US Introduction

Barry Stowe

Chairman and Chief Executive Officer
North American Business Unit

Who is Jackson?

Prudential U.S. Operations

US Life Insurance

JACKSON
NATIONAL LIFE INSURANCE COMPANY

- Leadership position in annuities market
- Producer-focused distribution model: Largest wholesaling network
- Best-in-class service
- Industry leading Asset Liability Management
- Low-cost efficient operations
- History of product innovation and thought leadership
- Life insurance closed block consolidator
- $264.9bn in total IFRS assets (6/30/18)
- $1.4bn of IFRS pre-tax operating income for HY 2018
- $4.9bn of cash remittances since 2008

Asset Management

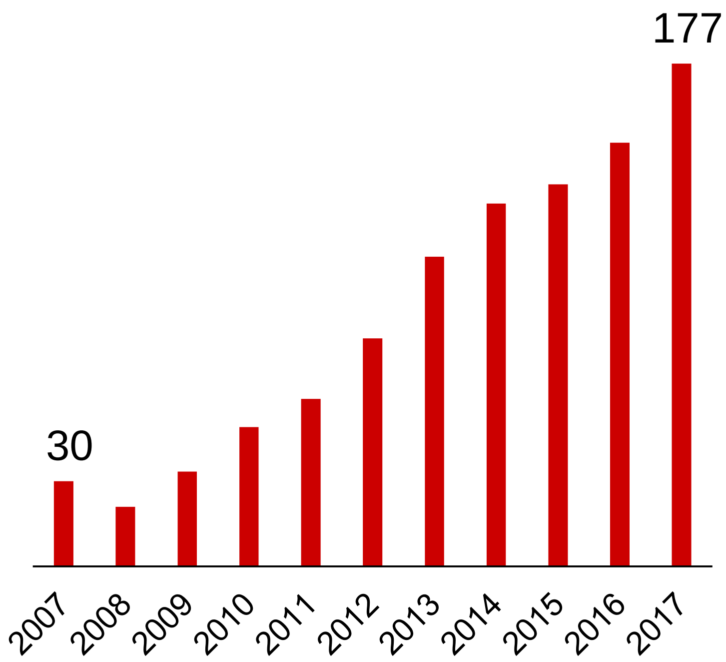
PPMAMERICA

- PPM America, Inc. manages $112bn AUM as of 6/30/18:
  - 59% on behalf of Jackson
  - 26% on behalf of Pru UK clients
  - 13% on behalf of Pru Asia clients
  - 2% on behalf of CDOs and external clients

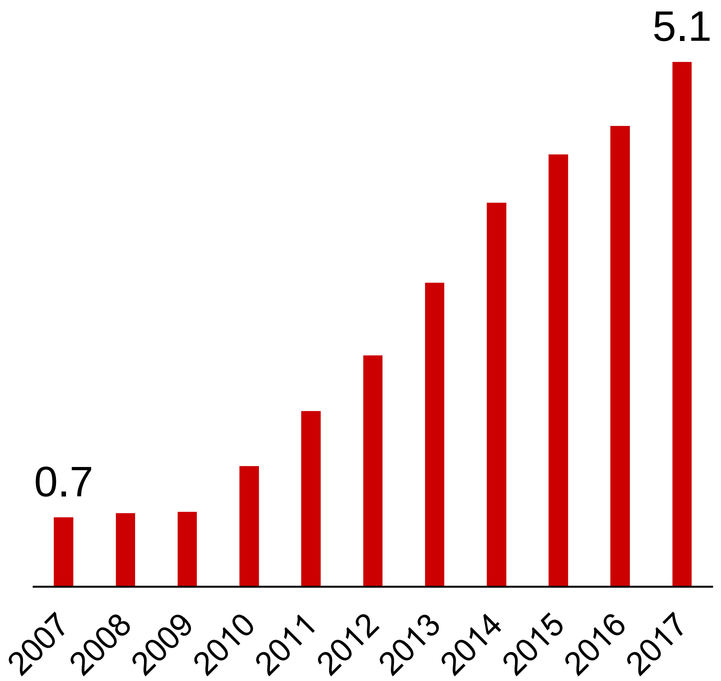
Track Record of Success

Jackson's long-term performance is strong and consistent

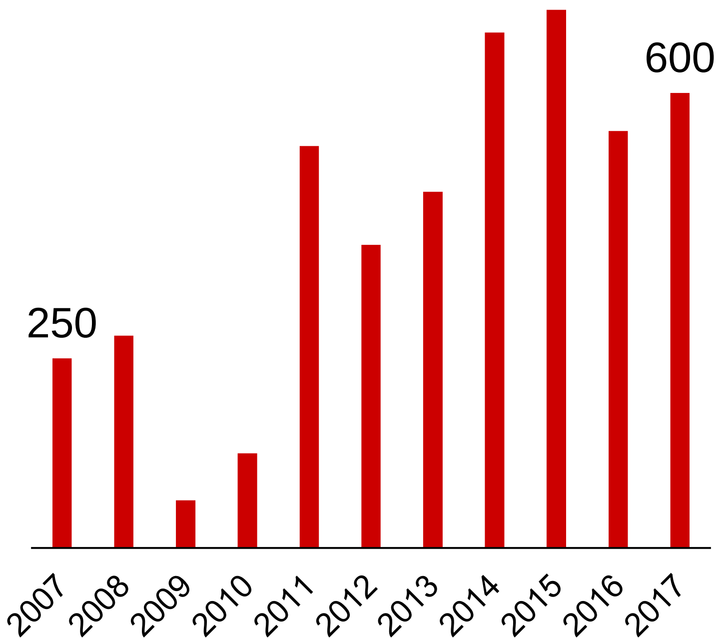
Separate Account Assets ($bn)



VA Fee Revenue ($bn)



Remittances ($m)



Agenda

Brad Harris	Steve Binioris	Chad Myers
✓ Overview of risk framework ✓ Equity and credit risk limits ✓ Assumptions review update	✓ Product and risk overview ✓ Product design and pricing ✓ Fund selection ✓ Health of book ✓ Hedging strategy	✓ Product economics and accounting dynamics ✓ Statutory deep dive ✓ Sources of latent capital ✓ Capital generation history and current regulatory headwinds

US Risk Management Framework

Brad Harris

Senior Vice President, Chief Risk Officer

Jackson National Life Insurance Company

Topics

- Overview of risk framework
- Equity and credit risk limits
- Assumptions review update

North American Risk Framework
Holistic risk framework

Three Lines of Defense Model

- 1st Line owns and manages risk
- 2nd Line provides independent oversight
- 3rd Line provides assurance

Governance

- Board with independent directors
- Fully independent Audit and Risk Committees membership
- Holistic Board Committee structure across all risks
- Defined escalation protocol
- Comprehensive Risk policies and standards

Comprehensive Risk Appetite & Limits

- Board-approved Risk Appetite Statement
- Robust Risk Limits, Triggers and Indicators
- Alignment with Group Risk Appetite and Limits
- Stress and Scenario Testing

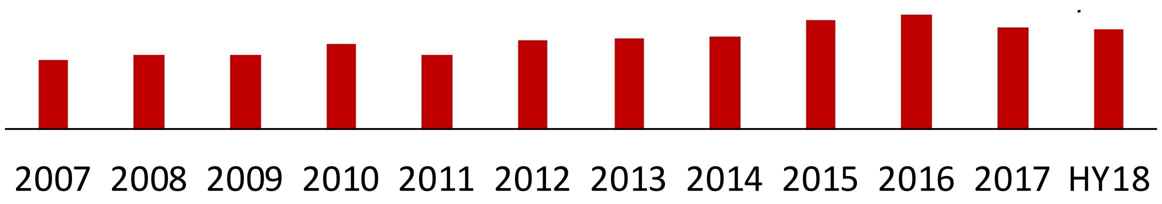
Risk Monitoring & Reporting

- Annual Risk Identification and Controls Assessment process
- Key Risk Reporting
- Independent Risk Deep Dives

Equity Risk Limit

The amount of equity risk allowed is largely unchanged since the crisis

Equity Risk Limit

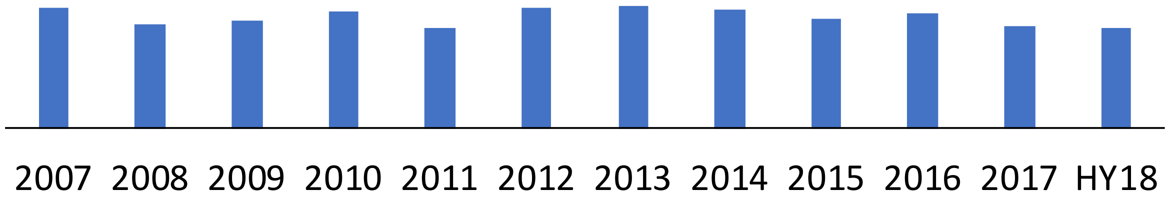


- Jackson's equity risk limit is based on the % of capital that can be put at risk
- Because the capital level has remained flat over the last decade, the dollar amount of risk limit is largely unchanged

Credit Risk Limit

The amount of credit risk allowed is lower than pre-crisis

Credit Risk Limit

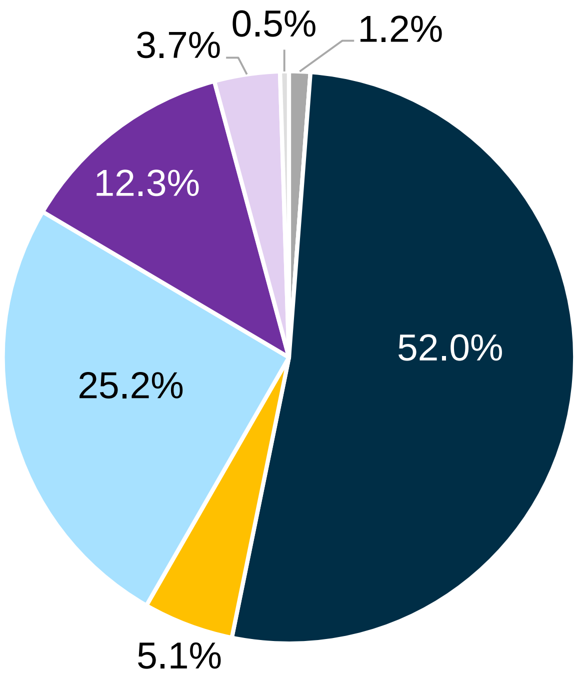


- Jackson’s credit risk limit is also based on the % of capital that can be put at risk
- Because the capital level has remained flat over the last decade, the dollar amount of risk limit is largely unchanged
- The % of capital allowed for credit risk has also reduced over this time period, further reducing the dollar amount of allowed credit risk

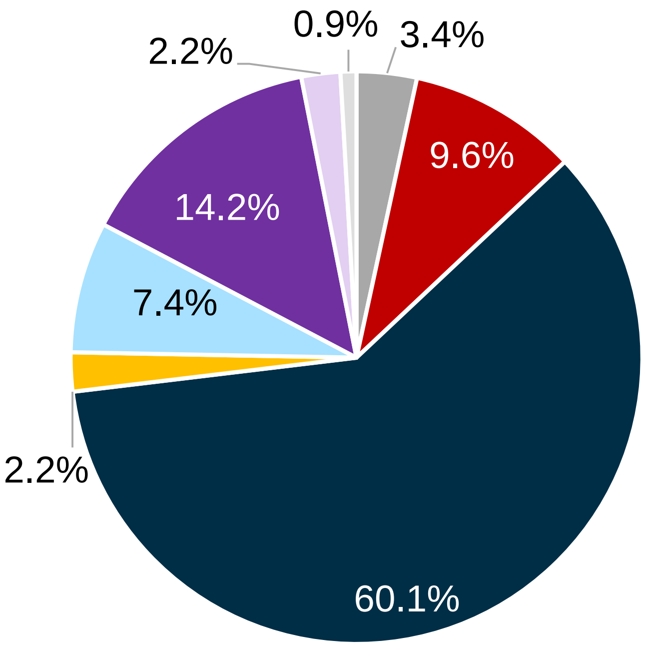
Key Risk Oversight – Credit

Materially de-risked investment portfolio since the financial crisis

2007 ($44.9 billion)



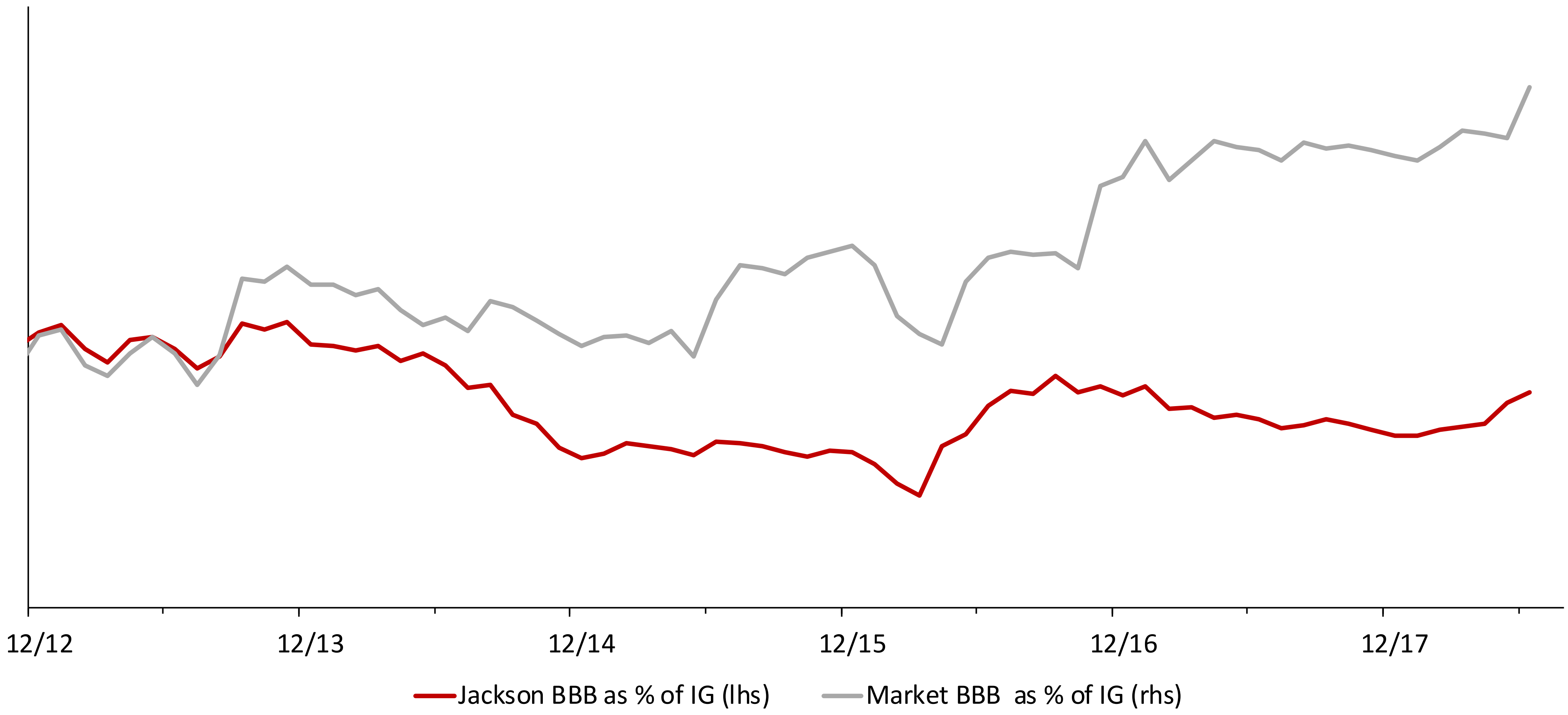
Q2 2018 ($58.7 billion) +30%



- Cash/Other
- US Treasury and Agency
- IG Corp/Loans
- HY Corp/Loans
- MBS/ABS
- Comm Mort Loans
- Private Equity
- Common/Preferred Stock

