



Quarterly Financial Supplement

First Quarter 2024

All financial information in this document is unaudited. This supplement should be read in conjunction with the following:

(a) Jackson Financial Inc.'s Annual Report on Form 10-K for the year ended December 31, 2023, which was filed on February 28, 2024 with the U.S. Securities and Exchange Commission (the "SEC"), and

(b) Jackson Financial Inc.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, which will be filed with the SEC.

Jackson Financial Inc.

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Note: Unless noted, financial information is rounded to millions. As such, some financial information may not sum to totals.

Forward-Looking Statements

The information in this document contains forward-looking statements about future events and circumstances and their effects upon revenues, expenses and business opportunities. Generally speaking, any statement in this document not based upon historical fact is a forward-looking statement. Forward-looking statements can also be identified by the use of forward-looking or conditional words, such as “could,” “should,” “can,” “continue,” “estimate,” “forecast,” “intend,” “look,” “may,” “will,” “expect,” “believe,” “anticipate,” “plan,” “remain,” “confident” and “commit” or similar expressions. In particular, statements regarding plans, strategies, prospects, targets and expectations regarding the business and industry are forward-looking statements. They reflect expectations, are not guarantees of performance and speak only as of the dates the statements are made. We caution investors that these forward-looking statements are subject to known and unknown risks and uncertainties that may cause actual results to differ materially from those projected, expressed, or implied. Factors that could cause actual results to differ materially from those in the forward-looking statements include those reflected in Part I, Item 1A. Risk Factors and Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended December 31, 2023, which was filed with the SEC on February 28, 2024, and elsewhere in the Company's reports filed with the SEC. Except as required by law, Jackson Financial Inc. does not undertake to update such forward-looking statements. You should not rely unduly on forward-looking statements.

Certain financial data included in this document consists of non-GAAP ("Generally Accepted Accounting Principles") financial measures. These non-GAAP financial measures may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with U.S. GAAP. Although the Company believes these non-GAAP financial measures provide useful information to investors in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-GAAP financial measures and ratios included in this document. A reconciliation of the non-GAAP financial measures to the most directly comparable U.S. GAAP financial measure can be found in the “Select U.S. GAAP to Non-GAAP Reconciliations” section of this document.

Certain financial data included in this document consists of statutory accounting principles (“statutory”) financial measures, including “total adjusted capital” and “statutory admitted assets.” These statutory financial measures are included in or derived from the Jackson National Life Insurance Company annual and/or quarterly statements filed with the Michigan Department of Insurance and Financial Services and available in the investor relations section of the Company's website at <https://investors.jackson.com/financials/statutory-filings>.

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(unaudited, in millions)

Consolidated Income Statements

	For the Three Months Ended				
	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24
Revenues					
Fee income	\$ 1,888	\$ 1,913	\$ 1,950	\$ 1,929	\$ 1,998
Premiums	25	52	32	38	38
Net investment income:					
Net investment income excluding funds withheld assets	400	390	458	432	464
Net investment income on funds withheld assets	307	252	303	312	270
Total net investment income	707	642	761	744	734
Net gains (losses) on derivatives and investments:					
Net gains (losses) on derivatives and investments	(2,726)	(2,112)	(335)	(691)	(2,892)
Net gains (losses) on funds withheld reinsurance treaties	(673)	(134)	159	(1,153)	(201)
Total net gains (losses) on derivatives and investments	(3,399)	(2,246)	(176)	(1,844)	(3,093)
Other income	15	19	18	15	1
Total revenues	(764)	380	2,585	882	(322)
Benefits and Expenses					
Death, other policy benefits and change in policy reserves, net of deferrals	228	241	232	264	221
(Gain) loss from updating future policy benefits cash flow assumptions, net	14	10	(1)	79	11
Market risk benefits (gains) losses, net	(174)	(2,570)	(2,376)	1,223	(2,718)
Interest credited on other contract holder funds, net of deferrals and amortization	285	295	284	281	273
Interest expense	28	28	28	25	25
Operating costs and other expenses, net of deferrals	616	620	626	687	685
Amortization of deferred acquisition costs	293	291	290	278	278
Total benefits and expenses	1,290	(1,085)	(917)	2,837	(1,225)
Pretax income (loss)	(2,054)	1,465	3,502	(1,955)	903
Income tax expense (benefit)	(558)	245	712	(395)	101
Net income (loss)	(1,496)	1,220	2,790	(1,560)	802
Less: net income (loss) attributable to noncontrolling interests	1	3	17	(1)	7
Net income (loss) attributable to Jackson Financial Inc.	\$ (1,497)	\$ 1,217	\$ 2,773	\$ (1,559)	\$ 795
Less: Dividends on preferred stock	—	13	11	11	11
Net income (loss) attributable to Jackson Financial Inc. common shareholders	\$ (1,497)	\$ 1,204	\$ 2,762	\$ (1,570)	\$ 784

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Consolidated Balance Sheets

	Balances as of				
	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24
Assets					
Investments:					
Debt securities, available-for-sale, net of allowance for credit losses	\$ 43,774	\$ 42,063	\$ 39,078	\$ 40,422	\$ 40,090
Debt securities, at fair value under fair value option	2,255	2,210	2,244	2,153	2,256
Debt securities, trading, at fair value	101	101	66	68	70
Equity securities, at fair value	225	267	277	394	222
Mortgage loans, net of allowance for credit losses	10,911	10,303	10,136	10,082	9,899
Mortgage loans, at fair value under fair value option	480	509	476	481	455
Policy loans	4,377	4,381	4,368	4,399	4,386
Freestanding derivative instruments	1,051	946	925	390	213
Other invested assets	3,711	3,503	3,553	2,466	2,580
Total investments	66,885	64,283	61,123	60,855	60,171
Cash and cash equivalents	1,779	2,100	2,760	2,688	2,542
Accrued investment income	497	528	505	512	488
Deferred acquisition costs	12,760	12,599	12,447	12,302	12,173
Reinsurance recoverable, net of allowance for credit losses	28,078	27,069	26,212	25,422	24,558
Reinsurance recoverable on market risk benefits, at fair value	238	194	167	149	126
Market risk benefit assets, at fair value	5,204	5,957	6,815	6,737	8,025
Deferred income taxes, net	755	681	632	640	749
Other assets	902	850	970	1,294	675
Separate account assets	204,366	212,719	202,903	219,656	230,773
Total assets	\$ 321,464	\$ 326,980	\$ 314,534	\$ 330,255	\$ 340,280
Liabilities and Equity					
Liabilities					
Reserves for future policy benefits and claims payable	\$ 12,369	\$ 12,003	\$ 11,418	\$ 11,898	\$ 11,585
Other contract holder funds	57,094	56,477	55,766	55,319	54,897
Market risk benefit liabilities, at fair value	5,560	4,463	3,917	4,785	3,843
Funds withheld payable under reinsurance treaties	22,254	21,170	19,973	19,952	19,244
Long-term debt	2,632	2,633	2,635	2,037	2,033
Repurchase agreements and securities lending payable	1,124	1,678	28	19	1,820
Collateral payable for derivative instruments	545	498	450	780	92
Freestanding derivative instruments	1,510	1,816	2,548	1,210	1,288
Notes issued by consolidated variable interest entities, at fair value under fair value option	2,016	1,996	2,011	1,988	2,068
Other liabilities	2,527	2,104	2,632	2,277	2,281
Separate account liabilities	204,366	212,719	202,903	219,656	230,773
Total liabilities	311,997	317,557	304,281	319,921	329,924
Equity					
Preferred stock	533	533	533	533	533
Common stock	1	1	1	1	1
Additional paid-in capital	6,070	5,997	6,007	6,005	6,005
Treasury stock, at cost	(510)	(466)	(537)	(599)	(713)
Accumulated other comprehensive income (loss), net of tax expense (benefit)	(2,308)	(3,365)	(5,187)	(2,808)	(3,423)
Retained earnings (deficit)	4,852	5,952	8,661	7,038	7,766
Total shareholders' equity	8,638	8,652	9,478	10,170	10,169
Noncontrolling interest	829	771	775	164	187
Total equity	9,467	9,423	10,253	10,334	10,356
Total liabilities and equity	\$ 321,464	\$ 326,980	\$ 314,534	\$ 330,255	\$ 340,280

Jackson Financial Inc.
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(unaudited, in millions, except per share and shares data)

