



Jackson Roadshow Pack

Fall 2019





Materials

- Tab 1 – Jackson Slides from September Webinar Presentation
- Tab 2 – Jackson Slides from Prudential plc's Half-Year 2019 Results
- Tab 3 – Jackson Slides from Singapore Investor Conference November 2018
- Tab 4 – Appendix – Distribution and Regulatory Slides



TAB 1

Jackson Webinar Presentation
from September



Prudential plc

Investor and Analyst presentation

Post-Demerger Prudential plc business

26 September 2019

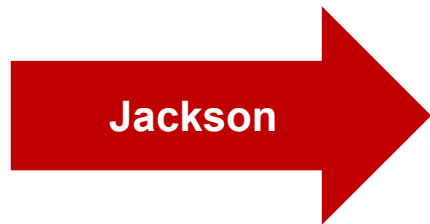
This document may contain 'forward-looking statements' with respect to certain of Prudential's plans and its goals and expectations relating to its future financial condition, performance, results, operating environment, strategy and objectives. Statements that are not historical facts, including statements about Prudential's beliefs and expectations and including, without limitation, statements containing the words 'may', 'will', 'should', 'continue', 'aims', 'estimates', 'projects', 'believes', 'intends', 'expects', 'plans', 'seeks' and 'anticipates', and words of similar meaning, are forward-looking statements. These statements are based on plans, estimates and projections as at the time they are made, and therefore undue reliance should not be placed on them. By their nature, all forward-looking statements, including without limitation those referring to the demerger and the expected timing of the demerger, involve risk and uncertainty. A number of important factors could cause Prudential's actual future financial condition or performance or other indicated results to differ materially from those indicated in any forward-looking statement. Such factors include, but are not limited to, the timing, costs and successful implementation of the demerger of the M&GPrudential business; the future trading value of the shares of Prudential plc and the trading value and liquidity of the shares of the to-be-listed M&GPrudential business following such demerger; future market conditions, including fluctuations in interest rates and exchange rates, the continuance of a sustained low-interest rate environment, and the performance of financial markets generally; the policies and actions of regulatory authorities, including, for example, new government initiatives; the actual or anticipated political, legal and economic ramifications of the UK's withdrawal from the European Union; the impact of continuing application of Global Systemically Important Insurer or 'G-SII' policy measures on Prudential; the impact of competition, economic uncertainty, inflation and deflation; the effect on Prudential's business and results from, in particular, mortality and morbidity trends, lapse rates and policy renewal rates, the timing, impact and other uncertainties of future acquisitions or combinations within relevant industries; the impact of internal projects and other strategic actions failing to meet their objectives; disruption to the availability, confidentiality or integrity of Prudential's IT systems (or those of its suppliers); the impact of changes in capital, solvency standards, accounting standards or relevant regulatory frameworks, and tax and other legislation and regulations in the jurisdictions in which Prudential and its affiliates operate; and the impact of legal and regulatory actions, investigations and disputes. These and other important factors may, for example, result in changes to assumptions used for determining results of operations or re-estimations of reserves for future policy benefits. Further discussion of these and other important factors that could cause Prudential's actual future financial condition or performance or other indicated results to differ, possibly materially, from those anticipated in Prudential's forward-looking statements can be found under the 'Risk Factors' section in Prudential's most recent Full Year Results Regulatory News Release and the 'Risk Factors' section in its most recent Annual Report and the 'Risk Factors' section of Prudential's most recent annual report on Form 20-F filed with the U.S. Securities and Exchange Commission, as well as under the 'Risk Factors' section of any subsequent Prudential Half Year Financial Report. Prudential's most recent Annual Report, Form 20-F and any subsequent Half Year Financial Report are available on its website at www.prudentialplc.com .

Any forward-looking statements contained in this document speak only as of the date on which they are made. Prudential expressly disclaims any obligation to update any of the forward-looking statements contained in this document or any other forward-looking statements it may make, whether as a result of future events, new information or otherwise except as required pursuant to the UK Prospectus Rules, the UK Listing Rules, the UK Disclosure and Transparency Rules, the Hong Kong Listing Rules, the SGX-ST listing rules or other applicable laws and regulations.



US

Jackson enhancing cash generation through accelerated diversification



Grow cash remittances and preserve capital cover across market scenarios

Accelerate diversification

Grow cash and preserve capital cover

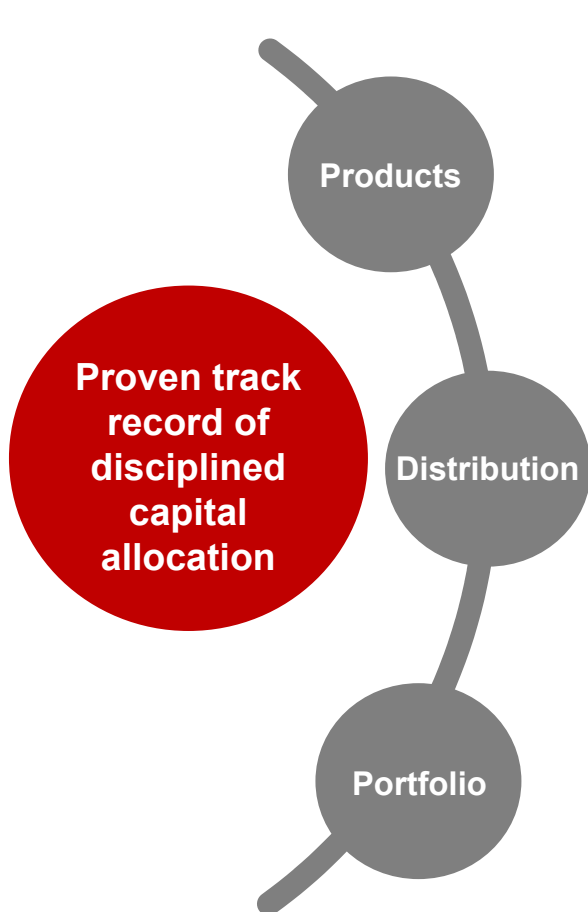
- Long record of cash generation and resilience
- Appropriately capitalised with effective financial and risk management
- Established product expertise and distribution
- Record of successful bolt-ons

Accelerate diversification

- More diversified business to release additional value
- Maintain risk appetite
- Options to support this include reinsurance and 3rd party financing

Group

Active portfolio management approach with a record of effective capital allocation



Asia

Focus on health and protection business
De-emphasis of Universal Life in Singapore

US

Launch fee based VAs
Diversification of product mix

UK&E

Stopped writing annuities

Asia

Enhance quality and optimise productivity of agents
Grow & optimise traditional & non-traditional partnerships

US

Distribution channel diversification in advisory
Enhancing market leading position in brokerage

Asia

Expansion in China and ASEAN¹
Strategic exits: Japan, Korea and Vietnam Fin Co

US

Acquisition of John Hancock's Group payout annuities
Strategic exit: NPH

UK&E

Strategic exit: Sale of £12bn annuities to Rothesay Life
Strategic exit: Intention to demerge M&G Group

Capital allocation to Asia

Investment in new business
(cumulative HY09-HY19)²

£3.6_{bn}

Asia IFRS insurance income

(cumulative HY09-HY19)²

£8.4_{bn}

Strong returns in Asia

Average 10 year IFRS RoE³

29%

¹ Association of Southeast Asian Nations.

² On an actual exchange rate basis and as reported.

³ The average 10 year IFRS RoE for Asia is calculated as IFRS operating profit after tax as a percentage of opening IFRS shareholders' funds.



Jackson

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Overview of business



**The leading retirement accumulator
in the US generating predictable and
sustainable cash flow**

Best in-class franchise

- ✓ Leading position in the annuity industry
- ✓ Best in-class cost base & industry leading platform
- ✓ Successful track record of risk management
- ✓ Continued focus on diversifying distribution
- ✓ Proven capability in product innovation

Key financial highlights

£m	HY19	HY18 CER	%
IFRS operating profit	1,215	1,065	14%
EEV net income	948	874	8%
Stat operating income¹ (£bn)	0.6	0.3	104%
Remittances vs HY18 RER	400	342	17%

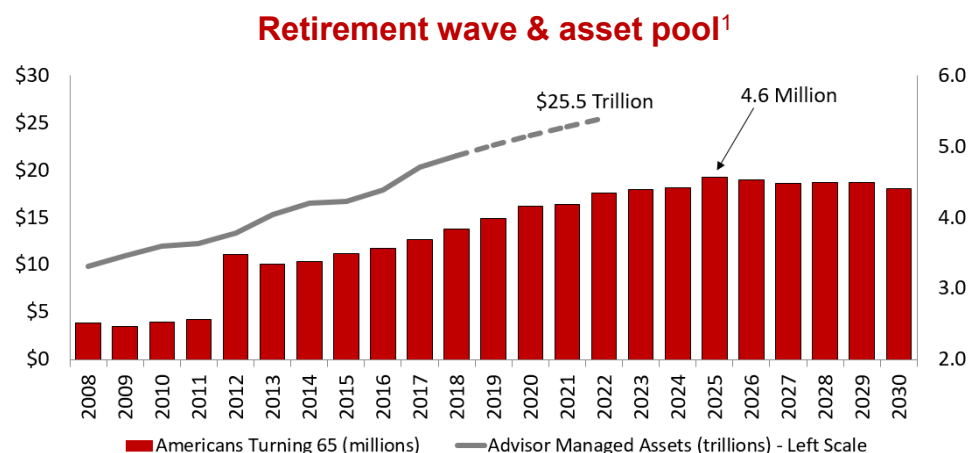
¹ Statutory operating income of £0.6bn (\$0.8bn) includes £0.3bn (c.\$350m) of John Hancock reserve releases

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Market dynamics

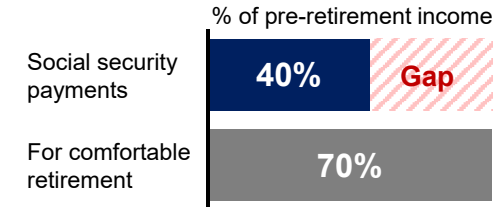
Meeting the needs of retiring Americans in world's largest market through best in-class products

Significant and growing gap



72%
Without private pension coverage²

Coverage gap
Not enough Americans have private pension coverage



Savings gap³
Inadequate savings for comfortable retirement

5%
Guaranteed income product⁴

Guarantee gap
Small proportion of 401(k) plans offer a retirement income guarantee product

- Many retirees face a reality of under-saving, having no guaranteed income source & the prospect of living longer
- Retirees need access to equity market growth, protection of principal and guaranteed income

1. U.S. Census Bureau, Population Division. 2014 estimate of population. Cerulli Associates, U.S. Intermediary Lodestar
 2. U.S. Bureau of Labor Statistics, National Compensation Survey: Employee Benefits in the United States, March 2017.
 3. Social Security Administration. Based on average earnings.
 4. PSCA. Plan Sponsor Council of America.



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Focused goals and strategy



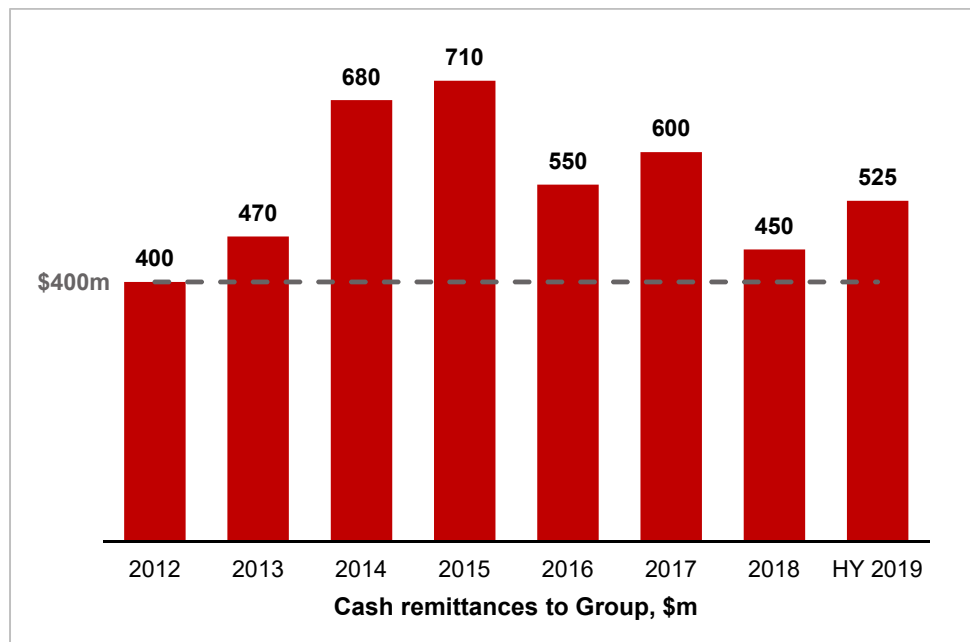
Grow cash remittances & preserve capital cover across market scenarios

Accelerate diversification financed by third parties and reinsurance

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Preserve and grow cash remittances to group

Consistent remittances over time

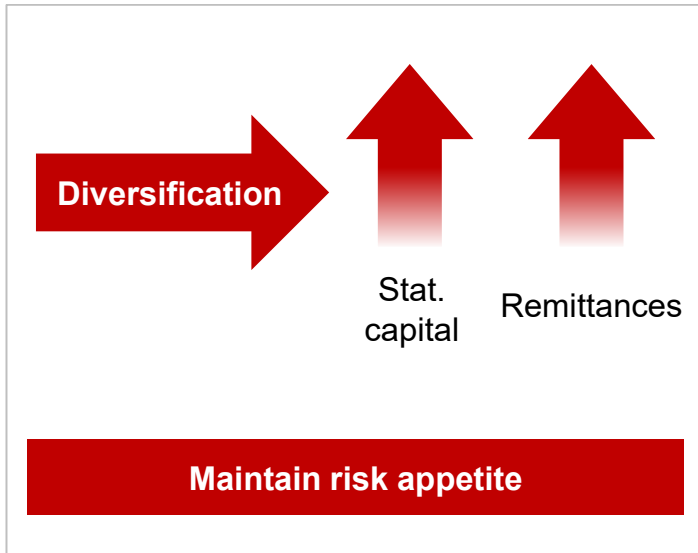


- Consistent delivery of remittances, including during challenging economic conditions & after impacts of tax reform & regulatory change
- \$4.4 billion remittances 2012-HY19
- Clear focus from management to preserve and grow these remittances

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Using selective diversification to build remittances

Principles



Levers

- **Scale benefits:**
Reduction in admin expenses
- **Reserve efficiencies:**
Actuarial reviews
- **DTA:** For every \$1 of capital, recognise additional \$0.15 of DTA¹
- **Hedge Costs:** Efficiency in hedge expense in respect of \$2.4bn² of guarantee fees

Examples

Life of Georgia
(2004)

REALIC
(2012)

John Hancock
Payout Annuity Block
(2018)

FA / FIA / Life
Are the most effective diversifiers

¹ DTA benefit from increased capital levels is limited to the difference between the 15% adjusted capital and surplus limitation and the amount of deferred tax components projected to reverse in the next 3 years.
² Based on annualized HY19 guarantee fees

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REALIC case study (2012)

Diversified book while providing excellent financial outcomes

\$0.6bn purchase price – funded from internal Jackson resources – upfront capital strain reduced by \$0.5bn of VOBA

1.5 million policies, mostly traditional life

Stable income stream with low economic sensitivity

Immediately accretive to IFRS and EEV earnings

2012 statutory profit and capital synergies of \$0.4bn

RBC remained above 420% at year-end 2012

\$10bn of seasoned and predictable statutory liabilities provided material earnings diversification

High quality investment portfolio – only 3% below investment grade

IRR of over 20% with short payback period

Jackson 2013 remittance objective increased 30% to £260m

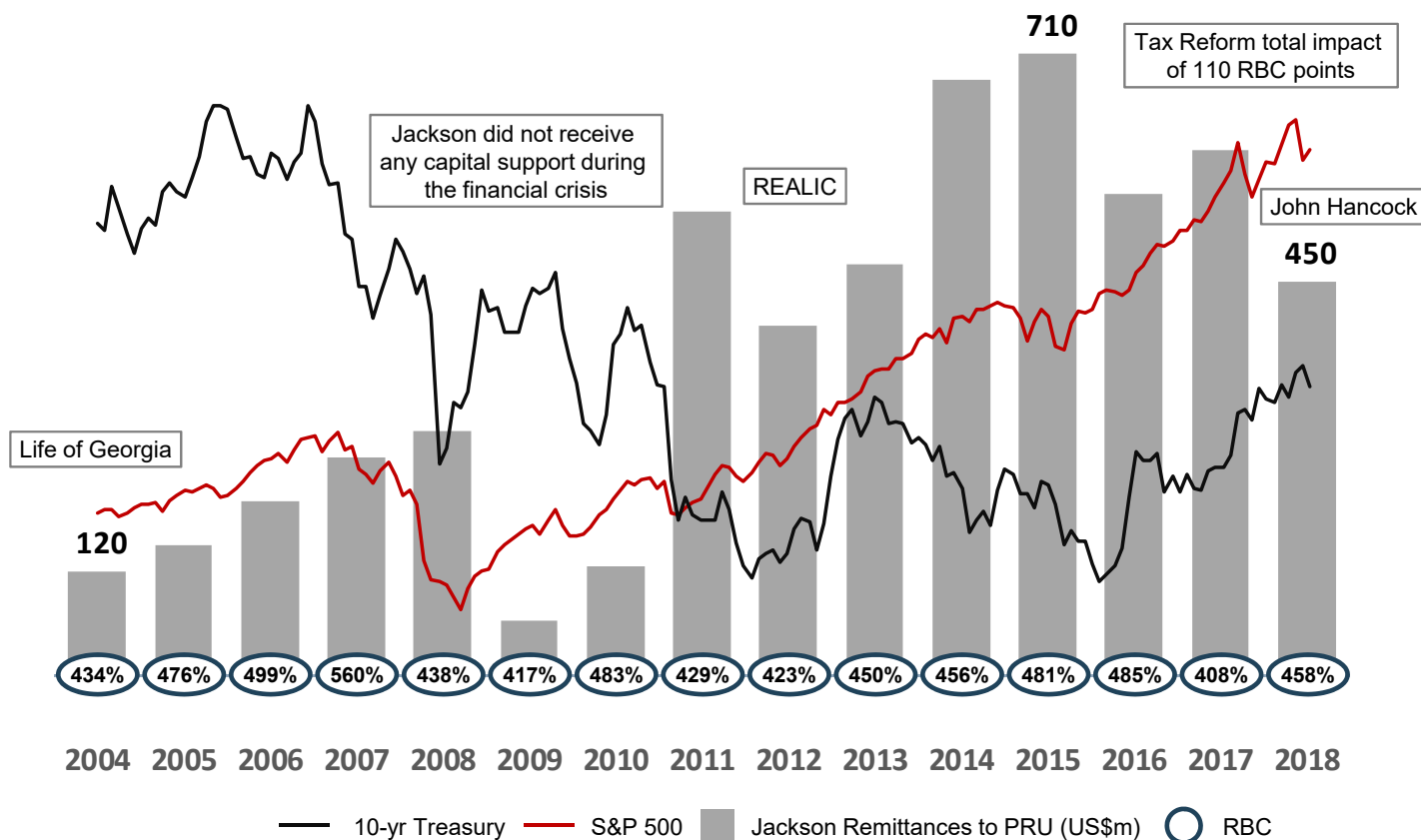
Value levers

- Value emerged through the following levers:
 - Scale
 - Covariance
 - VOBA
- However, some of the value levers available today were not present in the deal:
 - DTA
 - Hedge costs



Jackson

Proven risk management over cycle with strong cash returns on capital



- Despite market and regulatory headwinds, Jackson has reported a RBC ratio above 400% over the last 15 years
- Jackson has done this and paid over \$5.5 billion of cash to Group, while requiring no capital support during stress periods
- From 2004-2017, remittances grew at a CAGR of approximately 13%
- Acquisitions have all been internally funded with no cash from Group

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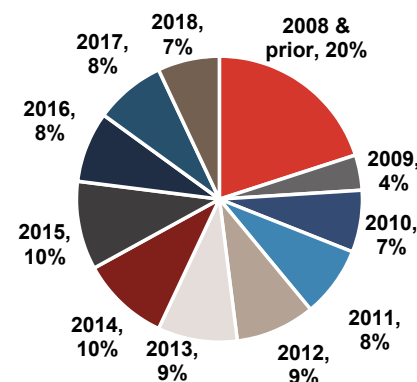
Key products and underlying customer needs

Key consideration for Retirement Investor	Fixed Annuity	Fixed Index Annuity	Variable Annuity
Guaranteed lifetime income (without annuitization)		✓	✓
Guaranteed death benefit (with lifetime income)		✓	✓
Protection against falling markets	✓	✓	✓
Ability to select investments			✓
Access to uncapped equity market returns			✓
Tax deferral	✓	✓	✓

Jackson is uniquely capable of creating and managing retirement solutions best suited for consumer needs

