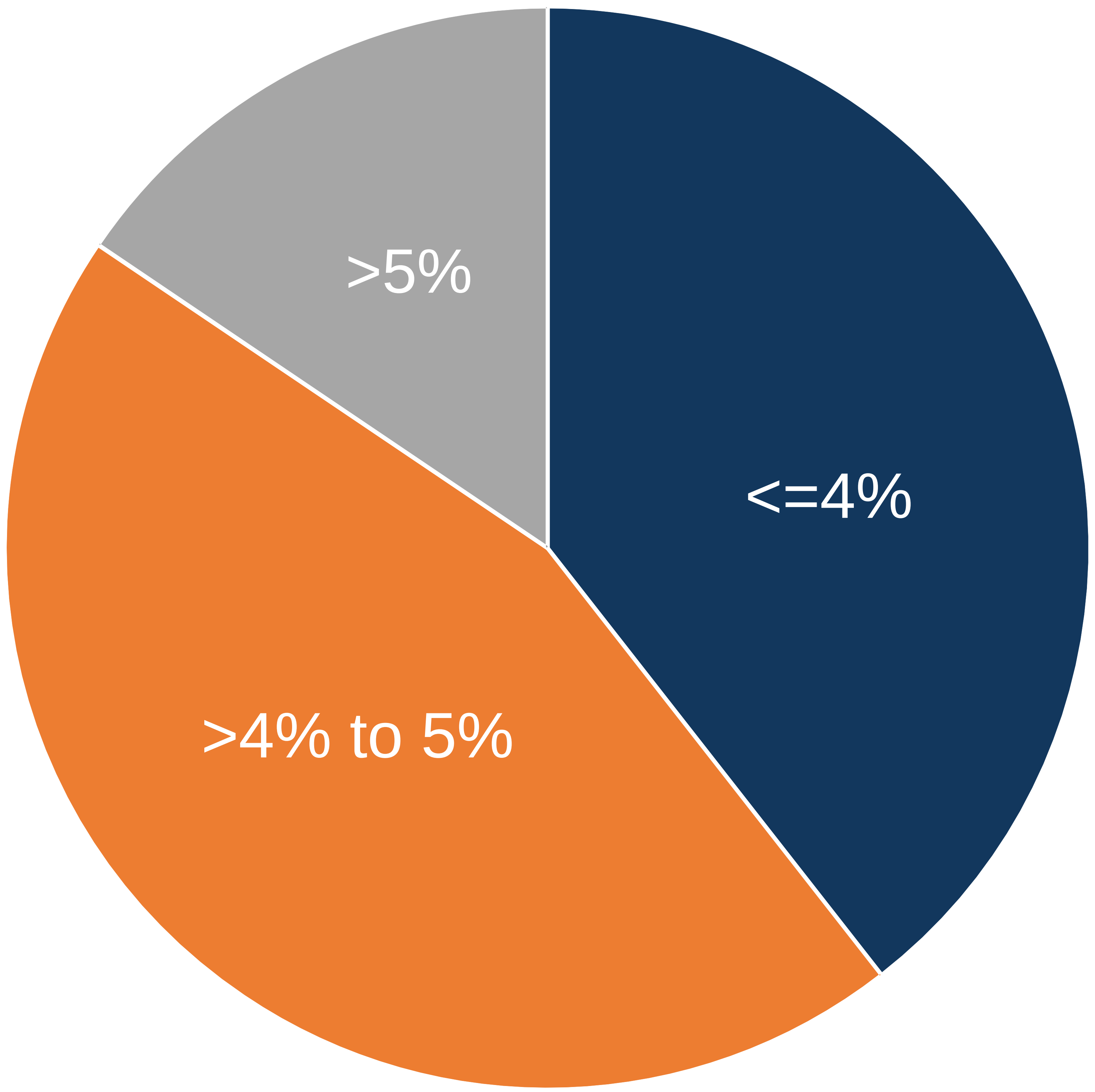
In-Force Allocation of Accumulation Values