Consolidated Capital Structure

	Balances as of				
	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24
Debt					
Senior notes	\$ 2,324	\$ 2,325	\$ 2,327	\$ 1,730	\$ 1,730
Surplus notes	250	250	250	250	250
FHLBI bank loans	58	58	58	57	53
Total debt	<u>\$ 2,632</u>	<u>\$ 2,633</u>	<u>\$ 2,635</u>	<u>\$ 2,037</u>	<u>\$ 2,033</u>
Equity					
Preferred stock	\$ 533	\$ 533	\$ 533	\$ 533	\$ 533
Common stock	1	1	1	1	1
Additional paid-in capital	6,070	5,997	6,007	6,005	6,005
Treasury stock, at cost	(510)	(466)	(537)	(599)	(713)
Accumulated other comprehensive income (loss), net of tax expense (benefit)	(2,308)	(3,365)	(5,187)	(2,808)	(3,423)
Retained earnings	4,852	5,952	8,661	7,038	7,766
Total shareholders' equity	<u>8,638</u>	<u>8,652</u>	<u>9,478</u>	<u>10,170</u>	<u>10,169</u>
Total common shareholders' equity	<u>8,105</u>	<u>8,119</u>	<u>8,945</u>	<u>9,637</u>	<u>9,636</u>
Non-controlling interest	829	771	775	164	187
Total equity	<u>\$ 9,467</u>	<u>\$ 9,423</u>	<u>\$ 10,253</u>	<u>\$ 10,334</u>	<u>\$ 10,356</u>
Adjusted Book Value Attributable to Common Shareholders¹	<u>\$ 8,581</u>	<u>\$ 9,554</u>	<u>\$ 11,871</u>	<u>\$ 10,833</u>	<u>\$ 11,398</u>
Capital Returned to Common Stock Shareholders					
Dividends per common share	\$ 0.62	\$ 0.62	\$ 0.62	\$ 0.62	\$ 0.70
Total dividends on common stock	\$ 54	\$ 53	\$ 52	\$ 50	\$ 56
Total amount of common shares repurchased	\$ 70	\$ 47	\$ 71	\$ 67	\$ 116
Number of common shares repurchased	1,721,737	1,394,797	1,873,727	1,512,263	2,157,372

¹ See explanation of Non-GAAP Financial Measures at the end of this Financial Supplement.

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Pretax Adjusted Operating Earnings¹

	For the Three Months Ended				
	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24
Operating Revenue					
Fee income	\$ 1,105	\$ 1,131	\$ 1,161	\$ 1,148	\$ 1,207
Premiums	27	55	36	39	40
Net investment income	386	362	394	404	432
Other income	15	19	18	15	1
Total operating revenue	1,533	1,567	1,609	1,606	1,680
Operating Benefits and Expenses					
Death, other policy benefits and change in policy reserves, net of deferrals	148	166	174	196	160
(Gain) loss from updating future policy benefits cash flow assumptions, net	14	11	—	77	9
Interest credited on other contract holder funds, net of deferrals and amortization	285	295	284	281	273
Interest expense	28	28	28	25	25
Operating costs and other expenses, net of deferrals	616	620	626	687	685
Amortization of deferred acquisition costs	140	142	142	137	139
Total operating benefits and expenses	1,231	1,262	1,254	1,403	1,291
Pretax adjusted operating earnings¹	\$ 302	\$ 305	\$ 355	\$ 203	\$ 389

	For the Three Months Ended				
	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24
Operating costs and other expenses					
Asset-based commission expenses	\$ 250	\$ 255	\$ 259	\$ 258	\$ 279
Other commission expenses	174	177	190	179	203
Sub-advisor expenses	77	77	80	77	80
General and administrative expenses	236	238	232	301	271
Deferral of acquisition costs	(121)	(127)	(135)	(128)	(148)
Total operating costs and other expenses	\$ 616	\$ 620	\$ 626	\$ 687	\$ 685

	For the Three Months Ended				
	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24
Pretax Adjusted Operating Earnings by Segment¹					
Retail annuities	\$ 356	\$ 328	\$ 354	\$ 326	\$ 419
Institutional products	9	17	21	22	31
Closed life and annuity blocks	(20)	7	6	(88)	19
Corporate and other	(43)	(47)	(26)	(57)	(80)
Total pretax adjusted operating earnings	\$ 302	\$ 305	\$ 355	\$ 203	\$ 389

¹See explanation of Non-GAAP Financial Measures at the end of this Financial Supplement.

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Retail Annuities

Pretax Adjusted Operating Earnings, Sales, and Key Metrics

	For the Three Months Ended				
	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24
Operating Revenue					
Fee income	\$ 975	\$ 1,002	\$ 1,038	\$ 1,021	\$ 1,083
Premiums	4	6	6	5	10
Net investment income	115	92	110	119	152
Other income	9	10	9	9	8
Total operating revenue	1,103	1,110	1,163	1,154	1,253
Operating Benefits and Expenses					
Death, other policy benefits and change in policy reserves, net of deferrals	(15)	12	24	22	16
(Gain) loss from updating future policy benefits cash flow assumptions, net	(2)	—	(4)	2	1
Interest credited on other contract holder funds, net of deferrals and amortization	98	96	90	90	88
Interest expense	6	6	6	6	6
Operating costs and other expenses, net of deferrals	522	529	554	573	586
Amortization of deferred acquisition costs	138	139	139	135	137
Total operating benefits and expenses	747	782	809	828	834
Pretax adjusted operating earnings¹	\$ 356	\$ 328	\$ 354	\$ 326	\$ 419
Sales					
By Product					
VA with lifetime benefits guarantees	\$ 1,806	\$ 1,777	\$ 1,712	\$ 1,524	\$ 1,690
VA without lifetime benefits guarantees (incl. investment-only products)	668	671	717	665	746
Registered Index-Linked Annuities (RILA)	533	541	807	1,009	1,155
FA/FIA ²	133	115	76	79	100
Total	\$ 3,140	\$ 3,104	\$ 3,312	\$ 3,277	\$ 3,691
Variable Annuity By Rider Type					
None (investment-only)	\$ 262	\$ 297	\$ 326	\$ 314	\$ 329
GMDB only	343	330	346	301	363
GMWB - without lifetime benefits guarantees	63	44	45	50	54
GMWB - with lifetime benefits guarantees	1,806	1,777	1,712	1,524	1,690
Total	\$ 2,474	\$ 2,448	\$ 2,429	\$ 2,189	\$ 2,436
Total Sales % By Channel					
Independent broker-dealers	70 %	69 %	69 %	70 %	69 %
Banks and other financial institutions	11 %	13 %	12 %	12 %	12 %
Wirehouses and regional broker-dealers	13 %	13 %	14 %	13 %	14 %
IPA channel ³	6 %	5 %	5 %	5 %	5 %
Total	100 %	100 %	100 %	100 %	100 %
Key Metrics					
Total variable annuity fee margin ⁴	3.3 %	3.3 %	3.4 %	3.3 %	3.2 %
Variable annuity gross separate account return ⁵	6.0 %	5.7 %	(2.9)%	10.5 %	7.6 %
Operating income margin ⁶	32.3 %	29.5 %	30.4 %	28.2 %	33.4 %

¹See explanation of Non-GAAP Financial Measures at the end of this Financial Supplement.

²Net of premiums ceded to Athene.

³The IPA Channel includes the distribution of Jackson products through non-traditional distribution intermediaries such as Independent Registered Investment Advisors, Platforms (e.g., AllianceBernstein Lifetime Income Strategy/defined contribution plans), and insurance professionals and agents.

⁴Total annualized VA fee income (including guarantee fees) as a percentage of average VA account value.

⁵Separate account returns are calculated from the change in net asset value (NAV) and are gross of all fees.

⁶Operating income as a percentage of operating revenue.

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Retail Annuities

Select Operating Metrics - (1/5)