Key Risk Oversight – Credit

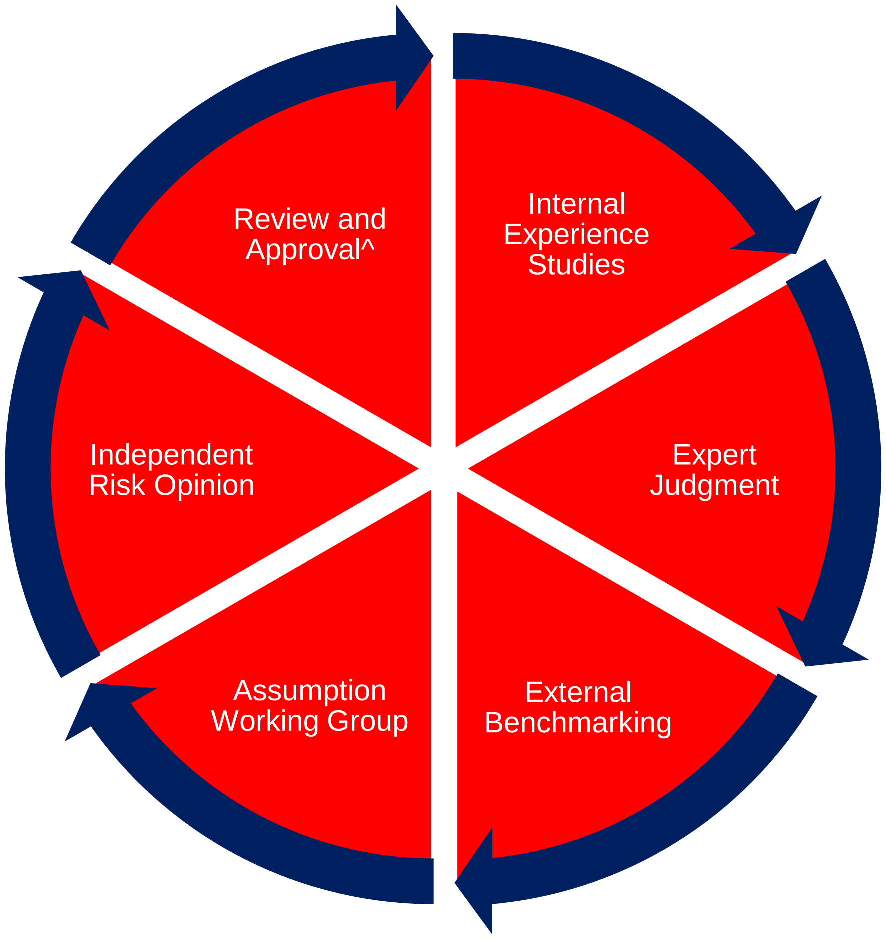
Jackson's BBB exposure is stable while the investment grade market has moved toward BBB



Key Risk Oversight – Policyholder Behaviour

Jackson Assumption Setting Process

ASSUMPTION SETTING GOVERNANCE



ASSUMPTION SETTING INPUTS

^ Review by Asset/Liability Committee, Group Assumptions Approval Committee, Jackson and Group Audit Committees and External Auditors
Approval by Appointed Actuary and Chief Financial Officer

Assumptions Update

Modest impacts similar to recent years

- Magnitude of changes in underlying assumptions are modest
- Experience trends for Variable Annuities
  - Slightly lower lapses, potentially due to lack of attractive alternatives & regulatory uncertainty
  - Slight overall increase in GMWB utilization efficiency
- Impacts
  - Utilization was a modest negative impact to all reporting metrics
  - Generally increased persistency driven by variable annuities

Persistency Impact by Reporting Metric		
IFRS	**Statutory**	**EEV**
Modestly Negative	Slightly negative	Positive

North American Risk

Key Takeaways

- Jackson has a holistic risk framework
- Absolute size of equity risk limit roughly unchanged compared to pre-crisis
- Absolute size of credit risk limit slightly down compared to pre-crisis
- Materially de-risked investment portfolio since the financial crisis
- Robust assumption setting process broadly reaffirmed current assumptions leading to modest accounting impacts

US Pricing and ALM

Steve Binioris

Senior Vice President, Asset Liability Management
Jackson National Life Insurance Company

Topics

- Product and risk overview
- Product design and pricing
- Fund selection
- Health of book
- Hedging strategy

Diversified Portfolio With Complementary Risk Profile

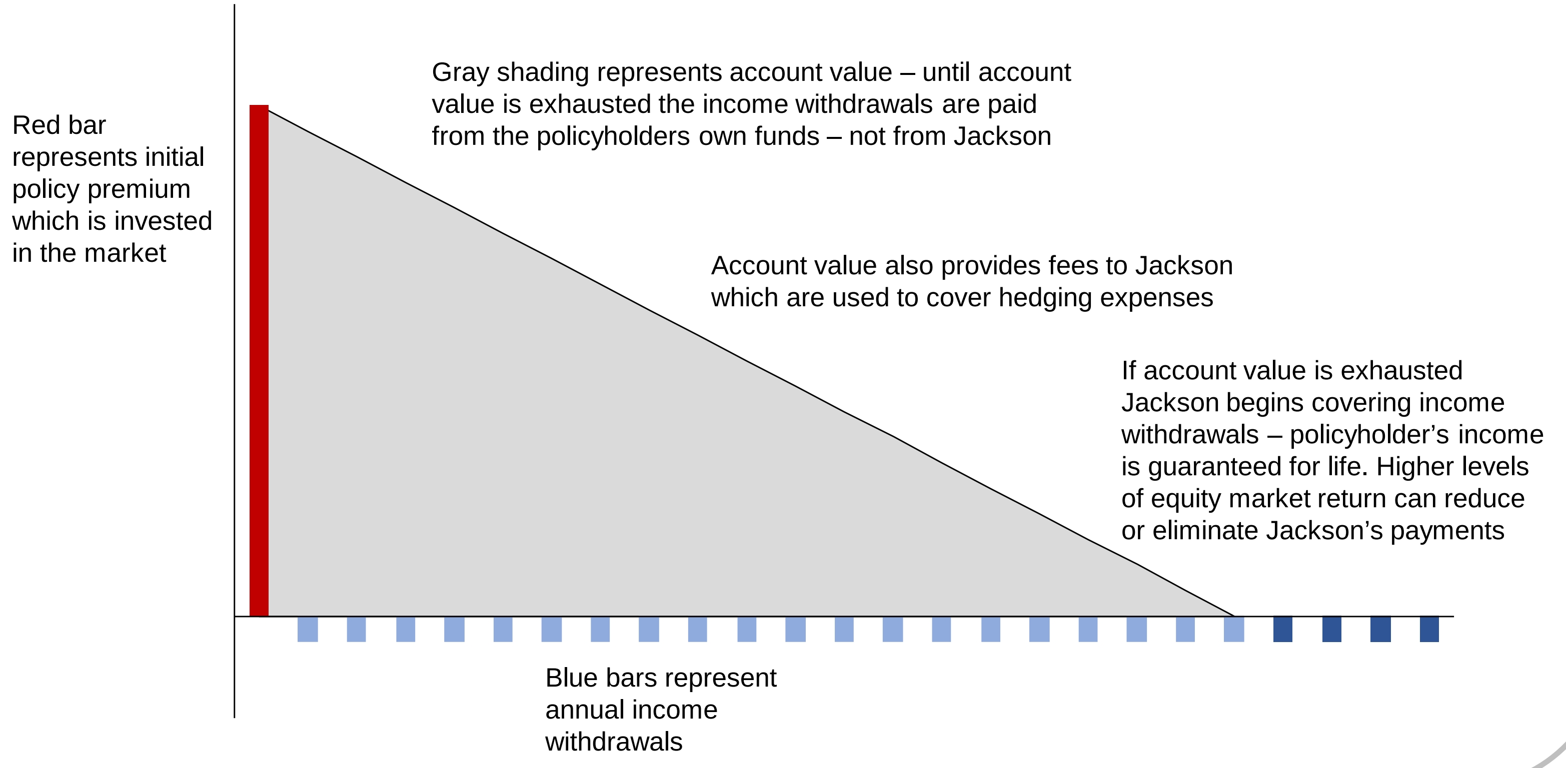
Product	Exposure as of September 30, 2018	Product Risks			
		Equity	Interest Rate	Credit	Mortality / Longevity
Fixed Annuities	$25bn reserves		⇩ Low Rates (Min Guarantee) ⇧ High Rates (Incr Surrenders)	√	
Fixed Indexed Annuities	$11bn reserves	⇧ Higher Markets		√	
VA – GMDB	$169bn account value	⇩ Lower Markets	⇩ Low Rates (Contingent Equity Risk)		Mortality
VA - GMWB	$145bn account value	⇩ Lower Markets	⇩ Low Rates (Contingent Equity Risk)		Longevity
VA – GMIB	$2bn account value	Reinsured	Reinsured		
Life	$12bn reserves		⇩ Low Rates (Higher PV of Benefits)	√	Mortality
Institutional	$11bn reserves		⇧ High Rates (Floating Rate Liab)	√	

Key features of Guarantee Minimum Withdrawal Benefit (GMWB)

Key features

- **Typical customer**. Looking to manage retirement income needs.
- **Benefits**. Customers remain owners of their underlying investment, retain equity market upside, and the protection of guaranteed lifetime income in the event their account balance is exhausted.
- **Jackson advantage**. Customers have freedom to select from a wide range of investment options (‘**Investment Freedom**’) and are able to remain invested over the market cycle (no ‘volatility control’ or forced asset allocation).

Simplified Illustration of Benefit Mechanics
(Assumes immediate utilization and 0% market return)



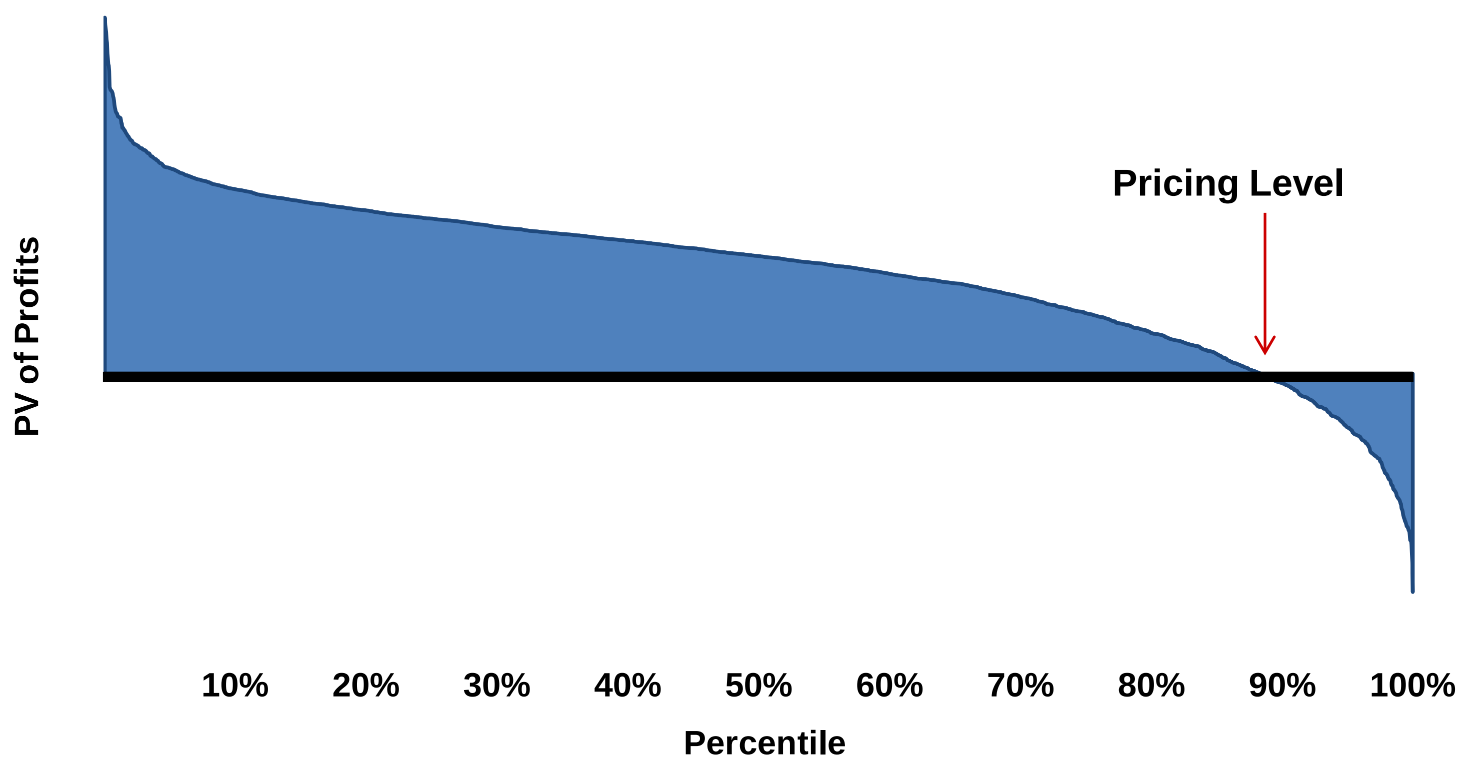
Pricing Approach and Methodology

- Identify Concept & Initiate a Risk/Regulatory Review
- Set Assumptions
- Risk Adjusted Stochastic Pricing
- Disciplined Pricing Process
- Holistic and Formal Approach