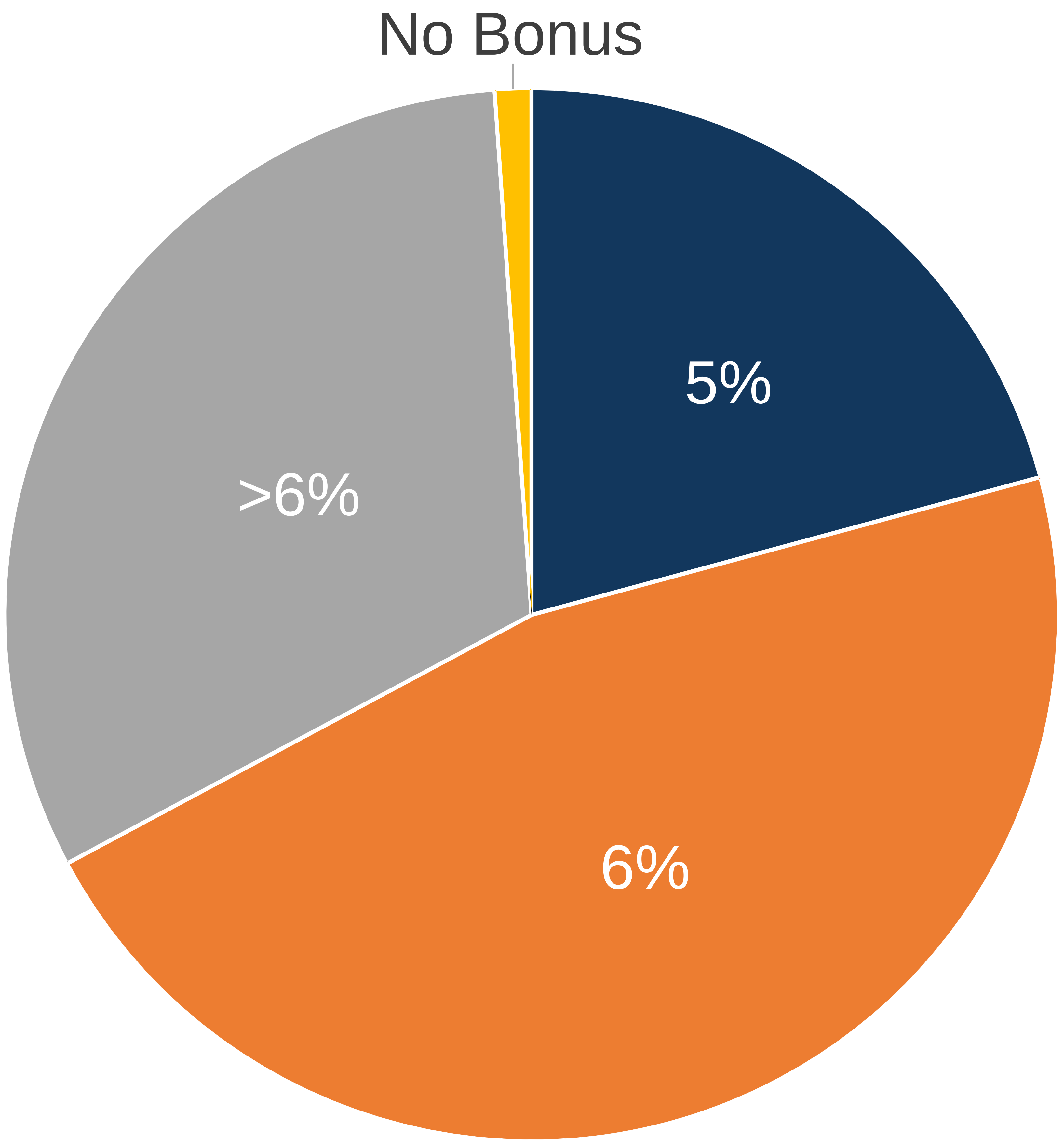
- No material differences between policies with and without guarantees
- Policyholders' risk tolerance objectives are aligned with Jackson's
- Jackson's policyholder allocations represent less equity exposure than that assumed in pricing
- Account value equity allocation changes tend to be mostly driven by market movements
- Since 2004, equity allocation has been below the current pricing assumption of 84%
- Jackson hedges to actual asset allocation