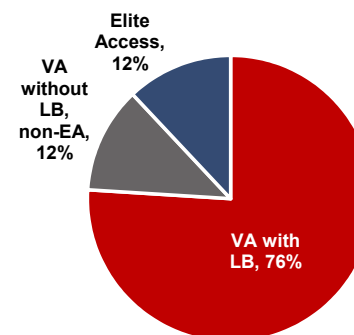
High quality VA book unmatched in the industry

Diversified book across sales vintages



- Post-crisis sales represent >80% of the book
- Pre-crisis vintages remain profitable

Focused on the right risks

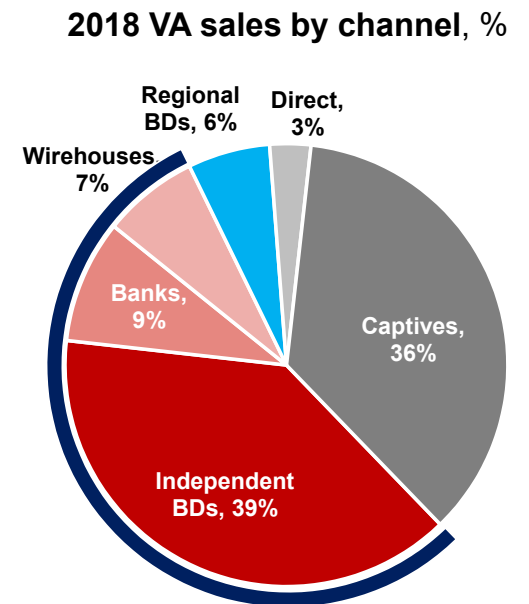
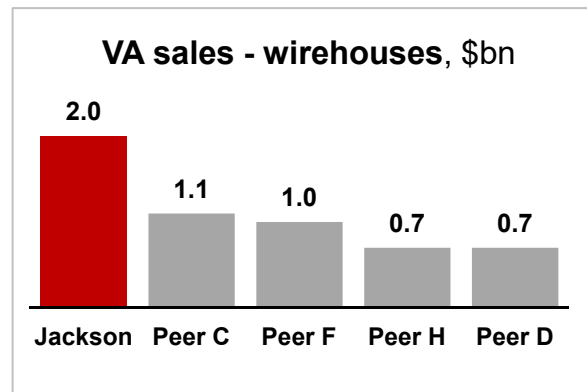
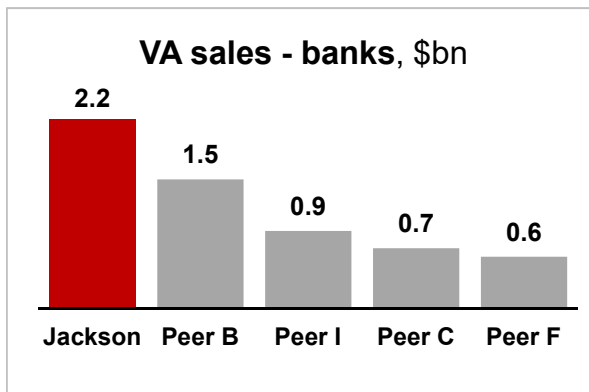
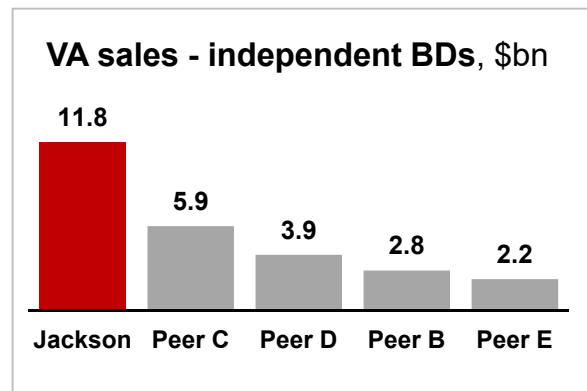
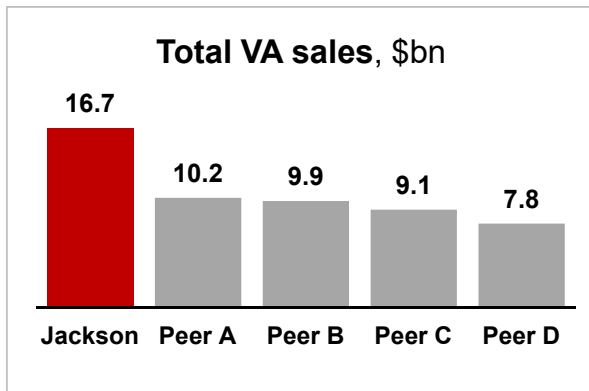


- Living benefits are focused on GMWB rather than GMIB
- Policyholder only paid out over the life of the contract
- Better policyholder behaviour risk profile
- Investment freedom a key differentiator
- Superior customer proposition through fund performance
- Around ¼ of the VA account value has no living benefit attached

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Dominant VA distribution platform

Jackson is the clear leader in each distribution channel



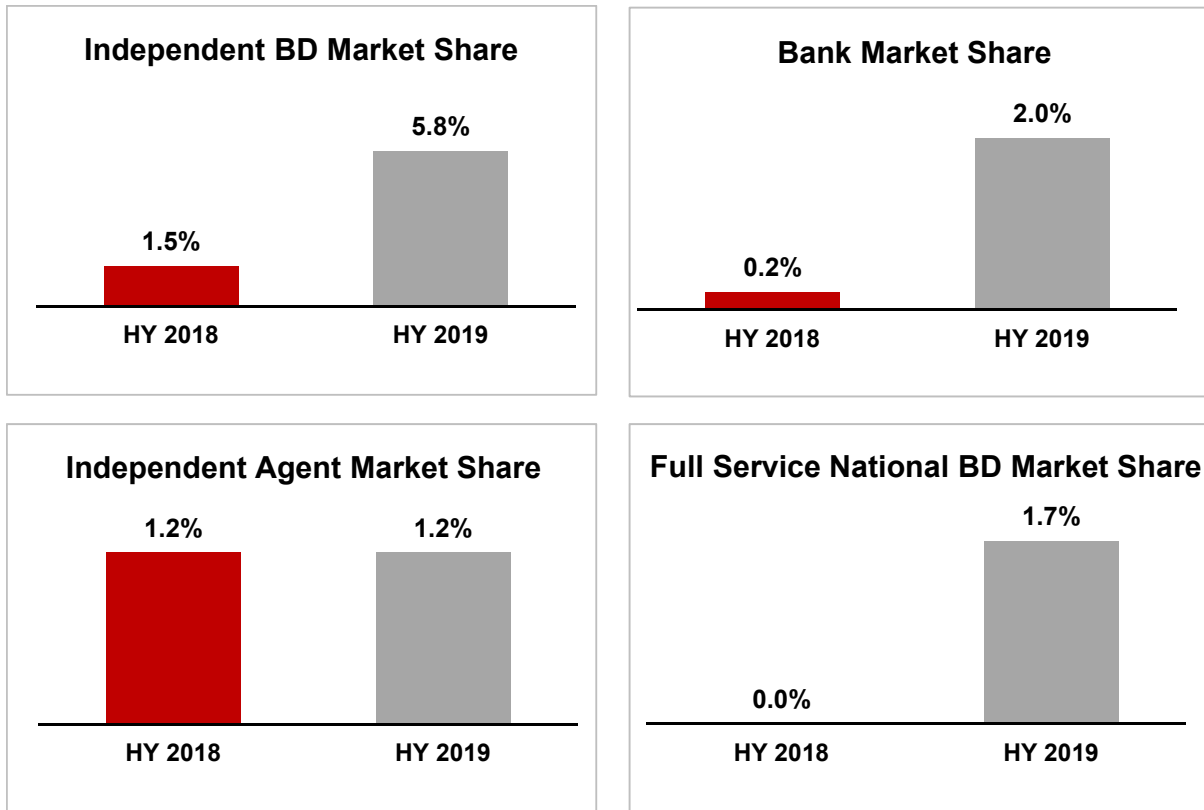
Jackson **#1** in **55%** of the overall VA market

Source: ©2019 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results. Morningstar www.AnnuityIntel.com Total Sales by Company and Channel 4Q YTD 2018.

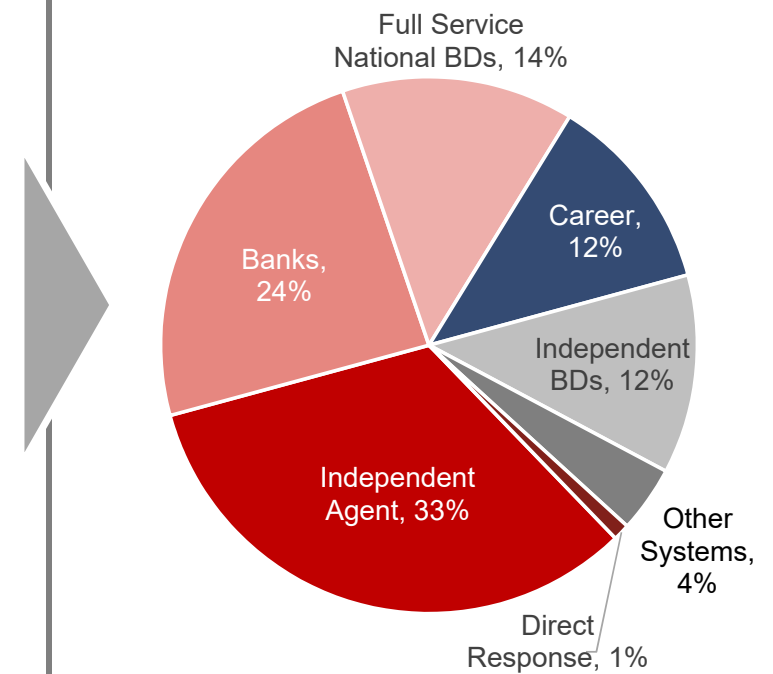
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Distribution strength helped facilitate rapid FIA/FA growth

Jackson total FIA/FA market share up to 1.8% at HY19 (0.6% at HY18)



HY19 Industry FIA/FA sales by channel, %



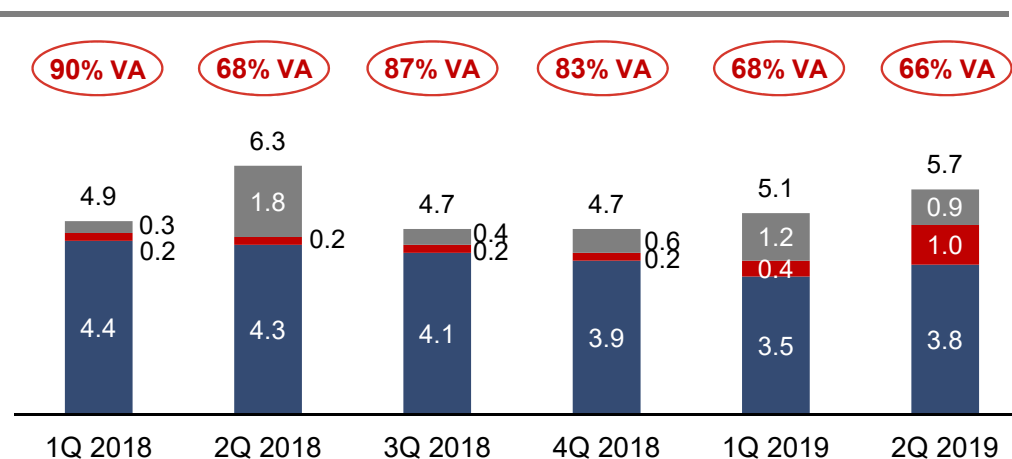
Source: LIMRA/Secure Retirement Institute (US Individual Annuity Participants Reports 2Q YTD 2018 and 2Q YTD 2019) and Jackson analysis

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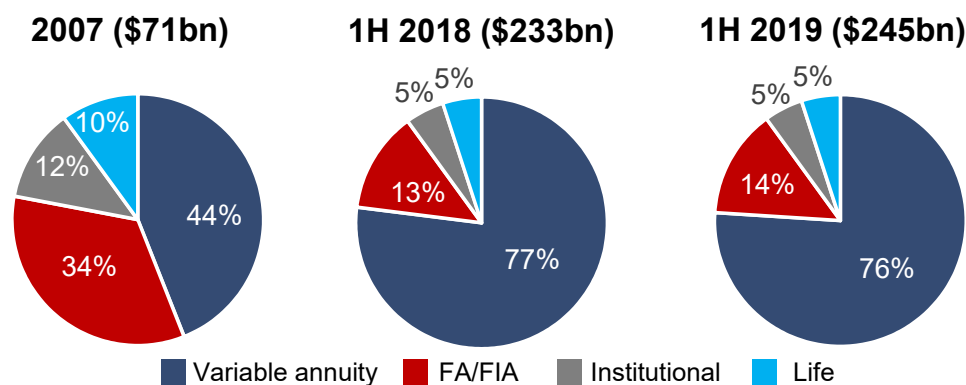
HY19 financial performance: sales shift in 1H 2019

- FA/FIA sales up to \$1.4bn in 1H 2019 (\$0.4bn in 1H 2018)
- Overall sales of \$10.8bn in 1H 2019 (\$11.2bn in 1H 2018)
- Launched competitive FIA product in early 2019
- Product expertise and distribution relationships were already in place to move mix
- Value proposition centered on product flexibility, service quality, and distribution reach
- History of pricing discipline

Sales and deposits, \$bn



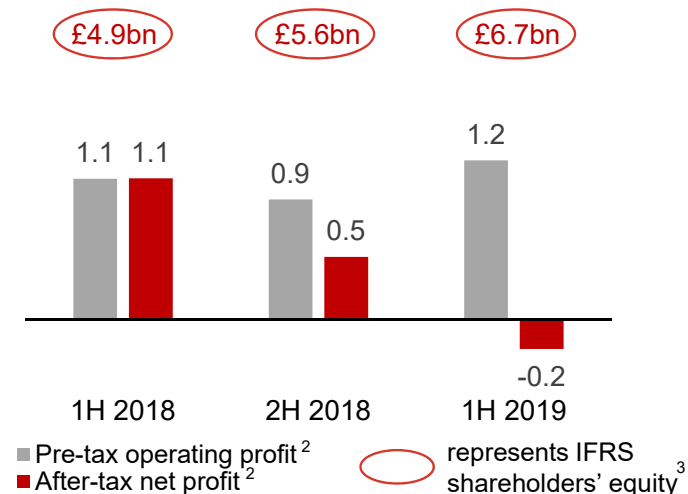
Statutory reserves by product type, %



Jackson

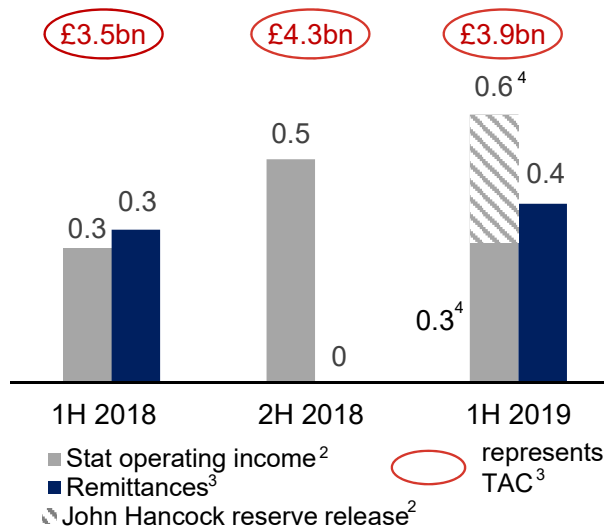
HY19 financial performance: income measures

IFRS pre-tax operating profit and after-tax net profit¹, £bn



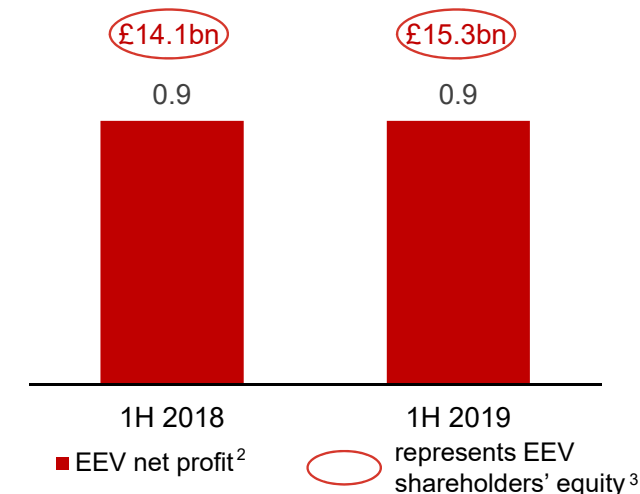
- Operating profit reflects equity markets (fee base & DAC) and yields
- Net profit reflects hedge results

Statutory operating income and remittances¹, £bn



- Statutory capital drives dividend capacity
- 1H 2019 benefited from John Hancock reserve release

EEV post-tax net profit and shareholder funds¹, £bn



- EEV net profit also captures PV of all future fees
- Shareholder funds captures growth in value of business over time

1 Based on US life business
 2 Based on a constant exchange rate basis
 3 Based on an actual exchange rate basis
 4 Statutory operating income of £0.6bn (\$0.8bn) includes £0.3bn (c.\$350m) of John Hancock reserve releases

Jackson

HY19 financial performance: Statutory capital

6 months ended 1H 2019

	Jackson total adjusted capital US\$bn
31 Dec 2018	5.5
Operating profit	0.8*
Reserves net of hedging	(1.0)**
Dividend	(0.5)
Other	0.1
30 Jun 2019	4.9

Proforma 9 months ended 1H 2019

	Jackson total adjusted capital US\$bn
30 Sep 2018 (ex-Permitted Practice¹)	4.6
Operating profit	1.2*
Reserves net of hedging	(0.1)**
Dividend	(0.5)
Other	0.2
30 Jun 2019 (ex-Permitted Practice¹)	5.4

*Operating profit includes c.\$350m of benefit from John Hancock reserve release

**This differs from IFRS hedge results, due in part to this figure including all guarantee fees collected rather than just the attributed portion

- Positive capital generation with moderate VA reserve/hedging losses over the past 9 months
- This was accomplished despite volatile equity markets, lower interest rates, and a dividend of \$525 million



¹ Permitted practice is a regulatory capital treatment that allows Jackson to carry swaps at book value rather than marked to market as would have been required by statutory accounting. This treatment mitigates against a one-sided mark to market in cases where statutory reserves may not respond to interest rates in the same way as the hedges (i.e. floored out reserves)



TAB 2

Jackson Slides from Prudential plc's
Half-Year 2019 Results



Prudential plc

2019 Half Year Results

14 August 2019

Jackson

Introduction

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Strategic assessment

- Strength of the business
- Market outlook
- Future direction

+

HY19 financial performance

- Sales
- Income measures

+

Roadmap

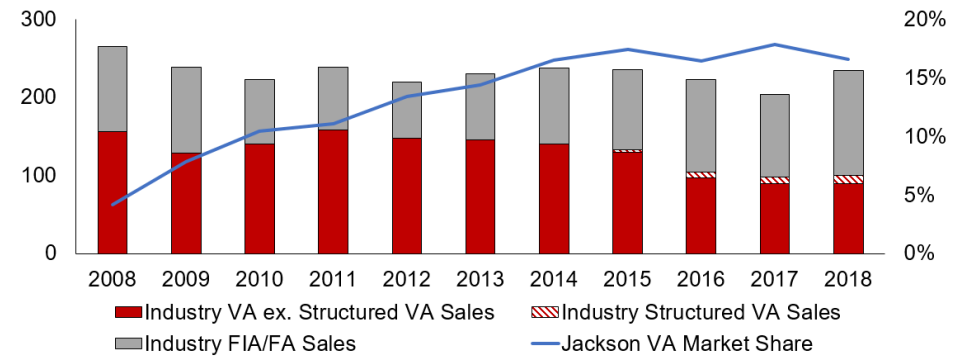
Jackson

Strategic assessment

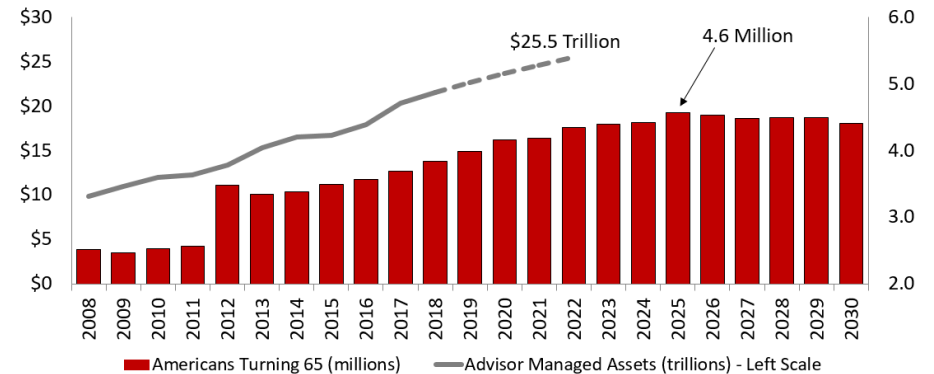
1 Strength of business

- Proven commercial capability
- Formidable record of gathering assets in a disrupted segment
- Broad capabilities across all annuity segments
- Market leading customer outcomes & service model
- Efficient operations & technology stack (single platform)
- Proven finance and risk management in maintaining capital levels
- US retirement market largest and most dynamic globally – customer need is large and growing

Industry annuity sales & Jackson VA market share (LIMRA)¹, \$bn



Retirement wave & asset pool²



¹ 2019 Morningstar, Inc., LIMRA/Secure Retirement Institute and Jackson analysis
² U.S. Census Bureau, Population Division. 2014 estimate of population. Cerulli Associates, U.S. Intermediary Lodestar.

