



# Pacific Life Global Funding II

NOVEMBER 16, 2023

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A portion of this presentation describes funding agreements issued by Pacific Life Insurance Company (“Pacific Life”) in connection with Pacific Life Global Funding II’s global debt issuance program. This information is presented solely to detail a funding source employed by Pacific Life and does not constitute an offer to sell, or a solicitation to buy, any securities. The notes issued pursuant to the global debt issuance program have not been and will not be registered under the Securities Act of 1933, as amended (the “Securities Act”), or any applicable state or foreign securities laws.

The notes may be offered only:

By the Offering Memorandum, dated March 22, 2023, as supplemented from time to time;

In the United States to “Qualified Institutional Buyers”, as defined in Rule 144A under the Securities Act; and

In “Offshore Transactions” to persons other than “U.S. Persons”, each as defined in Regulation S under the Securities Act.

**RBC INFORMATION:** Pacific Life Insurance Company is required to report risk-based capital (“RBC”) data, including its company action level RBC ratio (“RBC Ratio”), to the Nebraska Department of Insurance (“NE DOI”) annually. The RBC Ratio is calculated based on a formula which applies factors to various asset, premium and statutory reserve items and accounts for risk characteristics of the insurer. NE DOI uses RBC data as a regulatory tool to identify possible inadequately capitalized insurers for purposes of initiating regulatory action and not as a means to rank insurers generally. Nebraska law imposes broad confidentiality restrictions against the use and publication of RBC data by those engaged in the insurance business (including insurers, agents, brokers and others) and by the NE DOI. Inclusion of Pacific Life Insurance Company’s RBC Ratio in this presentation is intended solely for informational purposes for investors, prospective investors, banking and other counterparties with respect to institutional products and other commercial transactions and not for the use or disclosure by those engaged in the insurance business.

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# Pacific Life Insurance Company

## OUR MISSION

To provide financial security through products and services that stand the test of time.

## OUR CORE VALUES

People; Accountability; Customer Focus; Integrity; Financial Strength; Innovation; Community. We live our core values each and every day. They define us and guide us.

## OUR VISION

To be the company of choice providing financial security and well-being through industry-leading innovation.

## Who We Are

For more than 150 years, Pacific Life has helped millions of individuals and families with their financial needs through a wide range of life insurance products, annuities, and mutual funds, and offers a variety of investment products and services to individuals, businesses, and pension plans. Whether your goal is to protect loved ones or grow your assets for retirement, Pacific Life offers innovative products and services that provide value and financial security for current and future generations. Pacific Life has no publicly traded stock. We are an independent company that remains focused on financial strength and long-term strategies that benefit policyholders and clients.

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# Issuer & Credit Overview

# Overview of Pacific Life Global Funding II



## Issuer

Pacific Life Global Funding II, a Delaware statutory trust



## Funding Agreement Provider

Pacific Life Insurance Company ("Pacific Life" or "PLIC"), a Nebraska domiciled company



## Type

Funding Agreement-Backed ("FA-Backed") Global Medium-Term Notes



## Program Size

\$15B



## PLIC Financial Strength Ratings<sup>1</sup>

- Moody's: Aa3 (Stable outlook)
- S&P: AA- (Stable outlook)
- Fitch: AA- (Stable outlook)
- AM Best: A+ (Stable outlook)