VA Account Value by Optional Benefit Guarantee Type

Current Percentage Available to Withdraw



Simple Interest Bonus



Assumption Bases

- Best estimate
  - Generally used for IFRS and EEV reporting
  - IFRS exception is for FAS157 valuation of VA guarantees where a margin is prescribed
  - Based on Company experience if available
  - Alternative sources include prior similar products and industry surveys
- Prudent estimate
  - Generally used for statutory reporting
  - Best estimate plus a margin - the degree of margin decreases as data credibility increases
  - Margins can involve a significant degree of judgment
- Where experience is not available Jackson has historically taken a conservative view in setting assumptions
- Annual process
  - Detailed experience analysis is conducted annually in Q2
  - After governance review, changes implemented early in Q4
- Ongoing experience monitoring
  - Monthly trend reports produced for key metrics and reviewed by senior management
  - Quarterly review meeting held with senior management on key emerging assumptions
  - Ad hoc reports produced for key emerging assumptions (primarily VA)

Assumption Review Outcome

- Magnitude of changes in underlying assumptions similar to recent years
- Assumption trends for VA
  - Lower lapses
  - Slight decline in VA mortality which contributed to overall higher persistency
  - Expenses modestly higher
- Impacts
  - Expenses were a modest negative impact to all reporting metrics
  - Mortality impacts differed across business lines
  - Generally better persistency driven by VA

Persistency Impact by Reporting Metric		
IFRS	EEV	Statutory
Modest negative	Positive	Neutral to slightly negative

NAIC Review of Variable Annuity Framework

- NAIC Variable Annuities Issues Working Group charged with review of AG43/C3 Phase II
  - Initial stated focus was on the use of captives
  - Proposal presented by Oliver Wyman with comment period through mid-November
  - Second QIS likely to follow after comment period
- Jackson view
  - Proposal reflects comprehensive changes affecting all elements of the calculations
  - Proposed changes go beyond focus on captives, introduce increased interest rate sensitivity, potential move toward market-consistent
  - Significant risk of unintended consequences, given scope of change, unless subject to thorough testing
  - Current review focused on framework (parameterizations not final and will be revisited in QIS2)
  - Not enough information to quantify impacts
  - Key features:
    - Higher CTE threshold
    - Corporate discount rates
    - Standardized policyholder behavior
    - DTA
- Next Steps

