



INVESTOR CONFERENCE 2017

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US

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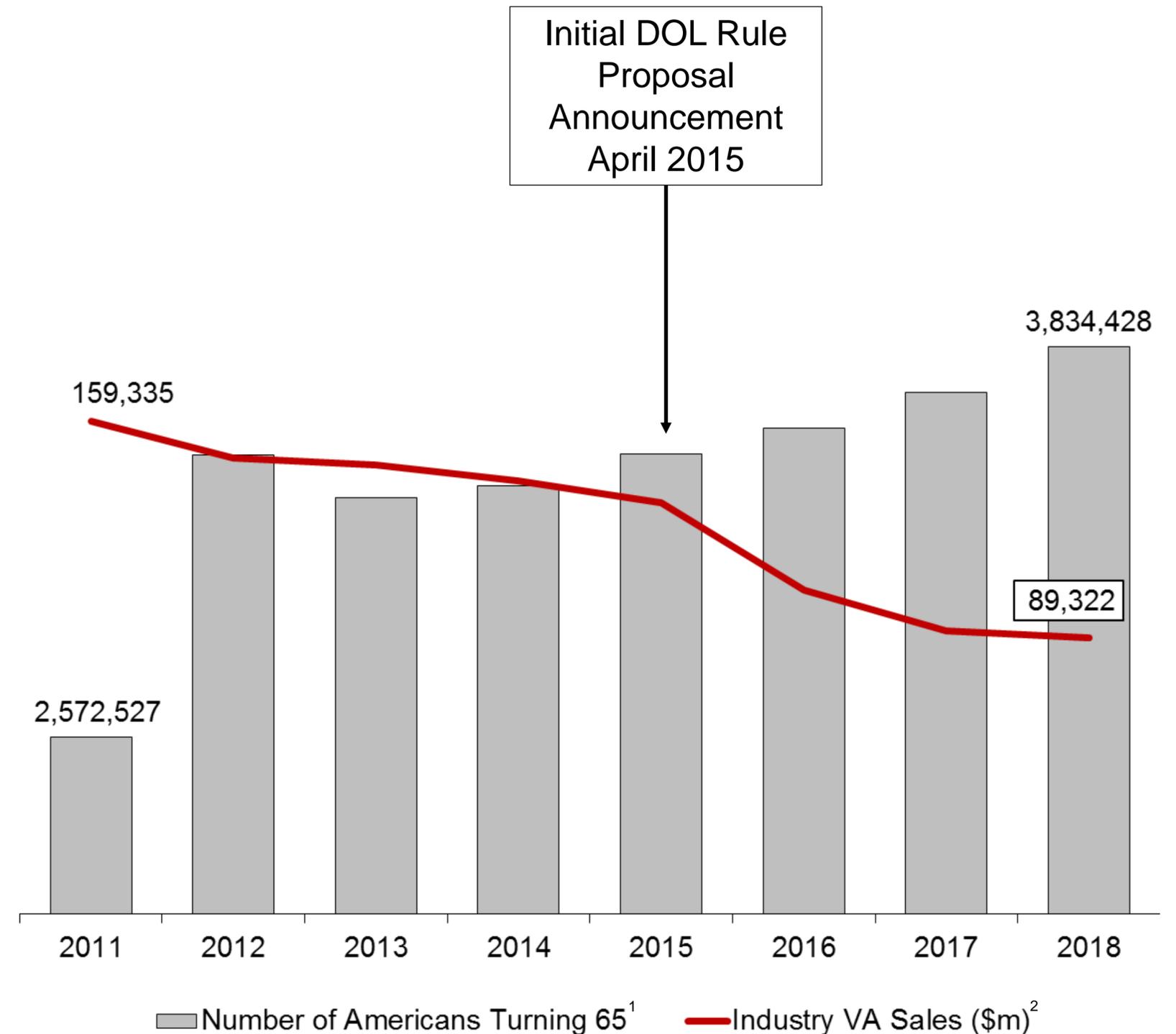
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American Retirement Challenges

Need for guaranteed income continues to grow



- ✓ Retirees need guaranteed lifetime income...but due to under saving, many also need to grow their assets as well
- ✓ Our industry is uniquely positioned to provide this value proposition
- ✓ Despite a growing number of Americans reaching retirement age, variable annuity sales have been declining. This is due in part to misperceptions about the product.
- ✓ This decline was exacerbated by the DOL rule proposal announced in 2015



¹Source: U.S. Census Bureau, Population Division. 2014 estimate of population.

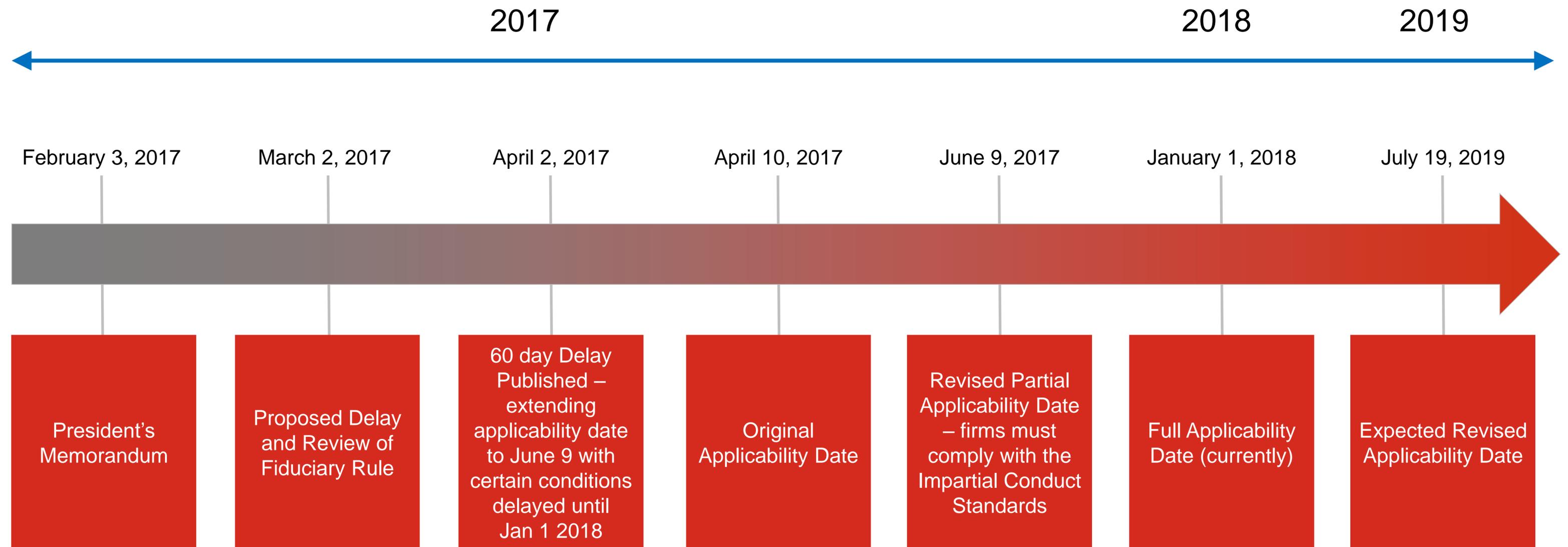
²Source: LIMRA/Secure Retirement Institute

DOL Update

Regulation has accelerated an industry evolution



End of 2017 and we are awaiting confirmation of a delay of the DOL Fiduciary Rule