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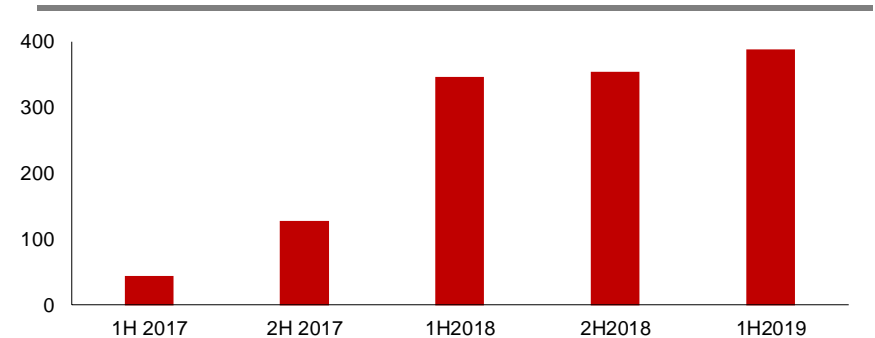
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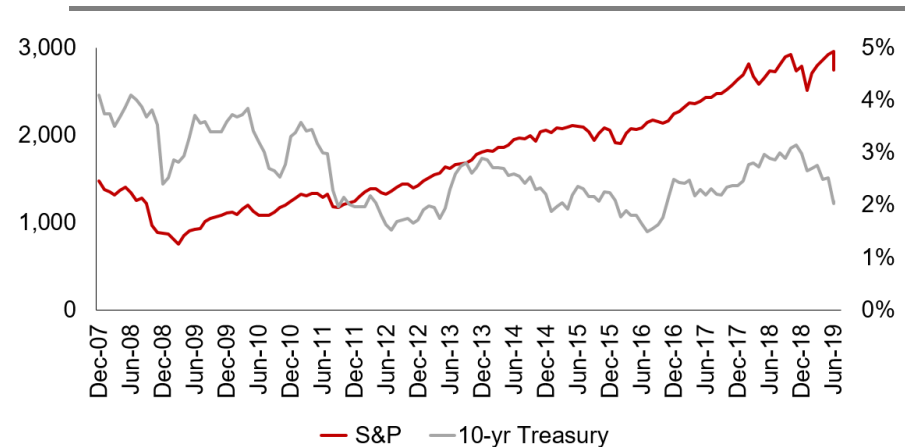
Market outlook

- Improving:
 - ✓ Regulatory trajectory
 - ✓ Media coverage
 - ✓ Distribution expansion
 - Technology driven capabilities
 - Advice driven model evolution
 - Pension market opportunities in due course
- Some challenges remain:
 - Lower for longer rate environment
 - Complicated product and sales process

Jackson fee based annuity sales, \$m



Economic indicators



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Strategic assessment

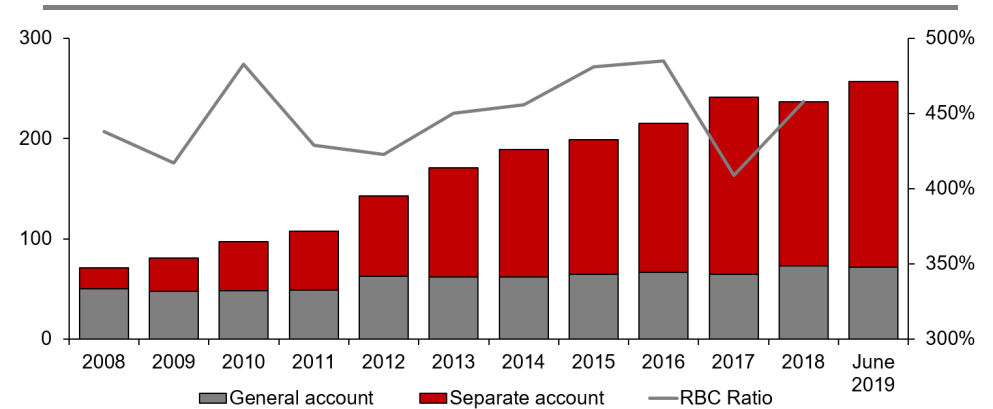
3 Develop a more diversified book

- Deploy capital to grow non VA book
- Diversification reduces statutory capital volatility
- Allows for more efficient hedging
- Release additional shareholder value & enhance cash generation

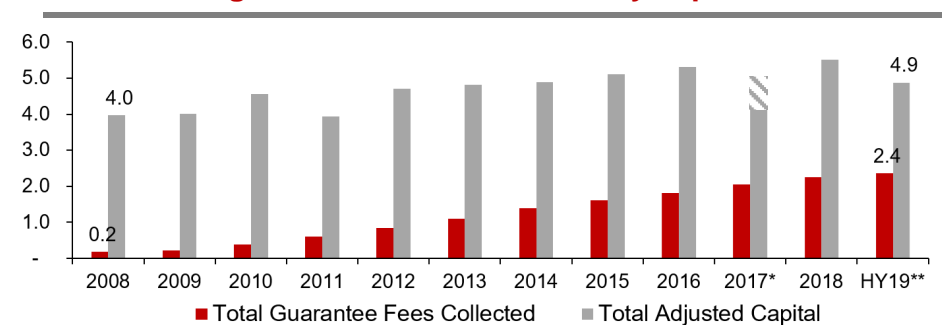
Why we like GMWB risk profile:

- Best solution for many investors – transfers retirement risks to insurer
- Immediate liquidity supported by NAV
- Future claims are deferred and cannot be immediately monetised
- Fee accumulation

RBC ratio and statutory admitted assets, \$bn



VA guarantee fees and statutory capital, \$bn



*2017 TAC adjusted for tax reform impacts (shaded area)

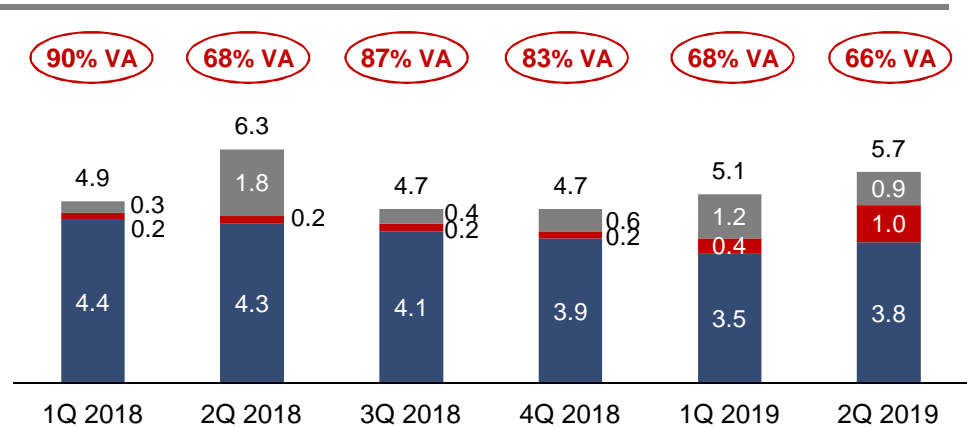
**HY19 guarantee fees are annualized

Jackson

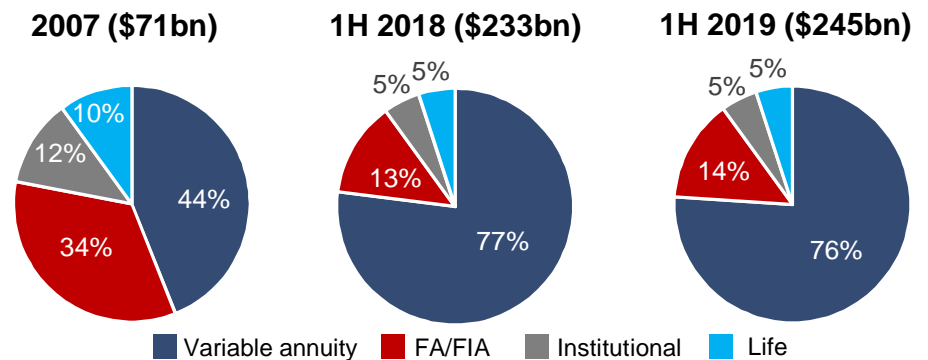
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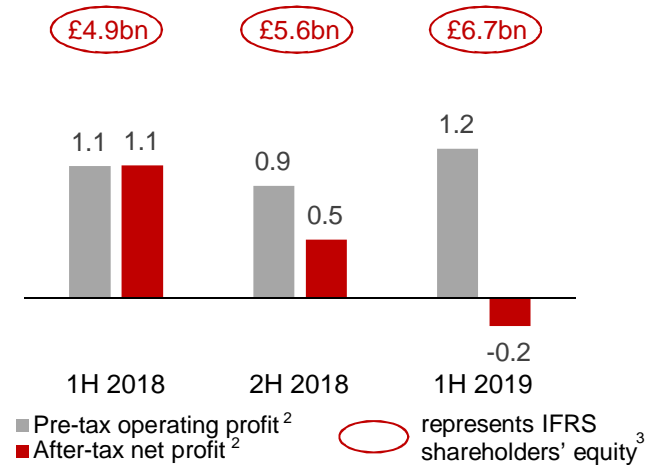
Statutory reserves by product type, %



Jackson

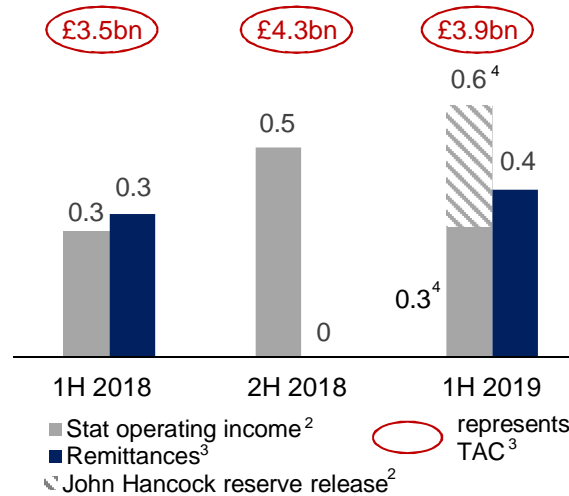
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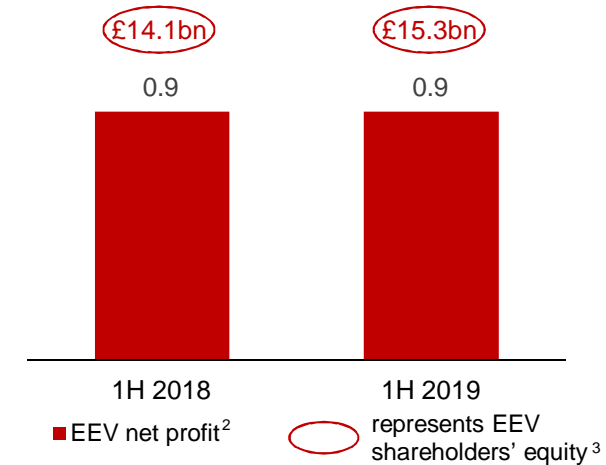
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Jackson

Roadmap - Conclusion

- Good commercial performance in 1H 2019
 - Increased sales of FIA/FA
 - Broadened product range and distribution
 - Maintained operating efficiency
- Well positioned with improving growth prospects over time
- Appropriately capitalised with effective financial and risk management
 - Paid FY 2019 remittance
- Seek to enhance cash generation by:
 - Accelerating diversification, thereby
 - Utilising natural hedge offsets whilst maintaining risk appetite
- Options to support this strategy include:
 - Reinsurance and third party financing

US

Key features



- Opportunity for diversification
- Record of cash generation

Best in class franchises

- ✓ Leading position in the annuity industry¹
- ✓ Best in class cost base & industry leading platform
- ✓ Successful track record of risk management
- ✓ Continued focus on diversifying distribution
- ✓ Proven capability in product innovation

US financial performance, £m				
	HY19	HY18 CER	%	FY18 CER
APE	831	868	(4)%	1,592
NBP	348	495	(30)%	951
IFRS operating profit	1,215	1,065	14%	1,981

¹ Morningstar Annuity Research Center, 1Q19, Top Companies for Total Annuity Sales Then and Now Market Share.

Jackson

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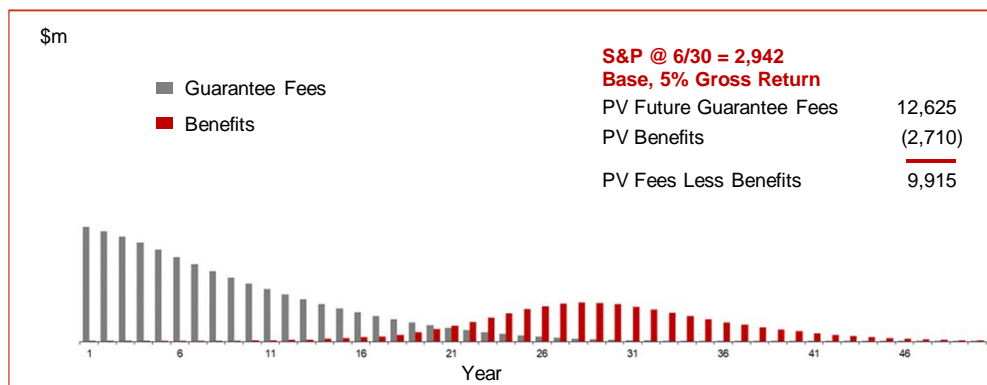
¹ Permitted practice is a regulatory capital treatment that allows Jackson to carry swaps at book value rather than marked to market as would have been required by statutory accounting. This treatment mitigates against a one-sided mark to market in cases where statutory reserves may not respond to interest rates in the same way as the hedges (i.e. floored out reserves)



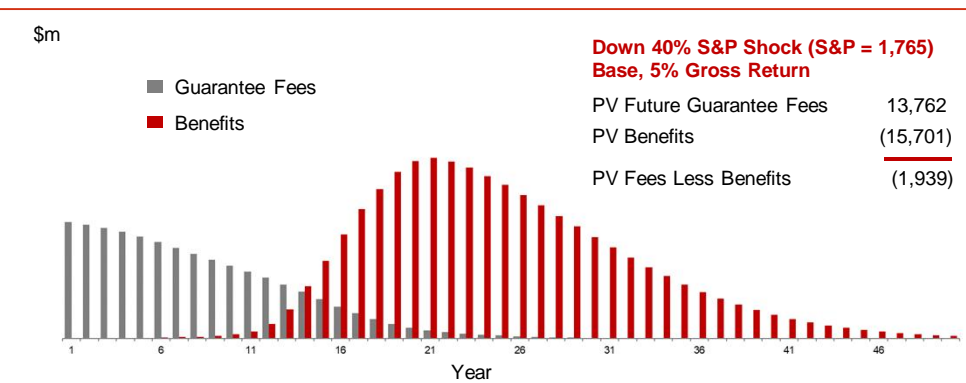
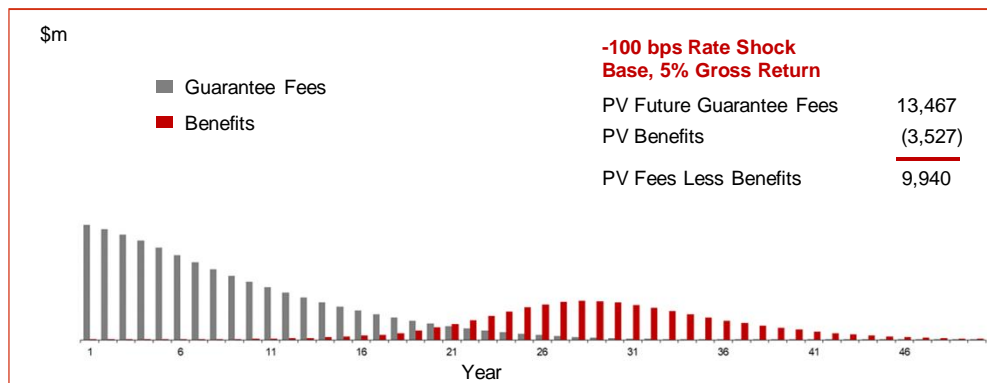
US

Unhedged economic profile of GMWB guarantees

Jackson unhedged GMWB cash flow exposure, 30 June 2019



- 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
- Down 40% S&P shock scenario ignores total VA equity hedge payoff of ~\$20bn

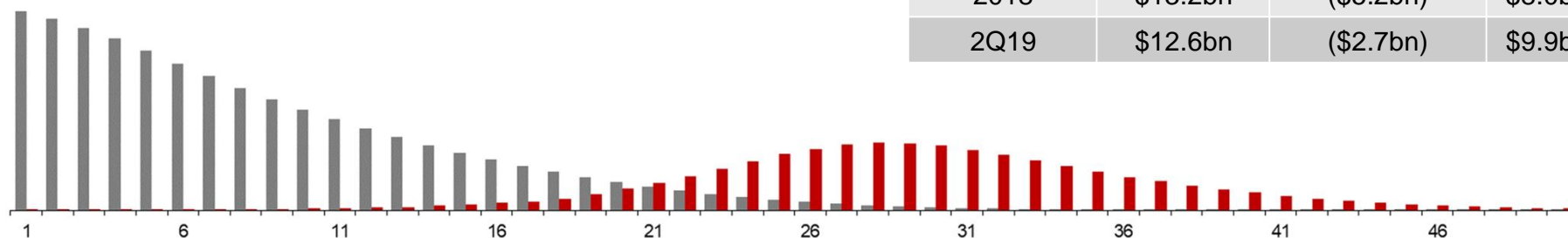


US

Economic value of VA book has improved over time

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
2018	\$13.2bn	(\$5.2bn)	\$8.0bn
2Q19	\$12.6bn	(\$2.7bn)	\$9.9bn

■ Guarantee Fees (excludes base contract fees)
■ Benefits



US

IFRS - variable annuity DAC mean reversion

Drivers of VA DAC acceleration/deceleration

Current period market return

Market growth < MR	Market growth > MR
leads to ↓ in current period AGP and future EGP buffered by an ↑ in MR, subject to 15% cap net effect of ↓ current period AGP and future EGP	leads to ↑ in current period AGP and future EGP buffered by a ↓ in MR, subject to 0% floor net effect of ↑ in current period of AGP and future EGP
which leads to ↓ PV of total AGP/EGP	which leads to ↑ PV of total AGP/EGP
which leads to ↑ K-factor	which leads to ↓ K-factor
which leads to ↑ in amortisation (acceleration/catch-up)	which leads to ↓ in amortisation (acceleration/catch-up)

Rule of thumb: Acceleration/deceleration is \$15.5m per 1% SA growth under/over MR

Return from 3 Years ago dropping out of MR window

Market growth < MR	Market growth > MR
leads to ↓ in MR rate, subject to 0% floor which leads to ↓ in future EGP's which leads to ↓ in PV of total AGP/EGP's	leads to ↑ in MR rate, subject to 15% cap which leads to ↑ in future EGP's which leads to ↑ in PV of total AGP/EGP's
which leads to ↑ in K-factor	which leads to ↓ in K-factor
which leads to ↑ in amortisation (acceleration/catch up)	which leads to ↓ in amortisation of deceleration/catch-up

Separate Account Returns¹ – 3 year actuals plus 5 year mean reversion rate required to attain long-term gross return of 7.4%

2016A	2017A	2018A	2019	2020	2021	2022	2023
9.3%	17.8%	(4.6)%	7.6%	7.6%	7.6%	7.6%	7.6%

AGP= Actual (historical) gross profits
EGP= Expected (projected future) gross profits
MR= Mean reversion rate
K-factor= Ratio of deferred acquisition costs to PV gross profits, calculated as of issue date

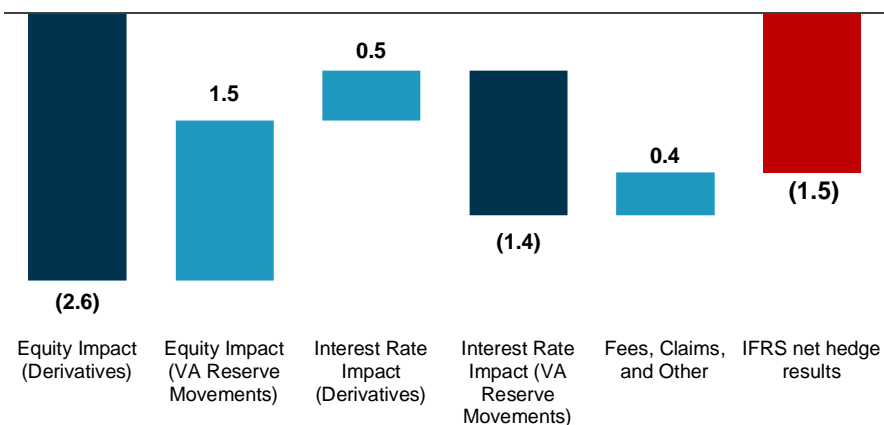
¹ Analysis date as at 31.12.2018.