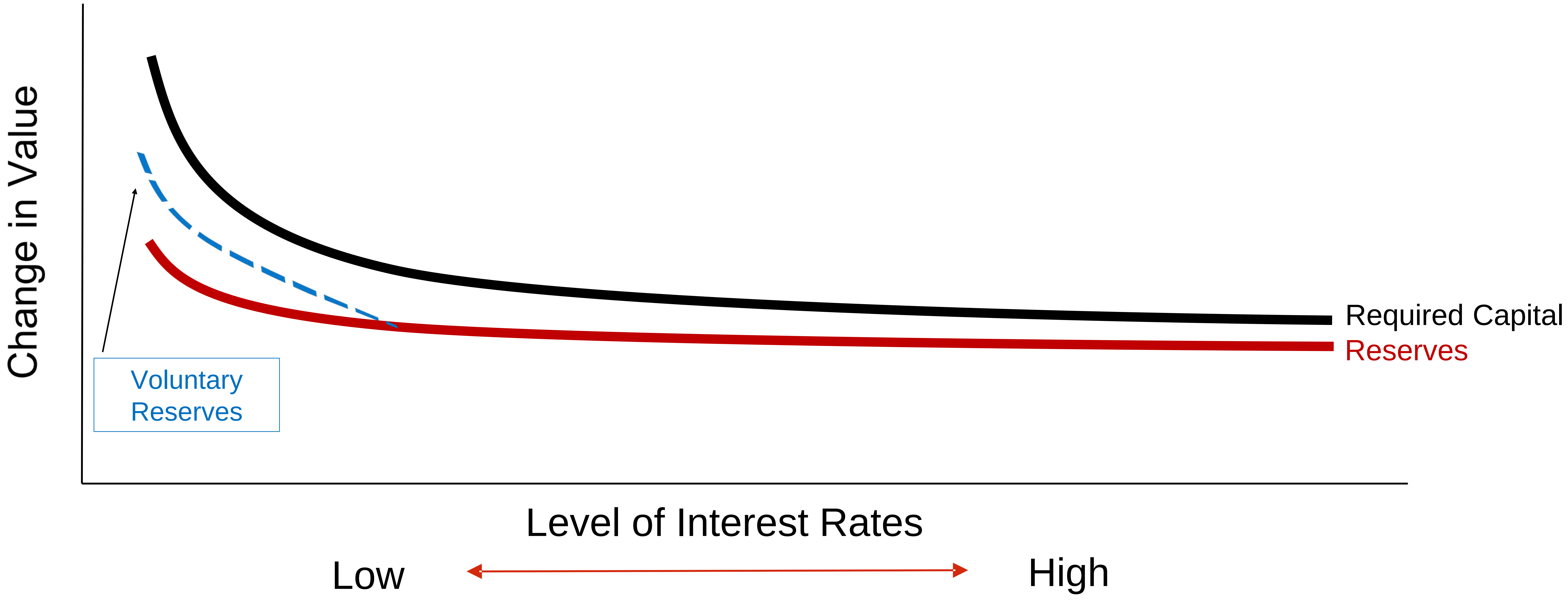
NAIC Review of Variable Annuity Framework

Comments on current framework

- High Level Overview
  - Total Adjusted Capital (Capital and surplus, plus AVR)
  - Required Capital
    - Mostly formulaic
    - Primarily charges from asset based exposures, plus risk related to mortality, interest rate, etc. C-3 Phase II VA related risk is included here as well
    - Required capital is net of a covariance effect to allow for the mix of business
  - Targeting a multiple of required capital - leverage in calculation

	Ex. 1	Ex.2	Ex.3
Capital	4,000	4,500	5,000
Required Capital	1,000	1,500	2,000
Excess Over Required Capital	3,000	3,000	3,000
RBC Ratio	400%	300%	250%