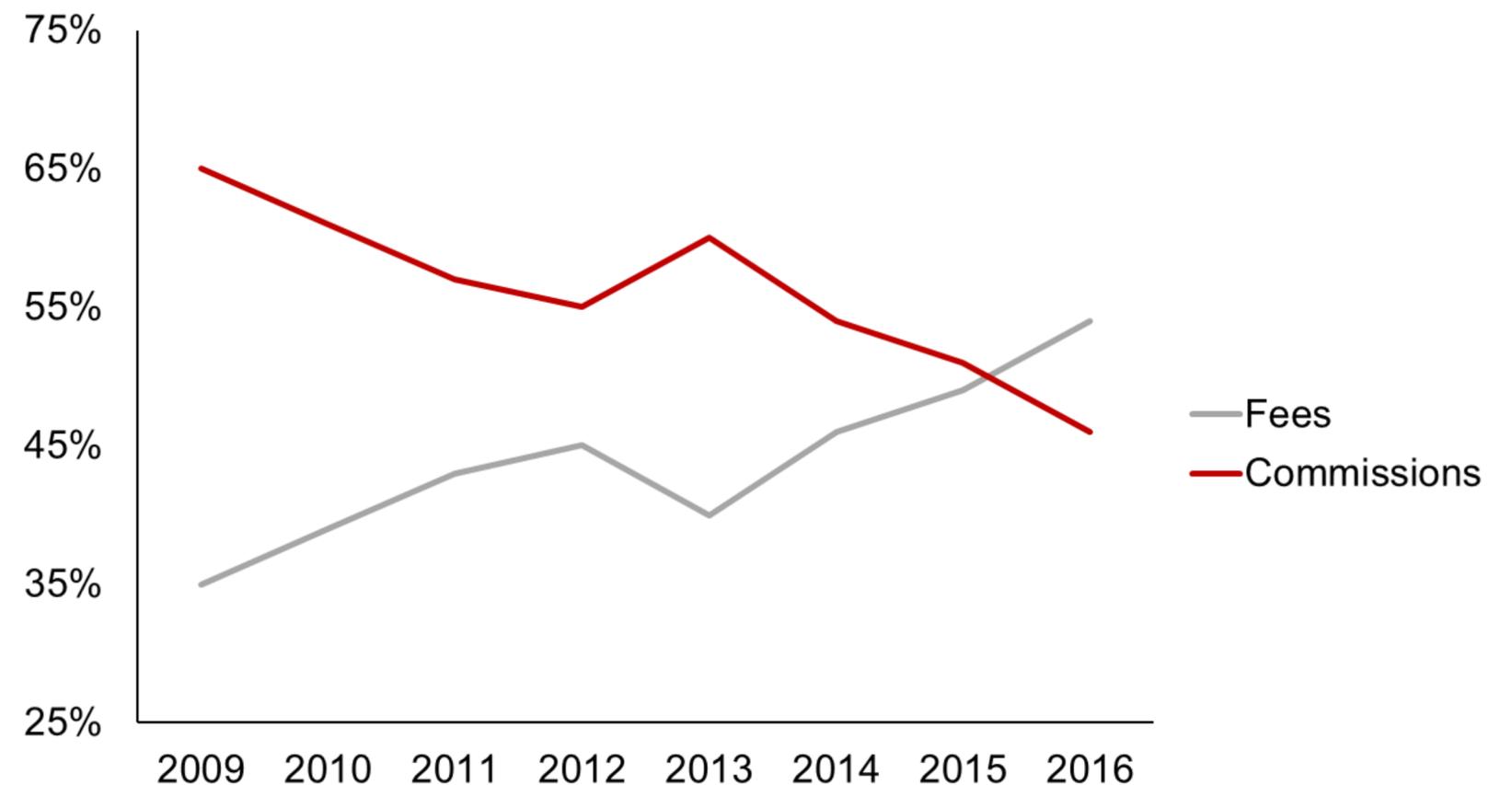
Evolution of Industry

Expansion of the distribution landscape



- ✓ Annuities have historically been almost exclusively sold in the brokerage channel
- ✓ Brokerage channel will continue to be a key distribution element for many years in the future
- ✓ However, the main growth potential comes from the advisory channel
- ✓ **Expanding into the advisory channel significantly increases the potential market for annuities**

Wealth Management Revenue¹



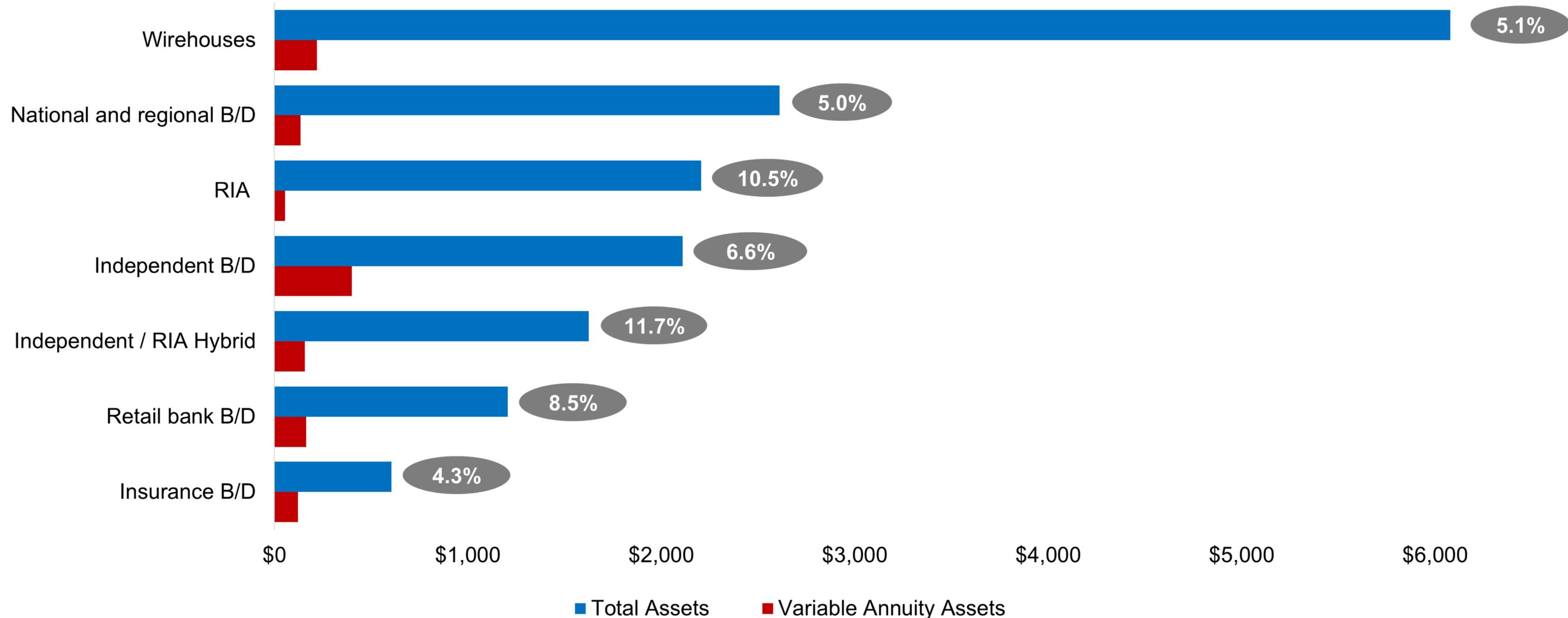
Scaling the Opportunity for our Industry, and for Jackson