Guaranteed Withdrawal Benefit Pricing

Jackson prices its benefits conservatively

PV Unhedged Profit by Percentile

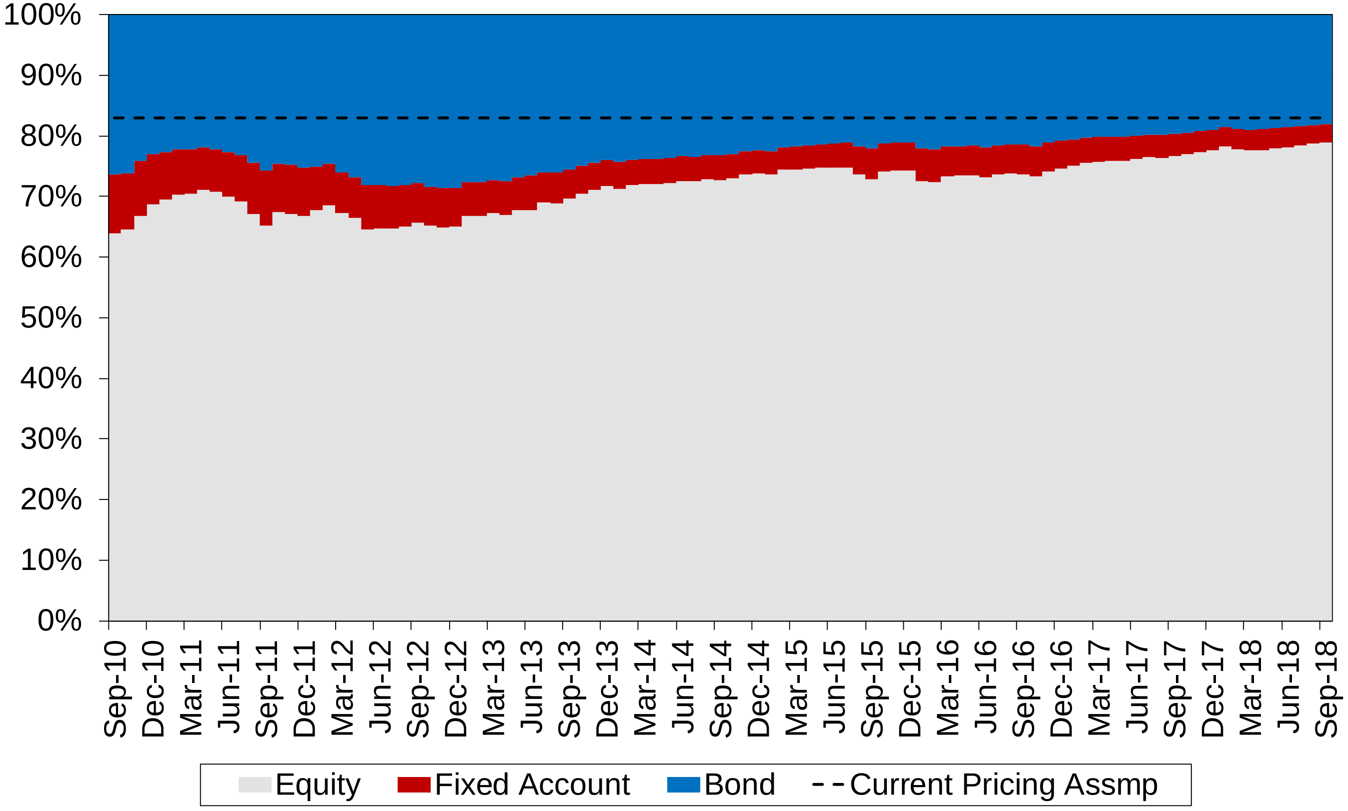


- GMWB benefit is profitable at the historical mean and well into the tails
- Jackson prices far enough out in the tails to provide enough revenue to hedge the benefit
- Hedging activity expected to truncate the losses while retaining upside potential

Investment Freedom Has Led to Upside For Policyholders

Account value upside while equity allocation remains within assumptions

In-Force Allocation of VA Account Values

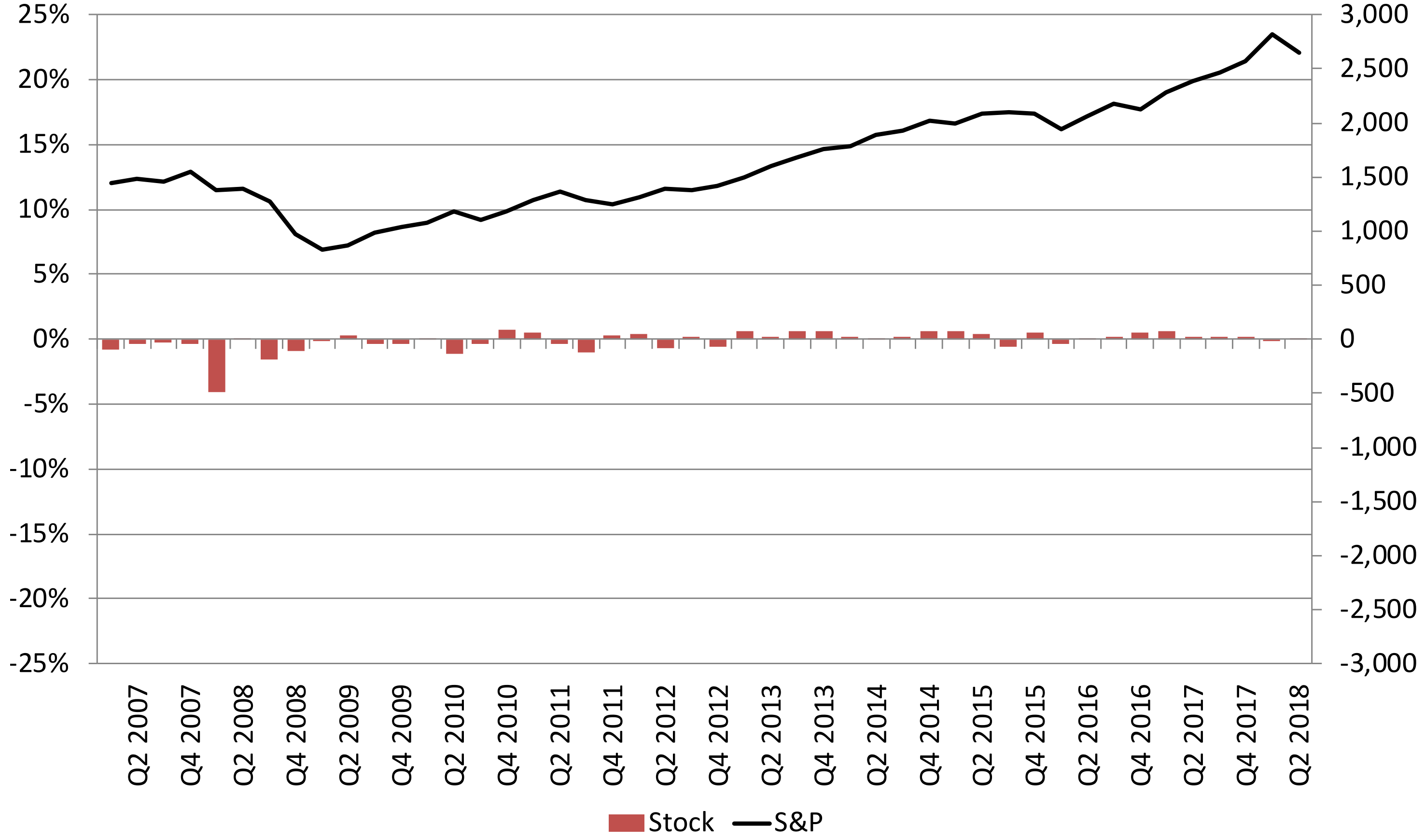


- Jackson offers full investment freedom, meaning no restrictions on asset allocation
- Policyholders' risk tolerance objectives are aligned with Jackson's
- Jackson's policyholder allocations represent less equity exposure than the 83% assumed in pricing
- Account value equity allocation changes tend to be mostly driven by market movements
- Jackson hedges to actual asset allocation

As of 9/30/2018

Reallocation History

Policyholders have not reallocated in reaction to market movements



- Policyholders have not made large reallocations to their portfolios
- This has been true even during large market moves
- The equity uptrend in the prior slide has been primarily due to equity growth over time

As of 6/30/2018

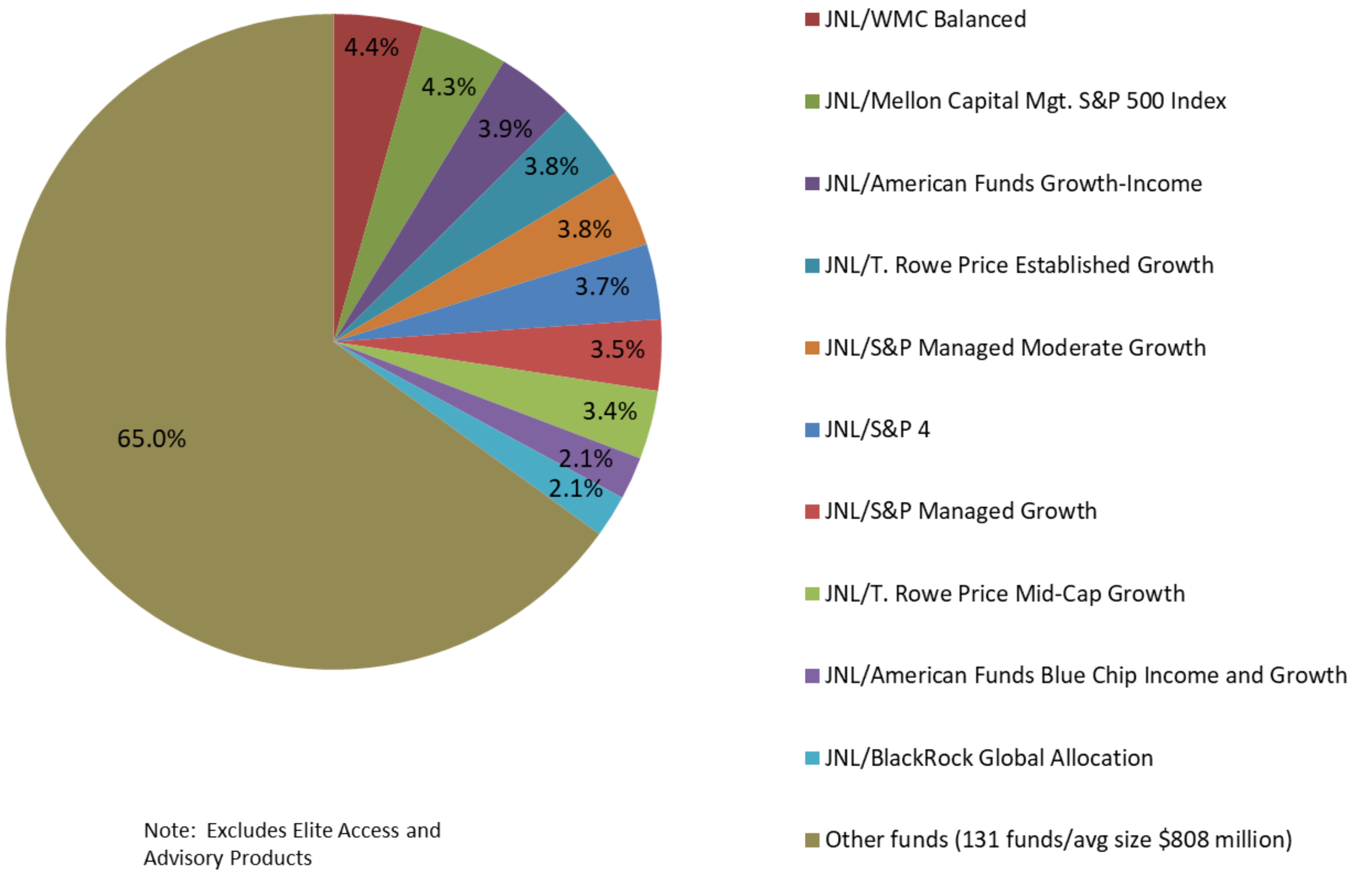
Fund Manager Selection

Disciplined and robust process

- Before a fund is offered on Jackson's VA platform, it must pass a rigorous evaluation process
  - Detailed review of fund history to demonstrate its trackability
  - Breakouts of all individual holdings to assess any concentration issues
  - Must have access going forward to real-time granular data

Diversified Separate Account

Jackson Top 10 Funds



Note: Excludes Elite Access and Advisory Products

- Offer wide array of managers with no material concentration (131 funds account for 65% of our SA holdings)
- Several balanced funds in the top 10, limiting equity market exposure by default
- Jackson monitors individual holdings in each fund to detect concentration issues across the portfolio
- Jackson platform has popular series of passively managed funds that tend to be defensive in down markets

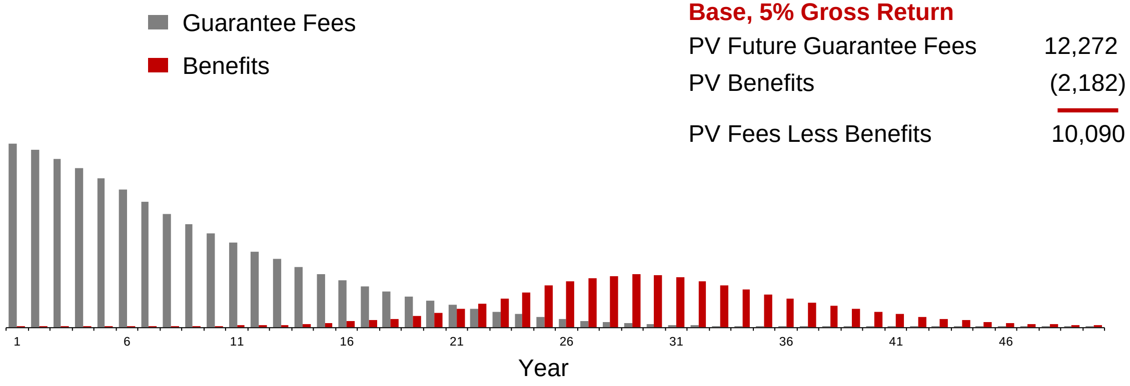
As of 9/30/2018

Unhedged GMWB Cash Flow Exposure

$millions

S&P @ 9/30 = 2,914
Base, 5% Gross Return

PV Future Guarantee Fees	12,272
PV Benefits	(2,182)
PV Fees Less Benefits	10,090

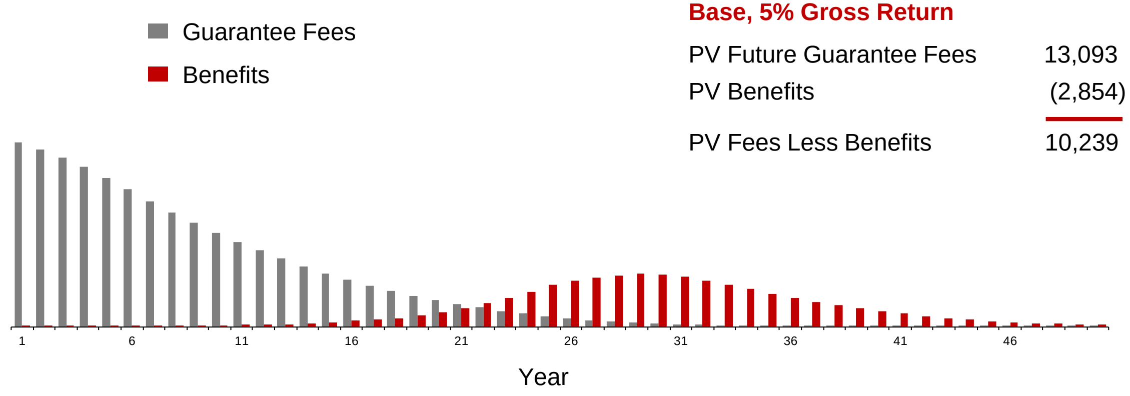


- Includes guarantee fees only
- Uses prudent best estimate assumptions (AG43, C3P2)
- 5% gross return is well below historical average market return
- Ignores guarantee fees collected to date as well as reserves
- PV of future GMWB fees exceeds PV of benefits over a wide range of market shocks
- Negative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