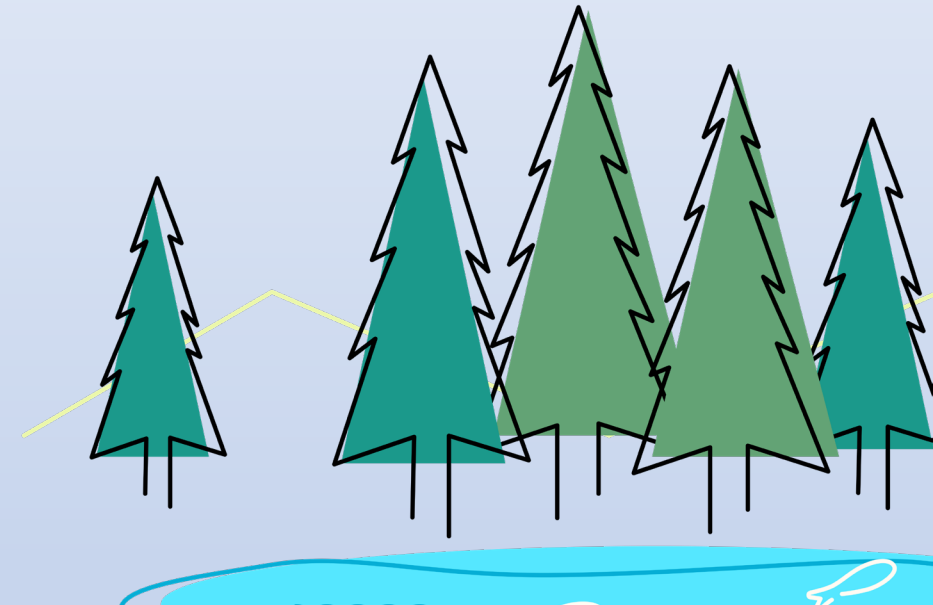
## Format

144A / Regulation S



## Listing

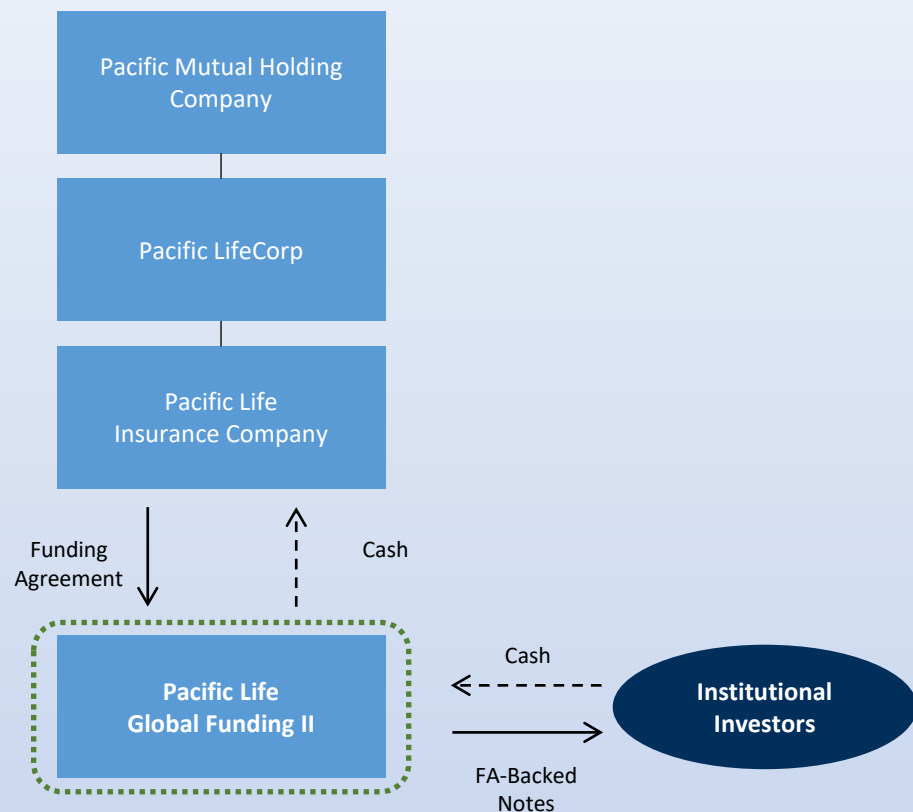
Euronext Dublin



<sup>1</sup> Ratings as of November 15, 2023

# FA-Backed Structure Overview

## Legal Entity Overview



## FA-Backed Note Mechanics

- Pacific Life Global Funding II, a Delaware statutory trust, issues global medium-term notes
- Each series of notes will be secured by one or more Funding Agreements from Pacific Life Insurance Company
- When Pacific Life Global Funding II issues a series of notes, the proceeds from the issuance will be used to purchase a Funding Agreement from Pacific Life Insurance Company, which will in turn use the cash to invest in a portfolio of assets
- The Funding Agreement will mirror Pacific Life Global Funding II's interest and principal payments on the notes
- Under Nebraska statutory law, the funding agreement securing the notes will rank *pari passu* with policyholder claims in the event of an insolvency of Pacific Life Insurance Company
- Pacific Life Global Funding II's FA-Backed Notes program ratings as of November 15, 2023 are:

- Moody's: Aa3
- S&P<sup>1</sup>: AA-
- Fitch: AA-

<sup>1</sup> Rating based on note issuance in October 2023

# Commitment and Consistency



Pacific Life Global Funding II has issued \$9.2B<sup>1</sup> since launching the program in 2020

- Our \$800M Sustainable Bond issuance is the largest ESG (Environmental, Social, and Governance) labeled transaction in the U.S. life insurance space to date
- Transacted first ever 5-year SOFR FA-Backed issuance
- Executed FA-Backed transactions denominated in CAD, CHF, EUR, GBP, HKD, NOK, and USD
- Program has issued across tenors between 2-years and 10-years

<sup>1</sup> As of November 15, 2023

# Pacific Life Investment Highlights

## 1 Well-established life insurer with a diversified business

- A leading insurance company with retail life and annuity product offerings through our Consumer Markets division
- Strong market position in the affluent market with extensive distribution relationships
- Well-established and growing in our Institutional markets
- Entered the Workforce Benefits market through a dedicated, greenfield business line<sup>1</sup>

## 2 Experienced and seasoned management team

- Senior management has extensive experience in the insurance and investment industry, with ~30 average years of experience