More than \$16 trillion in assets across existing channels

Advisor Distributed Assets

(in \$billions)

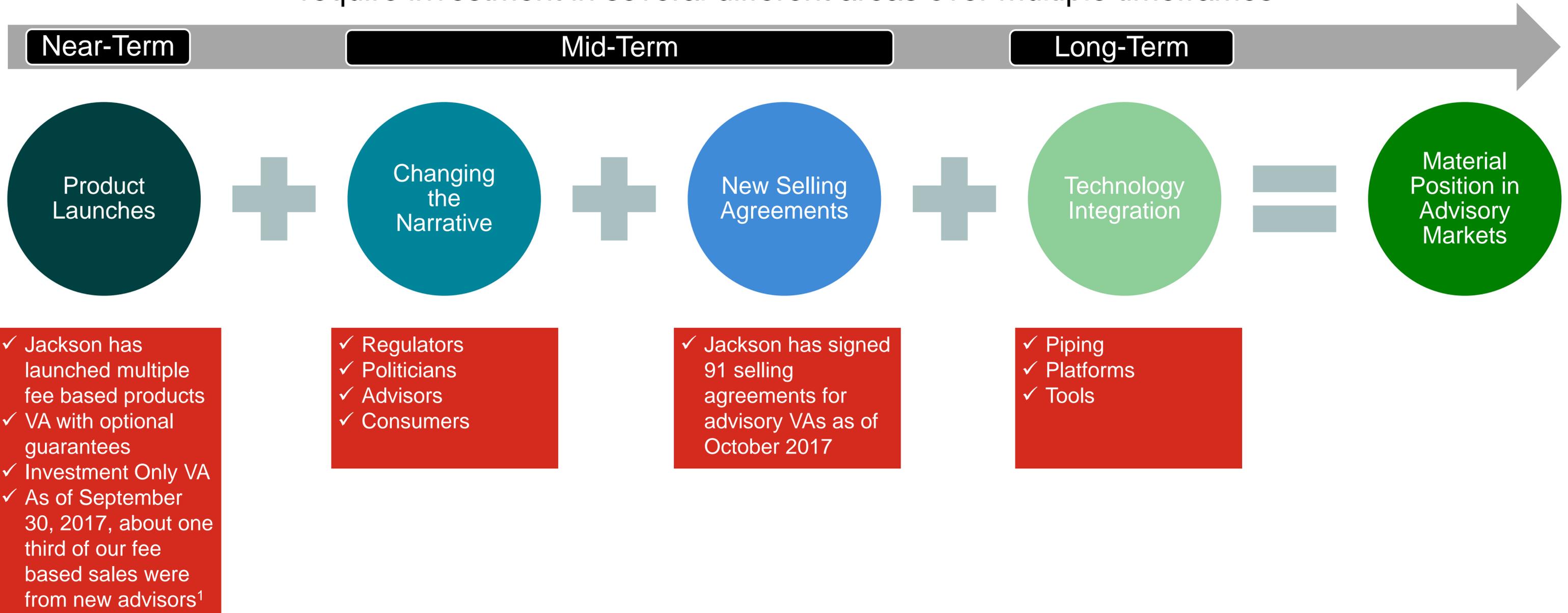


Evolution of Industry

Capabilities to succeed in the advisory market



Long-term success in the advisory world will require more than just developing desirable products, it will require investment in several different areas over multiple timeframes



The Jackson Difference

What makes us unique?



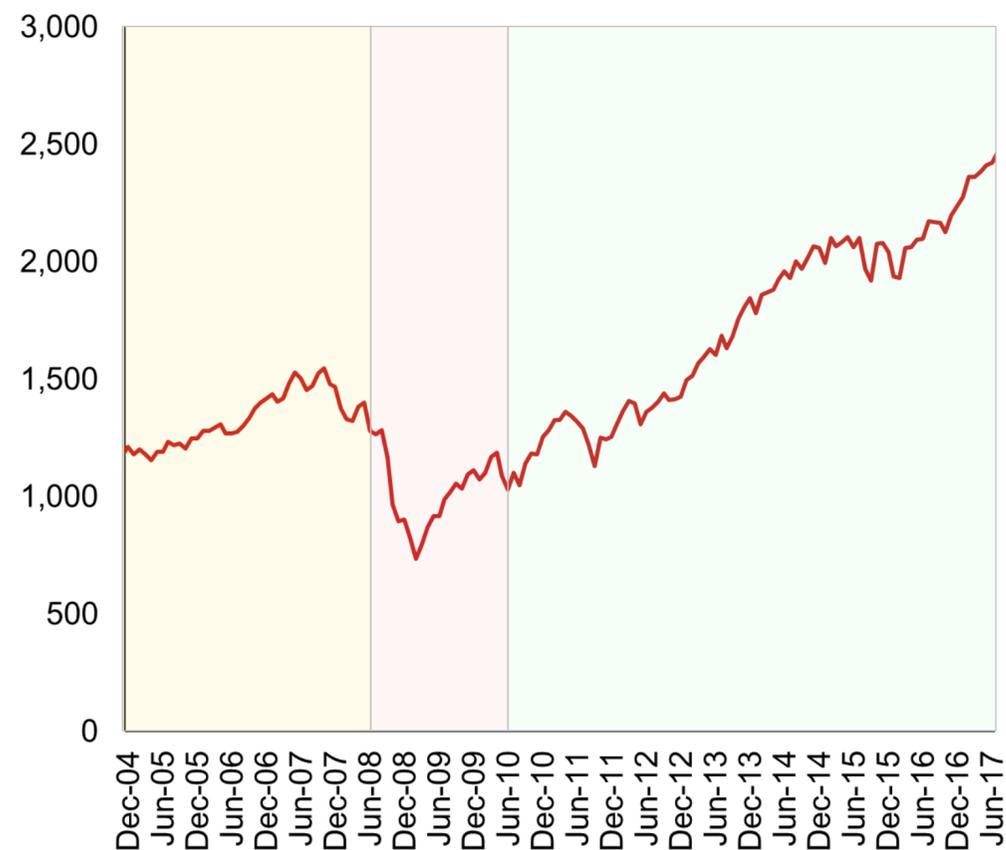
- ✓ Approach to the Market
- ✓ Jackson Value Proposition
- ✓ Health of the In Force Business