$millions

-100 bps Rate Shock
Base, 5% Gross Return

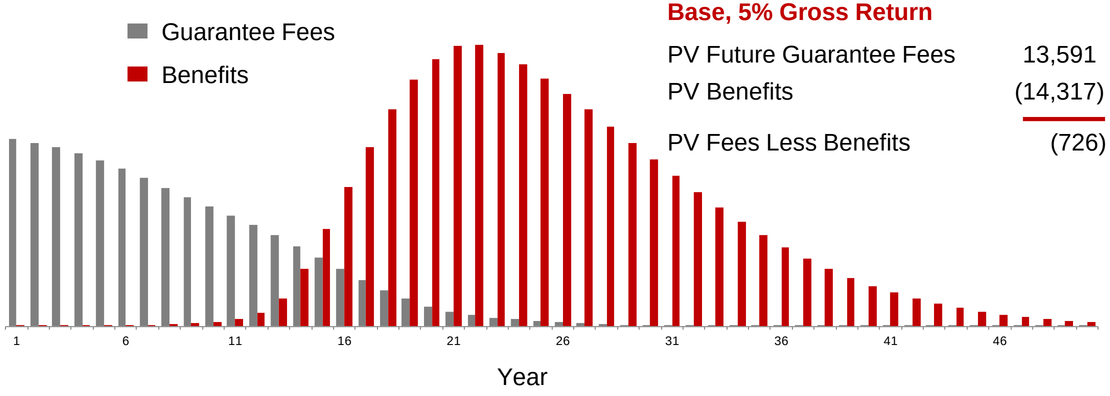
PV Future Guarantee Fees	13,093
PV Benefits	(2,854)
PV Fees Less Benefits	10,239



$millions

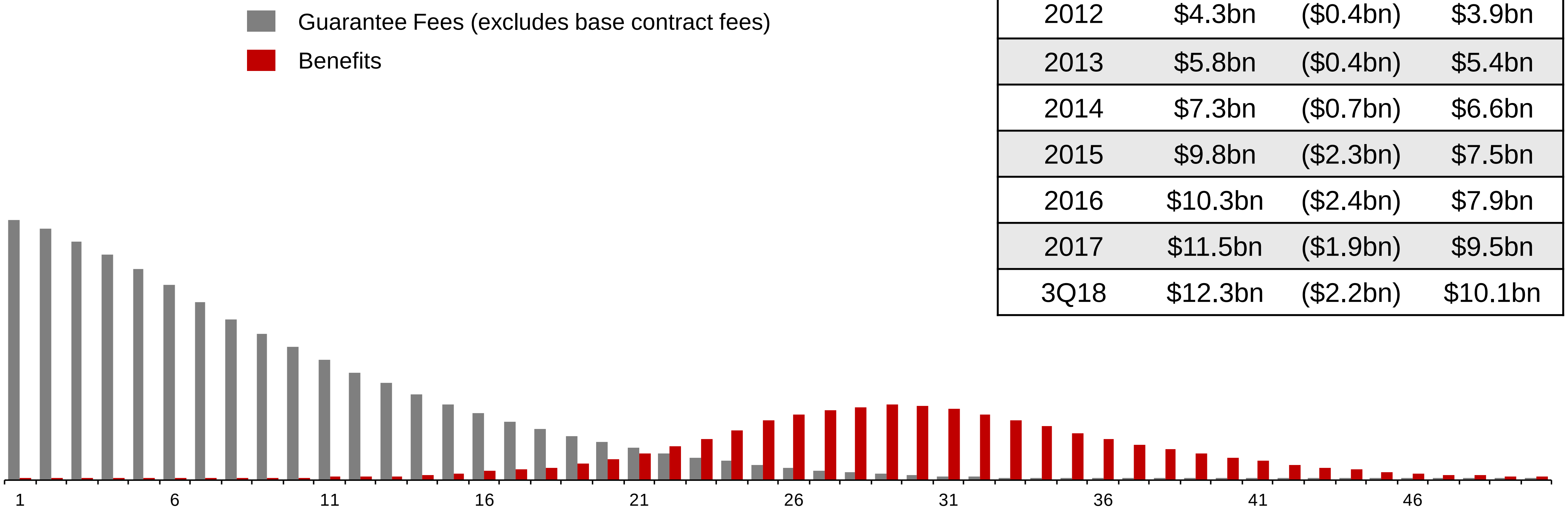
Down 40% S&P Shock (S&P = 1,748)
Base, 5% Gross Return

PV Future Guarantee Fees	13,591
PV Benefits	(14,317)
PV Fees Less Benefits	(726)



GMWB Unhedged Cash Flows

Jackson's block is in a very strong position



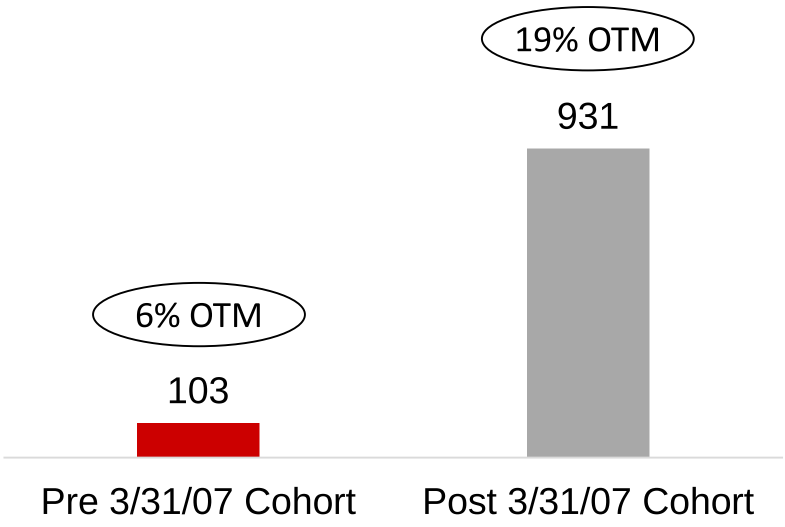
Time Period	PV of Fees	PV of Benefits	Net PV
2011	$3.0bn	($0.5bn)	$2.5bn
2012	$4.3bn	($0.4bn)	$3.9bn
2013	$5.8bn	($0.4bn)	$5.4bn
2014	$7.3bn	($0.7bn)	$6.6bn
2015	$9.8bn	($2.3bn)	$7.5bn
2016	$10.3bn	($2.4bn)	$7.9bn
2017	$11.5bn	($1.9bn)	$9.5bn
3Q18	$12.3bn	($2.2bn)	$10.1bn

As of 9/30/2018

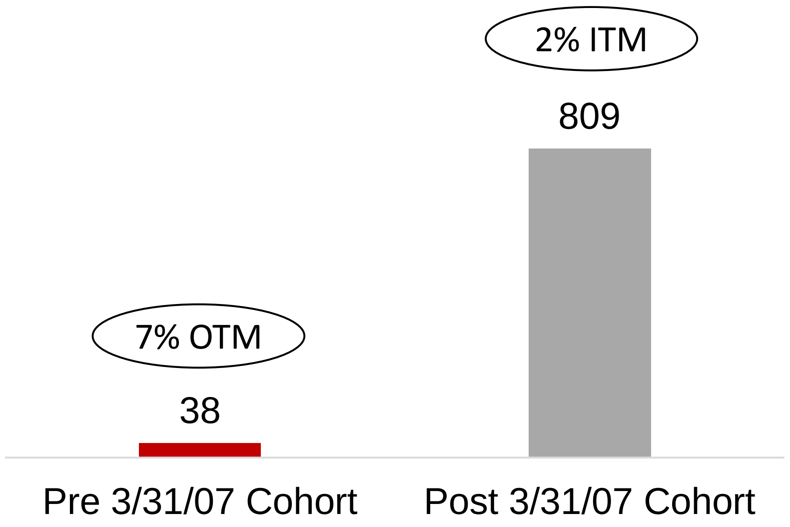
Cohort Analysis

Jackson has a strong VA back book, both pre and post crisis

GMDB Policy Count (000s)



GMWB Policy Count (000s)



- Pre March 2007 block still solidly profitable due to hedge program and effect of investment freedom in rising markets
- 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 and more favorable pricing

As of 9/30/2018

Hedging Philosophy

- Hedging recognizes natural offsets
  - Manage risks within tolerances
  - Not an immunization strategy
  - High level of hedge effectiveness (90%+ for large market moves)
- Tail risks must be within risk appetite without benefit of rebalancing
- Requires significant portion of hedges to be option based
- Specifically manage delta, rho, gamma
  - Hold economic capital against changes in realized volatility
- Economic focus with accounting as a secondary consideration
- Hedge program adapts to prevailing market conditions
  - Cost considerations
  - Risk/Reward trade-offs

Hedging Philosophy

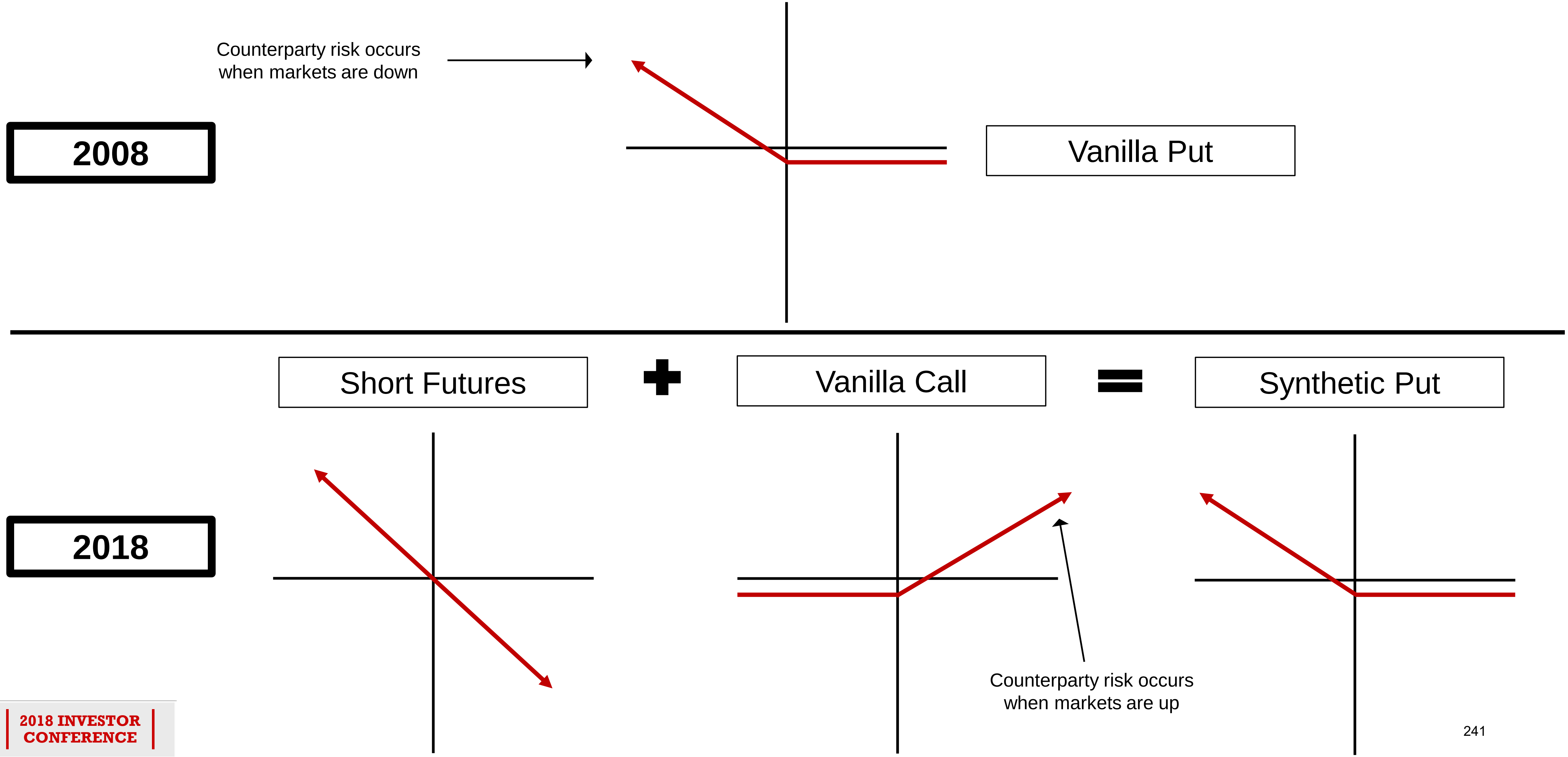
Strategy unchanged, but methods are updated over time

	2008	2018
Hedging Payoffs in Down 40% Equity Shock	~$1 billion	~$15 billion
Primary Hedging Instruments	Put Options Short Futures	Short Futures, Call Options Put Options
Counterparty Risk Emergence	Down Markets	Up Markets