US

IFRS - HY19 hedge results

IFRS impact 'below-the-line' (£bn, pre-tax, post-DAC)¹



- 1H 2019 IFRS hedge results (net of DAC) of £(1.5)bn
- Risk management effectiveness maintained in period & continues in H2
- Equity markets up 17% & interest rates down meaningfully (68bps²)

Note: Values above are post-DAC, which were calculated simply by applying the overall DAC amortisation rate.

¹ Totals may not cast as a result of rounding and FX translations.

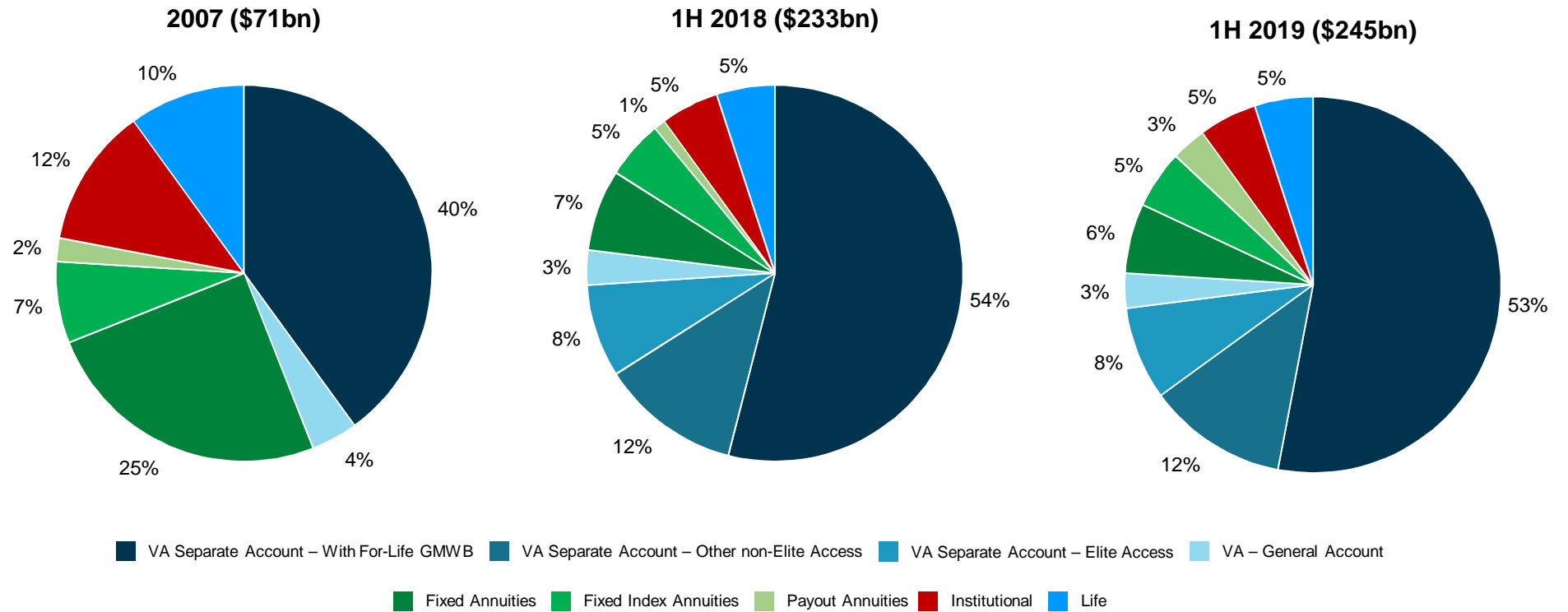
² Based on the 10-year Treasury.



US

Statutory reserves

Statutory reserves by product type, %



US

Key features of VA product (GMWB)

Key features

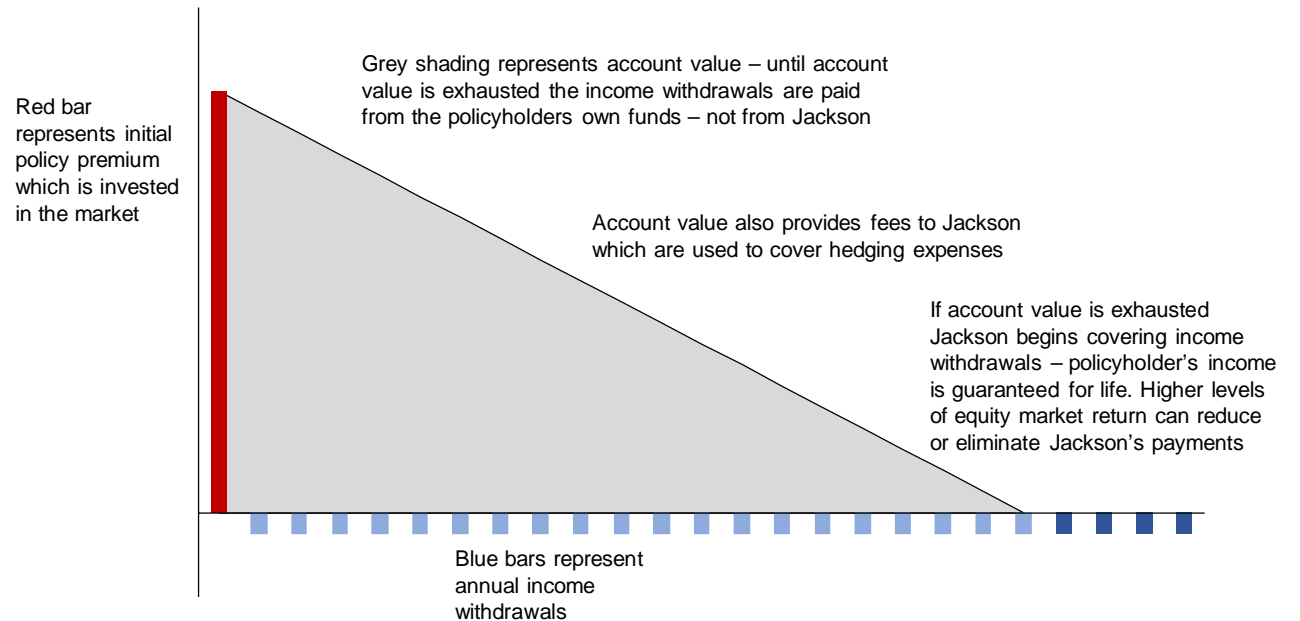
➤ Customer benefits

- Customers remain owners of underlying investments
- Retain equity market upside
- Protection of guaranteed lifetime income in the event their account balance is exhausted

➤ Jackson risk profile

- Cash payment far in the future
- Risk mitigation
 - Account depleted before cash call
 - Fee accumulation
 - Equity mean reversion
 - Mortality

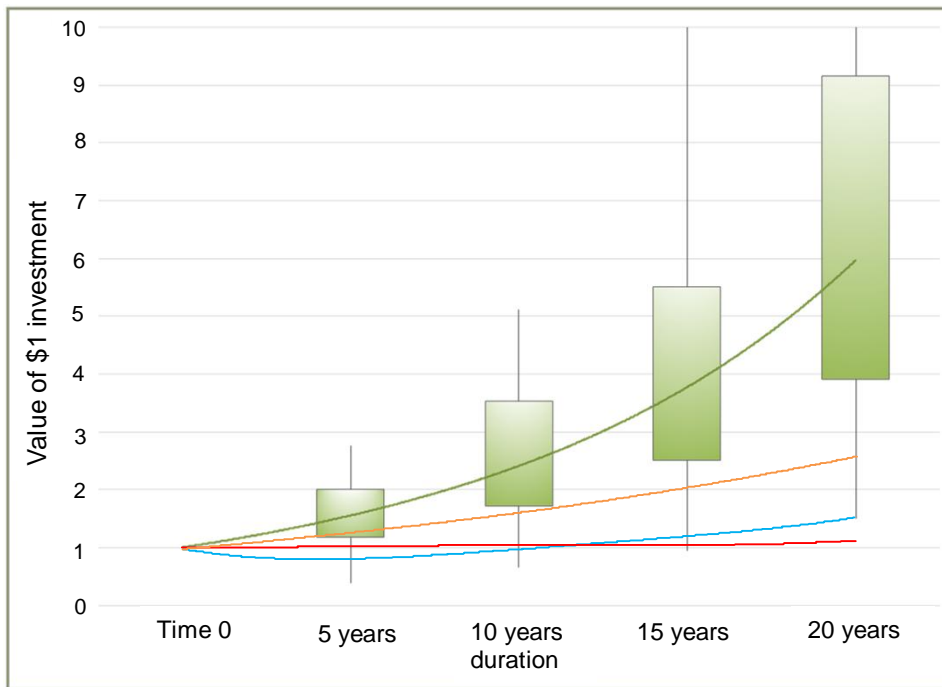
Simplified illustration of benefit mechanics (Assumes immediate utilisation and 0% market return)



US

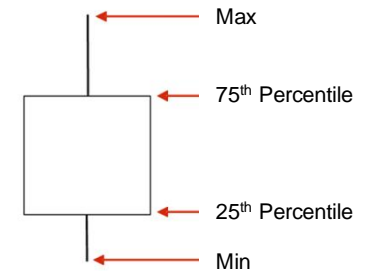
Conservative return assumptions in VA reserves

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.

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

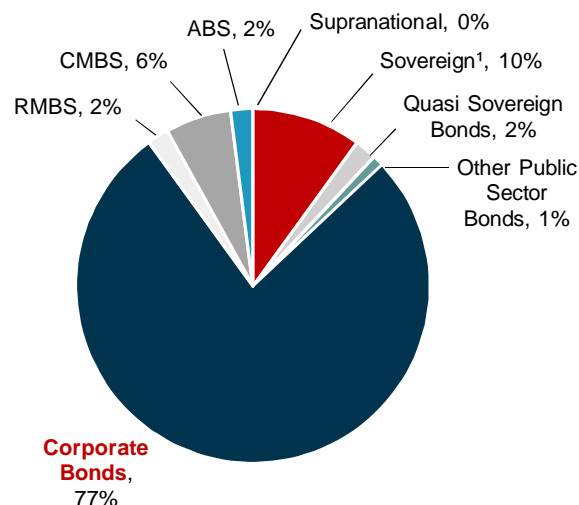


Group invested assets, continuing operations

Shareholder-backed total debt securities

By asset type^{1,2}, 30 June 2019

US



Total £45bn

Corporate debt portfolio

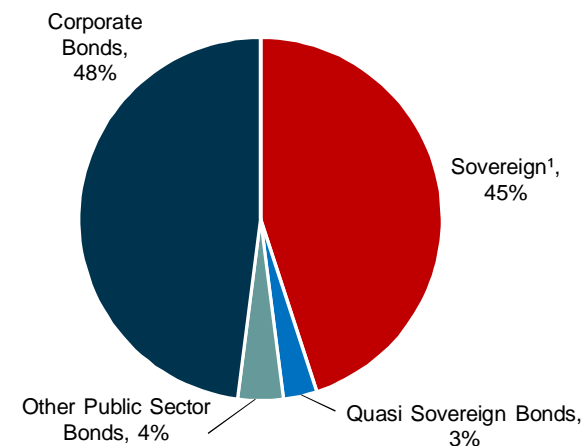
Investment grade

- Significant weighting towards investment grade
 - Investment grade is 96% of corporate bond portfolio
 - Corporate debt investment grade is c. 60% of total US investment portfolio³ (2007:52%)
- BBB exposure weighted to upper bands
 - BBB+ and BBB account for 85% of BBB exposure
 - BBB- only 5% of total US investment portfolio³
 - BBB- average holding of \$31m across 111 issuers (total investment grade corporate bond portfolio average: \$52m)

High yield

- High yield corporate debt equivalent to <3% of total US investment portfolio³
 - Significant reduction in exposure (2007: >5%)
 - Average holding of \$4m

Asia



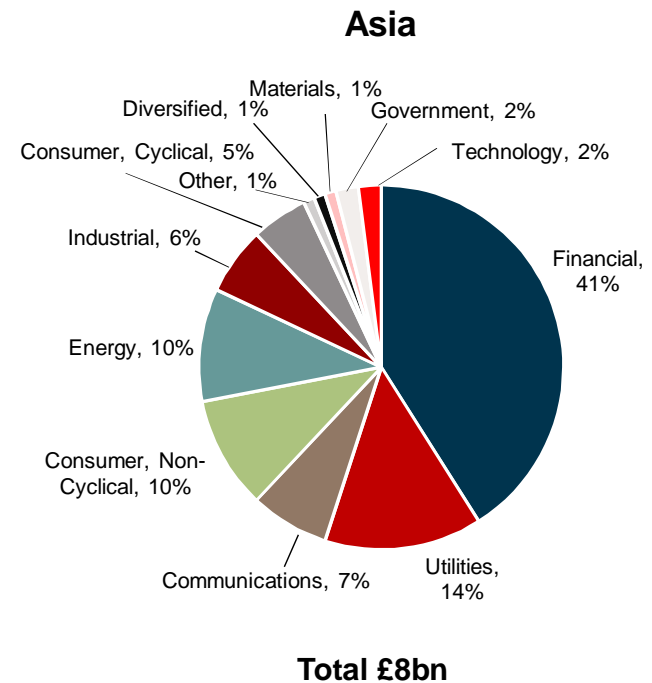
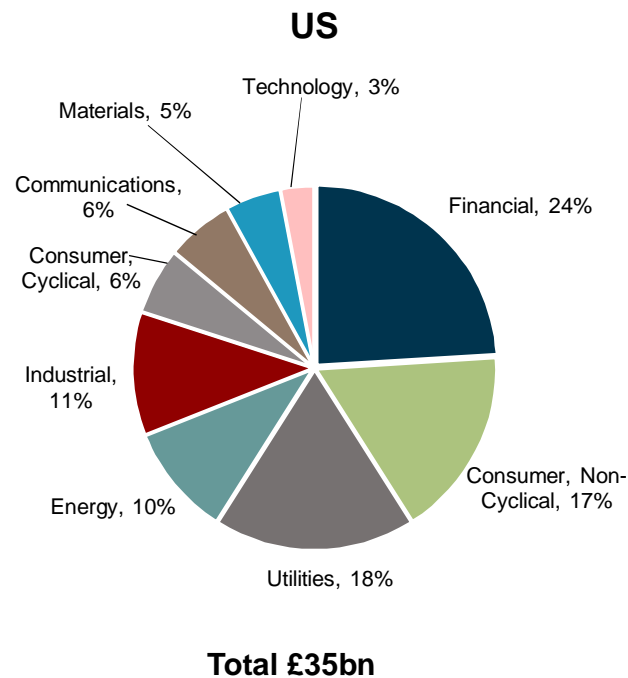
Total £17bn

¹ Sovereign includes OEICS. Pie charts exclude £2 billion of debt securities within other operations.
² Totals may not cast as a result of rounding.
³ Total investment portfolio as at 30 June 2019 was £58.6 billion.

Group invested assets, continuing operations

Shareholder-backed corporate debt exposures

By sector¹, 30 June 2019



Note: Source of segmentation Bloomberg Sector, Bloomberg Group and Merrill Lynch. Anything that cannot be identified from the three sources noted is classified as other.
 Pie charts exclude debt securities from other operations.
¹ Totals may not cast as a result of rounding.

Group invested assets, continuing operations

Shareholder-backed total debt securities

By credit rating^{1,2,3}, 30 June 2019



¹ Pie charts exclude other operations totalling £2bn, of which 27% AAA, 62% AA, 7% A, 1% BBB and 3% BB or below.

² Debt securities are analysed according to external credit ratings issued, with equivalent ratings issued by different ratings agencies grouped together. Standard & Poor's ratings have been used where available, if this isn't the case Moody's and then Fitch have been used as alternatives. For the US, NAIC ratings have also been used where relevant (shown in 'Other' in the financial statements) - the Securities Valuation Office of the NAIC classifies debt securities into six quality categories ranging from Class 1 (the highest) to Class 6 (the lowest). Performing securities are designated as Classes 1 to 5 and securities in or near default are designated Class 6.

³ Totals may not cast as a result of rounding.



TAB 3

Jackson's Slides from Singapore
Investor Conference – November 2018



US Introduction

Barry Stowe

Chairman and Chief Executive Officer
North American Business Unit

Who is Jackson?



Prudential U.S. Operations

US Life Insurance



- 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



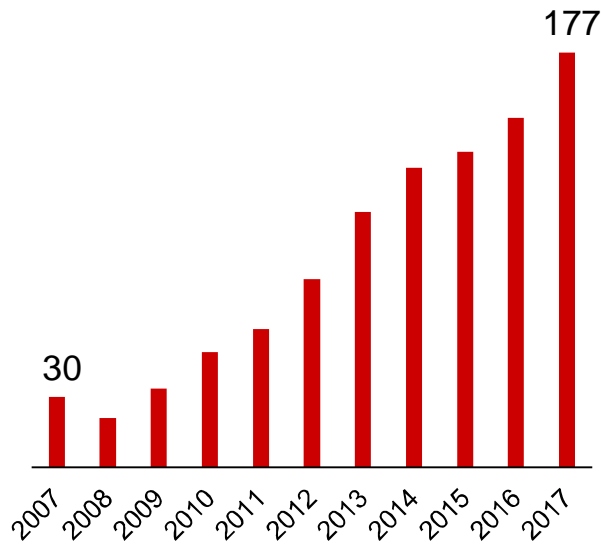
- PPM America, Inc. manages \$112bn AUM as of 6/30/18:
 - 59% on behalf of Jackson
 - 26% on behalf of Pru UK clients
 - 13% on behalf of Pru Asia clients
 - 2% on behalf of CDOs and external clients

Track Record of Success

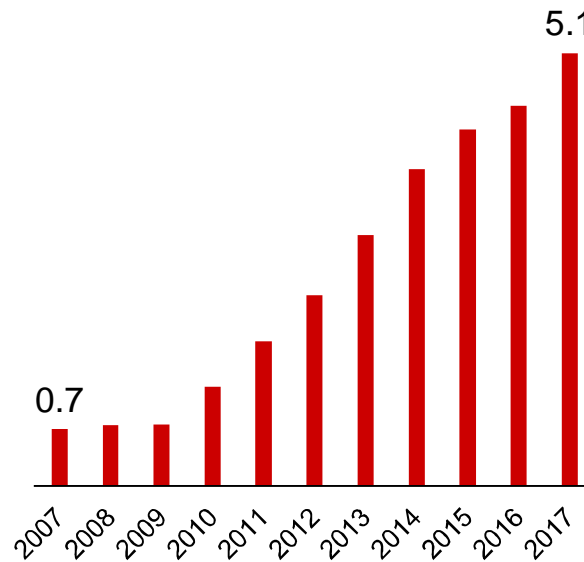
Jackson's long-term performance is strong and consistent



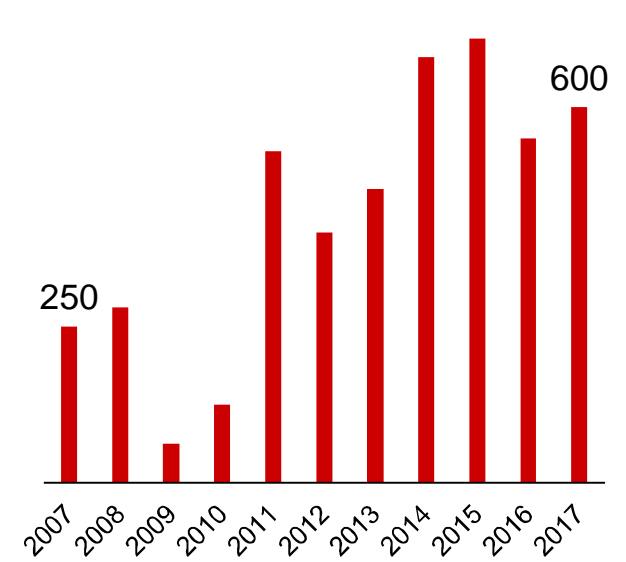
Separate Account Assets (\$bn)



VA Fee Revenue (\$bn)



Remittances (\$m)