The Jackson Difference

Variable Annuity Industry History



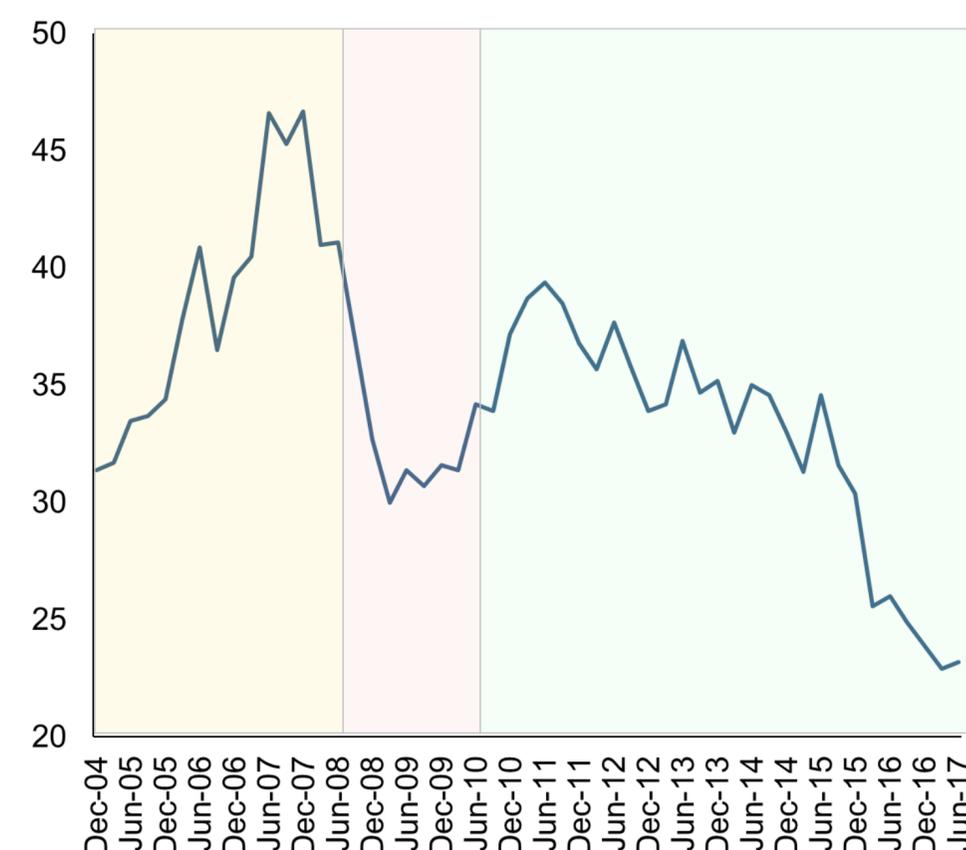
S&P 500



10-year Treasury Rate



Quarterly Variable Annuity Sales (\$bn)