Counterparty risk increasingly weighted to up markets

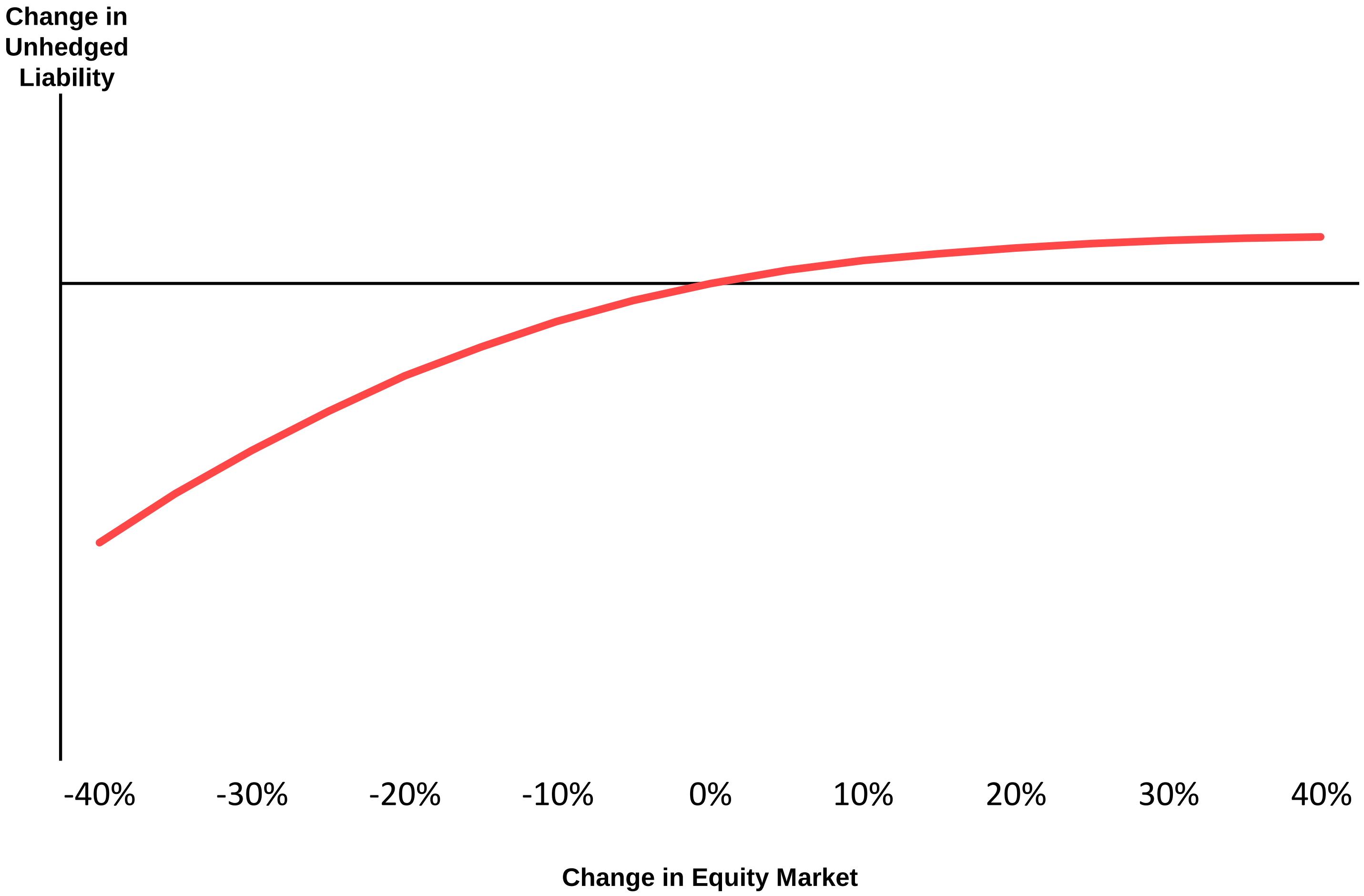
Hedging Illustration

Ability to match economic profile, but counterparty risk is diminished



Economic Profile of VA Guarantees

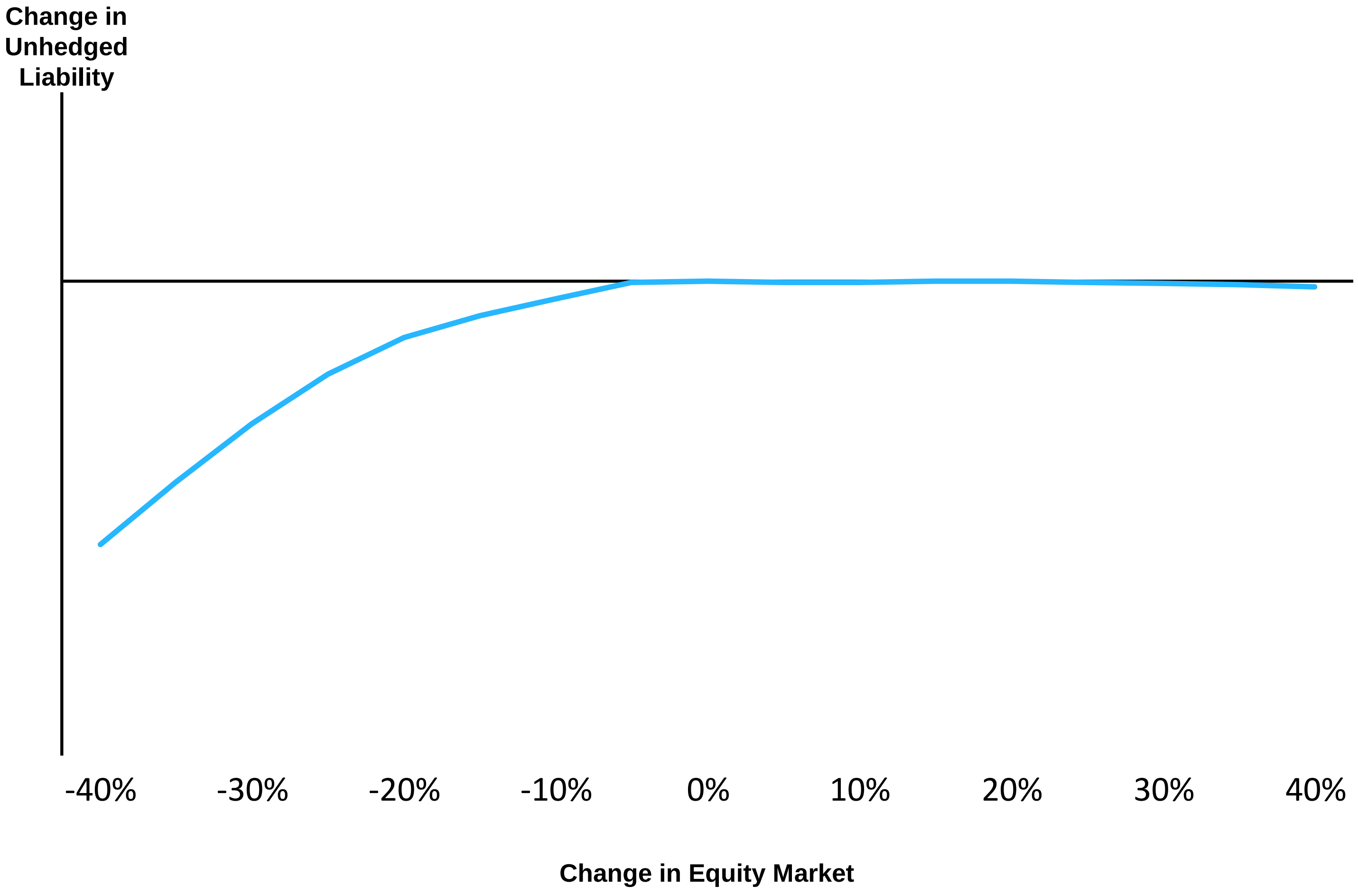
Jackson focuses its hedging on the protection of the economics



- Line represents the unhedged economic liability profile for the guarantee only
- There is upside benefit, but this is limited due to step-ups
- However there would be significant benefit in up markets for the base contract, which is not captured here
- As previously stated, the convexity in the liability during down market scenarios requires use of options strategies

Economic Profile of VA Guarantees

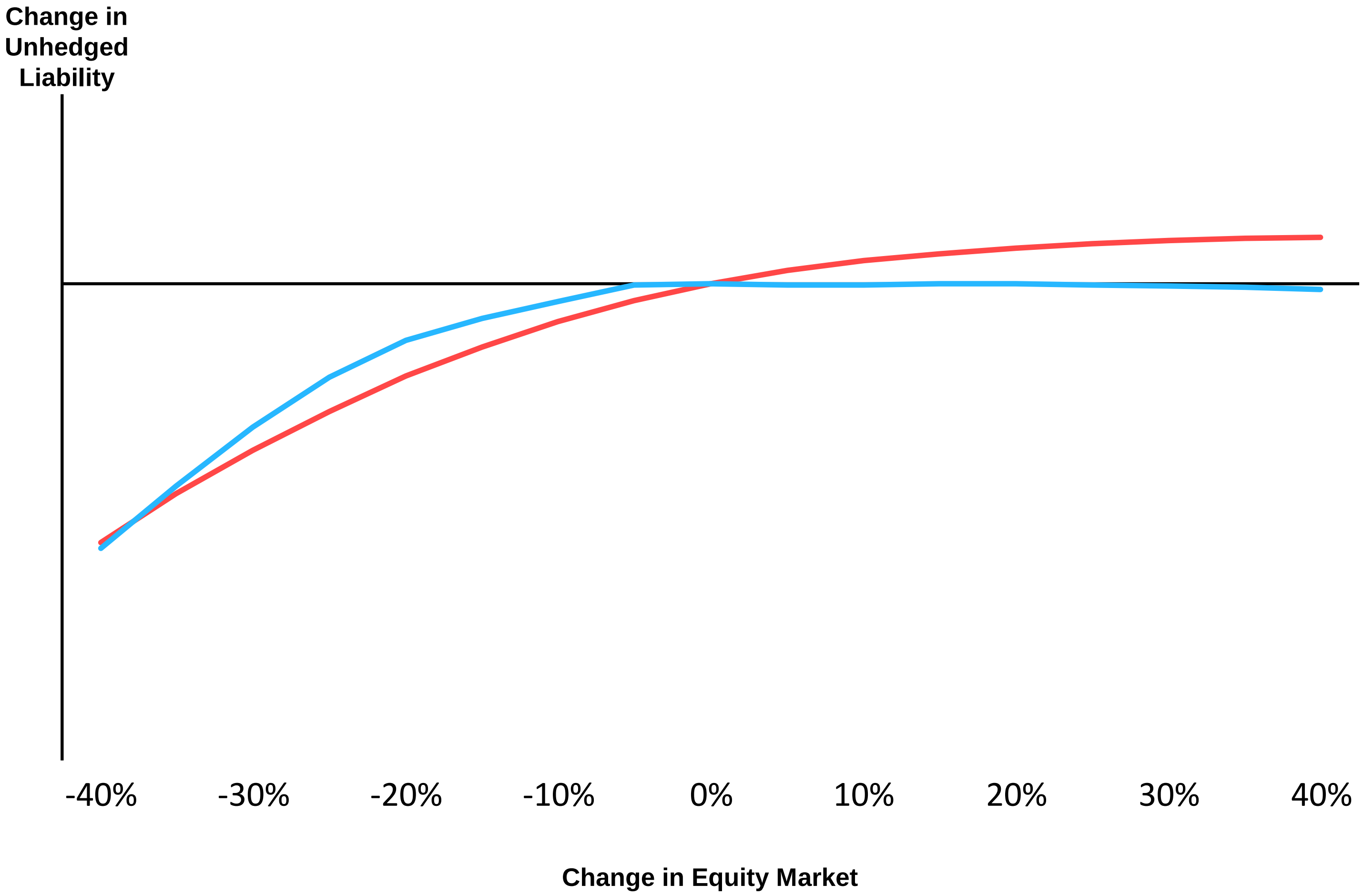
Statutory accounting will not always match the economics



- Line represents the unhedged economic liability profile for statutory as it stands 30 September 2018
- Because the reserves are floored out, there are no reserves to release in up markets
- However, in the event of an equity market downturn, statutory reserves will not be required until equity markets have fallen 5-10% from 30 September 2018 levels

Economic Profile of VA Guarantees

Jackson focuses its hedging on the protection of the economics



- Layering the economic profile (orange line) with the 30 September 2018 statutory profile (brown line) illustrates the following:
  - The economic gain on the upside will not be captured by STAT
  - In the first 20% of a market downturn, the change in the economic liability will exceed STAT
  - Past the down 40% level, STAT will become more onerous than economic and would require additional hedging to protect Jackson's capital position
  - This dynamic can lead to additional hedging requirements when equity markets are very strong or very weak

Takeaways

- Jackson has a long history of strong risk management
- Disciplined approach to product design, fund selection, and pricing
- In-force book remains strong
- Hedging has adapted to different conditions, but strategy is unchanged
- Defensively positioned for market downturns

US Economics and Capital

Chad Myers

Executive Vice President, Chief Financial Officer

Jackson National Life Insurance Company

Topics

- Product economics and accounting dynamics
- Statutory deep dive
- Sources of latent capital
- Capital generation history and current regulatory headwinds

Economics of Jackson's Business

What drives the economics of the business lines?

	Fee	Spread	Life
Revenues	Base Contract Fees Guarantee Fees Asset Management Fees	Investment Income	Premiums Collected Investment Income
Expenses	Commissions Hedging G&A	Commissions Interest Credited G&A	Commissions Interest Credited Death Benefits G&A
Capital Required	Lowest	Highest	Middle
Return on Equity	Highest	Lowest	Middle
Key Drivers of Results	Equity Market Interest Rates Longevity Hedging Effectiveness Policyholder Behavior	Interest Rates Credit Spreads Defaults	Mortality Interest Rates Credit Spreads

Accounting Frameworks

Accounting regimes have different objectives

U.S. Statutory

- Designed with the protection of policyholder interests and long-term solvency of a company as the priority
- Therefore it is ***generally more conservative*** than other bases
- Faster amortization of acquisition expenses (CARVM)
- Conservative view of deferred tax assets
- Used by both the company and regulators to monitor financial strength against established benchmarks
- Primary metric for the evaluation of whether cash is available for dividends or investment

IFRS

- Designed to provide a long-term view of earnings
- Amortizes the expense of acquiring new business (DAC) over the life of the products sold, and by smoothing other fluctuations in earnings that are caused by market movements
- Deferred tax assets allowable as long as they are recoverable
- GMWB fee recognition is set at inception to avoid any gain on sale

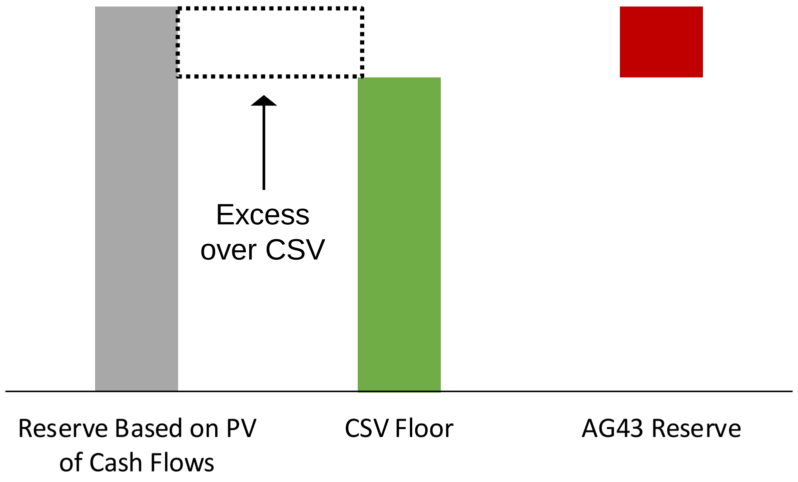
Statutory Reserve Dynamics For VA Guarantees

Statutory reflects all relevant cash flows

- In statutory accounting, variable annuity reserves are reported according to AG43
- The stochastic scenario for statutory reserves reflects cash flows under the worst 30% of outcomes (CTE 70)
- This includes all contract fees, benefits and expenses, as well as hedging results. However these are all subject to prudent margins and other limitations
- Statutory has several features that add a degree of conservatism. Examples of this include the cash surrender value floor, the standard scenario floor, prudent margins, limits on asset based fee recognition, and the concept of winning durations
- The following pages illustrate how the cash surrender value (CSV) floor works:

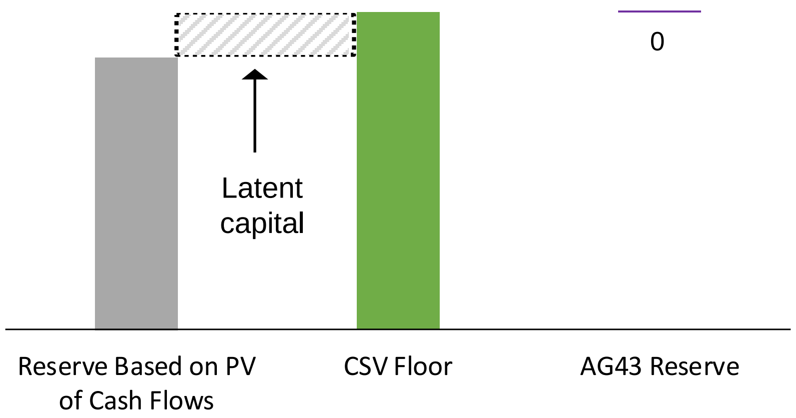
Statutory Reserve Dynamics

Comparison of two similar sized, hypothetical VA blocks



Scenario #1 – Reserves above CSV

- The required reserve using the PV of cash flows exceeds the cash surrender value
- This requires booking a reserve for the amount above the CSV floor