	For the Three Months Ended				
	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24
Account Value					
Variable Annuity - General Account					
Balance as of beginning of periods, net of reinsurance	\$ 10,259	\$ 9,927	\$ 9,384	\$ 8,921	\$ 8,396
Premiums and deposits	316	272	205	202	173
Surrenders, withdrawals and benefits	(457)	(454)	(404)	(473)	(518)
Net flows	(141)	(182)	(199)	(271)	(345)
Net transfer to variable funds	(242)	(408)	(309)	(297)	(99)
Interest credited	73	71	66	63	60
Policy charges and other	(22)	(24)	(21)	(20)	(21)
Balance as of end of periods, net of reinsurance	<u>\$ 9,927</u>	<u>\$ 9,384</u>	<u>\$ 8,921</u>	<u>\$ 8,396</u>	<u>\$ 7,991</u>
Variable Annuity - Separate Account					
Balance as of beginning of periods, net of reinsurance	\$ 195,550	\$ 203,990	\$ 212,328	\$ 202,651	\$ 219,381
Premiums and deposits	2,158	2,176	2,224	1,987	2,263
Surrenders, withdrawals and benefits	(3,791)	(4,039)	(4,339)	(4,860)	(5,857)
Net flows	(1,633)	(1,863)	(2,115)	(2,873)	(3,594)
Net transfer to fixed option	242	408	309	297	99
Investment performance	10,528	10,483	(7,198)	19,994	15,288
Policy charges and other	(697)	(690)	(673)	(688)	(695)
Balance as of end of periods, net of reinsurance	<u>\$ 203,990</u>	<u>\$ 212,328</u>	<u>\$ 202,651</u>	<u>\$ 219,381</u>	<u>\$ 230,479</u>
Variable Annuity - Total					
Balance as of beginning of periods, net of reinsurance	\$ 205,809	\$ 213,917	\$ 221,712	\$ 211,572	\$ 227,777
Premiums and deposits	2,474	2,448	2,429	2,189	2,436
Surrenders, withdrawals and benefits	(4,248)	(4,493)	(4,743)	(5,333)	(6,375)
Net flows	(1,774)	(2,045)	(2,314)	(3,144)	(3,939)
Investment performance	10,528	10,483	(7,198)	19,994	15,288
Interest credited	73	71	66	63	60
Policy charges and other	(719)	(714)	(694)	(708)	(716)
Balance as of end of periods, net of reinsurance	<u>213,917</u>	<u>221,712</u>	<u>211,572</u>	<u>227,777</u>	<u>238,470</u>
Reinsured account value - balance as of end of periods	—	—	—	—	—
Balance as of end of periods, gross of reinsurance	<u>\$ 213,917</u>	<u>\$ 221,712</u>	<u>\$ 211,572</u>	<u>\$ 227,777</u>	<u>\$ 238,470</u>
Average VA account value	\$ 209,863	\$ 217,815	\$ 216,642	\$ 219,675	\$ 233,124
Annualized surrenders and withdrawals as percentage of average VA account value	8.1%	8.3%	8.8%	9.7%	10.9%
Variable Annuity Allocation					
By Fund Type					
Equity	\$ 139,455	\$ 147,040	\$ 140,677	\$ 154,020	\$ 164,075
Bond	19,553	19,503	18,916	19,801	19,832
Balanced	42,033	42,953	40,220	42,831	43,886
Money market	2,949	2,832	2,838	2,729	2,686
Total separate account	<u>203,990</u>	<u>212,328</u>	<u>202,651</u>	<u>219,381</u>	<u>230,479</u>
Fixed (general account)	9,927	9,384	8,921	8,396	7,991
Total variable annuity account value	<u>\$ 213,917</u>	<u>\$ 221,712</u>	<u>\$ 211,572</u>	<u>\$ 227,777</u>	<u>\$ 238,470</u>

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Retail Annuities

Select Operating Metrics - (2/5)

	For the Three Months Ended				
	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24
Account Value					
Fixed and Fixed Index Annuity					
Balance as of beginning of periods, net of reinsurance	\$ 1,634	\$ 1,697	\$ 1,764	\$ 1,812	\$ 1,840
Premiums and deposits	165	131	89	92	106
Surrenders, withdrawals and benefits	(106)	(76)	(43)	(64)	(66)
Net flows	59	55	46	28	40
Change in value of equity option	—	—	—	—	—
Interest credited	19	18	14	15	17
Policy charges and other	(15)	(6)	(12)	(15)	(12)
Balance as of end of periods, net of reinsurance	1,697	1,764	1,812	1,840	1,885
Reinsured account value - balance as of end of periods	20,760	19,886	19,105	18,139	17,388
Balance as of end of periods, gross of reinsurance	<u>\$ 22,457</u>	<u>\$ 21,650</u>	<u>\$ 20,917</u>	<u>\$ 19,979</u>	<u>\$ 19,273</u>
Average FA and FIA account value	\$ 1,666	\$ 1,731	\$ 1,788	\$ 1,826	\$ 1,863
Annualized surrenders, withdrawals as % of average FA and FIA account value ¹	25.5 %	17.6 %	9.6 %	14.0 %	14.2 %
RILA					
Balance as of beginning of periods, net of reinsurance	\$ 1,875	\$ 2,501	\$ 3,144	\$ 3,841	\$ 5,219
Premiums and deposits	533	541	807	1,009	1,155
Surrenders, withdrawals and benefits	(17)	(17)	(13)	(23)	(36)
Net flows	516	524	794	986	1,119
Change in value of equity option	108	117	(102)	386	300
Interest credited	2	3	4	5	6
Policy charges and other	—	(1)	1	1	—
Balance as of end of periods, net of reinsurance	2,501	3,144	3,841	5,219	6,644
Reinsured account value - balance as of end of periods	—	—	—	—	—
Balance as of end of periods, gross of reinsurance	<u>\$ 2,501</u>	<u>\$ 3,144</u>	<u>\$ 3,841</u>	<u>\$ 5,219</u>	<u>\$ 6,644</u>
Average RILA account value	\$ 2,188	\$ 2,823	\$ 3,493	\$ 4,530	\$ 5,932
Annualized surrenders, withdrawals as % of average RILA account value ¹	3.1 %	2.4 %	1.5 %	2.0 %	2.4 %

¹Represents net of reinsurance annualized surrender, withdrawals as % of net account value.

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Retail Annuities

Select Operating Metrics - (3/5)

Payout Annuity

Balance as of beginning of periods, net of reinsurance
Premiums and deposits
Withdrawals and benefits
Net flows
Change in value of equity option
Interest credited
Policy charges and other
Balance as of end of periods, net of reinsurance
Reinsured account value - balance as of end of periods
Balance as of end of periods, gross of reinsurance

	For the Three Months Ended				
	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24
\$ 649	\$ 655	\$ 646	\$ 634	\$ 629	
25	34	27	22	27	
(51)	(45)	(45)	(36)	(46)	
(26)	(11)	(18)	(14)	(19)	
—	—	—	—	—	
5	4	5	5	5	
27	(2)	1	4	(3)	
655	646	634	629	612	
192	207	218	231	239	
<u>\$ 847</u>	<u>\$ 853</u>	<u>\$ 852</u>	<u>\$ 860</u>	<u>\$ 851</u>	
Total Retail Annuity¹					
\$ 209,967	\$ 218,770	\$ 227,266	\$ 217,859	\$ 235,465	
3,197	3,154	3,352	3,312	3,724	
(4,422)	(4,631)	(4,844)	(5,456)	(6,523)	
(1,225)	(1,477)	(1,492)	(2,144)	(2,799)	
10,528	10,483	(7,198)	19,994	15,288	
108	117	(102)	386	300	
99	96	89	88	88	
(707)	(723)	(704)	(718)	(731)	
218,770	227,266	217,859	235,465	247,611	
20,952	20,093	19,323	18,370	17,627	
<u>\$ 239,722</u>	<u>\$ 247,359</u>	<u>\$ 237,182</u>	<u>\$ 253,835</u>	<u>\$ 265,238</u>	
\$ 214,369	\$ 223,018	\$ 222,563	\$ 226,662	\$ 241,538	
8.3%	8.3%	8.7%	9.6%	10.8%	

¹Account value excludes reserves for future policy benefits.

²Represents net of reinsurance annualized surrender, withdrawals as % of net account value.

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Retail Annuities

Select Operating Metrics - (4/5)

U.S. GAAP Reserves¹

By Financial Statement Line

	Balances as of				
	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24
Separate account liabilities	\$ 204,294	\$ 212,644	\$ 202,831	\$ 219,579	\$ 230,692
Reserves for future policy benefits	1,067	1,054	1,014	1,090	1,092
Other contract holder funds	35,732	35,031	34,531	34,454	34,759
Market risk benefits	350	(1,500)	(2,904)	(1,959)	(4,189)
Total	\$ 241,443	\$ 247,229	\$ 235,472	\$ 253,164	\$ 262,354

By Product

Variable annuities - separate account with lifetime benefits guarantees	\$ 151,196	\$ 157,599	\$ 150,346	\$ 162,854	\$ 171,011
Variable annuities - separate account w/o lifetime benefits guarantees (incl. investment-only products)	53,098	55,046	52,485	56,725	59,681
Variable annuities - general account	10,547	8,160	6,293	6,727	4,104
Total variable annuities	214,841	220,805	209,124	226,306	234,796
RILA	2,505	3,147	3,848	5,222	6,647
Fixed annuities	11,083	10,602	10,203	9,737	9,351
Fixed index annuities	11,402	11,073	10,730	10,280	9,956
Payout annuities	1,612	1,602	1,567	1,619	1,604
Total	\$ 241,443	\$ 247,229	\$ 235,472	\$ 253,164	\$ 262,354

¹ Gross of reinsurance.