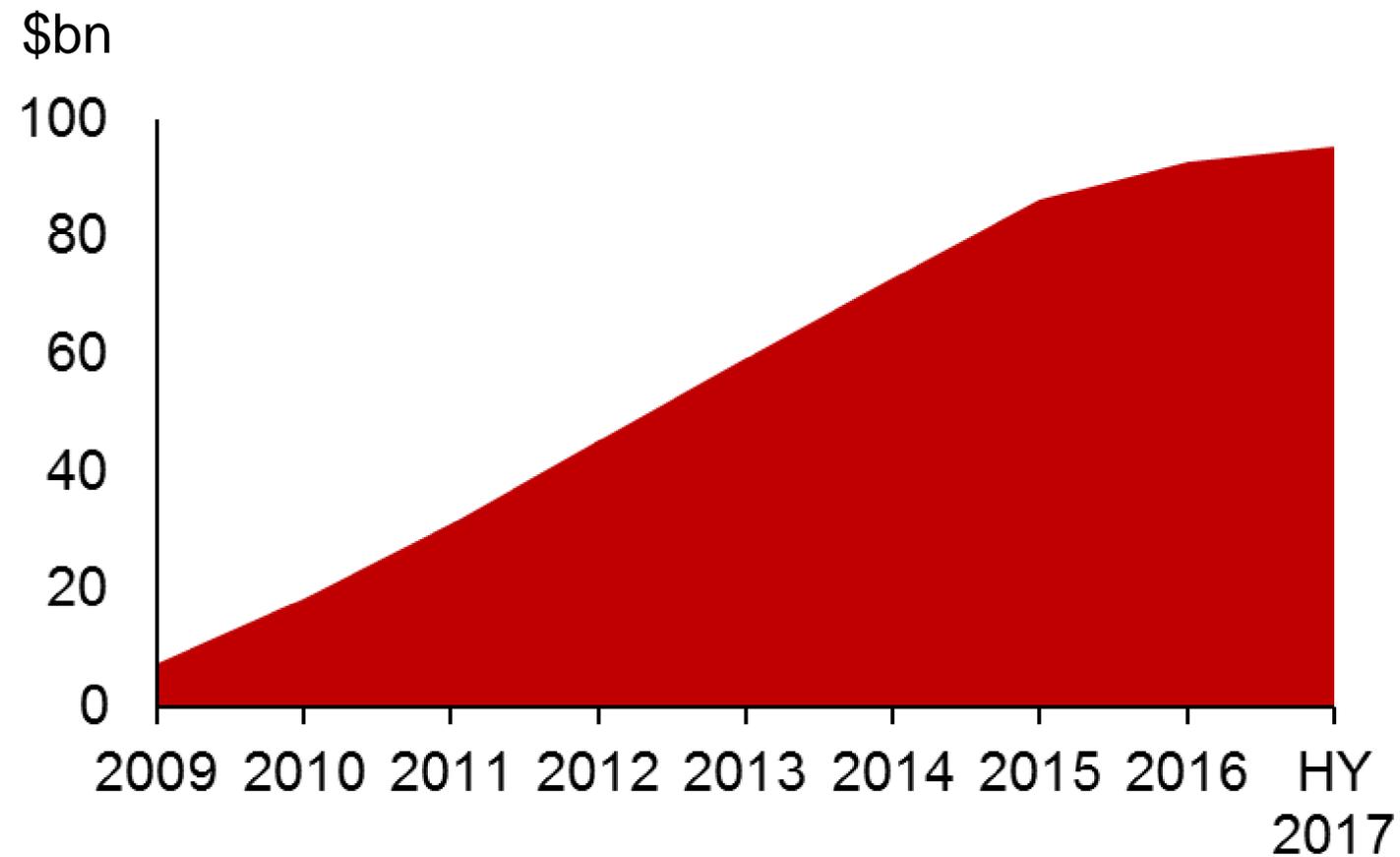
The Jackson Difference

Cumulative Net Variable Annuity Flows

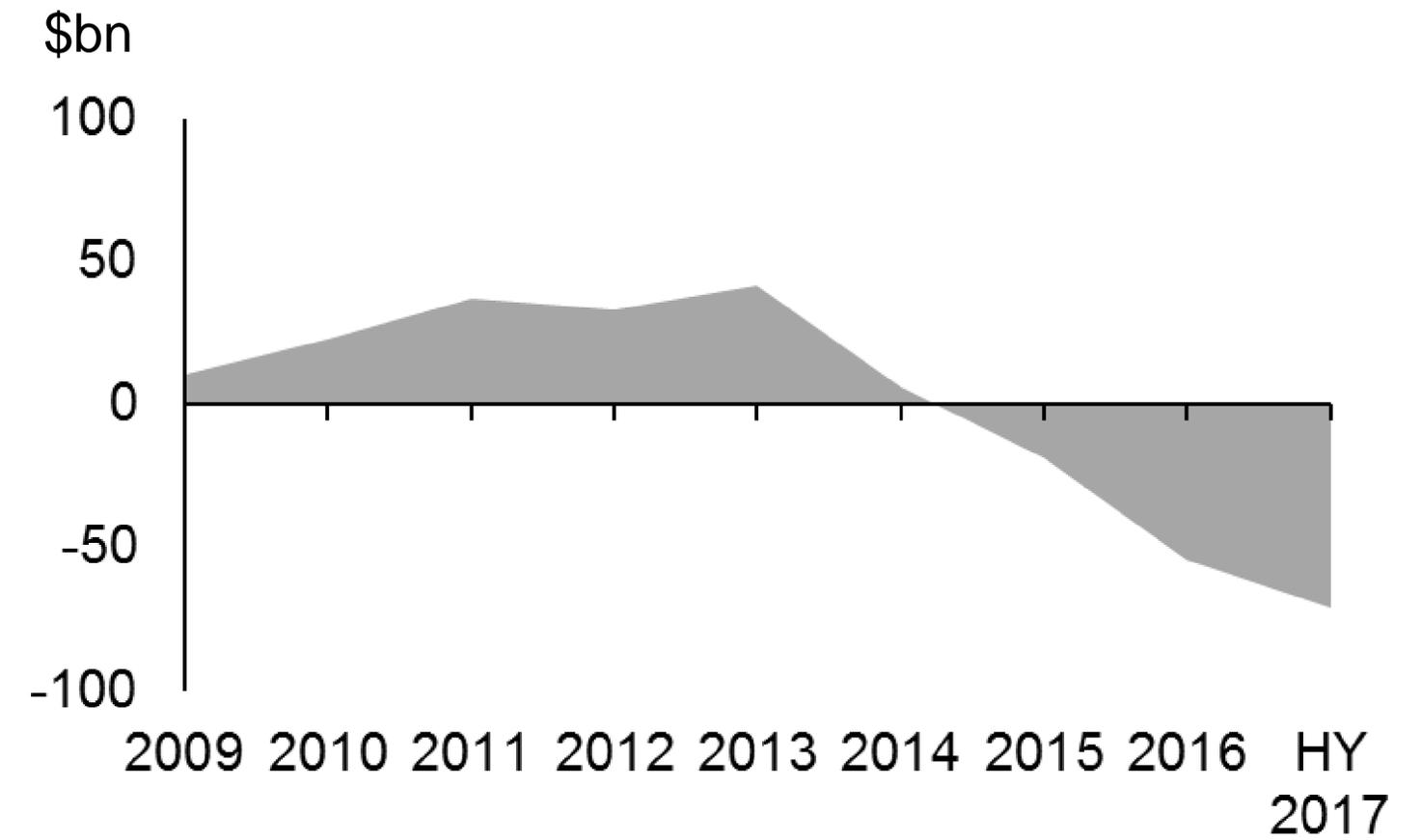


Jackson's variable annuity book has a much more favorable flow pattern than the industry

Jackson Cumulative Net Flows



Industry Cumulative Net Flows (Ex-Jackson)



The Jackson Difference

Investment freedom key to VA value proposition



Annuity Value Proposition (Pre-Crisis)



Annuity Value Proposition (Current)