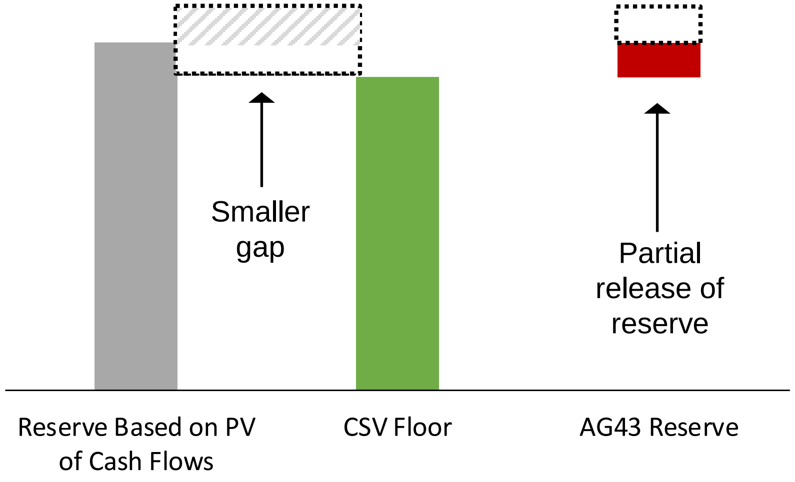


Scenario #2 – Reserves below CSV

- The required reserve using the PV of cash flows is below the cash surrender value
- Even though the economics of the block indicate that you would have a negative excess AG43 reserve, because of the CSV floor, you would simply book a reserve of ~$0
- The gap between the PV of cash flows and the CSV represents “latent capital” and is the shaded area in the chart

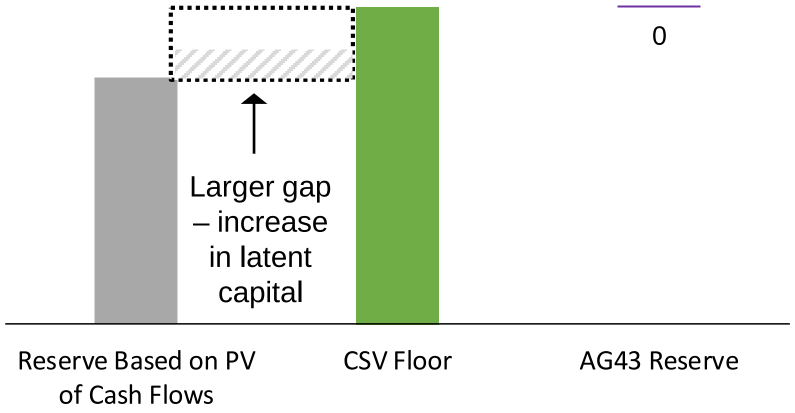
Statutory Reserve Dynamics

Assume the two blocks experience a meaningful gain in equity markets



Scenario #1 – Reserves above CSV

- The required reserve using the PV of cash flows will continue to exceed the cash surrender value, but because of the improved state of the block, the excess will be smaller than before – the decline is represented by the shaded area
- Therefore there will be a release of a portion of the general account reserve, which will be a positive offset to any hedge losses booked as a result of the market gains

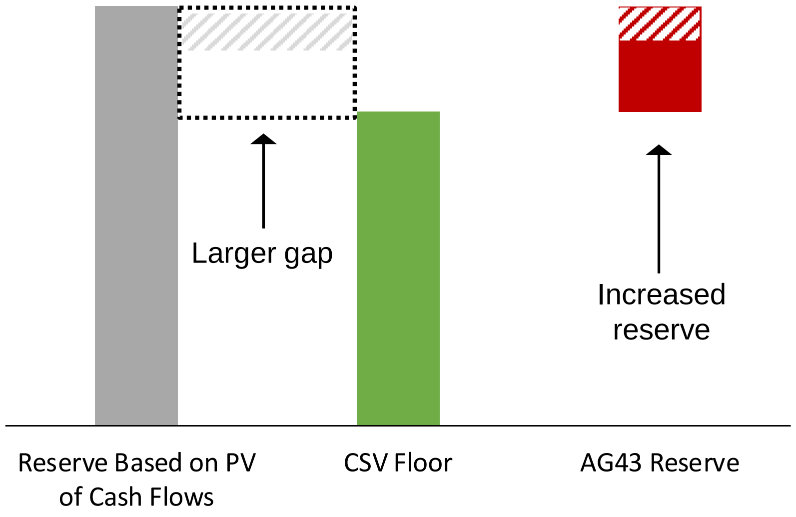


Scenario #2 – Reserves below CSV

- The required reserve using the PV of cash flows is still below the cash surrender value, but the gap between the two has widened
- The shaded area represents an increase in the “latent capital” described on the previous slide
- However, because of the CSV floor, reserves would remain at ~$0, and there will be no reserve release to offset hedging losses booked as a result of the market gains

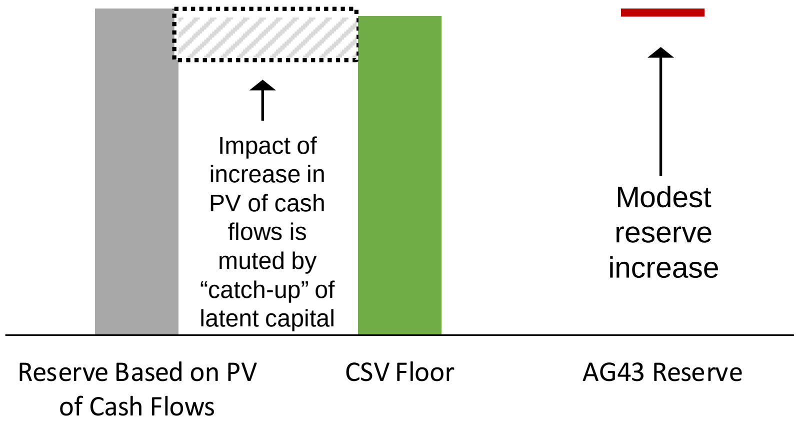
Statutory Reserve Dynamics

Assume the two blocks experience a meaningful equity market decline



Scenario #1 – Reserves above CSV

- The required reserve using the PV of cash flows will continue to exceed the cash surrender value, but because of the weaker state of the block, the excess will be larger than before – this is indicated by the shaded area
- Therefore there will be an increase to the general account reserve, which will require hedging gains to protect statutory capital



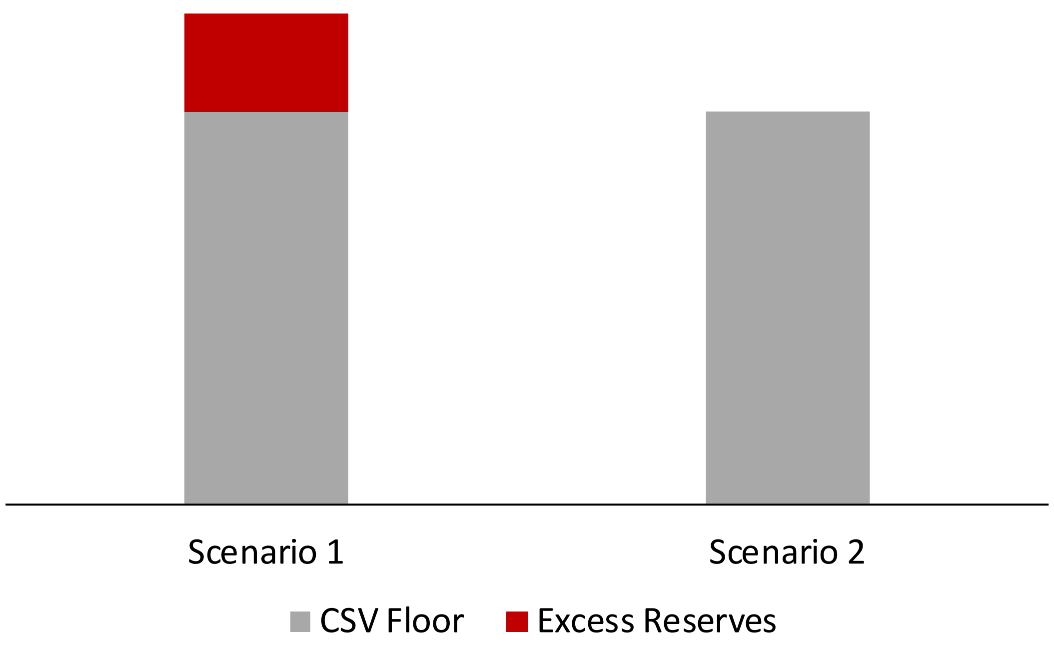
Scenario #2 – Reserves below CSV

- The required reserve using the PV of cash flows is now above the cash surrender value
- However, because of the "latent capital" represented by the gap between the PV of cash flows and the CSV floor, the reserve increase will be less than what the change in the PV of cash flows would indicate. The shaded area represents this "benefit"
- Any hedge payoffs will therefore not have a full offset from reserve increases

Jackson's Required Reserves Under Statutory are Floored

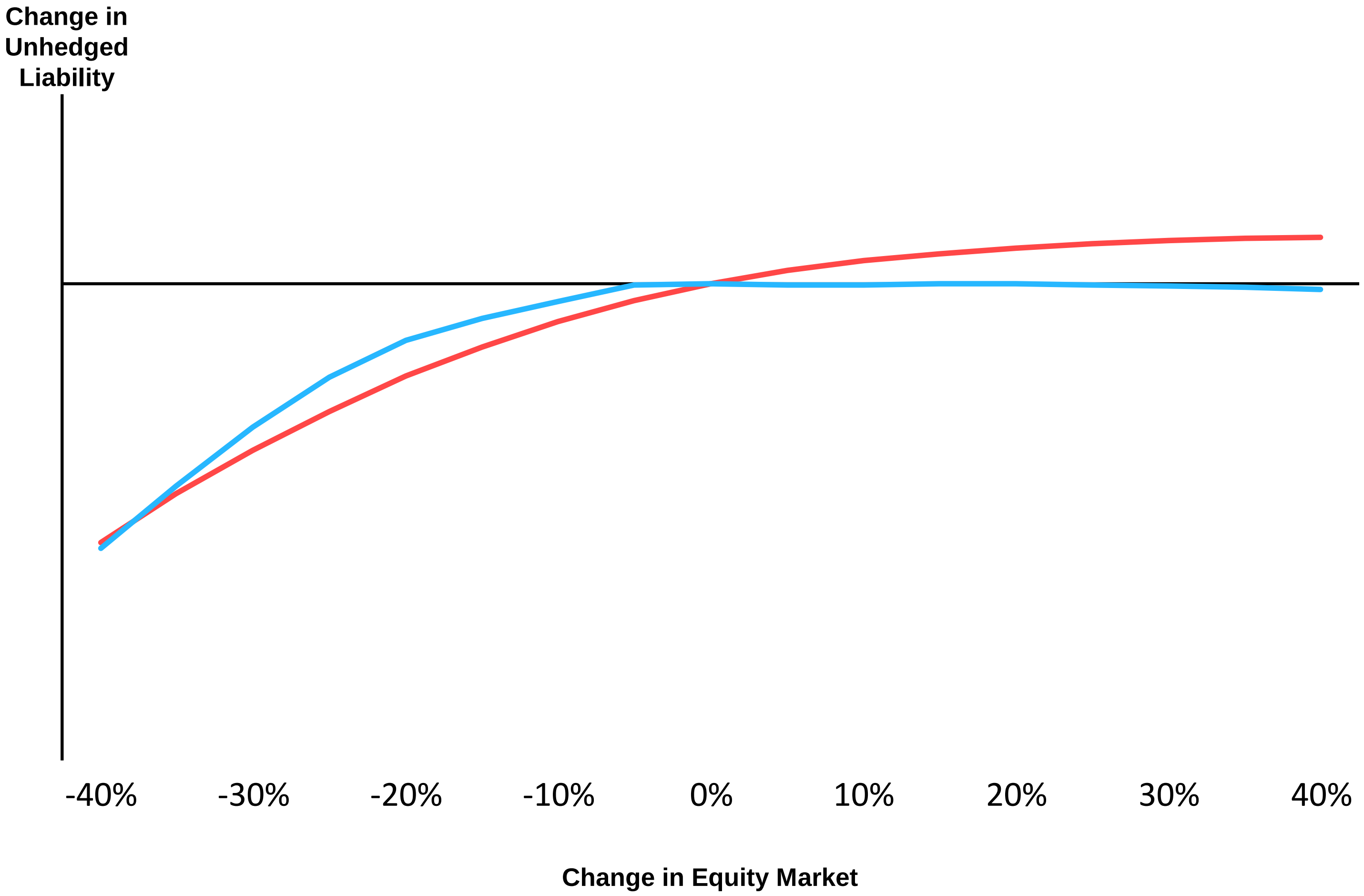
This indicates a strong liability profile

Statutory Reserves



- Statutory VA guaranteed benefit reserves reflect the economic value of the future cash flows expected to be generated by the block
- High reserve levels relative to the balance sheet are not indicative of conservatism, but rather a weaker liability profile
- Jackson reserves are effectively floored out
- While this should be viewed as a strength, the flooring out of reserves has near-term implications for statutory results

Impact of Floored out Reserves



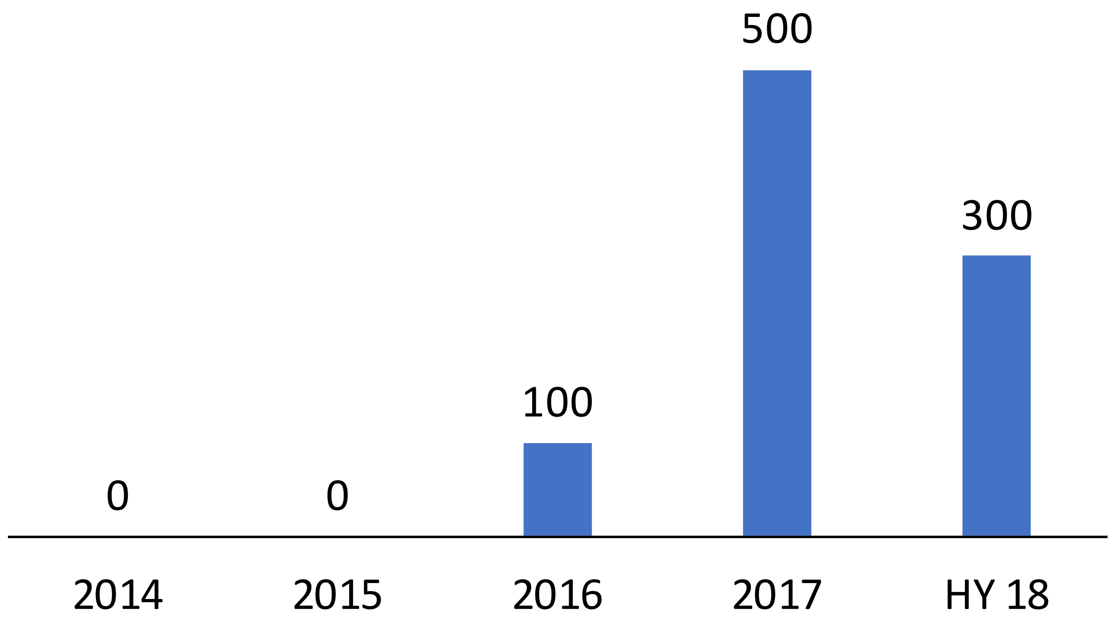
- As stated in the preceding examples, when reserves are floored out, further up moves in equity markets will cause a build up of "latent capital"
- This is illustrated by the growing gap between the two lines as we move to the right
- However, this leads to additional hedge spend, as there are no reserves to release to offset hedging losses from stronger equity markets
- The gap as we move to the left illustrates the "release" of this latent capital as markets fall and no reserves are posted

Red line is unhedged economic liability. Blue line is statutory.