Agenda



Brad Harris

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

Steve Binioris

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

Chad Myers

- ✓ 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



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



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



Risk Monitoring & Reporting

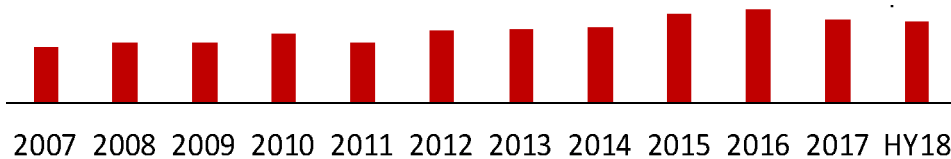
- Annual Risk Identification and Controls Assessment process
- Key Risk Reporting
- Independent Risk Deep Dives

Equity Risk Limit

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



Equity Risk Limit



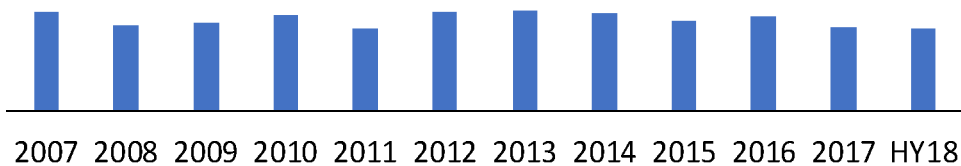
- Jackson's equity risk limit is based on the % of capital that can be put at risk
- Because the capital level has remained flat over the last decade, the dollar amount of risk limit is largely unchanged

Credit Risk Limit

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



Credit Risk Limit



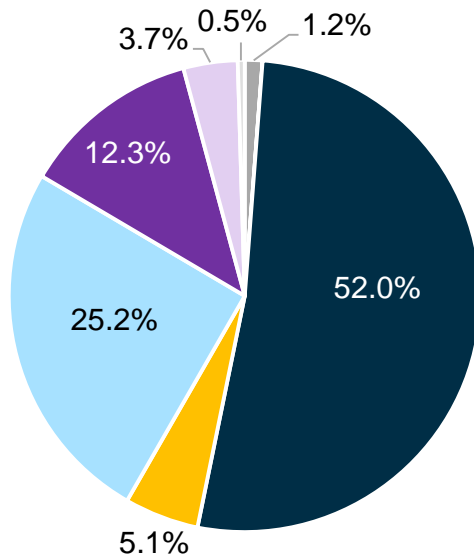
- Jackson's credit risk limit is also based on the % of capital that can be put at risk
- Because the capital level has remained flat over the last decade, the dollar amount of risk limit is largely unchanged
- The % of capital allowed for credit risk has also reduced over this time period, further reducing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

Key Risk Oversight – Credit

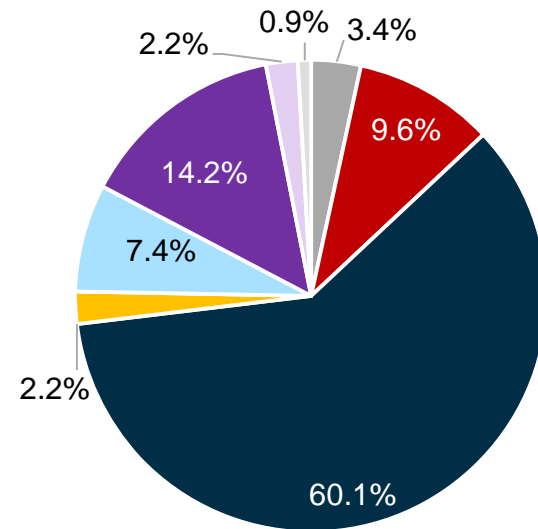
Materially de-risked investment portfolio since the financial crisis



2007 (\$44.9 billion)



Q2 2018 (\$58.7 billion) +30%



■ Cash/Other
■ MBS/ABS

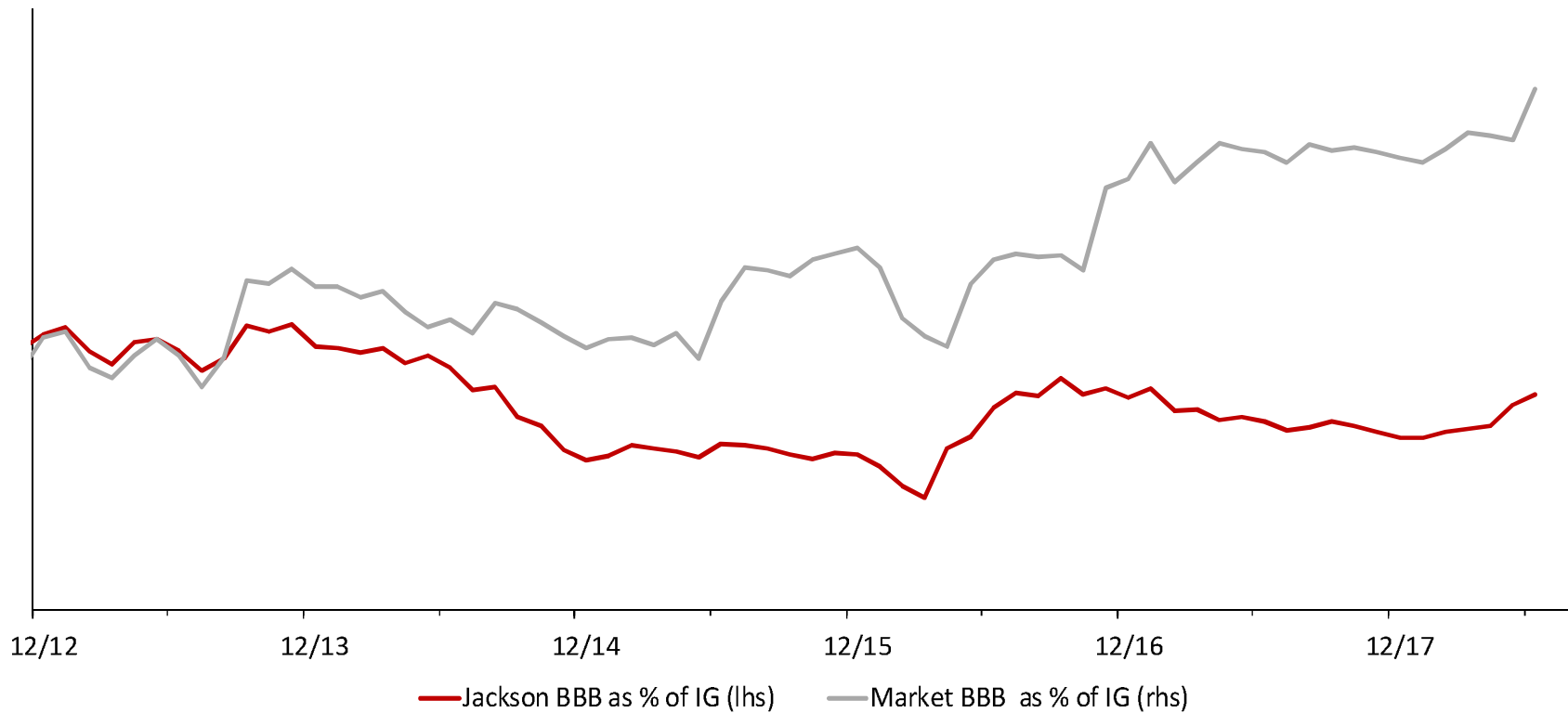
■ US Treasury and Agency
■ Comm Mort Loans

■ IG Corp/Loans
■ Private Equity

■ HY Corp/Loans
■ Common/Preferred Stock

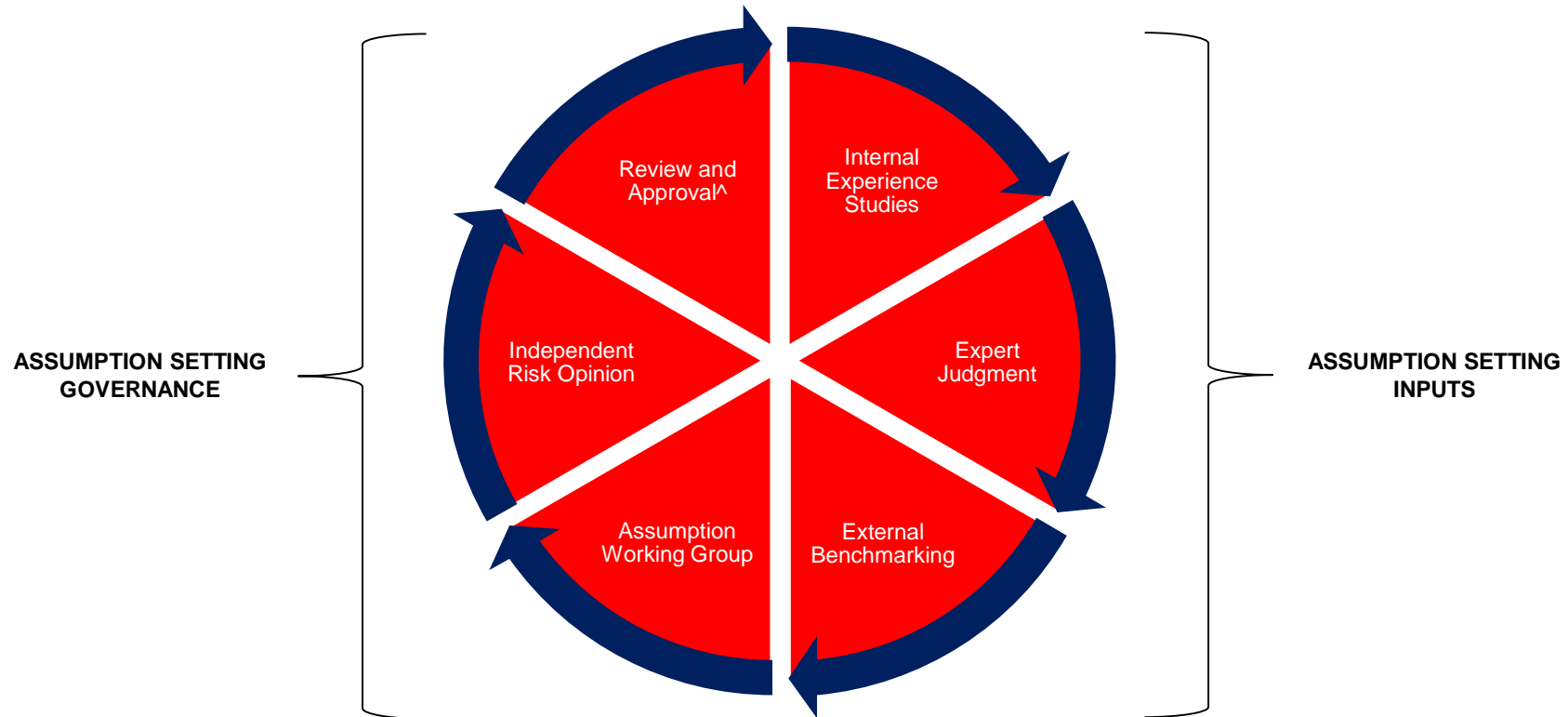
Key Risk Oversight – Credit

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



Key Risk Oversight – Policyholder Behaviour

Jackson Assumption Setting Process



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 Longevity
VA - GMWB	\$145bn account value	↓ Lower Markets	↓ Low Rates (Contingent Equity Risk)		
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)

Red bar represents initial policy premium which is invested in the market

Gray shading represents account value – until account value is exhausted the income withdrawals are paid from the policyholders own funds – not from Jackson

Account value also provides fees to Jackson which are used to cover hedging expenses

If account value is exhausted Jackson begins covering income withdrawals – policyholder's income is guaranteed for life. Higher levels of equity market return can reduce or eliminate Jackson's payments

Blue bars represent annual income withdrawals

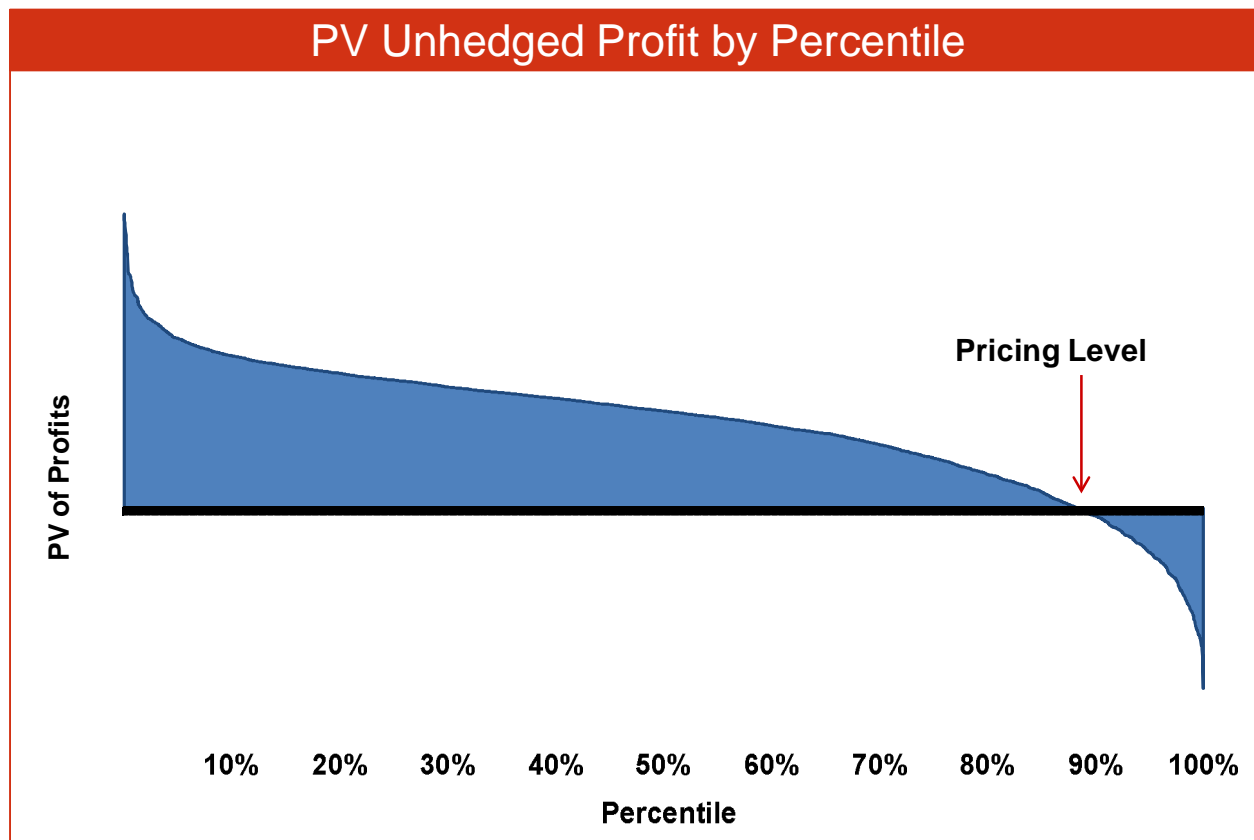
Pricing Approach and Methodology



- 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



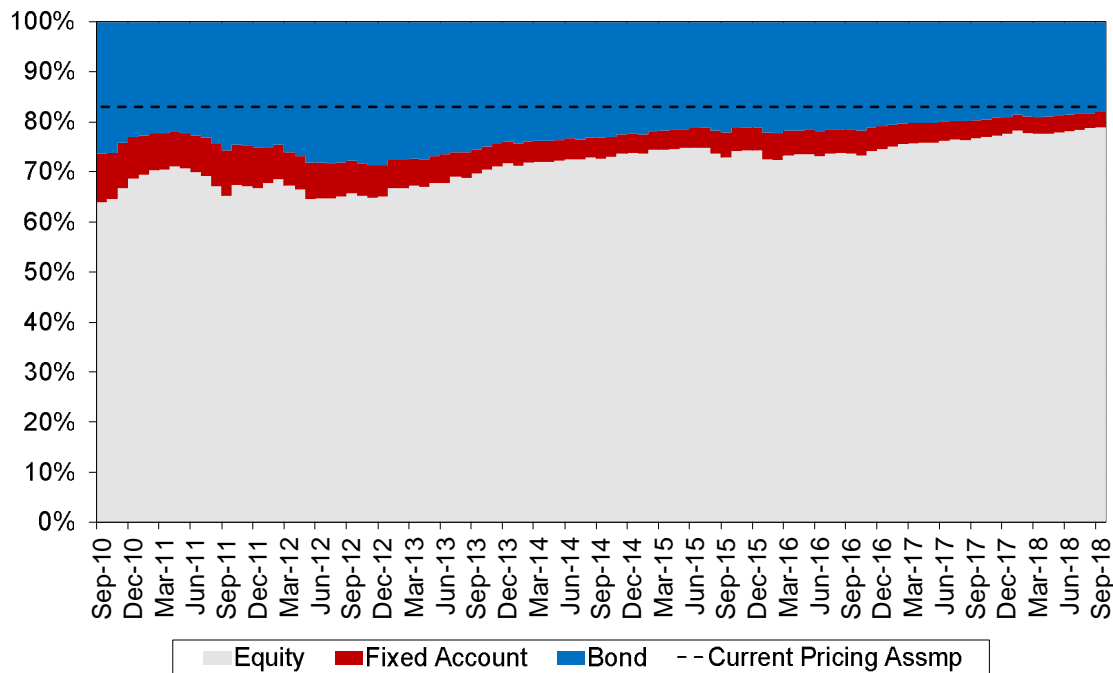
- GMWB benefit is profitable at the historical mean and well into the tails
- Jackson prices far enough out in the tails to provide enough revenue to hedge the benefit
- Hedging activity expected to truncate the losses while retaining upside potential

Investment Freedom Has Led to Upside For Policyholders

Account value upside while equity allocation remains within assumptions



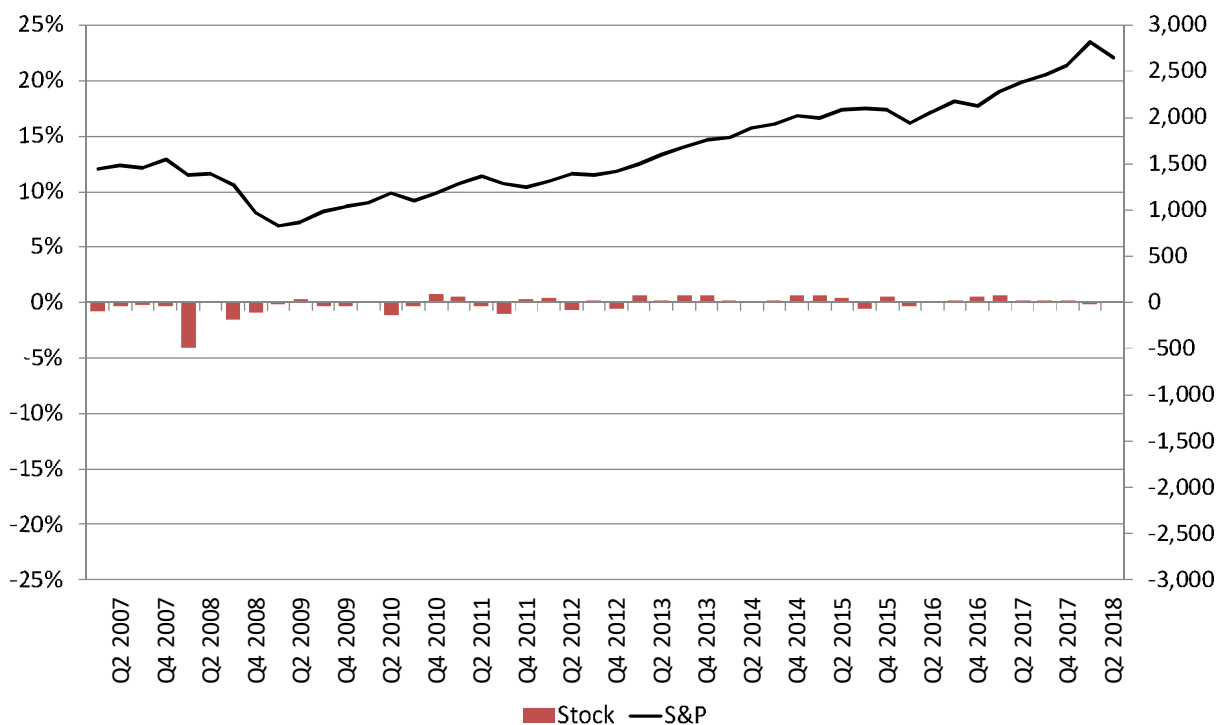
In-Force Allocation of VA Account Values