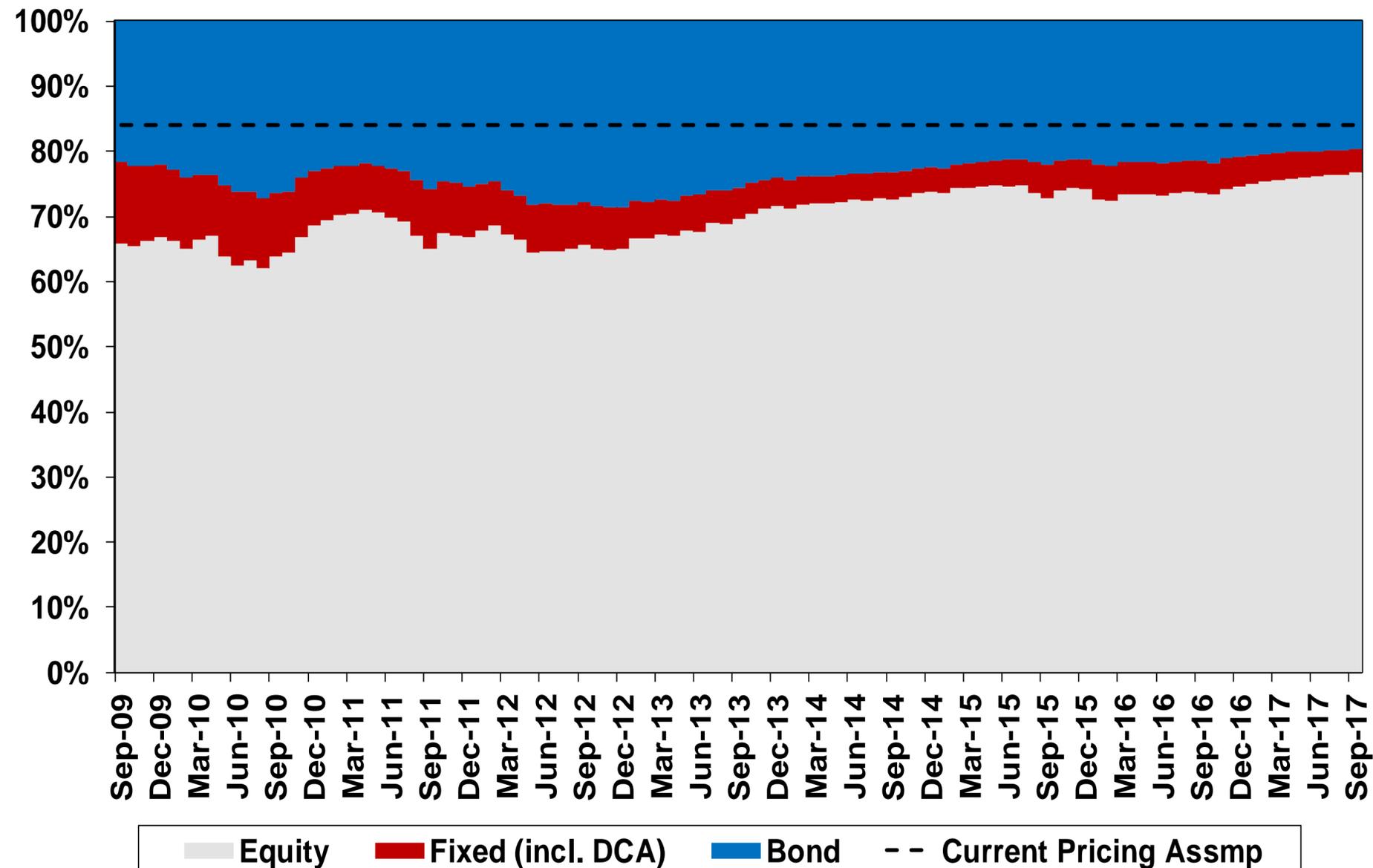


The Jackson Difference

Equity allocation below pricing assumption



In-Force Allocation of Accumulation Values



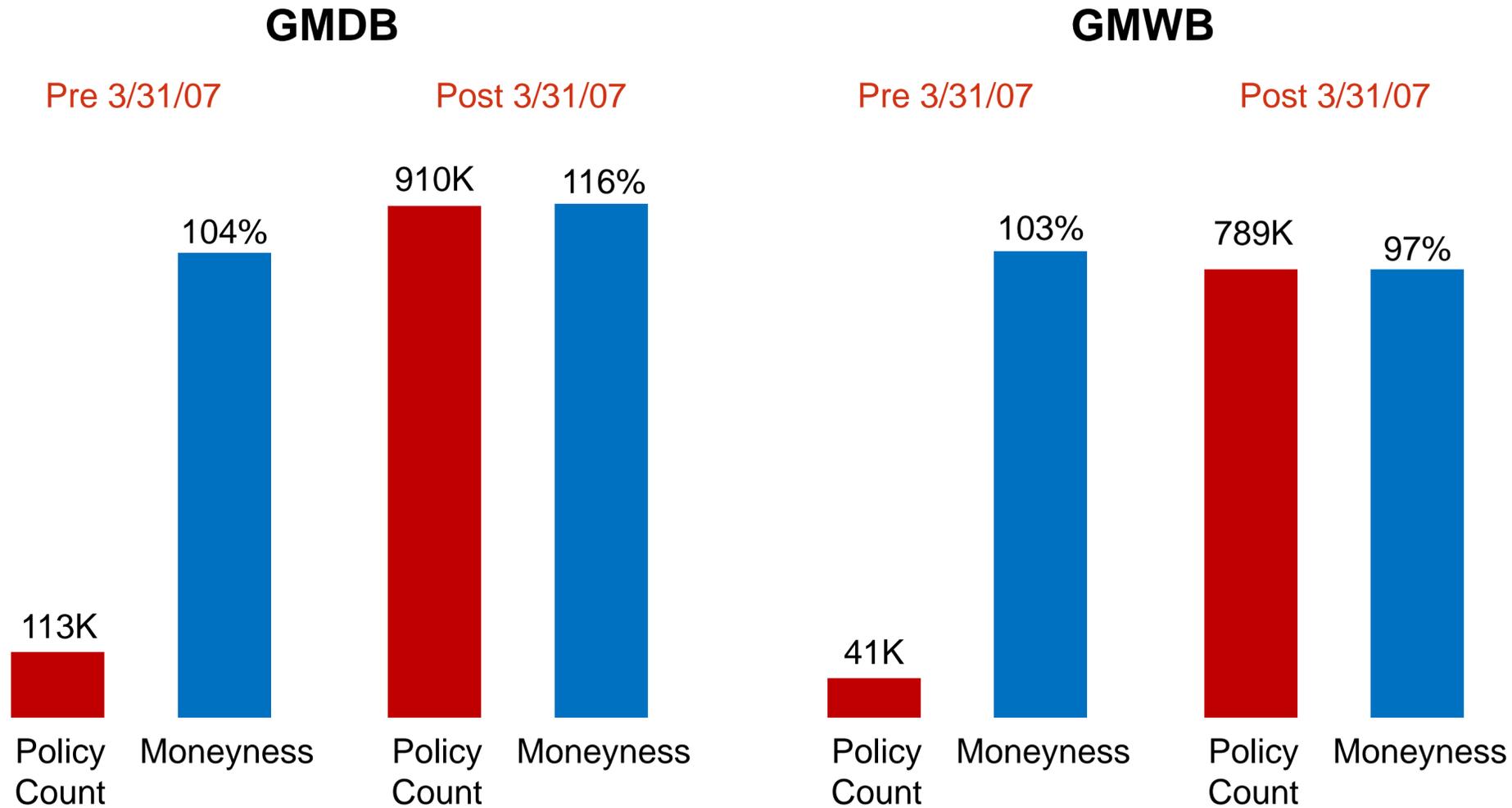
- ✓ No material differences between policies with and without guarantees
- ✓ Policyholders' risk tolerance objectives are aligned with Jackson's
- ✓ Jackson's policyholder allocations represent less equity exposure than that assumed in pricing
- ✓ Equity allocation changes tend to be mostly driven by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

The Jackson Difference

Jackson's In-Force Performance is Very Strong



In-Force VA Cohort Analysis



Overall, 1.02M in-force DB policies at 9/30/2017 with AV / GMDB of 115% (deep OTM)

Overall, 831K in-force WB policies at 9/30/2017 with AV / GWB of 97% (ITM)

- ✓ Pre-March 2007 block still solidly profitable due to hedge program
- ✓ No extraordinary 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

The Jackson Difference

Assumption Review Update

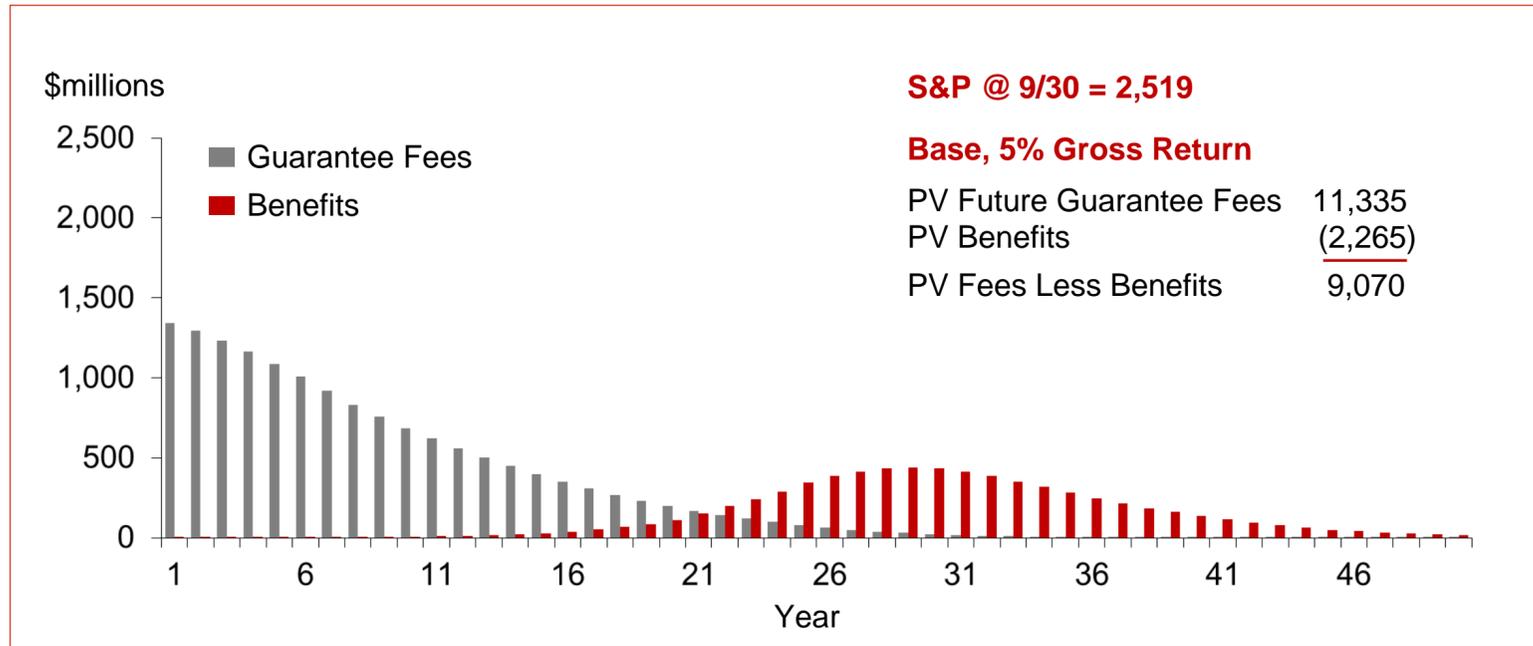


- Magnitude of changes in underlying assumptions are modest
- Assumption trends for VA
 - Lower lapses, due to lack of attractive alternatives
 - Slight increase in VA longevity
 - Slight overall increase in GMWB efficiency
- Impacts
 - Utilization was a modest negative impact to all reporting metrics
 - Mortality impacts differed across business lines
 - Generally increased persistency driven by VA