Additional Hedge Spend Requirement

Floored out reserves have led to additional call option spend

Incremental Hedge Spend to Protect Statutory Capital in Up Markets ($m)

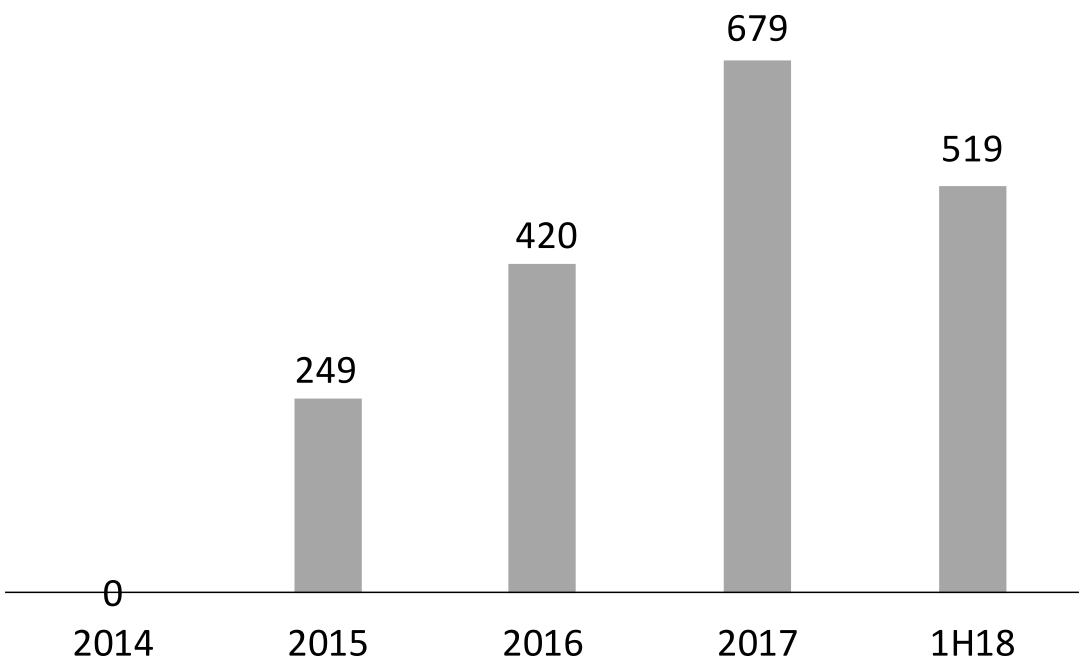


- In recent years, the flooring out of statutory reserves has meant that there was little or no reserve offset for hedging losses in up equity markets
- This has necessitated incremental call option spend to protect statutory capital in upside equity market scenarios above what the economic profile would require

Statutory Deferred Tax Asset

Non-admitted DTAs represent unrecognized economic value

Non-Admitted Deferred Tax Asset ($m)

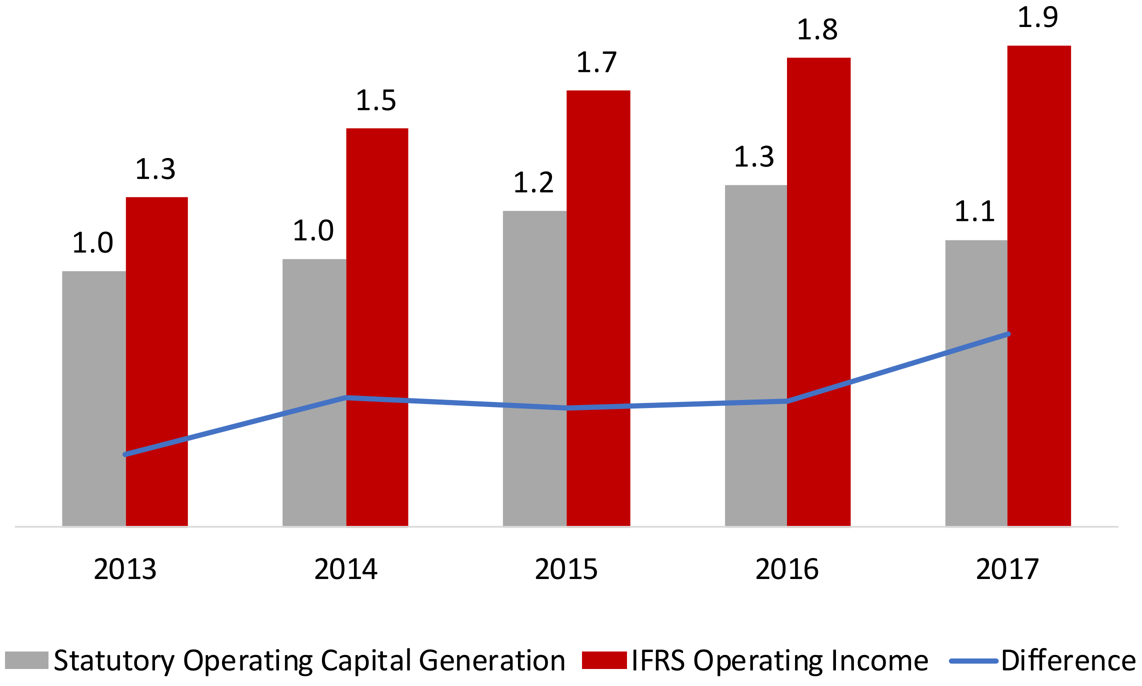


- Under statutory accounting, DTAs will be included in capital to the extent that they are deemed to be "admitted" by various tests
- In recent years, Jackson's admitted DTA has been limited by 15% of capital and surplus
- A meaningful amount of non-admitted DTA has built up over this time due to hedge losses not getting full tax benefit
- Currently, for every $1 of incremental capital at Jackson, $1.15 of capital will be realized

Divergence of Statutory and IFRS Operating

IFRS operating income has grown while statutory operating has been flat

Statutory and IFRS Operating Income* ($bn)



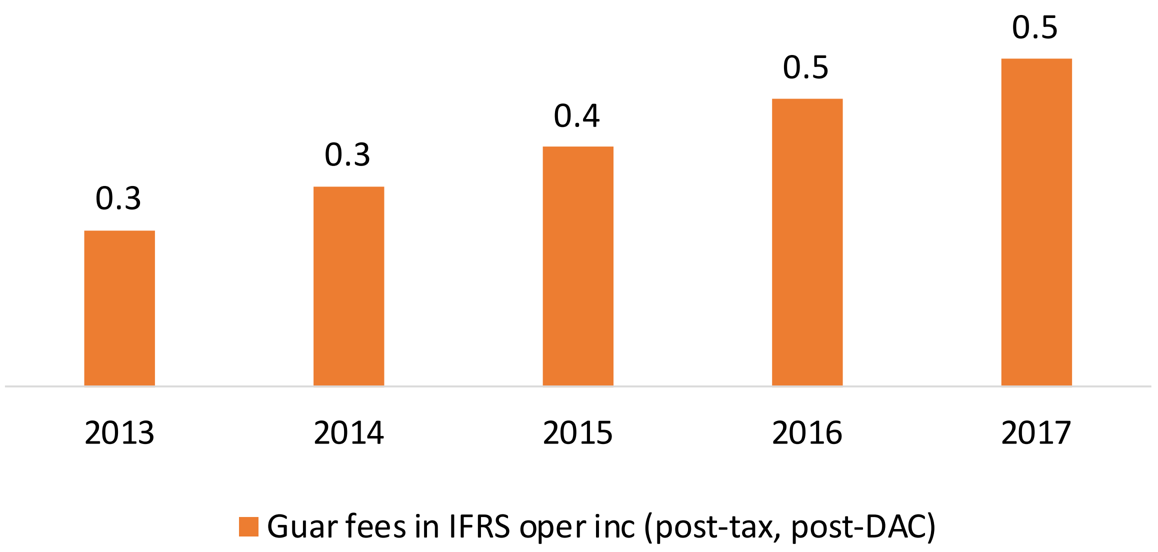
- In recent years, IFRS operating income growth has been strong, while stat operating capital generation has been mostly flat
- While the differences between the figures are numerous, the two main ones are:
  - Guarantee fee recognition
  - Acquisition cost treatment

*These figures all use a 35% tax rate

Guarantee Fee Recognition

As the VA block has grown, guarantee fees have grown as well

Guarantee Fee Recognition ($bn)



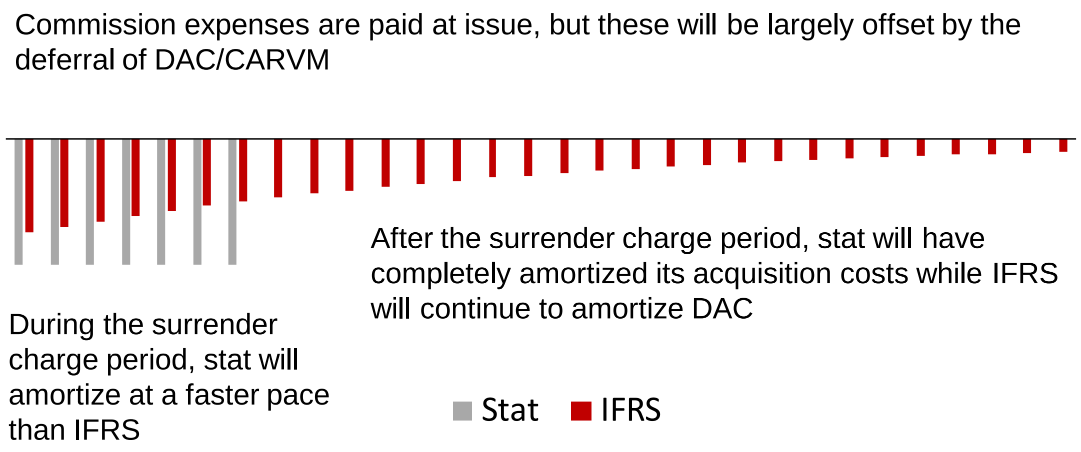
- The reported statutory operating capital generation removes all guarantee fees collected and moves them to "Reserves net of hedging"
- IFRS reserving methods incorporate the value of guarantee fees that are expected to fund future projected benefit payments using the assumptions applicable for that method. The level of fees recognized are fixed at issue and are capped so that they are equal to benefits[1] (i.e. any excess is ignored). The remaining fees are recognized as earned and included in operating profit

[1]For guarantee liabilities valued under FAS 157

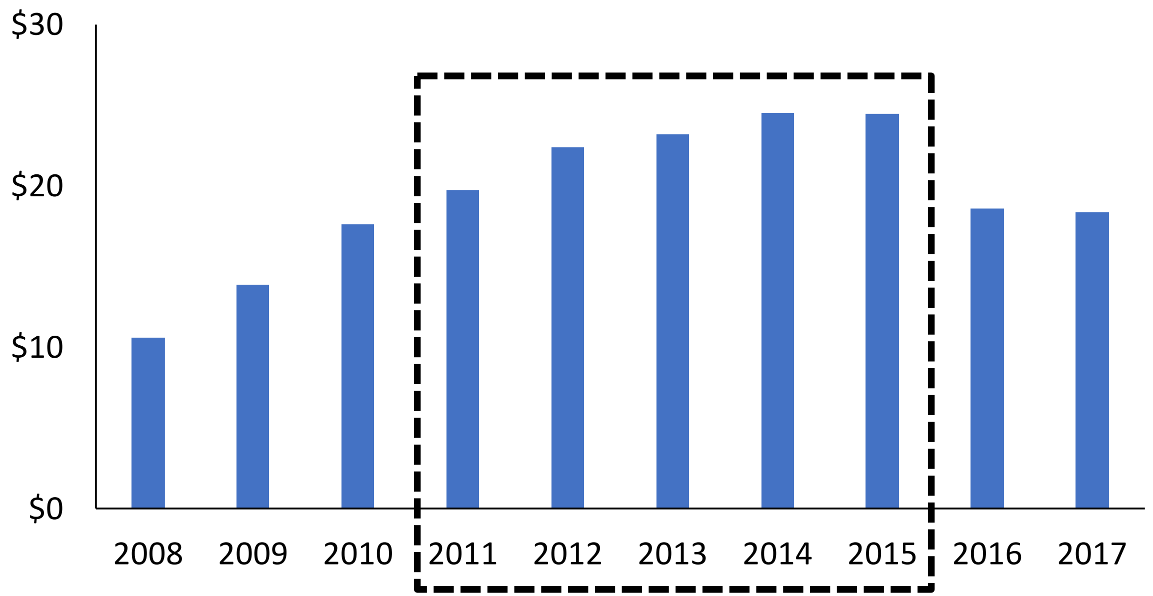
Acquisition Cost Treatment

Statutory is conservative in its amortization of acquisition expense

Pattern of Acquisition Cost Recognition



Jackson Total Annuity Sales ($bn)

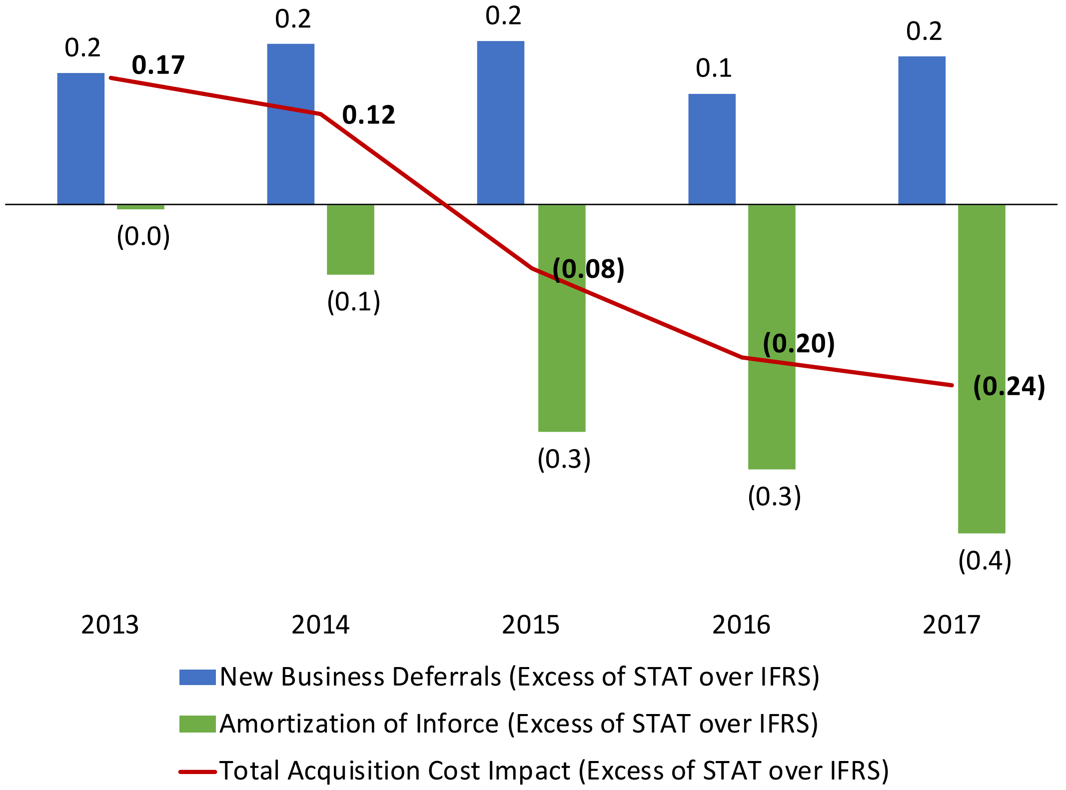


- Under IFRS, DAC is amortized based on the expected gross profits over the life of the policy. Amortization moves with the market.
- Under STAT, the CARVM allowance is amortized on a set schedule, regardless of the commission option selected and can only amortize at a faster pace where profitability is impaired