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Retail Annuities

Select Operating Metrics - (5/5)

	Balances as of				
	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24
Variable Annuity Account Value (before reinsurance)					
No Living Benefits					
w/ No GMDB (return of AV)	\$ 24,208	\$ 24,889	\$ 23,820	\$ 25,586	\$ 26,737
w/ ROP GMDB	15,062	15,568	14,949	16,001	16,957
w/ Enhanced GMDB	11,388	11,770	11,255	12,058	12,512
GMWB					
w/ No GMDB (return of AV)	54	57	56	64	68
w/ ROP GMDB	4,826	4,958	4,705	5,036	5,259
w/ Enhanced GMDB	969	989	937	992	1,014
GMWB for Life					
w/ No GMDB (return of AV)	1,617	1,730	1,687	1,838	1,979
w/ ROP GMDB	142,960	148,546	141,661	152,829	160,200
w/ Enhanced GMDB	11,469	11,839	11,212	12,021	12,429
GMIB					
w/ ROP GMDB	977	983	928	973	962
w/ Enhanced GMDB	387	383	362	379	353
Total	<u>\$ 213,917</u>	<u>\$ 221,712</u>	<u>\$ 211,572</u>	<u>\$ 227,777</u>	<u>\$ 238,470</u>
Net Amount at Risk (before reinsurance)¹	\$ 12,459	\$ 10,106	\$ 12,977	\$ 8,225	\$ 6,327

¹ Net amount at risk (NAR) is defined as of the valuation date for each contract as the greater of Death Benefit NAR (DBNAR) and Living Benefit NAR (LBNAR), as applicable, where DBNAR is the GMDB benefit base in excess of the account value, and the LBNAR is the actuarial present value of guaranteed living benefits in excess of the account value.

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Institutional Products

Pretax Adjusted Operating Earnings, Sales, and Key Metrics

	For the Three Months Ended				
	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24
Operating Revenue					
Net investment income	\$ 86	\$ 102	\$ 109	\$ 111	\$ 113
Total operating revenue	86	102	109	111	113
Operating Benefits and Expenses					
Interest credited on other contract holder funds, net of deferrals and amortization	76	84	87	87	81
Interest expense ¹	—	—	—	—	—
Operating costs and other expenses, net of deferrals	1	1	1	2	1
Total operating benefits and expenses	77	85	88	89	82
Pretax adjusted operating earnings²	<u>\$ 9</u>	<u>\$ 17</u>	<u>\$ 21</u>	<u>\$ 22</u>	<u>\$ 31</u>
Sales					
By Product					
Traditional guaranteed investment contracts (GICs)	\$ —	\$ 5	\$ —	\$ —	\$ —
FHLBI funding agreements	150	—	112	—	100
Medium-Term Note funding agreements	499	299	—	—	—
Total	<u>\$ 649</u>	<u>\$ 304</u>	<u>\$ 112</u>	<u>\$ —</u>	<u>\$ 100</u>

	For the Three Months Ended				
	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24
Account Value					
General Account					
Balance as of beginning of periods	\$ 9,019	\$ 8,691	\$ 8,887	\$ 8,712	\$ 8,406
Premiums and deposits	649	304	112	—	100
Surrenders, withdrawals and benefits	(1,040)	(204)	(354)	(452)	(696)
Net flows	(391)	100	(242)	(452)	(596)
Interest credited	76	84	87	87	81
Policy charges and other	(13)	12	(20)	59	(66)
Balance as of end of periods	<u>\$ 8,691</u>	<u>\$ 8,887</u>	<u>\$ 8,712</u>	<u>\$ 8,406</u>	<u>\$ 7,825</u>

	Balance as of				
	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24
U.S. GAAP Reserves					
By Product					
Traditional guaranteed investment contracts (GICs)	\$ 989	\$ 865	\$ 863	\$ 700	\$ 640
FHLBI funding agreements	2,105	2,105	1,949	1,950	2,000
Medium-Term Note funding agreements	5,597	5,917	5,900	5,756	5,185
Total	<u>\$ 8,691</u>	<u>\$ 8,887</u>	<u>\$ 8,712</u>	<u>\$ 8,406</u>	<u>\$ 7,825</u>

¹This represented the interest expense for the repurchase agreement on guaranteed investment contracts that is reclassified to net investment income (see page 24 Overview of Reclassification Adjustments for more information)

²See explanation of Non-GAAP Financial Measures at the end of this Financial Supplement.

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Closed Life and Annuity Blocks

Pretax Adjusted Operating Earnings and Key Metrics

Operating Revenue

Fee income
Premiums
Net investment income
Other income

Total operating revenue

Operating Benefits and Expenses

Death, other policy benefits and change in policy reserves, net of deferrals
(Gain) loss from updating future policy benefits cash flow assumptions, net
Interest credited on other contract holder funds, net of deferrals and amortization
Operating costs and other expenses, net of deferrals
Amortization of deferred acquisition costs

Total operating benefits and expenses

Pretax adjusted operating earnings¹

	For the Three Months Ended				
	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24
\$ 117	\$ 116	\$ 112	\$ 112	\$ 112	
23	49	30	34	30	
167	161	161	155	163	
4	6	8	7	7	
311	332	311	308	312	
163	154	150	174	144	
16	11	4	75	8	
111	115	107	104	104	
39	42	41	41	35	
2	3	3	2	2	
331	325	305	396	293	
\$ (20)	\$ 7	\$ 6	\$ (88)	\$ 19	

Account Value²

General Account

Balance as of beginning of periods, net of reinsurance
Premiums and deposits
Surrenders, withdrawals and benefits
Net flows
Interest credited
Policy charges and other
Balance as of end of periods, net of reinsurance
Reinsured account value - balance as of end of periods
Balance as of end of periods, gross of reinsurance

	For the Three Months Ended				
	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24
\$ 8,288	\$ 8,272	\$ 8,187	\$ 8,108	\$ 8,032	
78	68	73	66	72	
(125)	(153)	(146)	(134)	(162)	
(47)	(85)	(73)	(68)	(90)	
95	95	95	95	93	
(64)	(95)	(101)	(103)	(100)	
8,272	8,187	8,108	8,032	7,935	
4,223	4,197	4,243	4,259	4,211	
12,495	12,384	12,351	12,291	12,146	

GAAP Reserves

By Financial Statement Line

Separate account liabilities
Reserves for future policy benefits
Other contract holder funds
Market risk benefits

Total

	Balance as of				
	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24
\$ 72	\$ 75	\$ 72	\$ 77	\$ 81	
9,737	9,436	8,976	9,362	9,060	
12,495	12,384	12,351	12,291	12,146	
6	6	6	7	7	
\$ 22,310	\$ 21,901	\$ 21,405	\$ 21,737	\$ 21,294	

¹See explanation of Non-GAAP Financial Measures at the end of this Financial Supplement.

²Account value excludes reserve for future policy benefits.

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Corporate and Other¹

Pretax Adjusted Operating Earnings

	For the Three Months Ended				
	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24
Operating Revenue					
Fee income	\$ 13	\$ 13	\$ 11	\$ 15	\$ 12
Net investment income (loss)	18	7	14	19	4
Other income (expense)	2	3	1	(1)	(14)
Total operating revenue	33	23	26	33	2
Operating Benefits and Expenses					
Interest expense	22	22	22	19	19
Operating costs and other expenses, net of deferrals	54	48	30	71	63
Total operating benefits and expenses	76	70	52	90	82
Pretax adjusted operating earnings²	\$ (43)	\$ (47)	\$ (26)	\$ (57)	\$ (80)

¹Corporate and Other includes the intersegment eliminations.

²See explanation of Non-GAAP Financial Measures at the end of this Financial Supplement.

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Consolidated Composition of Invested Assets

	Balances as of				
	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24
Invested Asset Reconciliation					
Total investments	\$ 66,885	\$ 64,283	\$ 61,123	\$ 60,855	\$ 60,171
Cash and cash equivalents	1,779	2,100	2,760	2,688	2,542
Total investments and cash and cash equivalents	\$ 68,664	\$ 66,383	\$ 63,883	\$ 63,543	\$ 62,713
Breakdown of Invested Assets					
By Asset Class Excluding Funds Withheld Assets					
Debt securities					
U.S. government securities	\$ 4,739	\$ 4,516	\$ 3,539	\$ 4,203	\$ 3,883
Other government securities	871	852	810	837	815
Corporate securities	23,567	23,324	22,050	22,707	23,060
Residential mortgage-backed	249	242	215	237	216
Commercial mortgage-backed	1,243	1,143	1,104	1,095	1,142
Other asset-backed securities	2,035	2,052	2,016	1,923	2,139
Total debt securities	32,704	32,129	29,734	31,002	31,255
Equity securities	152	119	140	243	62
Mortgage loans	6,907	7,001	7,030	7,015	6,984
Policy loans	936	930	920	928	925
Freestanding derivative instruments	972	887	869	342	156
Other invested assets	2,890	2,866	2,876	1,751	1,855
Subtotal	44,561	43,932	41,569	41,281	41,237
Funds withheld assets	22,324	20,351	19,554	19,574	18,934
Total investments	\$ 66,885	\$ 64,283	\$ 61,123	\$ 60,855	\$ 60,171
Debt securities by Rating Excluding Funds Withheld Assets					
AAA	19.8%	19.6%	7.6%	10.2%	9.5%
AA	10.7%	10.5%	20.9%	19.6%	19.7%
A	30.0%	30.1%	31.8%	31.7%	31.6%
BBB	31.5%	31.7%	31.0%	30.4%	31.0%
Investment grade	92.0%	91.9%	91.3%	91.9%	91.8%
BB	3.4%	3.5%	3.9%	3.6%	3.7%
B and below	4.6%	4.6%	4.8%	4.5%	4.5%
Below investment grade	8.0%	8.1%	8.7%	8.1%	8.2%
Total debt securities	100.0%	100.0%	100.0%	100.0%	100.0%