- 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

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

Fund Manager Selection

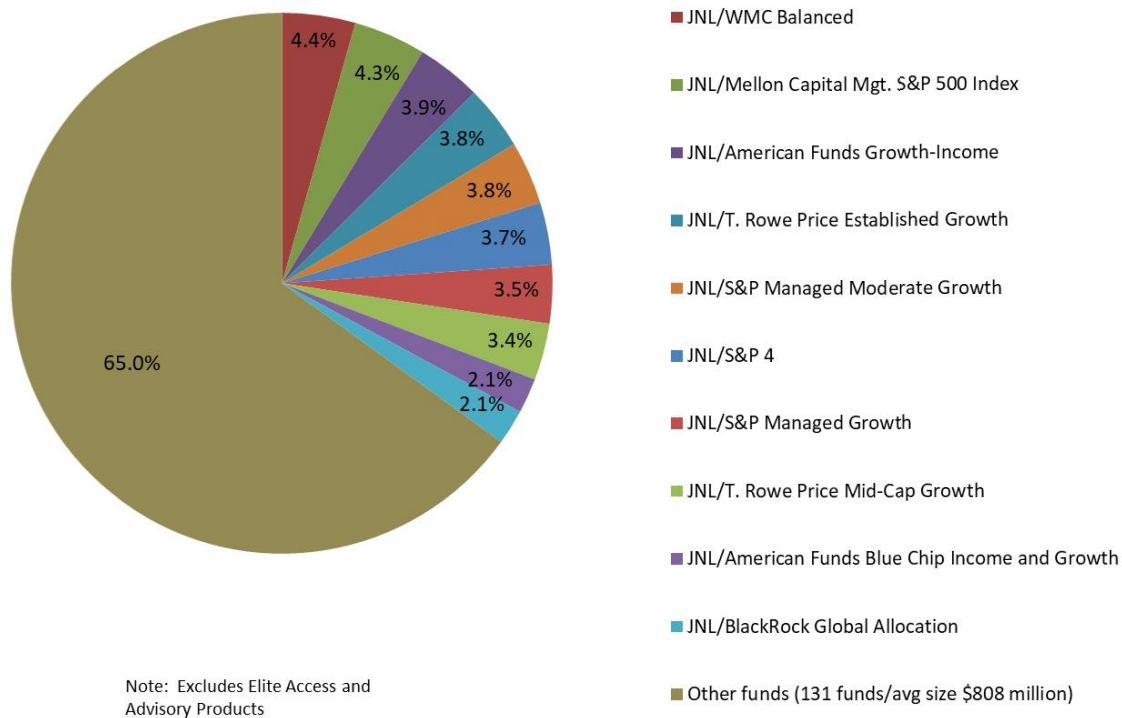
Disciplined and robust process



- 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

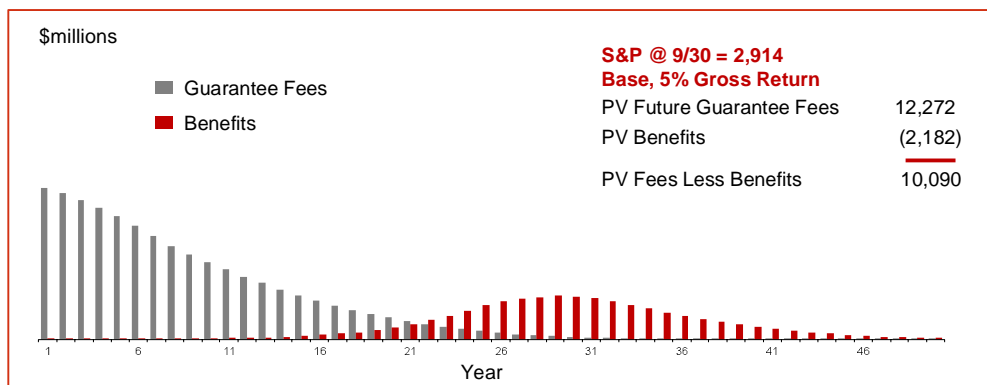
Diversified Separate Account

Jackson Top 10 Funds

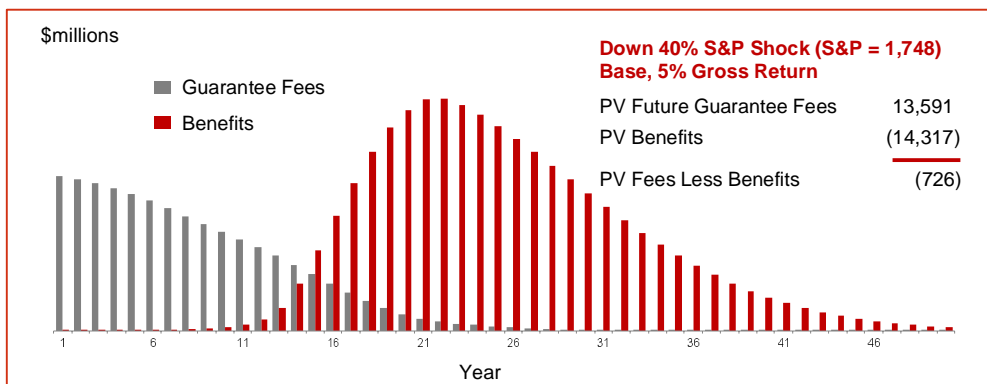
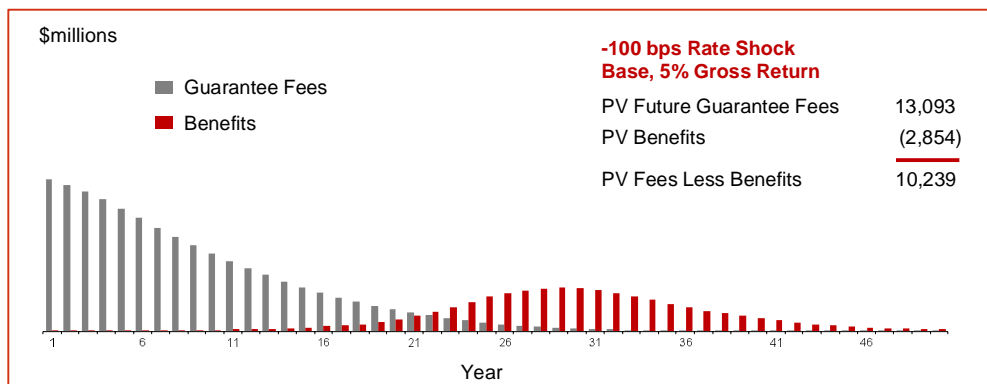


- Offer wide array of managers with no material concentration (131 funds account for 65% of our SA holdings)
- Several balanced funds in the top 10, limiting equity market exposure by default
- Jackson monitors individual holdings in each fund to detect concentration issues across the portfolio
- Jackson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

Unhedged GMWB Cash Flow Exposure



- 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



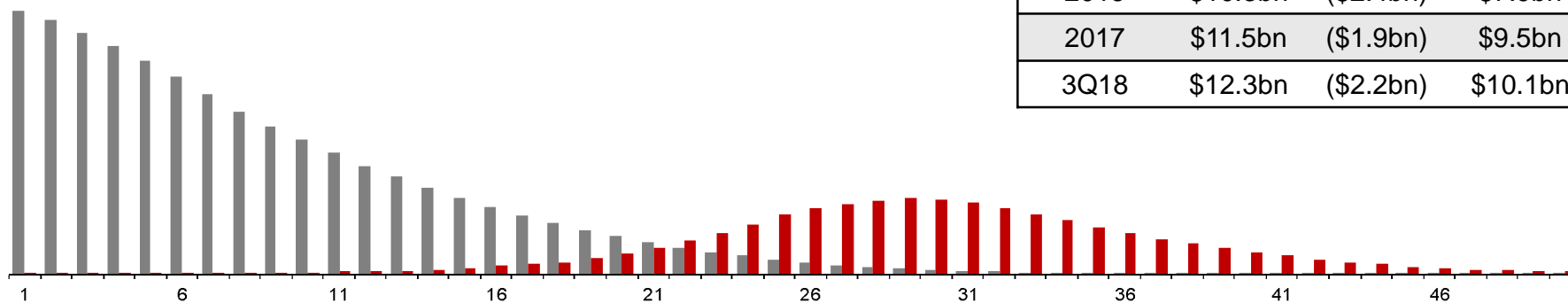
GMWB Unhedged Cash Flows

Jackson's block is in a very strong position



Guarantee Fees (excludes base contract fees)
 Benefits

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

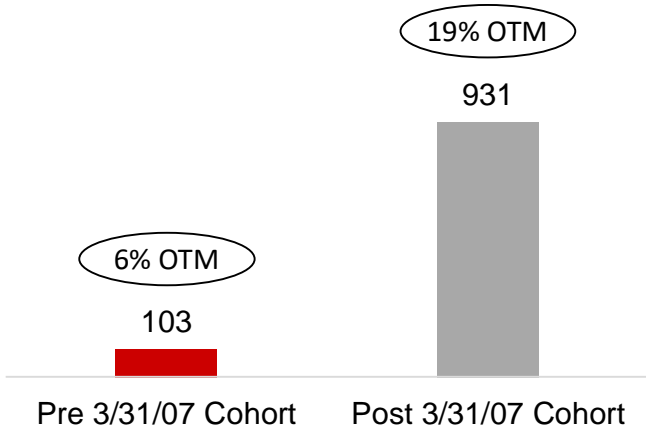


Cohort Analysis

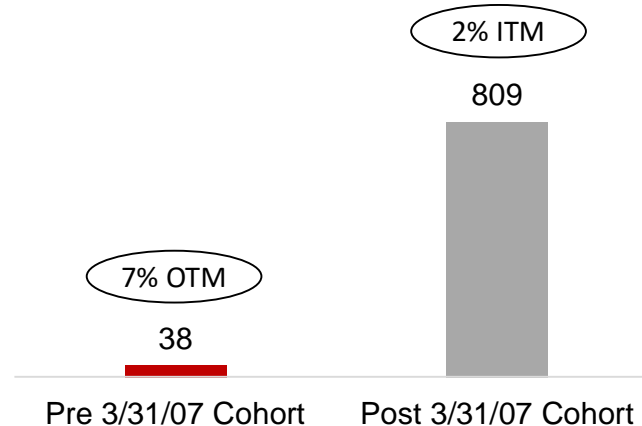
Jackson has a strong VA back book, both pre and post crisis



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

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

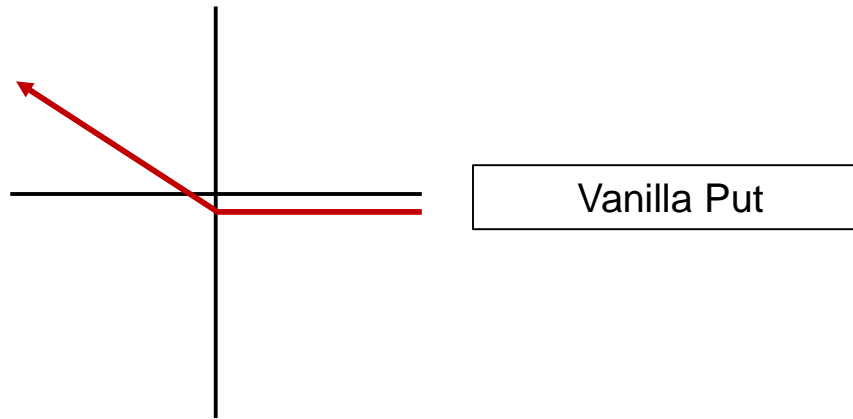
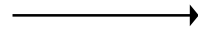
Hedging Illustration

Ability to match economic profile, but counterparty risk is diminished

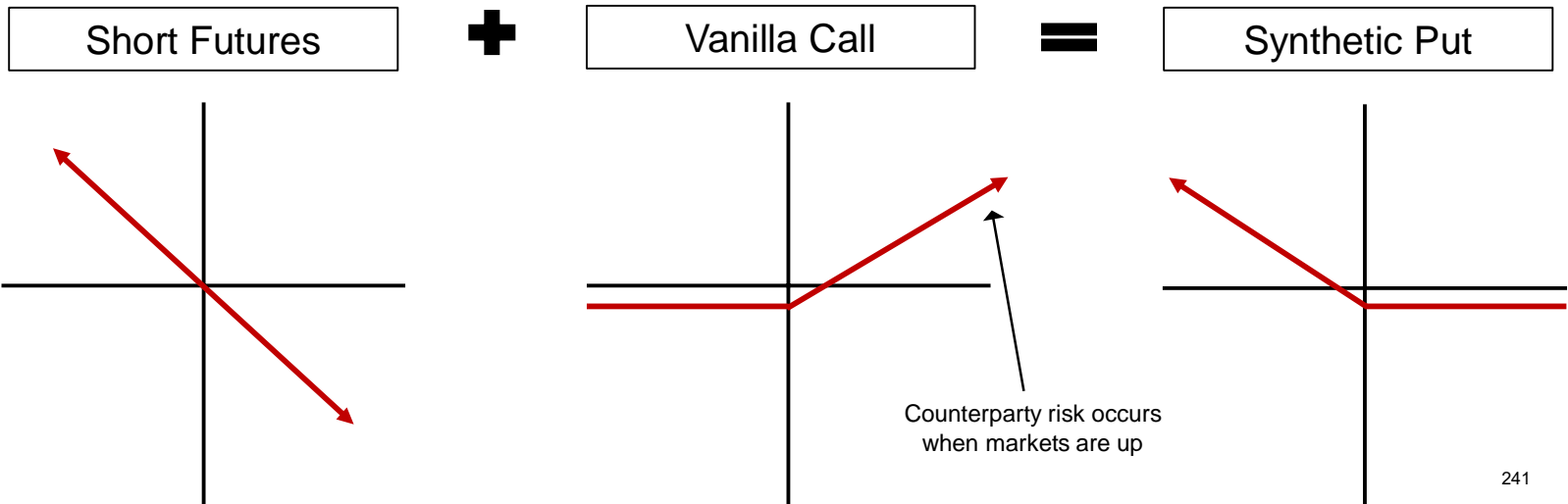


2008

Counterparty risk occurs when markets are down

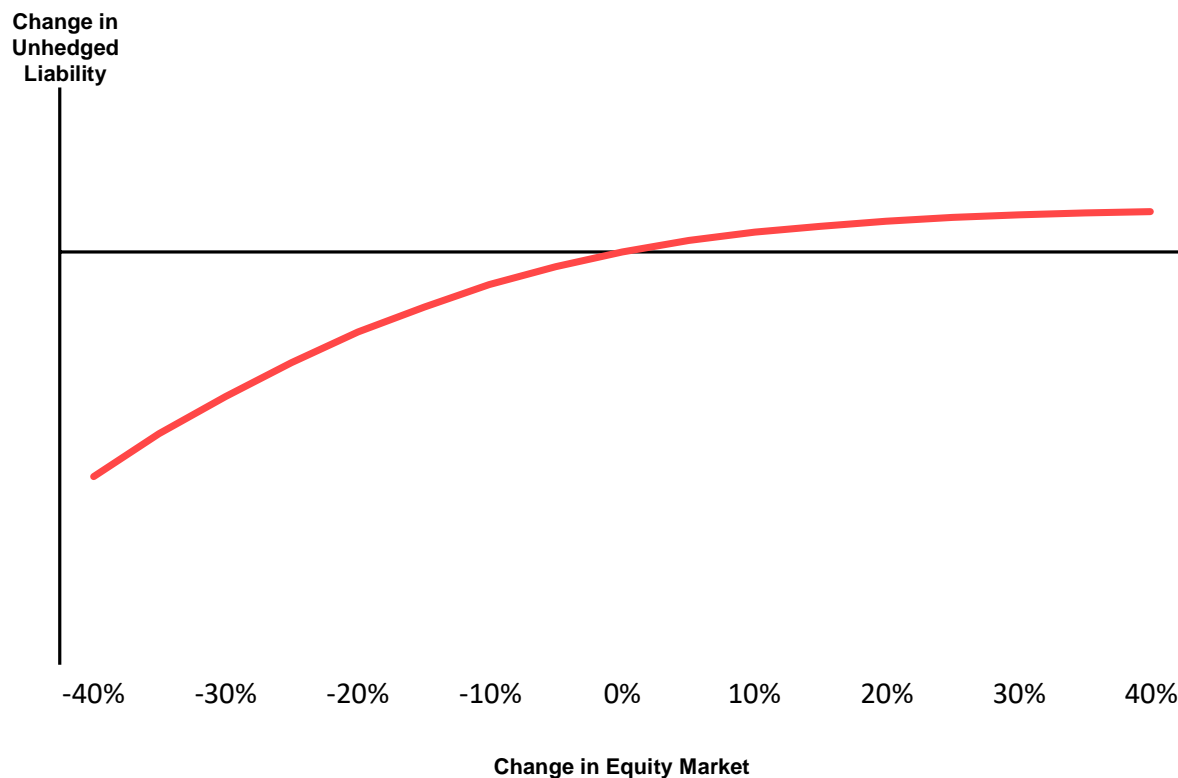


2018



Economic Profile of VA Guarantees

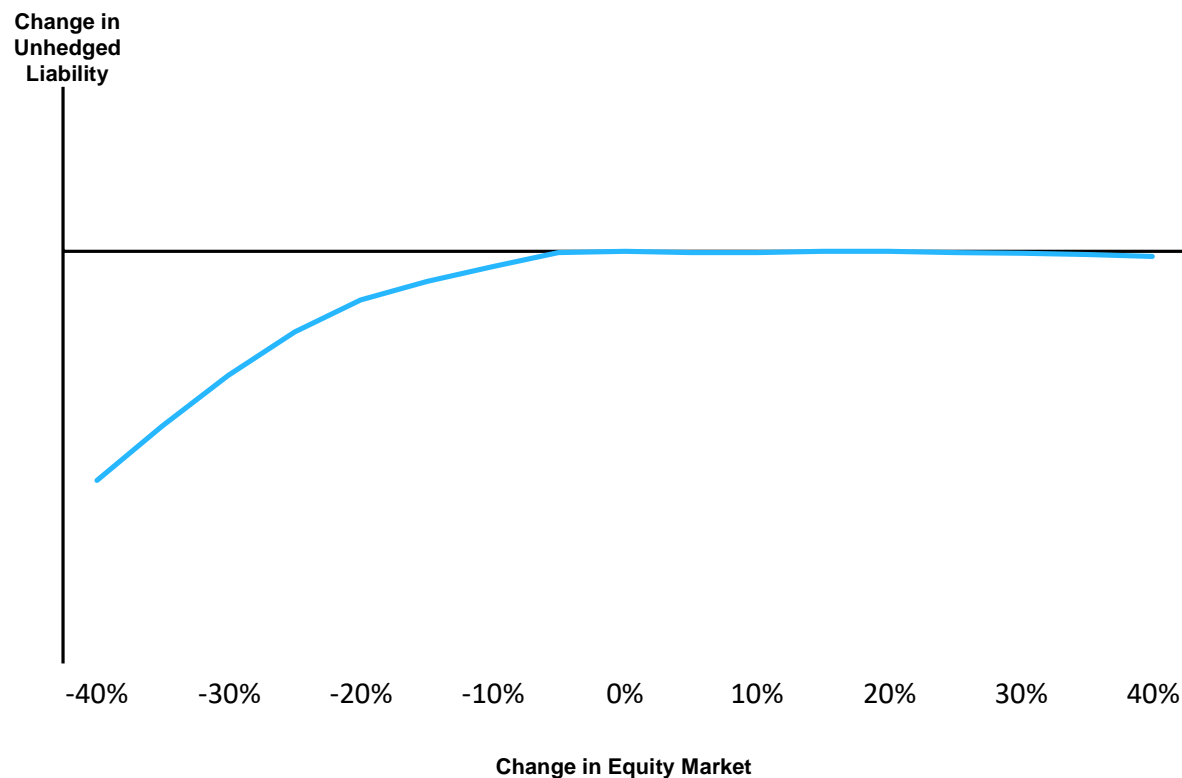
Jackson focuses its hedging on the protection of the economics