Impact of Acquisition Cost Differential

Strong 2011-2015 sales led to a drag on statutory compared to IFRS

Impact of Acquisition Cost Treatment ($bn)

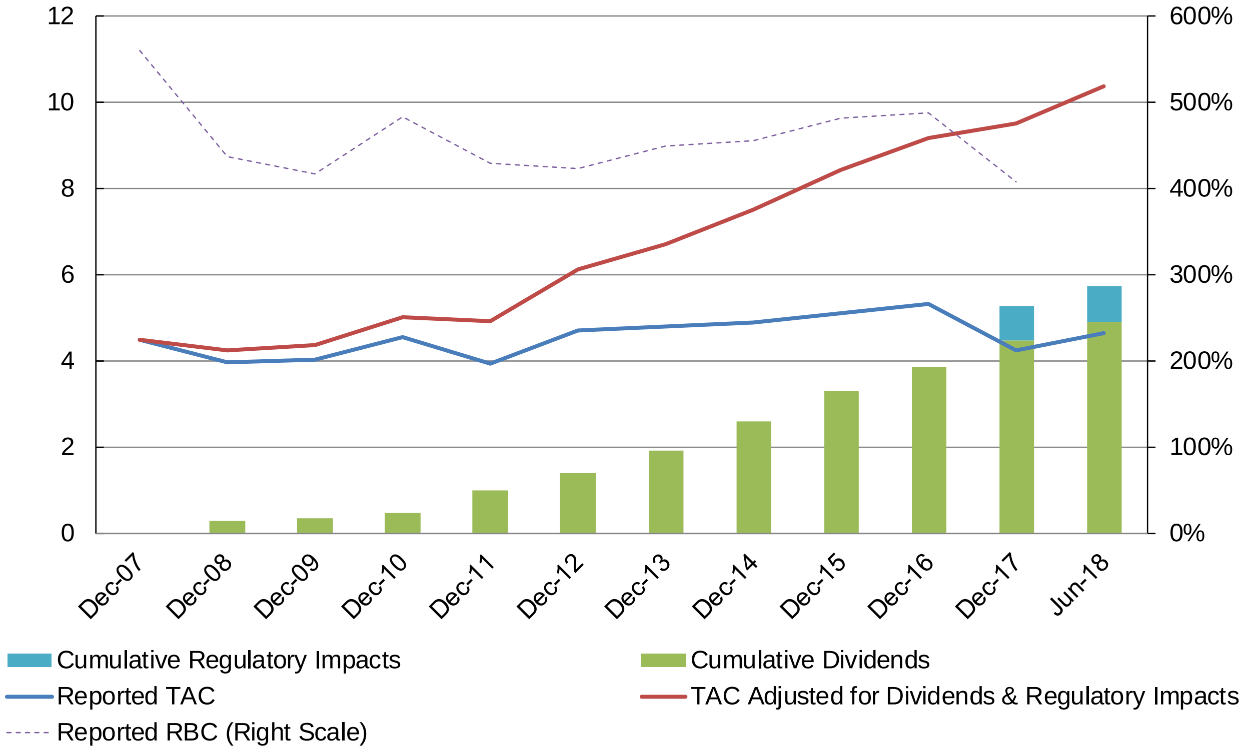


- As explained in an earlier slide, under IFRS, DAC is amortized based on the expected gross profits over the life of the policy. Amortization moves with the market
- Under statutory, CARVM is amortized on a set schedule, regardless of the commission option selected
- Strong sales levels in 2011-2015 led to a drag in statutory operating growth relative to IFRS

Capital History

Despite headwinds, Jackson has generated significant capital in the last decade

Capital Development Since 2007 ($bn)



- Jackson's business continues to be capital generative
- The reported capital and RBC levels have been roughly flat however, as the cash flows have largely funded:
  - Cumulative dividends of nearly $5 billion
  - FY17 - 75 RBC point hit from DTA hit due to tax reform
  - 1H18 - 35 RBC point impact from tax factors due to tax reform
  - Growth in balance sheet of 218%
- Excluding these impacts, capital would have more than doubled, to over $10 billion

Regulatory Update

Jackson is successfully navigating meaningful capital headwinds

2017

Began year at 485% RBC Ratio

75 RBC point DTA impact from tax reform

Paid $600m dividend

Ended Year at 409% RBC Ratio

1H18

Began year at 409% RBC Ratio

35 RBC point impact from tax factors

Paid $450m dividend

Estimated RBC ratio up from year-end 2017

In 1 ½ years absorbed over 110 RBC points of tax reform impact and paid over $1 billion of dividends – still above a CTE98 position as of 1H18

2019-2020

C-1 Factor Update Estimated 30-40 RBC point impact

NAIC VA Framework Estimated 40-50 RBC point impact

Combined impact expected to be less than the impact from tax reform and able to be absorbed by planned capital formation after consideration of dividends

Takeaways

- Continued track record of delivering cash to Group despite volatile markets and regulatory headwinds
- Continue to drive significant value creation through a market leading position in the highest return segment of the market
- The economic profile of the VA book continues to improve, but statutory accounting has not fully captured this
- Jackson is well positioned to absorb the impacts of tax and regulatory changes over the next few years while still allowing for meaningful dividend flows

US Strategic Outlook

Barry Stowe

Chairman and Chief Executive Officer
North American Business Unit

Market Leadership

- Leading individual annuity seller in the US
- Strong growth in balance sheet and earnings
- Industry leading operating return on equity
- A long, durable track record of financial success for consumers and shareholders
  …no large write-offs, write-downs, impairments or charges taken

The Future

Strategic initiatives designed to expand reach

- New products for fee-based advisors
- Changing the narrative
- Technology integration
- Traditional channels continue to lead

Product Launches

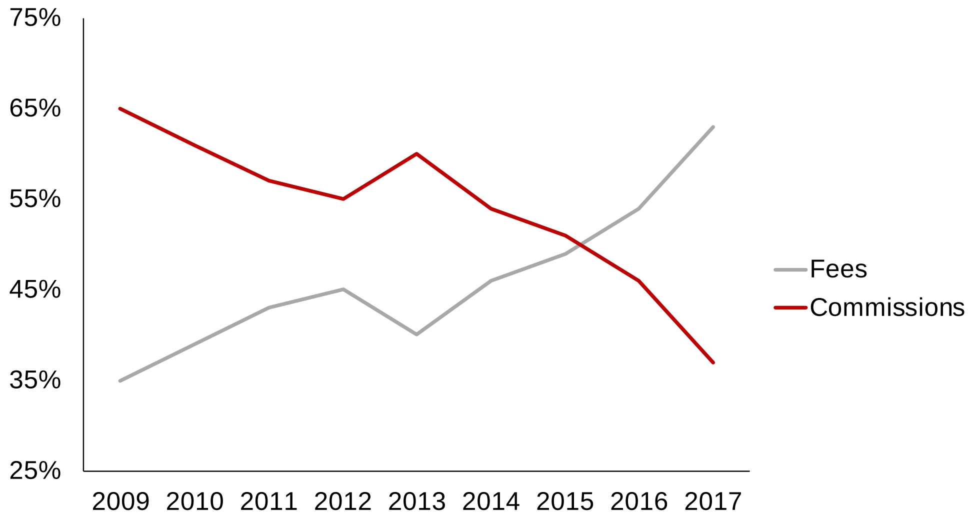
MARKETPROTECTOR ADVISORY℠

PERSPECTIVE ADVISORY II℠

ELITE ACCESS ADVISORY℠

- Long-time leader in the commission annuity market
- Launched fee based versions of guaranteed VA, investment only VA, and FIA
- Trend in financial services has been toward fee-based for some time

Wealth Management Revenue[1]



[1]Source: PriceMetrix/McKinsey. Fee % is asset based fees only, Commission includes all other revenue.

Changing the Narrative

Alliance for Lifetime Income

- Demonstrating the unique value proposition of annuities to all stakeholders
  - Regulators
  - Investors
  - Policyholders
  - Influential industry voices

Technology Integration

- Announced collaboration in September 2018
- Jackson's variable annuity as well as fixed/index annuities will be available on the Envestnet Insurance Exchange
- Both commission and advisory versions will be offered
- Envestnet connects to over 90,000 advisors with roughly $2.3T assets under advisement
- Expect to start to see business in early 2019

Traditional Channels

- Jackson has a market leading distribution footprint:
  - Top VA seller in Independent B/D, Bank, and Wirehouse channels
  - Largest and most productive wholesaling force
  - 627 selling agreements

- Key development - announced distribution partnership with State Farm in October
  - Jackson's variable and fixed index annuities will be available on State Farm's distribution platform
  - 10,000 authorized agents
  - Begins in the 2nd half of 2019

Takeaways

- Insured retirement products represent a large, profitable and predictable growth opportunity
- Jackson is a product and distribution innovator
- Jackson has market leading capabilities
- Jackson provides thought leadership
- Jackson uniquely demonstrates the value of insured retirement products for consumers and for shareholders

Wrap-up and Q&A

- [Panel setup]

Appendix

Glossary – Product Terms

Guarantee Fee - The guarantee fees are the charge(s) deducted from the contract value for the guaranteed benefit option(s) elected by the policyowner.

Guaranteed Minimum Death Benefit (GMDB) - A guarantee offered within a variable annuity product which guarantees, that upon the death of the owner, the beneficiary receives at least a minimum value regardless of past market performance. The minimum guaranteed benefit might be expressed as the return of either a) total deposits made to the contract adjusted for any partial withdrawals, b) total deposits made to the contract adjusted for any partial withdrawals, plus a minimum return, and/or c) the highest contract value on a specified anniversary date adjusted for any withdrawals following that contract anniversary.

Guaranteed Minimum Income Benefit (GMIB) - A guarantee offered within a variable annuity product which guarantees minimum level of benefits upon annuitization regardless of the value of the investment underlying the contract at the time of annuitization. The basis for the minimum guaranteed benefits might be expressed as either a) total deposits made to the contract adjusted for any partial withdrawals, b) total deposits made to the contract adjusted for any partial withdrawals, plus a minimum return, and/or c) the highest contract value on a specified anniversary date adjusted for any withdrawals following that contract anniversary.

Guaranteed Minimum Withdrawal Benefit (GMWB) - A guarantee offered within a variable annuity product which guarantees minimum value by allowing for periodic withdrawals that are limited to a maximum percentage of the initial deposit. A lifetime version provides a minimum annual withdrawal amount that is guaranteed for the life of the policyowner. The basis for the minimum guaranteed benefits might be expressed as either a) total deposits made to the contract adjusted for any partial withdrawals, b) total deposits made to the contract adjusted for any partial withdrawals, plus a minimum return, and/or c) the highest contract value on a specified anniversary date adjusted for any withdrawals following that contract anniversary.

Investment Freedom - Provides flexibility for policyholder investment options, giving advisors and their clients the ability to build portfolios without investment allocation restrictions.

Separate Account - A separate account is a pool of investments held by an insurance company not in, or ‘separate’ from, its general account. The investment returns from assets in the separate account generally accrue to the policyholder.

Glossary – ALM Terms

Call Option - A call option gives the buyer the right to buy an asset at a predetermined price. The option will produce a payoff when the price of the underlying asset rises above the strike price. The payoff of a call option will continue to increase as the price of the underlying asset rises without limit. The maximum loss of a call option is the premium paid for the option.

Delta - Delta measures an options price sensitivity with respect to a change in the price of the underlying asset.

Futures Contract - A futures contract is a type of forward contract with highly standardized and closely specified contract terms. As in all forward contracts, a futures contract calls for the exchange of some good at a future date for cash, with the payment for the good to occur at that future date. The purchaser of a futures contract undertakes to receive delivery of the good and pay for it, while the seller of a futures promises to deliver the good and receive payment. The price of the good is determined at the initial time of contracting.

Gamma - Gamma measures how Delta changes with respect to changes in the underlying asset.

Put Option - A put option gives the buyer the right to sell an asset at a predetermined price. The option will produce a payoff when the price of the underlying asset drops below the strike price. The payoff of a put option will continue to increase as the price of the underlying asset falls to zero. The maximum loss of a put option is the premium paid for the option.

Put (Payer) Swaption - A put swaption, also known as a payer swaption, gives the owner the right to enter into an interest rate swap at a specified future date as the pay-fixed counterparty. The seller of the swaption therefore becomes the floating-rate payer.

Rho - Rho measures an options price sensitivity with respect to interest rates.

Glossary – Accounting And Regulatory Terms

Cash Surrender Value (CSV) - The cash value of an insurance contract, also called the cash surrender value or surrender value, is the cash amount offered to the policyowner by the issuing company upon cancellation/surrender of the contract.

Commissioners' Annuity Reserve Valuation Method (CARVM) - The US statutory reserving methodology applicable to annuities. The CARVM reserve is equal to the greatest net present value of all future guaranteed benefits, subject to a minimum of the cash surrender value.

CARVM Allowance - US Statutory reserving methodology provides for an expense allowance within the reserve calculation through consideration of the surrender charge within the minimum reserve which is set at the cash surrender value. As the surrender charge diminishes over early policy years, this expense allowance is effectively amortized into income through the reflection of an increase in the reserve floor.

Deferred Acquisition Cost (DAC) - Acquisition costs are expenses of an insurer which are incurred in connection with the acquisition of new insurance contracts. They include commissions and other variable sales inducements and the direct costs of issuing the policy. Typically, under IFRS, those acquisition costs meeting certain criteria are deferred, ie not expensed in the year incurred, and are amortized in the income statement in line with the emergence of profits on the related contracts.

Risk Based Capital (RBC)- US regulatory framework that measures the minimum amount of capital appropriate for a company to support its overall business operations in consideration of its size and risk profile. The RBC ratio is the ratio between a company's total adjusted capital and a baseline amount of capital based on an assessment.

C-1 Factor Update - The National Association of Insurance Commissioners (NAIC) presented a proposal of new risk-based capital (RBC) charges for C1 investment risk in 2015. This proposal also introduced additional granularity of fixed income credit rating reporting, from six to twenty categories. Although the current proposal focuses on life insurers, NAIC has stated that the proposed structure of twenty rating categories would also apply to health, and property and casualty insurers. The numeric values of the respective C1 factors might vary by industry segments.

NAIC VA Framework - The NAIC VA Framework refers to the regulations adopted by the National Association of Insurance Commissioners for the statutory valuation of reserve and capital requirements for variable annuities. The Variable Annuities Issues Working Group (VAIWG) recently completed its work to identify and address the regulatory issues in the NAIC statutory framework for variable annuities. The revised framework was adopted by VAIWG and the Financial Condition Committee. Work has shifted to the C-3 Phase 2/AG43 Subgroup to implement the framework. Final approval is targeted for the 2019 NAIC Summer Meeting.