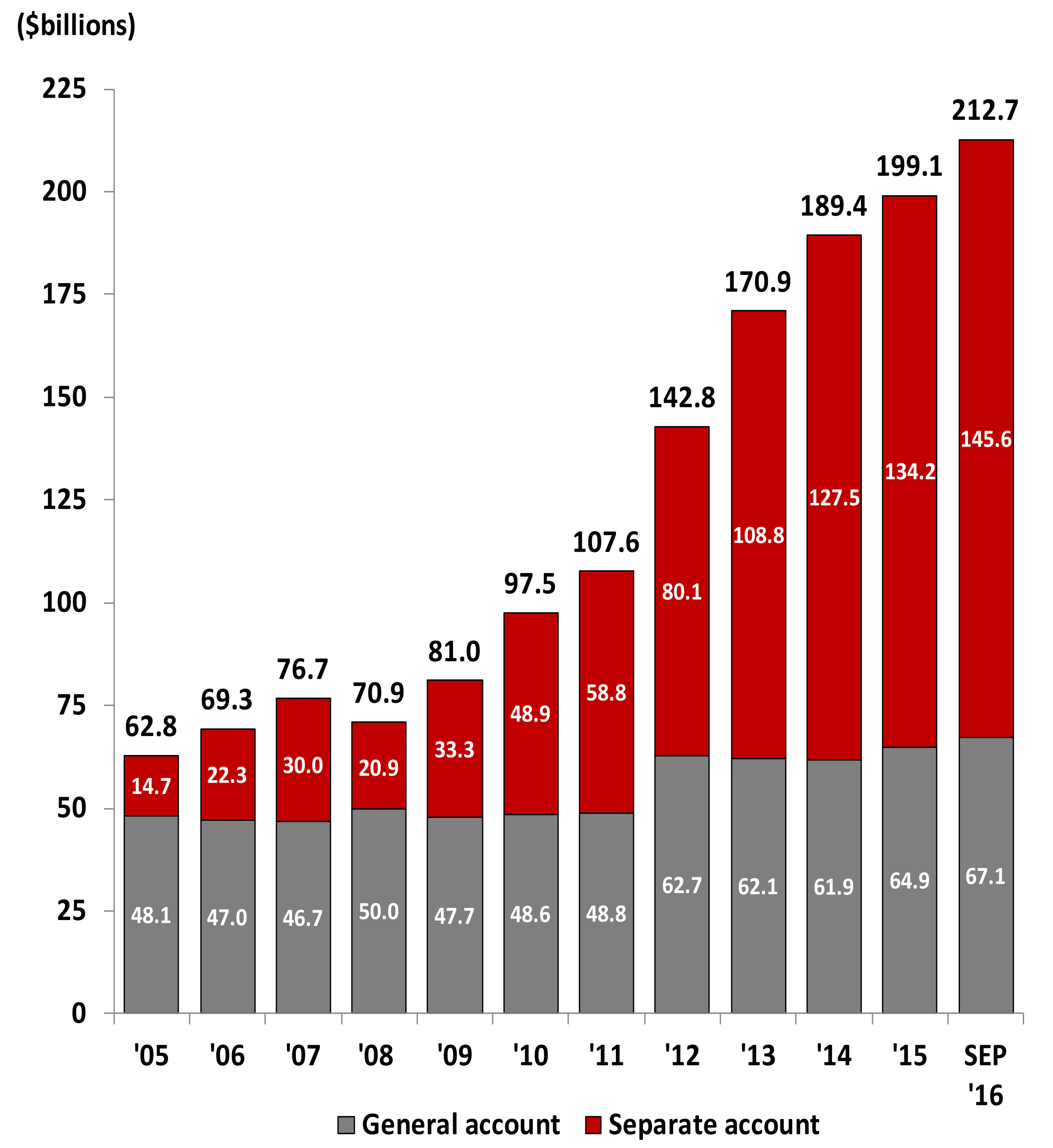
Statutory Framework – Voluntary Reserves