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Consolidated Composition of Debt Securities Excluding Funds Withheld Assets

	Balances as of				
	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24
Debt Securities Excluding Funds Withheld Assets					
U.S. government securities	\$ 4,739	\$ 4,516	\$ 3,539	\$ 4,203	\$ 3,883
Other government securities	871	852	810	837	815
Corporate securities:					
Utilities	4,174	4,097	3,893	3,959	3,891
Energy	1,888	1,904	1,789	1,872	1,864
Banking	1,479	1,490	1,475	1,630	1,796
Healthcare	2,146	2,135	2,013	2,031	2,139
Finance/insurance	2,946	2,914	2,854	2,987	2,996
Technology/telecom	1,636	1,612	1,496	1,443	1,428
Consumer goods	1,668	1,695	1,531	1,584	1,510
Industrial	1,059	1,063	992	948	1,033
Capital goods	1,441	1,406	1,256	1,281	1,348
Real estate	1,033	972	908	932	861
Media	735	726	662	663	641
Transportation	850	852	786	836	836
Retail	823	806	744	747	754
Other	1,689	1,652	1,651	1,794	1,963
Total corporate securities	<u>23,567</u>	<u>23,324</u>	<u>22,050</u>	<u>22,707</u>	<u>23,060</u>
Residential mortgage-backed	249	242	215	237	216
Commercial mortgage-backed	1,243	1,143	1,104	1,095	1,142
Other asset-backed securities	2,035	2,052	2,016	1,923	2,139
Total debt securities excluding funds withheld assets	<u>\$ 32,704</u>	<u>\$ 32,129</u>	<u>\$ 29,734</u>	<u>\$ 31,002</u>	<u>\$ 31,255</u>

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Consolidated Net Investment Income¹

	For the Three Months Ended									
	3/31/23		6/30/23		9/30/23		12/31/23		3/31/24	
	Income Pct.	Amount	Income Pct.	Amount	Income Pct.	Amount	Income Pct.	Amount	Income Pct.	Amount
Debt Securities										
Income (loss)	4.4 %	\$ 382	3.8 %	\$ 338	5.0 %	\$ 432	4.3 %	\$ 364	4.8 %	\$ 404
Ending assets - income pct. value ²		35,678		35,582		34,012		33,419		33,860
Ending assets - carrying value		32,704		32,129		29,734		31,002		31,255
Equity Securities										
Income (loss)	(17.1)%	(10)	26.6 %	9	(12.4)%	(4)	14.6 %	7	5.2 %	2
Ending assets - carrying value		152		119		140		243		62
Mortgage Loans										
Income (loss)	4.4 %	76	4.4 %	78	4.5 %	81	4.6 %	83	4.7 %	83
Ending assets - income pct. value ²		7,040		7,147		7,204		7,139		7,106
Ending assets - carrying value		6,907		7,001		7,030		7,015		6,984
Policy Loans										
Income (loss)	7.2 %	17	6.9 %	16	7.4 %	17	7.8 %	18	7.3 %	17
Ending assets - carrying value		936		930		920		928		925
Limited Partnerships										
Income (loss)	6.0 %	37	(6.1)%	(38)	3.2 %	20	0.6 %	3	11.2 %	41
Ending assets - carrying value		2,509		2,485		2,544		1,423		1,509
Other Invested Assets (ex. Limited Partnerships)										
Income (loss)	5.2 %	5	3.2 %	3	6.7 %	6	6.1 %	5	3.5 %	3
Ending assets - carrying value		381		380		332		329		353
Total Invested Assets (ex. Derivative³)										
Income (loss)	4.4 %	\$ 507	3.5 %	\$ 406	4.8 %	\$ 552	4.3 %	\$ 480	5.0 %	\$ 550
Ending assets - income pct. value ²		46,696		46,643		45,152		43,481		43,815
Ending assets - carrying value		43,589		43,044		40,700		40,940		41,088
Cash and Short-Term Investments										
Income (loss)	3.2 %	23	5.5 %	19	4.4 %	18	5.4 %	29	6.9 %	36
Ending assets - carrying value		1,673		1,113		2,144		2,145		2,045
Funds Withheld Assets										
Income (loss)	4.9 %	307	4.2 %	252	5.2 %	303	5.5 %	312	4.9 %	270
Ending assets - income pct. value ^{2,5}		24,744		23,790		23,071		22,387		21,626
Ending assets - carrying value ⁵		22,351		21,281		20,113		20,064		19,367
Total Net Investment Income										
Investment income		\$ 837		\$ 677		\$ 873		\$ 821		\$ 856
Less: investment fees		(130)		(35)		(112)		(77)		(122)
Investment income, net		\$ 707		\$ 642		\$ 761		\$ 744		\$ 734
Total Operating Net Investment Income										
Investment income, net		\$ 707		\$ 642		\$ 761		\$ 744		\$ 734
Add: earned income on cross currency swaps ⁴		(36)		(43)		(38)		(36)		(7)
Less: investment income on funds withheld assets		(307)		(252)		(303)		(312)		(270)
Less: investment income related to noncontrolling interests		(1)		(3)		(17)		1		(7)
Less: investment income due to consolidation		23		18		(9)		7		(18)
Operating investment income, net		\$ 386		\$ 362		\$ 394		\$ 404		\$ 432

¹Income percentages are annualized.

²Ending assets - Income Pct. Value is amortized cost for debt securities and amortized cost excluding loss allowance for mortgage loans.

³Results of derivatives are not included in Net Investment Income and the asset value has been excluded from Ending Assets.

⁴Reflects periodic settlements and changes in settlement accruals on cross-currency swaps

⁵Details of the Income Pct. Value and Carrying Value for the Funds Withheld Assets as of the current period (3/31/24) are as follows:

	<u>Income Pct. Value</u>	<u>Carrying Value</u>
Debt Securities	\$ 13,375	\$ 11,161
Equity Securities	159	159
Mortgage Loans	3,416	3,371
Policy Loans	3,461	3,461
Limited Partnerships	718	718
Cash and Short-Term Investments	497	497
Total	<u>\$ 21,626</u>	<u>\$ 19,367</u>

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Market Risk Benefits

(Assets) Liabilities for Variable Annuities, Net

Net MRB balance, beginning of periods

Beginning of periods cumulative effect of changes in non-performance risk¹

Net MRB balance, beginning of periods, before effect of changes in non-performance risk

Effect of changes in interest rates

Effect of fund performance

Effect of changes in equity index volatility

Effect of expected policyholder behavior

Effect of actual policyholder behavior different from expected

Effect of time

Effect of changes in assumptions

Net MRB balance, end of periods, before effect of changes in non-performance risk

End of periods cumulative effect of changes in non-performance risk¹

Net MRB balance, end of periods, gross

Reinsurance recoverable on market risk benefits at fair value, end of periods

Net MRB balance, end of periods, net of reinsurance

	For the Three Months Ended				
	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24
\$ 767	\$ 318	\$ (1,528)	\$ (2,927)	\$ (2,000)	
2,185	2,466	1,705	713	972	
2,952	2,784	177	(2,214)	(1,028)	
1,824	(1,309)	(4,410)	3,162	(1,457)	
(1,881)	(1,735)	1,029	(2,814)	(1,851)	
(747)	(322)	231	(269)	(205)	
89	120	197	206	164	
167	121	72	123	166	
380	518	499	432	444	
—	—	(9)	346	4	
2,784	177	(2,214)	(1,028)	(3,763)	
(2,466)	(1,705)	(713)	(972)	(463)	
318	(1,528)	(2,927)	(2,000)	(4,226)	
(192)	(151)	(134)	(90)	(72)	
\$ 126	\$ (1,679)	\$ (3,061)	\$ (2,090)	\$ (4,298)	

Reconciliation of Market Risk Benefits

Variable Annuities

Market risk benefit - (assets)

Market risk benefit - liabilities

Market risk benefit - net

Other Products

Market risk benefit - (assets)

Market risk benefit - liabilities

Market risk benefit - net

Total Balance Sheet Position

Market risk benefit - (assets)

Market risk benefit - liabilities

Market risk benefit - net

Change in Balance Sheet Position

Market risk benefits (gains) losses, net (reported on the Consolidated Income Statement)

Change in non-performance risk on market risk benefits (reported on the Consolidated Statements of Comprehensive Income (Loss))

Change in reinsurance recoverable on market risk benefits, at fair value

Total change in balance sheet position

	Balance as of				
	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24
\$ (5,198)	\$ (5,951)	\$ (6,807)	\$ (6,732)	\$ (8,020)	
5,516	4,423	3,880	4,732	3,794	
\$ 318	\$ (1,528)	\$ (2,927)	\$ (2,000)	\$ (4,226)	
\$ (6)	\$ (6)	\$ (8)	\$ (5)	\$ (5)	
44	40	37	53	49	
\$ 38	\$ 34	\$ 29	\$ 48	\$ 44	
\$ (5,204)	\$ (5,957)	\$ (6,815)	\$ (6,737)	\$ (8,025)	
5,560	4,463	3,917	4,785	3,843	
\$ 356	\$ (1,494)	\$ (2,898)	\$ (1,952)	\$ (4,182)	
3/31/23	6/30/23	9/30/23	12/31/23	3/31/24	
\$ (174)	\$ (2,570)	\$ (2,376)	\$ 1,223	\$ (2,718)	
(284)	764	999	(259)	511	
17	(44)	(27)	(18)	(23)	
\$ (441)	\$ (1,850)	\$ (1,404)	\$ 946	\$ (2,230)	

¹ Changes in non-performance risk are reported in AOCI, rather than the Income Statement.