- 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

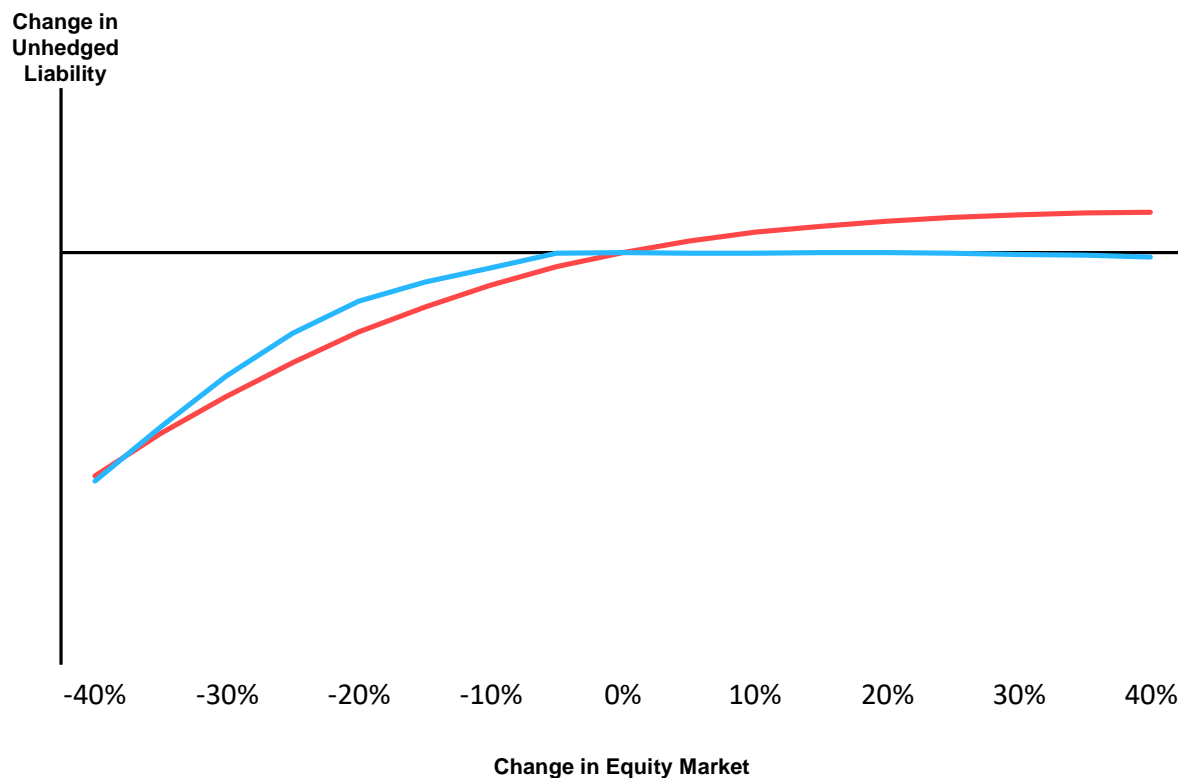
Statutory accounting will not always match the economics



- 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

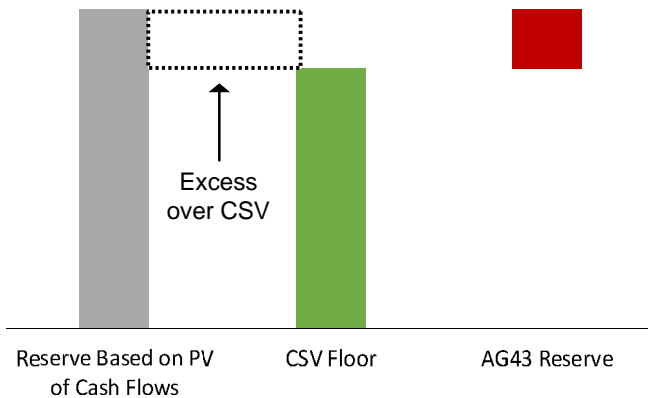
Statutory reflects all relevant cash flows



- 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:

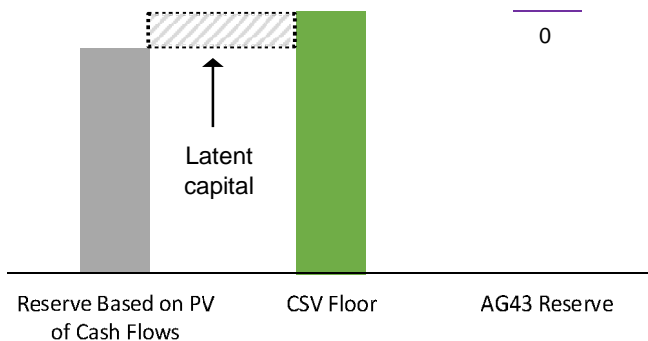
Statutory Reserve Dynamics

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

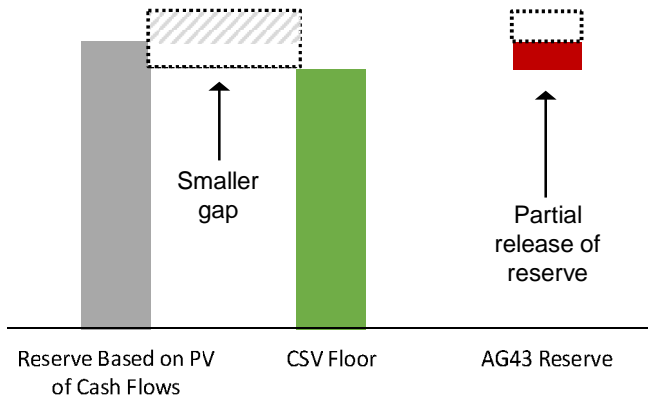


Scenario #2 – Reserves below CSV

- 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

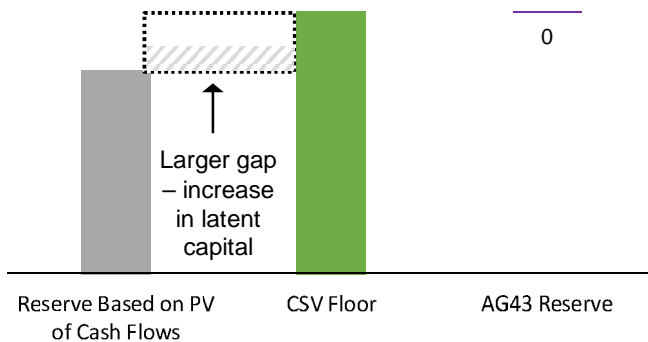
Statutory Reserve Dynamics

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

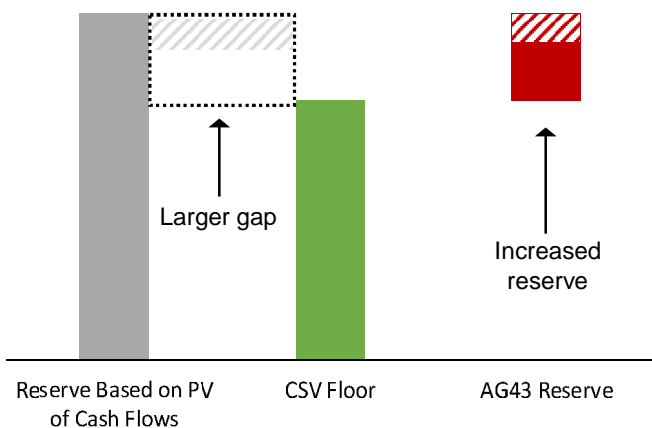


Scenario #2 – Reserves below CSV

- 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

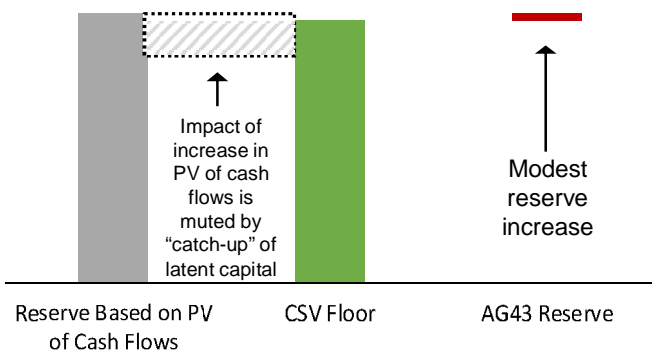
Statutory Reserve Dynamics

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

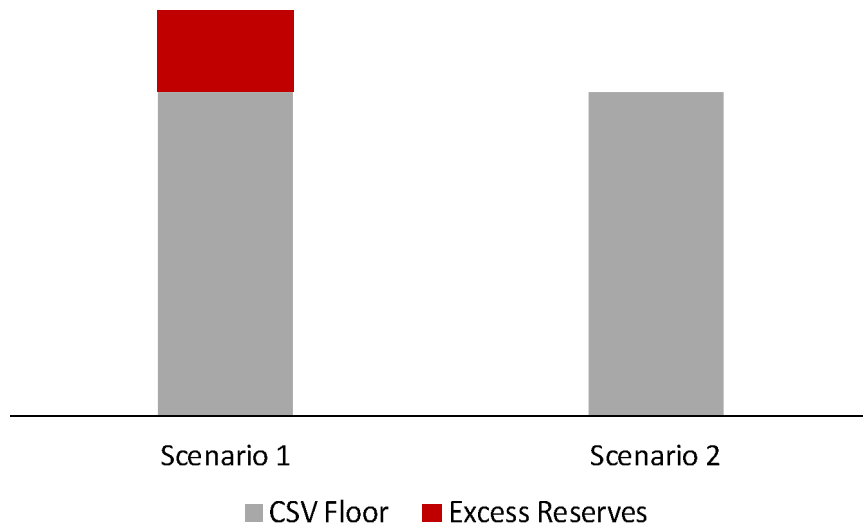
- The required reserve using the PV of cash flows is now above the cash surrender value
- However, because of the “latent capital” represented by the gap between the PV of cash flows and the CSV floor, the reserve increase will be less than what the change in the PV of cash flows would indicate. The 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

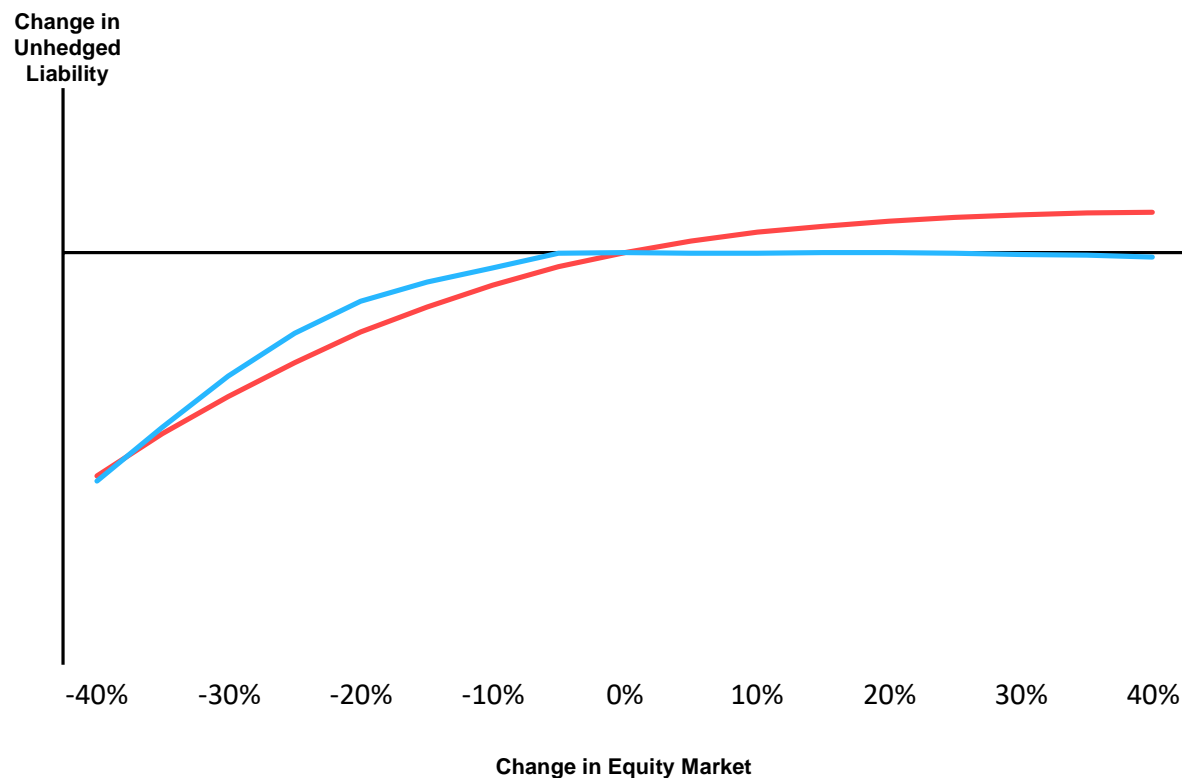


Statutory Reserves



- 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



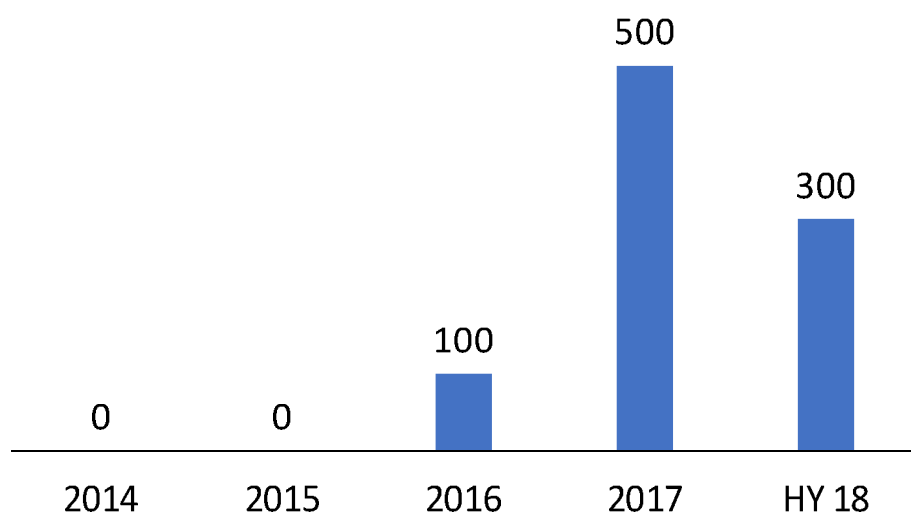
- As stated in the preceding examples, when reserves are floored out, further up moves in equity markets will cause a build up of “latent capital”
- This is illustrated by the growing gap between the two lines as we move to the right
- However, this leads to additional hedge spend, as there are no reserves 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

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)



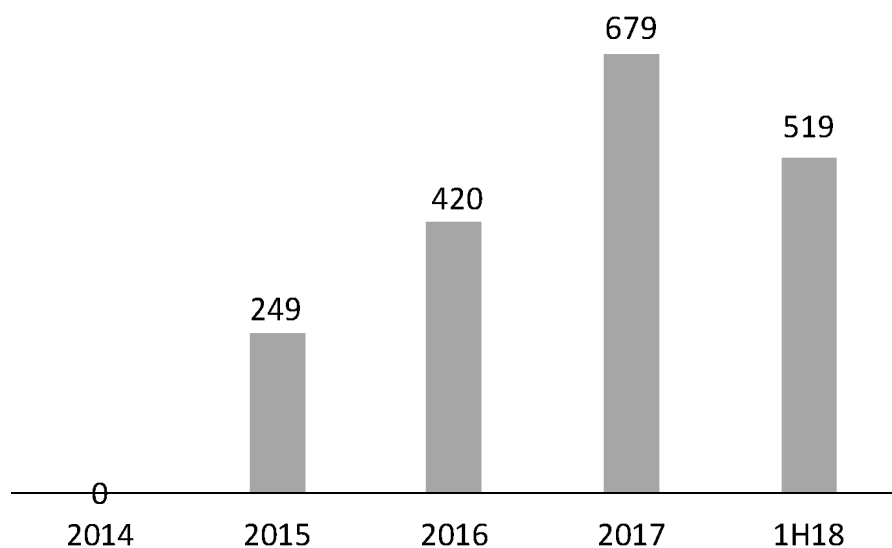
- In recent years, the flooring out of statutory reserves has meant that there was little or no reserve offset for hedging losses in up equity markets
- This has necessitated incremental call option spend to protect statutory capital in upside equity market scenarios above what the economic profile would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

Statutory Deferred Tax Asset

Non-admitted DTAs represent unrecognized economic value



Non-Admitted Deferred Tax Asset (\$m)



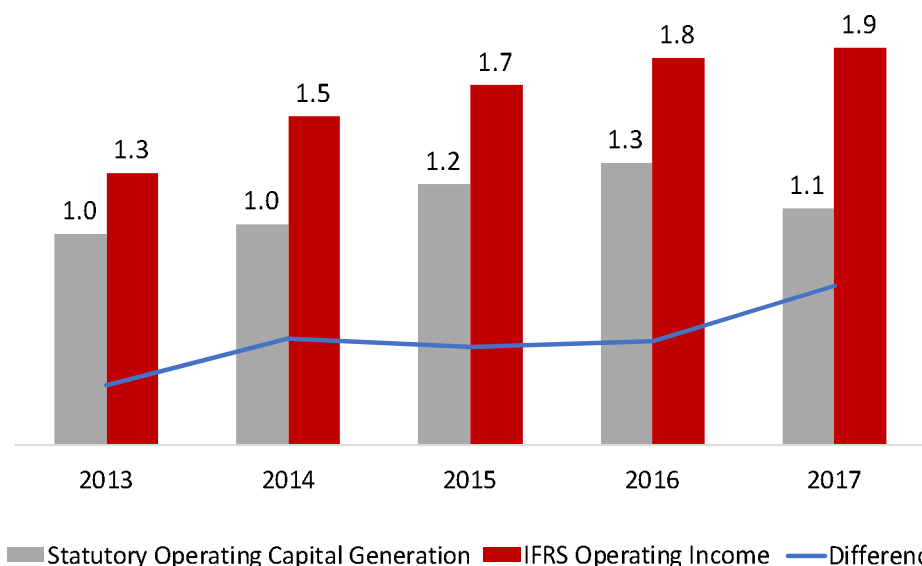
- Under statutory accounting, DTAs will be included in capital to the extent that they are deemed to be “admitted” by various tests
- In recent years, Jackson’s admitted DTA has been limited by 15% of capital and surplus
- A meaningful amount of non-admitted DTA has built up over this time due to hedge 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)



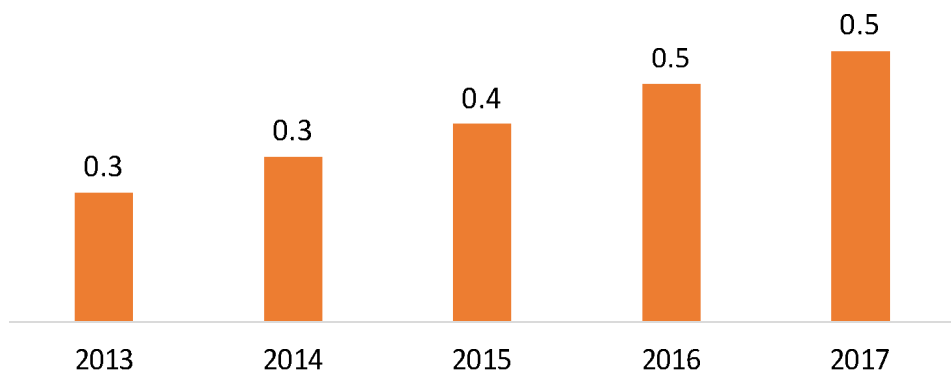
- In recent years, IFRS operating income growth has been strong, while stat operating capital generation has been mostly flat
- While the differences between the figures are numerous, the two main ones are:
 - Guarantee fee recognition
 - Acquisition cost treatment

Guarantee Fee Recognition

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



Guarantee Fee Recognition (\$bn)



■ Guar fees in IFRS oper inc (post-tax, post-DAC)

- 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 benefits¹ (i.e. any excess is ignored). The remaining fees are recognized as earned and included in operating profit

¹For guarantee liabilities valued under FAS 157

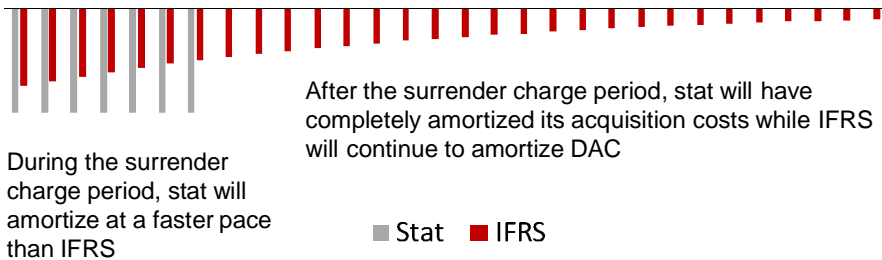
Acquisition Cost Treatment

Statutory is conservative in its amortization of acquisition expense

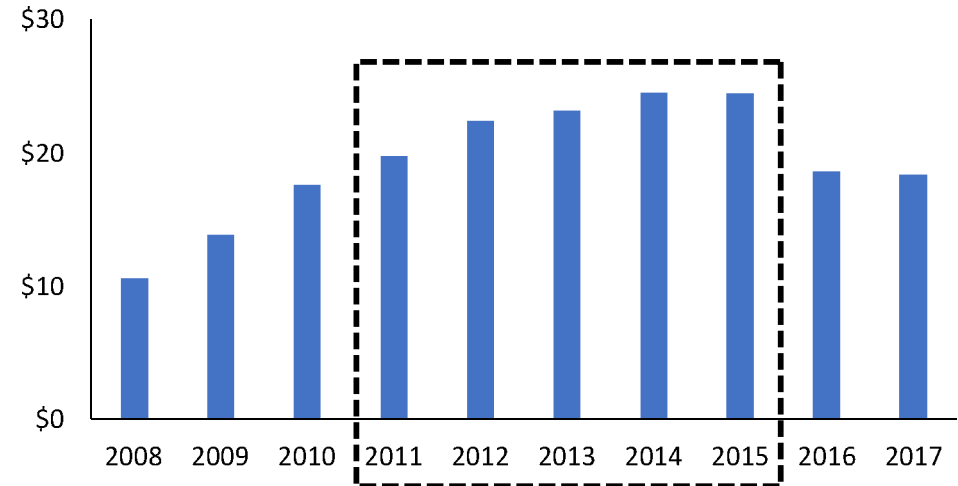


Pattern of Acquisition Cost Recognition

Commission expenses are paid at issue, but these will be largely offset by the deferral of DAC/CARVM