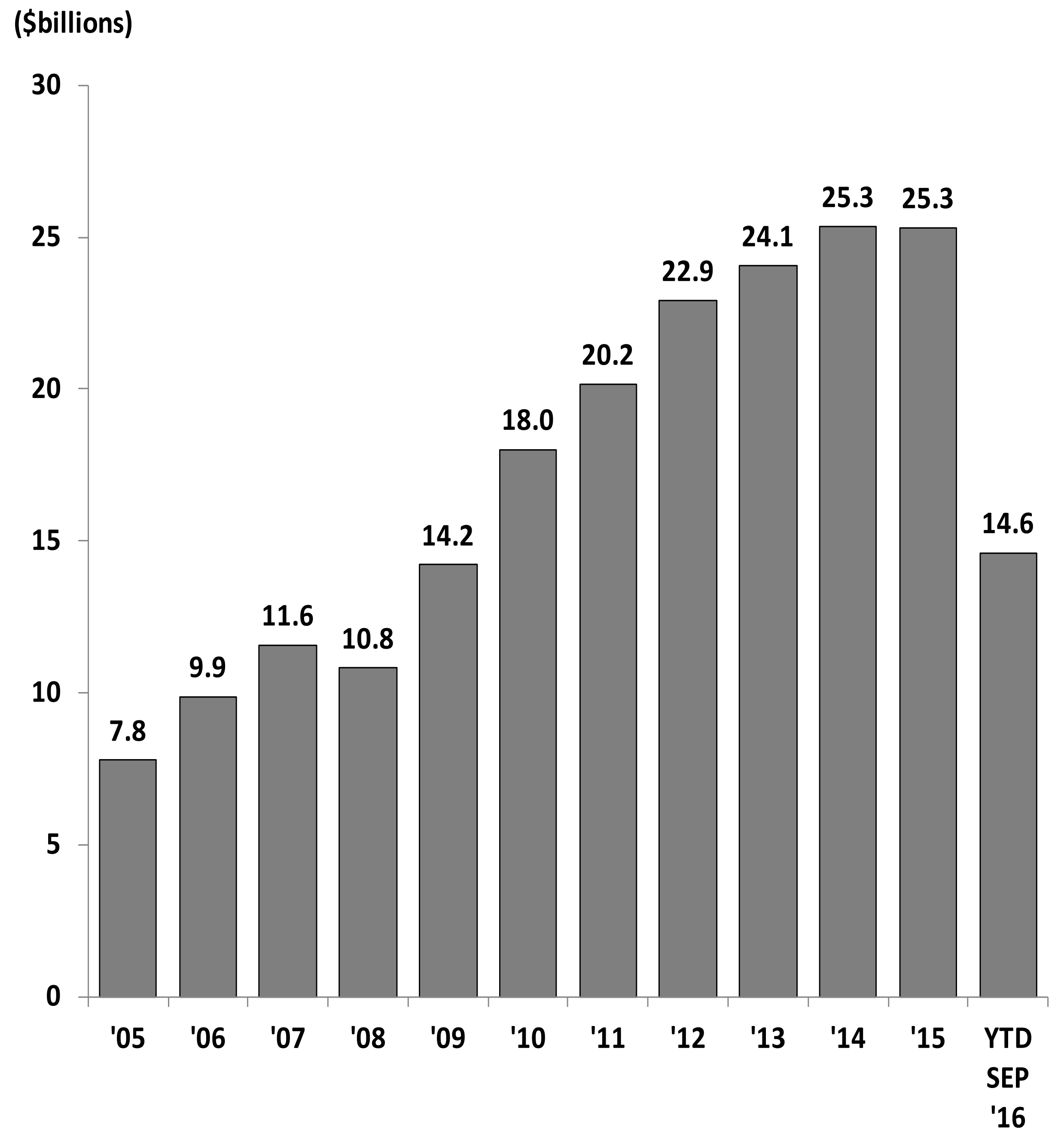
Jackson Produces Results

Jackson paid a $450m remittance in the first half of 2016 and still grew RBC ex-permitted practice