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Deferred Acquisition Costs

	For the Three Months Ended or As of				
	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24
Consolidated					
Balance as of beginning of period	\$ 12,923	\$ 12,760	\$ 12,599	\$ 12,447	\$ 12,302
Deferrals	130	130	138	133	149
Amortization related to:					
Operating amortization	(140)	(142)	(142)	(137)	(139)
Non-operating amortization ¹	(153)	(149)	(148)	(141)	(139)
Total amortization (expense) benefit	(293)	(291)	(290)	(278)	(278)
Balance as of end of period, gross	<u>\$ 12,760</u>	<u>\$ 12,599</u>	<u>\$ 12,447</u>	<u>\$ 12,302</u>	<u>\$ 12,173</u>

¹ Amortization of the balance of unamortized deferred acquisition costs at the date of transition to LDTI on January 1, 2021 associated with items excluded from adjusted operating earnings prior to transition.

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Key Statutory Metrics

	For the Three Months Ended				
	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24
Statutory Operating Income (Loss)	\$ 1,177	\$ 27	\$ 1,171	\$ 410	\$ 321
Statutory Net Income (Loss)	\$ (963)	\$ 61	\$ 1,138	\$ (358)	\$ (362)
Dividends paid to parent	\$ (450)	\$ —	\$ —	\$ —	\$ —
Capital contribution received from / (return of capital paid to) parent ¹	(150)	—	—	—	(1,920)
Dividends Net of Paid-in Capital	\$ (600)	\$ —	\$ —	\$ —	\$ (1,920)
	Balances as of				
	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24
Capitalization					
Total adjusted capital (TAC)	\$ 4,745	\$ 3,790	\$ 4,475	\$ 5,158	\$ 4,657
RBC - company action level	n/a	n/a	n/a	\$ 827	n/a
RBC ratio - company action level	n/a	n/a	n/a	624 %	n/a
Statutory Admitted Assets	\$ 258,586	\$ 264,761	\$ 254,731	\$ 269,577	\$ 280,336
Statutory Liabilities	\$ 254,336	\$ 261,453	\$ 250,742	\$ 264,924	\$ 276,191

NOTE: Statutory metrics reflect values for Jackson National Life Insurance Company. Parent refers to Brooke Life Insurance Company.

¹ \$1,920 million return of capital primarily reflects assets that ultimately capitalized Brooke Life Reinsurance Company (Brooke Re), a captive reinsurance subsidiary of Brooke Life Insurance Company.

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Overview of Reclassification Adjustments

With the establishment of Brooke Re in the first quarter of 2024, the Company's hedging program was enhanced to align hedging instruments more closely with market risk benefit reserves which resulted in higher levels of interest rate hedging consistent with the economics of our business. In connection with this enhanced hedging approach, the Company reviewed its existing interest rate hedging instruments and determined that interest rate swaps that were historically used for duration management purposes should be recharacterized as supporting our hedging of variable annuity market risk benefits. Accordingly, effective January 1, 2024, the periodic settlements and change in settlement accruals on interest rate swaps will now be classified as non-operating and excluded from pretax adjusted operating earnings (non-GAAP). Prior period amounts have not been adjusted for this prospective recharacterization with respect to interest rate swaps.

Additionally, to better represent the underlying performance of our business, we have made certain reclassifications between financial statement line items within the Condensed Consolidated Income Statement and our non-GAAP financial measure of pretax adjusted operating earnings. **These reclassifications described below had no impact on net income or adjusted operating earnings (non-GAAP):**

- Operating derivative income (loss) will no longer be shown as a separate line item within pretax adjusted operating earnings, and these amounts have been reclassified to net investment income. After recharacterizing the interest rate swaps described above, the only item remaining in operating derivatives was periodic settlements and change in settlement accruals on cross-currency swaps that are intended to hedge certain foreign denominated fixed maturity securities. This reclassification only applies to pretax adjusted operating earnings (non-GAAP).
- Interest costs related to portfolio leverage transactions (repurchase agreements, Federal Home Loan Bank short-term advances, and cash collateral costs) were reclassified from Interest Expense to Net Investment Income. This reclassification applies to net income (GAAP) and pretax adjusted operating earnings (non-GAAP).

All prior period amounts have been conformed to the current period presentation and are detailed below.

Reclassification of Prior Periods Financial Statement Line Items

	For the Three Months Ended								For the Twelve Months Ended	
	3/31/22	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23	9/30/23	12/31/23	12/31/22	12/31/23
Net Investment Income (NII)										
NII (GAAP) - As reported	\$ 690	\$ 692	\$ 640	\$ 739	\$ 722	\$ 672	\$ 782	\$ 754	\$ 2,761	\$ 2,930
Reclassification from interest expense	—	(1)	(2)	(12)	(15)	(30)	(21)	(10)	(15)	(76)
NII (GAAP) - As revised	\$ 690	\$ 691	\$ 638	\$ 727	\$ 707	\$ 642	\$ 761	\$ 744	\$ 2,746	\$ 2,854
NII (Non-GAAP) - As reported	\$ 401	\$ 361	\$ 340	\$ 384	\$ 437	\$ 435	\$ 453	\$ 450	\$ 1,486	\$ 1,775
Reclassification from operating derivatives	35	24	3	(22)	(36)	(43)	(38)	(36)	40	(153)
Reclassification from interest expense	—	(1)	(2)	(12)	(15)	(30)	(21)	(10)	(15)	(76)
NII (Non-GAAP) - As revised	\$ 436	\$ 384	\$ 341	\$ 350	\$ 386	\$ 362	\$ 394	\$ 404	\$ 1,511	\$ 1,546
Operating Derivatives										
Income (loss) on operating derivatives (Non-GAAP) - As reported	\$ 35	\$ 24	\$ 3	\$ (22)	\$ (36)	\$ (43)	\$ (38)	\$ (36)	\$ 40	\$ (153)
Interest rate swap reclassification to net investment income	(35)	(26)	(9)	14	26	32	27	26	(56)	111
Cross currency swap reclassification to net investment income	—	2	6	8	10	11	11	10	16	42
Income (loss) on operating derivatives (Non-GAAP) - As revised	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Interest Expense										
Interest expense (GAAP and Non-GAAP) - As reported	\$ 20	\$ 24	\$ 29	\$ 40	\$ 43	\$ 58	\$ 49	\$ 35	\$ 113	\$ 185
Reclassification to net investment income	—	(1)	(2)	(12)	(15)	(30)	(21)	(10)	(15)	(76)
Interest expense (GAAP and Non-GAAP) - As revised	\$ 20	\$ 23	\$ 27	\$ 28	\$ 28	\$ 28	\$ 28	\$ 25	\$ 98	\$ 109

Non-GAAP Financial Measures

In addition to presenting our results of operations and financial condition in accordance with U.S. GAAP, we use and report, selected non-GAAP financial measures. Management believes that the use of these non-GAAP financial measures, together with relevant U.S. GAAP financial measures, provides a better understanding of our results of operations, financial condition and the underlying performance drivers of our business. These non-GAAP financial measures should be considered supplementary to our results of operations and financial condition that are presented in accordance with U.S. GAAP and should not be viewed as a substitute for the U.S. GAAP financial measures. Other companies may use similarly titled non-GAAP financial measures that are calculated differently from the way we calculate such measures. Consequently, our non-GAAP financial measures may not be comparable to similar measures used by other companies. These non-GAAP financial measures should not be viewed as substitutes for the most directly comparable financial measures calculated in accordance with U.S. GAAP.

Adjusted Operating Earnings

Adjusted Operating Earnings is an after-tax non-GAAP financial measure, which we believe should be used to evaluate our financial performance on a consolidated basis by excluding certain items that may be highly variable from period to period due to accounting treatment under U.S. GAAP or that are non-recurring in nature, as well as certain other revenues and expenses that we do not view as driving our underlying performance. Adjusted Operating Earnings should not be used as a substitute for net income as calculated in accordance with U.S. GAAP. However, we believe the adjustments to net income are useful for gaining an understanding of our overall results of operations.