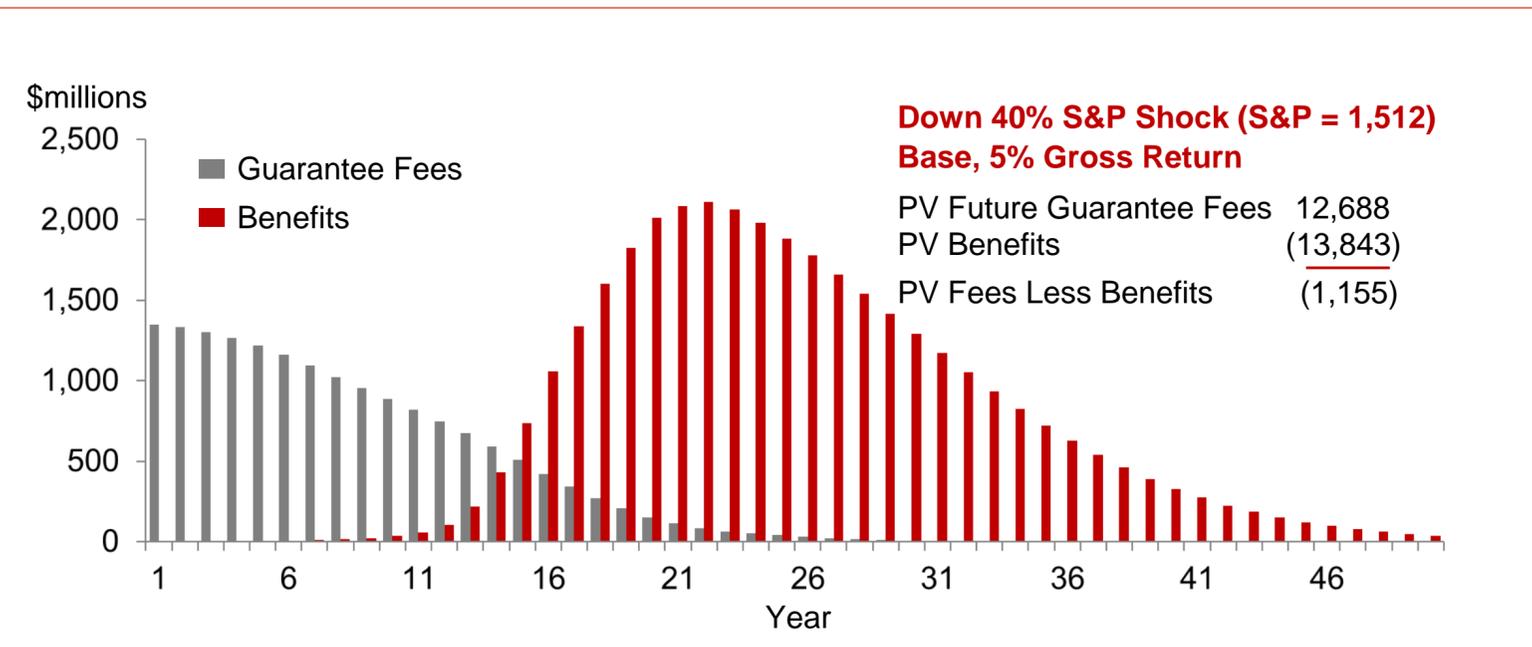
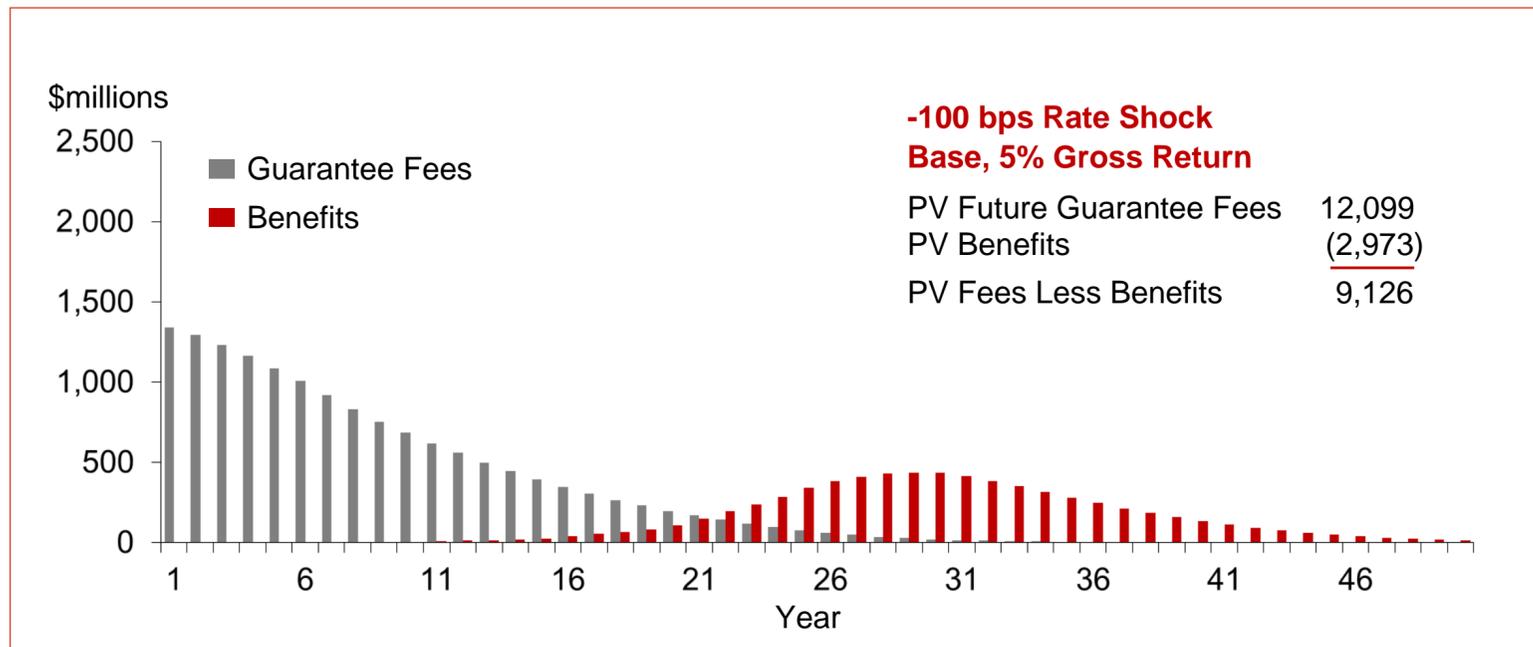
Persistency Impact by Reporting Metric		
IFRS	EEV	Statutory
Modestly Negative	Positive	Slightly negative