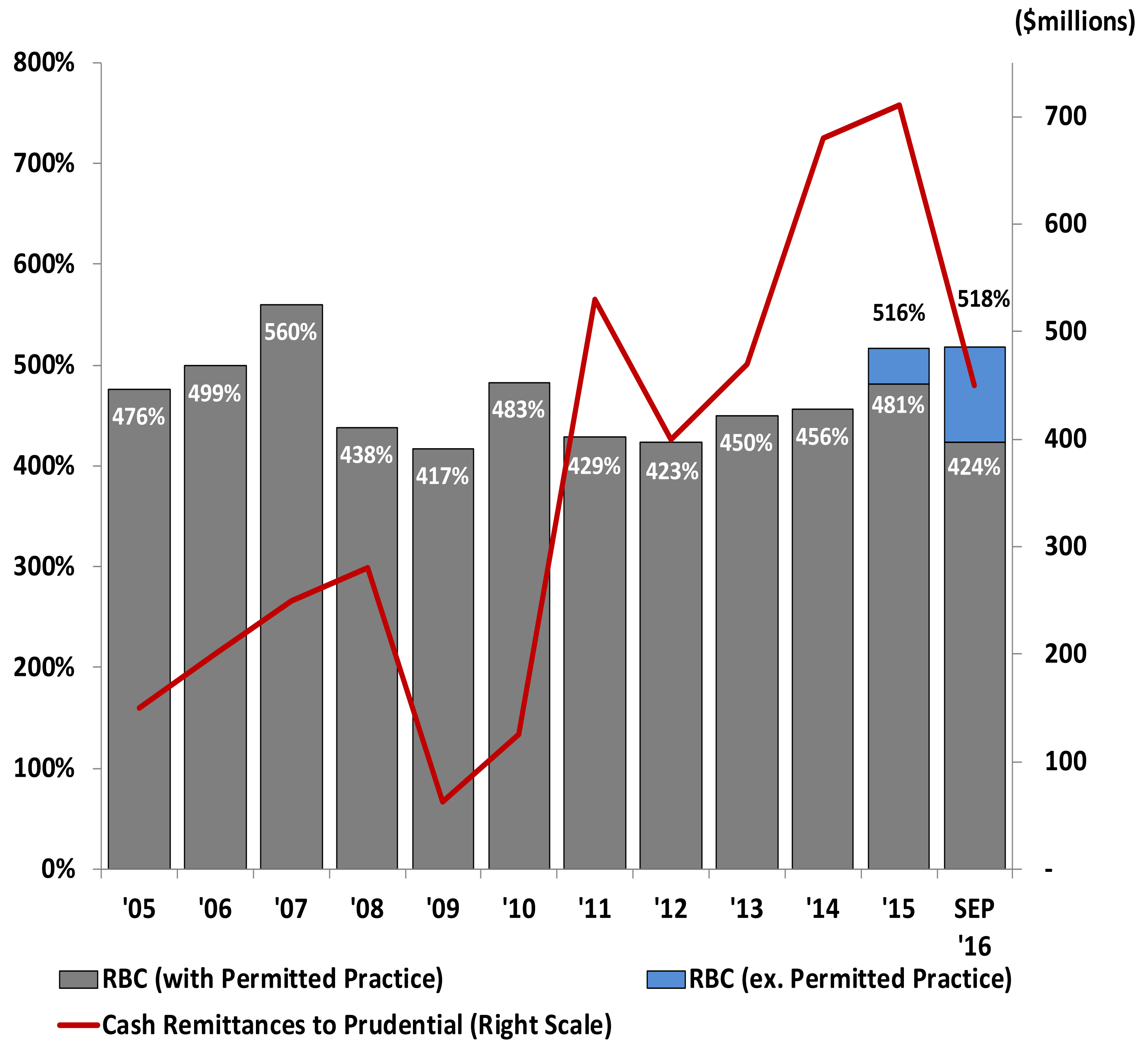
Statutory Admitted Assets



Statutory Premiums

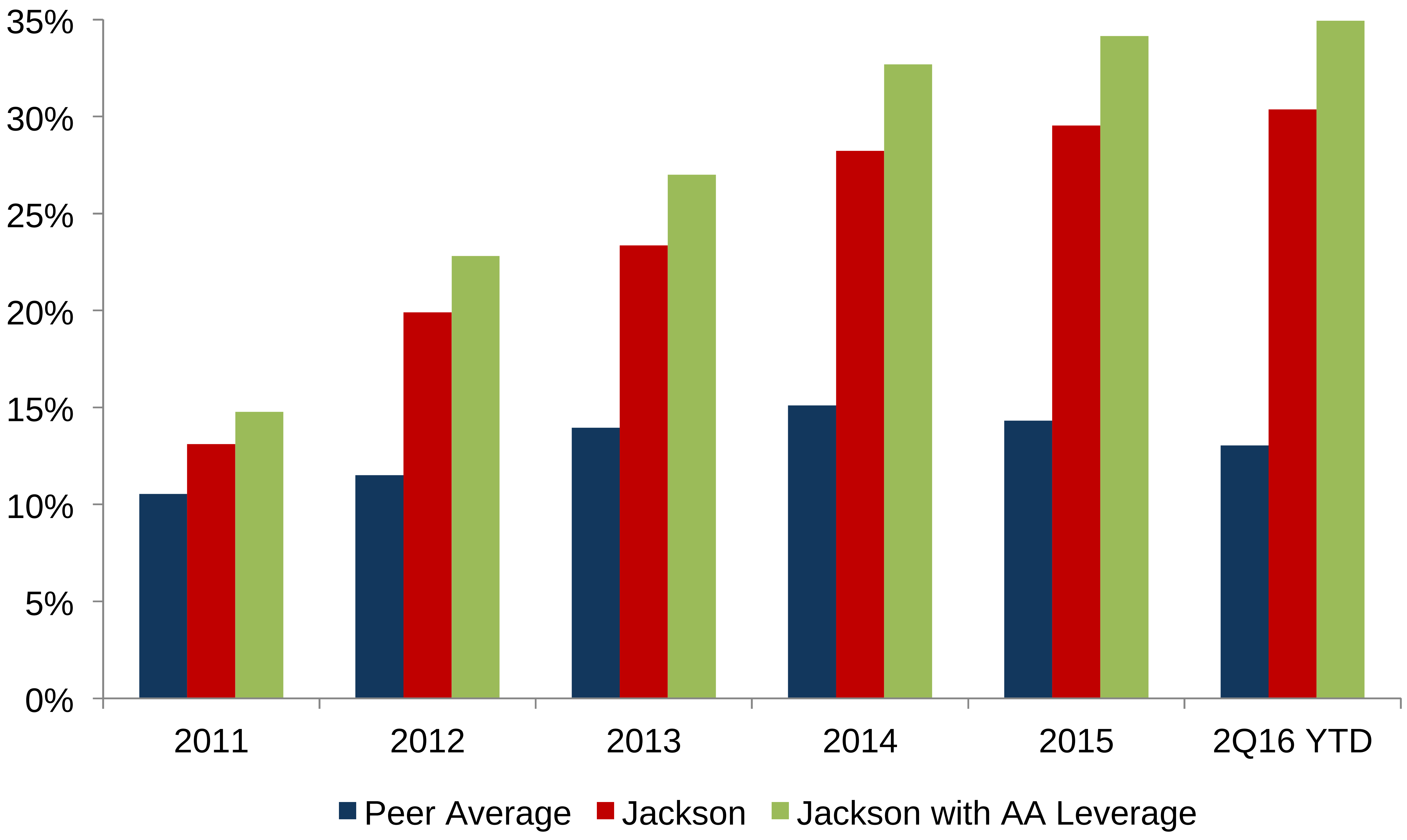


RBC Ratio and Distributions



Data is consolidated to include Jackson National Life, Jackson National Life of New York and Squire Reassurance Company LLC.
Statutory premiums are after reinsurance and exclude Institutional deposit funds

Superior Operating ROE



- Jackson continues to return well above the cost of capital as well as significantly above industry ROEs
- Well hedged VA book coming into 2008 crisis means that profitability of back book is intact
- Post crisis pricing environment has been favorable for VA writers and this is the period in which over 85% of Jackson's in-force VA was sold
- Applying AA level leverage to Jackson's balance sheet (defined as 20% debt / capital) makes the comparison to industry metrics more meaningful and boosts already attractive ROEs

Source: Bloomberg and SNL Financial. 2012 and later results based on new DAC guidelines. 2011 is not restated for this impact.
Jackson ROE is based on after-tax IFRS operating income and average equity excluding AOCI
Peer ROEs are U.S. GAAP and are calculated using adjusted operating EPS and average equity excluding AOCI
Peer group includes Ameriprise, MetLife, Lincoln National, Prudential Financial, and Principal

Summary

- Jackson provides commercial and thought leadership to the retirement industry
- Unique history of navigating macroeconomic cycles to the benefit of consumers and shareholders
- Proven risk management has ensured strong financial performance
- Our capabilities and our history position us uniquely to benefit in the emerging environment