Adjusted Operating Earnings equals our Net income (loss) attributable to Jackson Financial Inc. common shareholders (which excludes income attributable to non-controlling interest and dividends on preferred stock) adjusted to eliminate the impact of the items described in the following numbered paragraphs. These items are excluded as they may vary significantly from period to period due to near-term market conditions or are otherwise not directly comparable or reflective of the underlying performance of our business. We believe these exclusions provide investors a better picture of the drivers of our underlying performance.

1) Net Hedging Results: Comprised of: (i) fees attributed to guaranteed benefits; (ii) changes in the fair value of freestanding derivatives used to manage the risk associated with market risk benefits and other guaranteed benefit features, excluding earned income from periodic settlements and changes in settlement accruals on cross-currency swaps; (iii) the movements in reserves, market risk benefits, guaranteed benefit features accounted for as embedded derivative instruments, and related claims and benefit payments; (iv) amortization of the balance of unamortized deferred acquisition costs at the date of transition to current accounting guidance (LDTI) on January 1, 2021 associated with items excluded from adjusted operating earnings prior to transition; and (v) the impact on the valuation of Guaranteed Benefits and Net Hedging Results arising from changes in underlying actuarial assumptions. We believe excluding these items removes the impact to both revenue and related expenses associated with Guaranteed Benefits and Net Hedging Results.

2) Net Realized Investment Gains and Losses: Comprised of: (i) realized investment gains and losses associated with the periodic sales or disposals of securities, excluding those held within our trading portfolio; and (ii) impairments of securities, after adjustment for the non-credit component of the impairment charges.

3) Change in Value of Funds Withheld Embedded Derivative and Net investment income on funds withheld assets: Composed of: (i) the change in fair value of funds withheld embedded derivatives; and (ii) net investment income on funds withheld assets related to funds withheld reinsurance transactions.

4) Other items: Comprised of: (i) the impact of investments that are consolidated in our financial statements due to U.S. GAAP accounting requirements, such as our investments in collateralized loan obligations (CLOs), but for which the consolidation effects are not consistent with our economic interest or exposure to those entities, and (ii) one-time or other non-recurring items, such as costs relating to our separation from Prudential.

Operating income taxes are calculated using the prevailing corporate federal income tax rate of 21% while taking into account any items recognized differently in our financial statements and federal income tax returns, including the dividends received deduction and other tax credits. For interim reporting periods, the Company uses an estimated annual effective tax rate ("ETR") in computing its tax provision including consideration of discrete items.

Non-GAAP Financial Measures

Adjusted Book Value Attributable to Common Shareholders

Adjusted Book Value Attributable to Common Shareholders excludes Preferred Stock and Accumulated Other Comprehensive Income (Loss) ("AOCI") attributable to Jackson Financial Inc ("JFI"), which does not include AOCI arising from investments held within the funds withheld account related to the Athene Reinsurance Transaction. We exclude AOCI attributable to JFI from Adjusted Book Value Attributable to Common Shareholders because our invested assets are generally invested to closely match the duration of our liabilities, which are longer duration in nature, and therefore we believe period-to-period fair market value fluctuations in AOCI to be inconsistent with this objective. We believe excluding AOCI attributable to JFI is more useful to investors in analyzing trends in our business. Changes in AOCI within the funds withheld account related to the Athene Reinsurance Transaction offset the related non-operating earnings from the Athene Reinsurance Transaction resulting in a minimal net impact on Adjusted Book Value of Jackson Financial Inc.

Adjusted Operating Return on Equity Attributable to Common Shareholders

We use Adjusted Operating Return on Equity ("ROE") Attributable to Common Shareholders to manage our business and evaluate our financial performance which: (i) excludes items that vary from period-to-period due to accounting treatment under U.S. GAAP or that are non-recurring in nature, as such items may distort the underlying performance of our business; and (ii) is calculated by dividing our Adjusted Operating Earnings by average Adjusted Book Value Attributable to Common Shareholders.

Adjusted Book Value Attributable to Common Shareholders and Adjusted Operating ROE Attributable to Common Shareholders should not be used as substitutes for total shareholders' equity and ROE as calculated using annualized net income and average equity in accordance with U.S. GAAP. However, we believe the adjustments to equity and earnings are useful to gaining an understanding of our overall results of operations.

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Adjusted Operating Earnings Reconciliation

	For the Three Months Ended				
	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24
Net income (loss) attributable to Jackson Financial Inc. common shareholders	\$ (1,497)	\$ 1,204	\$ 2,762	\$ (1,570)	\$ 784
Add: dividends on preferred stock	—	13	11	11	11
Add: income tax expense (benefit)	(558)	245	712	(395)	101
Pretax income (loss) attributable to Jackson Financial Inc.	(2,055)	1,462	3,485	(1,954)	896
Non-Operating Adjustments (Income) Loss:					
Guaranteed benefits and hedging results:					
Fees attributable to guarantee benefit reserves	(780)	(781)	(784)	(780)	(788)
Net movement in freestanding derivatives ¹	2,512	1,911	271	(43)	2,576
Market risk benefits (gains) losses, net	(174)	(2,570)	(2,376)	1,223	(2,718)
Net reserve and embedded derivative movements	189	194	(45)	449	364
Amortization of DAC associated with non-operating items at date of transition to LDTI	153	149	148	141	139
Total guaranteed benefits and hedging results	1,900	(1,097)	(2,786)	990	(427)
Net realized investment (gains) losses	68	40	127	319	7
Net realized investment (gains) losses on funds withheld assets	673	134	(159)	1,153	201
Net investment income on funds withheld assets	(307)	(252)	(303)	(312)	(270)
Other items	23	18	(9)	7	(18)
Total non-operating adjustments	2,357	(1,157)	(3,130)	2,157	(507)
Pre-tax adjusted operating earnings	302	305	355	203	389
Less: operating income tax expense (benefit)	31	9	29	(12)	44
Adjusted operating earnings before dividends on preferred stock	271	296	326	215	345
Less: dividends on preferred stock	—	13	11	11	11
Adjusted operating earnings	<u>\$ 271</u>	<u>\$ 283</u>	<u>\$ 315</u>	<u>\$ 204</u>	<u>\$ 334</u>
Effective tax rates on adjusted operating earnings	<u>10.3 %</u>	<u>3.0 %</u>	<u>8.2 %</u>	<u>(5.9)%</u>	<u>11.3 %</u>

¹Includes \$17 million loss related to interest rate swaps in 1Q24.

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Select U.S. GAAP to Non-GAAP Reconciliations

	For the Three Months Ended				
	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24
Net Income (Loss)	\$ (1,496)	\$ 1,220	\$ 2,790	\$ (1,560)	\$ 802
Income attributable to non-controlling interest	1	3	17	(1)	7
Net Income (Loss) Attributable to Jackson Financial Inc.	(1,497)	1,217	2,773	(1,559)	795
Less: Dividends on preferred stock	—	13	11	11	11
Net Income (Loss) Attributable to Jackson Financial Inc. common shareholders [a]	<u>\$ (1,497)</u>	<u>\$ 1,204</u>	<u>\$ 2,762</u>	<u>\$ (1,570)</u>	<u>\$ 784</u>
Total Shareholders' Equity	\$ 8,638	\$ 8,652	\$ 9,478	\$ 10,170	\$ 10,169
Less: Preferred equity	533	533	533	533	533
Total common shareholder's equity	<u>\$ 8,105</u>	<u>\$ 8,119</u>	<u>\$ 8,945</u>	<u>\$ 9,637</u>	<u>\$ 9,636</u>
Average common Shareholders' Equity [b]	\$ 8,376	\$ 8,112	\$ 8,532	\$ 9,291	\$ 9,637
Total ROE Attributable to Common Shareholders [a]/[b]; Annualized	(71.5)%	59.4 %	129.5 %	(67.6)%	32.5 %
Adjusted Operating Earnings [c]	\$ 271	\$ 283	\$ 315	\$ 204	\$ 334
Adjusted Book Value Attributable to Common Shareholders:					
Total common shareholders' equity	\$ 8,105	\$ 8,119	\$ 8,945	\$ 9,637	\$ 9,636
Exclude AOCI attributable to Jackson Financial Inc.	476	1,435	2,926	1,196	1,762
Adjusted Book Value Attributable to Common Shareholders	<u>\$ 8,581</u>	<u>\$ 9,554</u>	<u>\$ 11,871</u>	<u>\$ 10,833</u>	<u>\$ 11,398</u>
Average Adjusted Book Value Attributable to Common Shareholders [d]	\$ 9,250	\$ 9,068	\$ 10,713	\$ 11,352	\$ 11,116
Adjusted Operating ROE Attributable to Common Shareholders [c]/[d]; Annualized	11.7 %	12.5 %	11.8 %	7.2 %	12.0 %
Per Share Data (Common Shareholders)					
Net income (loss) (basic)	\$ (18.11)	\$ 14.58	\$ 33.66	\$ (19.64)	\$ 10.04
Net income (loss) (diluted) ¹	\$ (18.11)	\$ 14.21	\$ 33.35	\$ (19.64)	\$ 9.94
Adjusted operating earnings per common share (diluted)	\$ 3.15	\$ 3.34	\$ 3.80	\$ 2.53	\$ 4.23
Book value per common share (diluted)	\$ 95.70	\$ 98.27	\$ 110.64	\$ 121.29	\$ 124.42
Adjusted book value per common share (diluted)	\$ 101.32	\$ 115.63	\$ 146.84	\$ 136.34	\$ 147.17
Shares Outstanding					
Weighted average number of common shares (basic)	82,646,113	82,595,287	82,061,813	79,923,108	78,059,817
Weighted average number of common shares (diluted)	86,082,970	84,754,611	82,821,818	80,716,770	78,867,103
End of period common shares (basic)	81,044,318	81,910,831	80,051,900	78,660,221	76,621,374
End of period common shares (diluted)	84,690,303	82,622,875	80,845,230	79,455,615	77,447,425