The Jackson Difference

Standalone economic profile of guarantees remains very strong



- 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



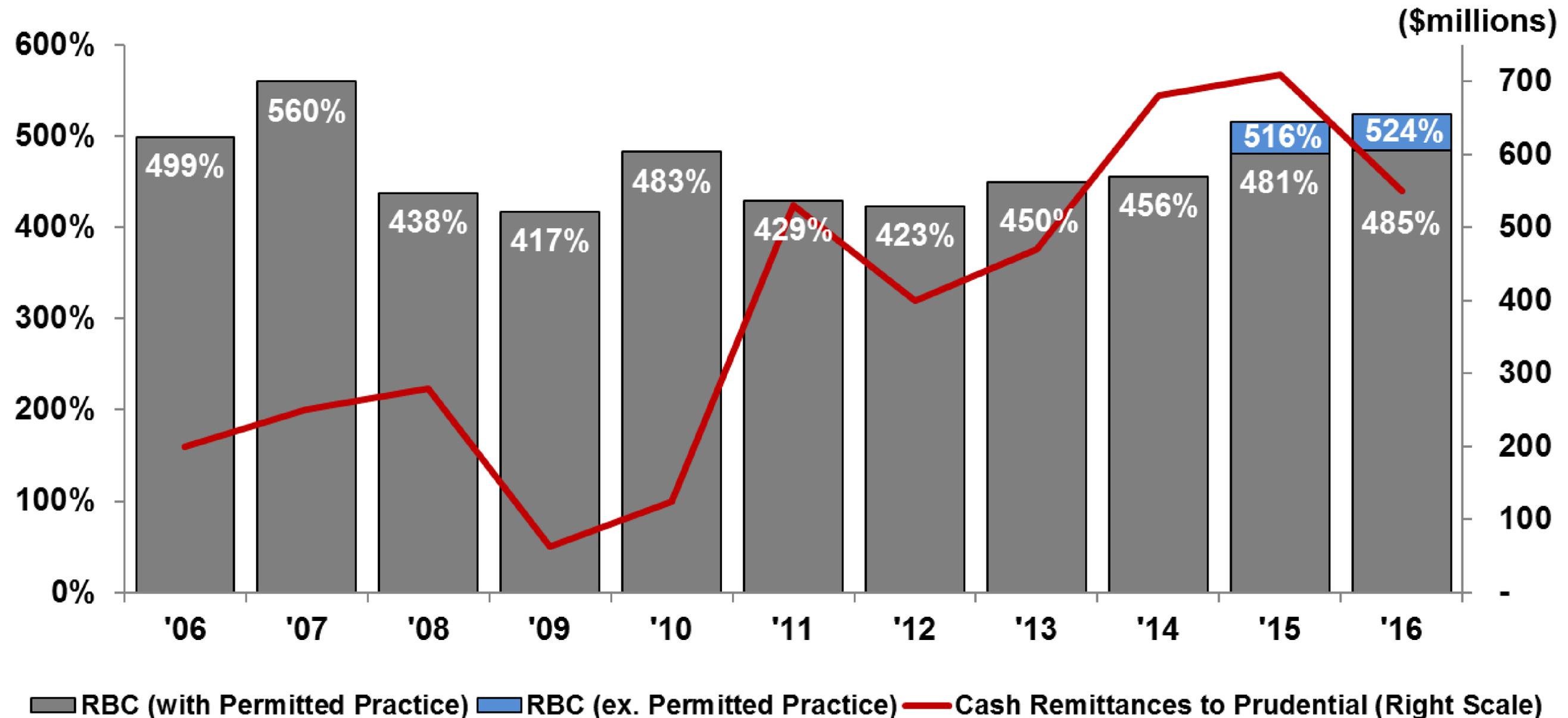
As of September 30, 2017

The Jackson Difference

RBC & Cash Remittance History

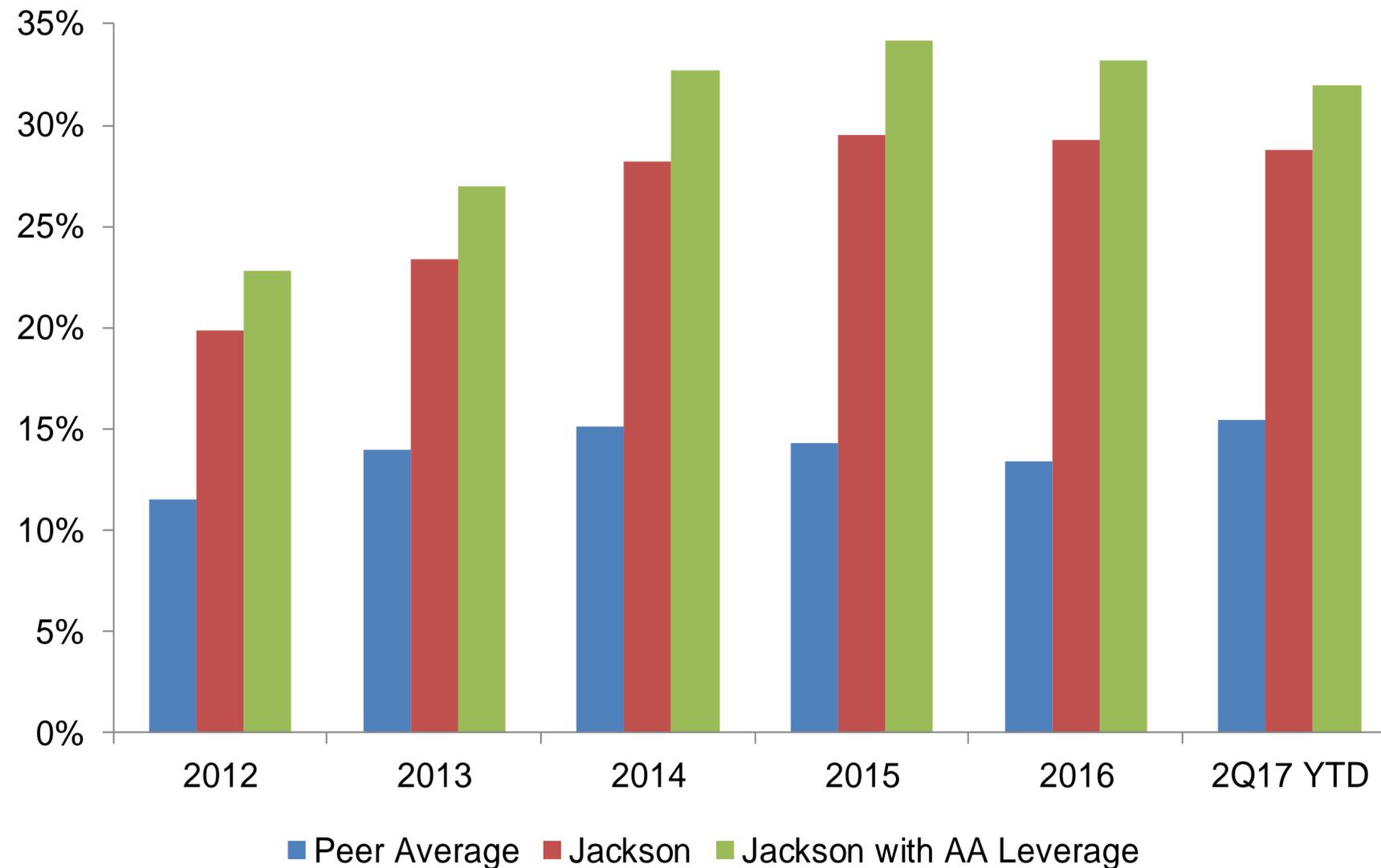


RBC & Cash Remittances (~\$4.3 billion total over period)



The Jackson Difference

Superior Operating ROE



- ✓ Jackson continues to return well above the cost of capital as well as significantly above industry ROEs
- ✓ Well hedged VA book coming into 2008 crisis means that profitability of back book is intact
- ✓ Post crisis pricing environment has been favorable for VA writers and this is the period in which over 3/4 of Jackson's in-force VA was sold
- ✓ Applying AA level leverage to Jackson's balance sheet (defined as 20% debt / capital) makes the comparison to industry metrics more meaningful and boosts already attractive ROEs



- ✓ Americans need guaranteed income more than ever
- ✓ DOL has accelerated an industry evolution
- ✓ This evolution extends across both distribution and products
- ✓ Investment freedom is key to the variable annuity value proposition
- ✓ Product design matters
- ✓ Jackson's discipline continues to deliver excellent outcomes for policyholders and shareholders