Jackson Total Annuity Sales (\$bn)



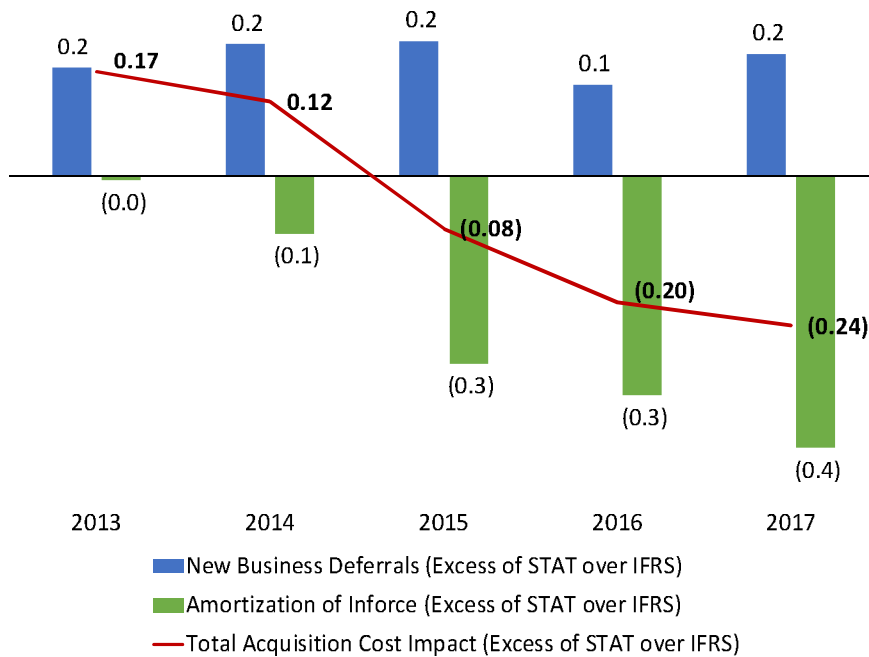
- Under IFRS, DAC is amortized based on the expected gross profits over the life of the policy. Amortization moves with the market.
- Under STAT, the CARVM allowance is amortized on a set schedule, regardless of the commission option selected and can only amortize at a faster pace where profitability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



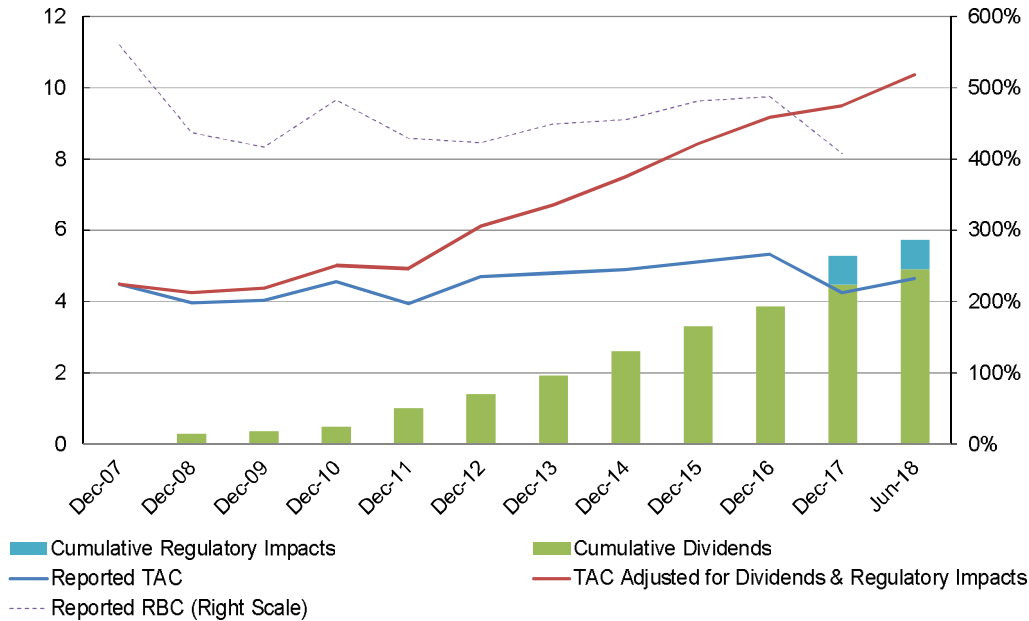
- As explained in an earlier slide, under IFRS, DAC is amortized based on the expected gross profits over the life of the policy. Amortization moves with the market
- Under statutory, CARVM is amortized on a set schedule, regardless of the commission option selected
- Strong sales levels in 2011-2015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

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

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

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



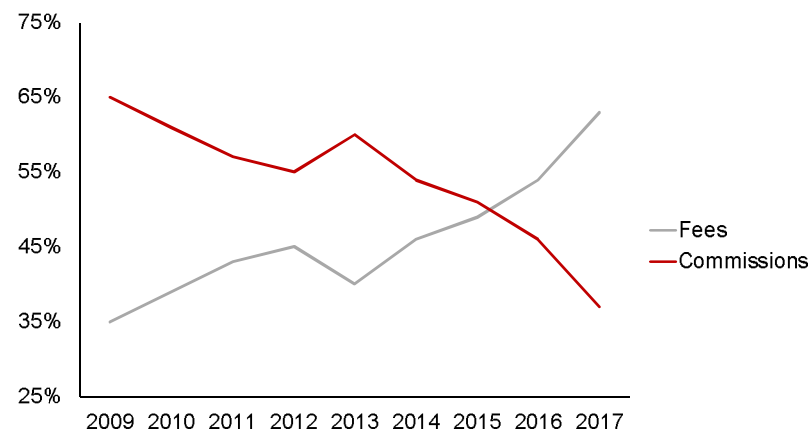
MARKETPROTECTOR ADVISORYSM

PERSPECTIVE ADVISORY IISM

ELITE ACCESS ADVISORYSM

- 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 Revenue¹



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



TAB 4

Appendix – Distribution and
Regulatory Slides



Legislative and Regulatory Developments

Legislative

- SECURE Act
- Federal and state data privacy laws

Regulatory

- SEC Regulation Best Interest Rule
- NAIC Annuity Suitability Model Regulation
- State Standards of Conduct
- DOL Fiduciary Rule modifications
- IRS Treatment of fee-based annuities



Industry Annuity Sales Trends – 2Q19

YTD 2Q19 Total Annuity sales increased 11% driven by continued strong sales in Fixed Indexed Annuities and Fixed Annuities. VA sales increased 13% quarter-over-quarter but remain down 4% vs YTD 2Q18.

U.S. Individual Annuity Sales (in billions)

■ Total ■ Variable Annuity ■ Fixed Annuity



Source: LIMRA / SRI

Observations

YTD 2Q19 total annuity sales were up 11% (\$124.8B)

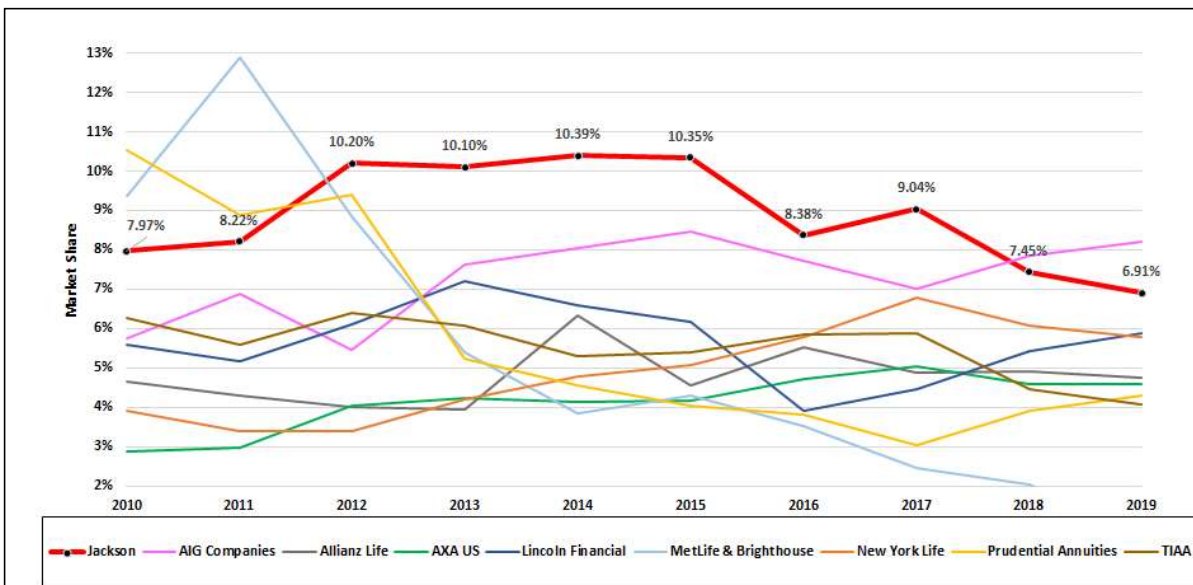
- FIA sales were up 18% compared to YTD 2Q18
- FA sales were up 29% compared to YTD 2Q18
- VA sales decreased 4% compared to YTD 2Q19
- YTD 2Q19 Registered Index Linked VA sales were \$7.7B (16% of the VA market), 62% growth over YTD 2Q18



Industry Market Share Trends

Jackson 1H 2019 YTD total annuity market share has declined while other carriers focus on fixed annuities

Top Companies for Total Annuity Sales Then and Now Market Share



Company	2019 (in \$ Millions)		
	Rank	Total Sales	Share
AIG Companies*	1	\$ 10,222	8.19%
Jackson National Life*	2	\$ 8,618	6.91%
Lincoln Financial Group*	3	\$ 7,323	5.87%
New York Life*	4	\$ 7,196	5.77%
Allianz Life of North America*	5	\$ 5,919	4.74%
AXA US*	6	\$ 5,736	4.60%
Prudential Annuities*	7	\$ 5,367	4.30%
Pacific Life	8	\$ 5,210	4.18%
Global Atlantic Financial Group	9	\$ 5,142	4.12%
Nationwide	10	\$ 5,107	4.09%
TIAA*	11	\$ 5,078	4.07%
Athene Annuity & Life Assurance Company	12	\$ 3,725	2.99%
BrightHouse Financial	13	\$ 3,030	2.43%
American Equity Investment Life	14	\$ 2,736	2.19%
Massachusetts Mutual Life	15	\$ 2,735	2.19%
INDUSTRY		\$ 124,760	100.00%

* Top-8 companies for Total Annuity sales in 2010

Source: LIMRA / SRI

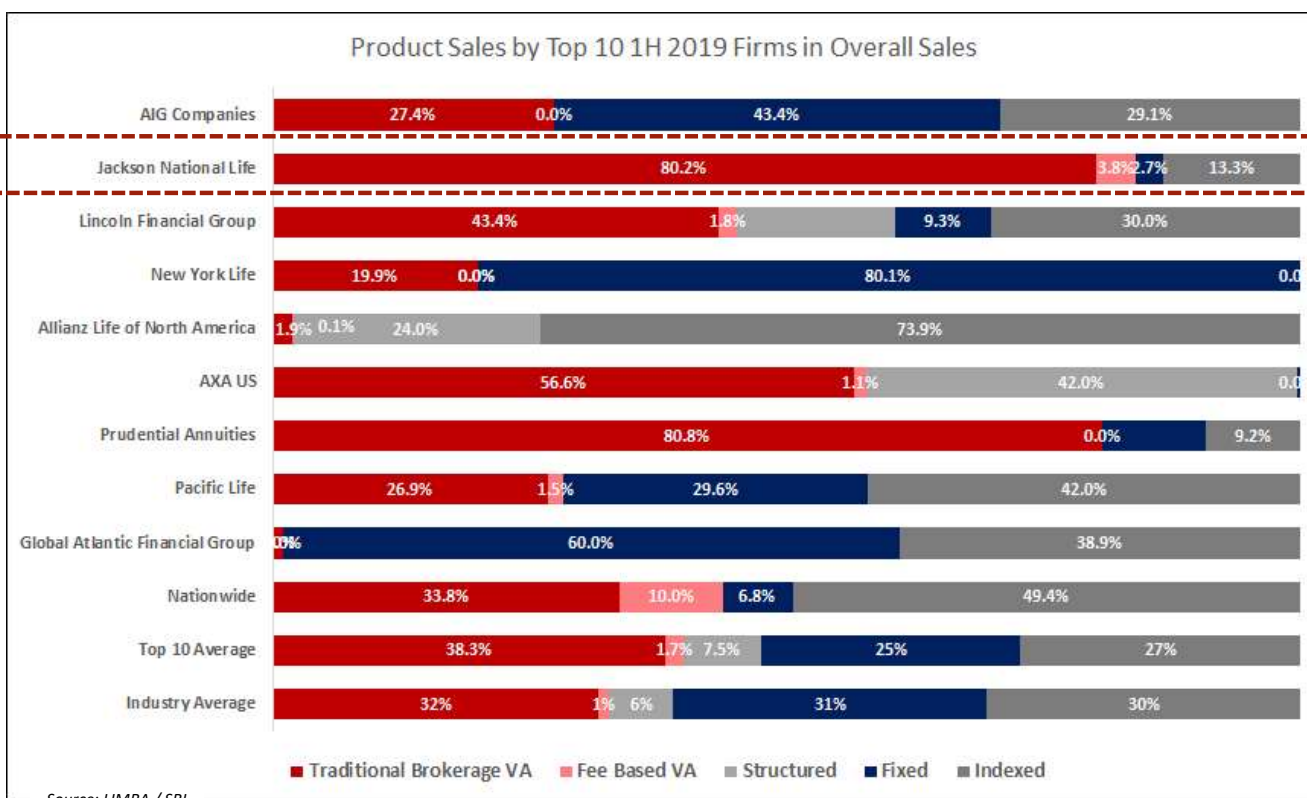


Industry Annuity Product Mix Trends

1H2019 Jackson continues to have a high sales allocation to Variable Annuities; however 1H sales in indexed annuities has improved product line diversification

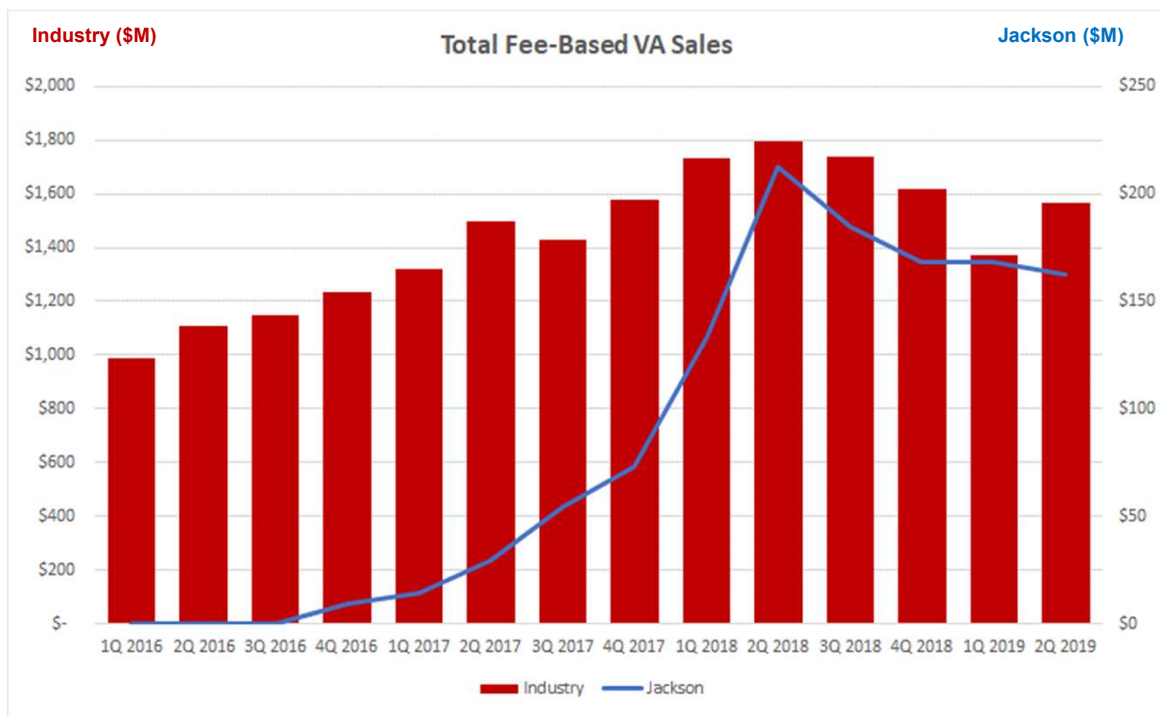
Observations

- AIG maintains the top rank by total annuity sales in 1H19. VA represented 27% of overall sales while Fixed and Fixed Indexed accounted for the remaining 73%.
- Jackson's business mix continues to be dominated by VA sales at 80% in 1H, but the VA sales allocation has decreased from 95% at year-end 2018. Fee-based VA and FIA sales continue to grow but will take time to meaningfully impact overall mix.
- Overall, VA sales made up 48% of top 10 firm sales (down from 54% at year-end 2018).





Industry Advisory VA Sales by Quarter



Source: Morningstar

Observations

- Total fee-based VA YTD-over-YTD sales decreased 17% while total VA sales decreased 4%
- Fee-based VA Sales by Year
 - 2016: \$4.5B
 - 2017: \$5.8B
 - 2018: \$6.9B
 - 1H 2019: \$2.9B
- % of Direct Response Sold Advisory Annuity Business by Year
 - 2016: 61%
 - 2017: 53%
 - 2018: 46%
 - 1H 2019: 45%



JNLD is Driving Channel Diversity



Morgan Stanley



- Announced collaboration September 2018
- Jackson's annuities will be available on Envestnet Insurance Exchange
- Connects to over 99k advisors with roughly \$3.3T assets under advisement
- Announced distribution partnership in October 2018
- 10,000 authorized agents
- Targeted roll-out 1Q2020
- Advisory annuity pilot launched mid-July 2019
- PA II & EAA II available at launch
- 15,000+ FA's and over \$1.1T in advisory assets
- Launched partnership in February 2019
- All Jackson advisory annuities offered on DPL's commission free insurance platform
- DPL currently has 200+ independent RIA Members with over \$100B in total AUM
- PA II launched on TD Ameritrade's annuity concierge platform
- Initial exposure will be to TD's Independent RIA network
- PA2, EAA2 and MPA launched on Aria's RetireONE commission-free insurance platform
- Serving over 900 RIAs and fee-based advisors, nearing \$1B of retirement savings and income investments



JNLD is Actively Engaging FinTech Partners

CONSUMERS

Know your RISE Score™

Consumer Version ***FA Version of RISE will be available soon.**
What it is: Retirement Income Security Evaluation (RISE) Score is an educational and awareness-building tool for consumers and advisors, designed by the Alliance for Lifetime Income
What it does: Enables consumers to see the benefit of adding an annuity to their portfolio, in a simple, easy-to-understand way
What you need to know: Does not recommend specific investments or products, intended to provoke conversation with advisor
ACTIVE

Retirement Expense Calculator

What it is: Retirement expense planning tool housed on DASH
What it does: Provides an accurate estimate of retirement expenses and a personalized inflation rate with minimal inputs
What you need to know: Accesses the Bureau of Labor and Statistics datasets to drive the calculation; next iteration will incorporate Social Security and highlight how an annuity purchase can help bridge any essential spending gap
ACTIVE



What it is: Tax-smart portfolio software
What it does: Helps advisors identify demonstrate value of asset location in dollars and cents
What you need to know: Jackson is partnering with LifeYield to create enhanced functionality to demonstrate how IOVAs can create additional tax deferral to further increase clients' after-tax returns
COMING SOON



What it is: Comprehensive financial planning/aggregation platform (#2 in marketshare)
What it does: Empowers advisors to meet a broad range of planning needs for their clients
What you need to know: Jackson is partnering with eMoney to create new training demonstrating the value of annuities; also available to wholesalers and Advisory Integration
ACTIVE



What it is: Comprehensive financial planning platform (#1 in marketshare)
What it does: Empowers advisors to meet a broad range of planning needs for their clients
What you need to know: Jackson has helped enhance the annuity functionality to highlight how annuities can create better outcomes; available to wholesalers and Advisory Integration
ACTIVE



What it is: End-to-end wealth management platform utilized by many of Jackson's top distribution partners
What it does: Allows advisors to manage clients through the full wealth management cycle; now includes annuities
What you need to know: Jackson is one of the first six carriers on the platform & has worked with Envestnet for the past 3 years to create this technology
ACTIVE

ADVISORS