¹ In a quarter in which we reported a net loss attributable to Jackson Financial Inc., all common stock equivalents are anti-dilutive and are therefore excluded from the calculation of diluted shares and diluted per share amounts. The shares excluded from the diluted EPS calculation were 793,662 and 3,436,857 for the three months ended December 31, 2023 and March 31, 2023, respectively.

Glossary of Select Financial and Product Terms

Assets Under Management (AUM) - Investment assets that are managed by one of our subsidiaries and includes: (i) assets managed by PPM America, Inc. ("PPM"), including our investment portfolio (but excludes assets held in funds withheld accounts for reinsurance transactions), (ii) third-party assets (including our former parent and its affiliates), and (iii) the separate account assets of our retail annuities managed and administered by Jackson National Asset Management LLC ("JNAM").

Athene Reinsurance Transaction - The funds withheld coinsurance agreement with Athene, entered on June 18, 2020, and effective June 1, 2020, to reinsure a 100% quota share of a block of our in-force fixed and fixed index annuity liabilities in exchange for approximately \$1.2 billion in ceding commissions.

Deferred Acquisition Cost (DAC) - Represent the incremental costs related directly to the successful acquisition of new, and certain renewal, insurance policies and annuity contracts. The recognition of these costs has been deferred, and the deferred amounts are shown on the balance sheet as an asset, which is subject to amortization over the estimated lives of those policies and contracts.

Derivative Instruments - Jackson Financial Inc.'s (JFI) business model includes the acceptance, monitoring and mitigation of risk. Specifically, JFI considers, among other factors, exposures to interest rate and equity market movements, foreign exchange rates and other asset or liability prices. JFI uses derivative instruments to mitigate or reduce these risks in accordance with established policies and goals. JFI's derivative holdings, while effective in managing defined risks, are not structured to meet accounting requirements to be designated as hedging instruments. As a result, freestanding derivatives are carried at fair value with changes each period recorded in net gains or losses on derivatives and investments.

Earnings per Share (EPS) - Basic earnings per share is calculated by dividing net income (loss) attributable to JFI common shareholders by the weighted-average number of common shares outstanding during the period. Diluted earnings per share is calculated by dividing the net income (loss) attributable to JFI common shareholders, by the weighted-average number of shares of common stock outstanding for the period, plus shares representing the dilutive effect of share-based awards.

Fixed Annuity (FA) - An annuity that guarantees a set annual rate of return with interest at rates we determine, subject to specified minimums. Credited interest rates are guaranteed not to change for certain limited periods of time, after which rates may reset.

Fixed Index Annuity (FIA) - An annuity with an ability to share in the upside from certain financial markets such as equity indices, and provides downside protection.

Guaranteed Minimum Accumulation Benefit (GMAB) - An add-on benefit (enhanced benefits available for an additional cost) that entitles an owner to a minimum payment, typically in lump-sum, after a set period of time, referred to as the accumulation period. The minimum payment is based on the benefit base, which could be greater than the underlying account value.

Guaranteed Minimum Death Benefit (GMDB) - An add-on benefit (enhanced benefits available for an additional cost) that guarantees an owner's beneficiaries are entitled to a minimum payment based on the benefit base, which could be greater than the underlying account value, upon the death of the owner.

Guaranteed Minimum Income Benefit (GMIB) - An add-on benefit (available for an additional cost) where an owner is entitled to annuitize the policy and receive a minimum payment stream based on the benefit base, which could be greater than the payment stream resulting from current annuitization of the underlying account value.

Guaranteed Minimum Withdrawal Benefit (GMWB) - An add-on benefit (available for an additional cost) where an owner is entitled to withdraw a maximum amount of their benefit base each year, for which cumulative payments to the owner could be greater than the underlying account value.

Guaranteed Minimum Withdrawal Benefit for Life (GMWB for Life) - An add-on benefit (available for an additional cost) where an owner is entitled to withdraw the guaranteed annual withdrawal amount each year for the duration of the policyholder's life, regardless of account performance.

Glossary of Select Financial and Product Terms

LDTI - Accounting Standards Update 2018-12, "Targeted Improvements to the Accounting for Long-Duration Contracts," effective January 1, 2023, with a transition date of January 1, 2021.

Net Amount at Risk (NAR) - The greater of Death Benefit NAR (DBNAR) and Living Benefit NAR (LBNAR), as applicable, where DBNAR is the GMDB benefit base in excess of the account value, and the LBNAR is the actuarial present value of guaranteed living benefits in excess of the account value.

Net Flows - The net change in customer account balances during a period, including gross premiums, surrenders, withdrawals and benefits. Net flows exclude investment performance, interest credited to customer accounts and policy charges.

Registered Index-Linked Annuity (RILA) - A registered index-linked annuity, which offers market index-linked investment options, subject to a cap, and offers a variety of guarantees designed to modify or limit losses.

Return of Premium (ROP) Death Benefit - This death benefit pays the greater of the account value at the time of a claim following the owner's death or the total contributions to the contract (subject to adjustment for withdrawals). The charge for this benefit is usually included in the Mortality and Expense fee that is deducted daily from the net assets in each variable investment option. We also refer to this death benefit as the Return of Principal death benefit.

Risk Based Capital (RBC) - Statutory minimum level of capital that is required by regulators for an insurer to support its operations.

Segment - Retail Annuities

JFI's Retail Annuities segment offers a variety of retirement income and savings products through its diverse suite of products, consisting primarily of variable annuities, fixed index annuities, fixed annuities, payout annuities, and registered index-linked annuities ("RILA"). These products are distributed through various wirehouses, insurance brokers and independent broker-dealers, as well as through banks and financial institutions, primarily to high-net-worth investors and the mass and affluent markets.

The financial results of the variable annuity business within the Company's Retail Annuities segment are largely dependent on the performance of the contract holder account value, which impacts both the level of fees collected and the benefits paid to the contract holder. The financial results of the Company's fixed annuities, including the fixed option on variable annuities, RILA and fixed index annuities, are largely dependent on the Company's ability to earn a spread between earned investment rates on general account assets and the interest credited to contract holders.

Segment - Institutional Products

JFI's Institutional Products consist of traditional guaranteed investment contracts ("GICs"), funding agreements (including agreements issued in conjunction with JFI's participation in the U.S. Federal Home Loan Bank ("FHLB") program) and Medium-Term Note funding agreements. JFI's GIC products are marketed to defined contribution pension and profit-sharing retirement plans. Funding agreements are marketed to institutional investors, including corporate cash accounts and securities lending funds, as well as money market funds, and are issued to the FHLB in connection with its program.

The financial results of JFI's Institutional Products business are primarily dependent on the Company's ability to earn a spread between earned investment rates on general account assets and the interest credited on GICs and funding agreements.

Segment - Closed Life and Annuity Blocks

JFI's Closed Life and Annuity Blocks segment is primarily composed of blocks of business that have been acquired since 2004. The segment includes various protection products, primarily whole life, universal life, variable universal life, and term life insurance products, as well as fixed, fixed index, and payout annuities. The Closed Life and Annuity Blocks segment also includes a block of group payout annuities that we assumed from John Hancock Life Insurance Company (USA) and John Hancock Life Insurance Company of New York through reinsurance transactions in 2018 and 2019, respectively. The Company historically offered traditional and interest-sensitive life insurance products but discontinued new sales of life insurance products in 2012, as we believe opportunistically acquiring mature blocks of life insurance policies is a more efficient means of diversifying our in-force business than selling new life insurance products.

The profitability of JFI's Closed Life and Annuity Blocks segment is largely driven by its historical ability to appropriately price its products and purchase appropriately priced blocks of business, as realized through underwriting, expense and net gains (losses) on derivatives and investments, and the ability to earn an assumed rate of return on the assets supporting that business.

Variable Annuity (VA) - An annuity that offers tax-deferred investment into a range of asset classes and a variable return, which offers insurance features related to potential future income payments.