## 3 Robust balance sheet

- Strong capitalization and liquidity
- Risk-based capital ratio<sup>2</sup> of 486% as of December 31, 2022
- Commitment to credit strength and ratings

## 4 High quality, diversified investment portfolio

- Strong performing general account portfolio
- Portfolio mainly comprised of investment grade public and private fixed income securities and mortgage loans
- Strong commercial mortgage portfolio loan-to-value of 60% as of September 30, 2023

## 5 Well-defined risk management and governance framework

- Strong risk conscious culture that is embedded throughout the enterprise
- Guides capital and risk management decisions
- Robust financial liquidity to meet obligations

## 6 Mutual insurance holding company structure

- Mutual holding company structure provides strong focus on long term policyholder value creation with a thoughtfully managed financial profile that is not subject to public investor expectations of capital return such as stock buybacks

<sup>1</sup> Workforce Benefits products are currently issued by Pacific Life & Annuity Company, a subsidiary of Pacific Life Insurance Company

<sup>2</sup> RBC Ratio is not intended for the purpose of ranking any insurance company or for use in connection with any marketing, advertising or promotional activities. See limitations on use in *Important Notices*, on slide 2



# Success by the Numbers

Pacific Life is the 17th largest life insurance company in the U.S. based on statutory admitted assets<sup>1</sup> and has ranked among the top 10 in total life insurance sales for more than 10 years<sup>2</sup>

Key Pacific Life's product U.S. market rankings<sup>2</sup>:

- #4 total life insurance sales
- #2 indexed universal life insurance sales
- #2 universal life insurance sales
- #2 variable universal life insurance sales
- #2 structured settlement annuity sales

***“Named One of America’s Best Insurance Companies of 2023”***

-Forbes, March 2023



## LEADER

Ranked Top Life Insurance Carrier in 2023<sup>3</sup>



## STRONG

Strong Financial Strength Composite Score, COMDEX rating 95 out of 100<sup>4</sup>



## ETHICAL

One of the World's Most Ethical Companies – 6th consecutive year<sup>5</sup>



## SERVICE

Dalbar Insurance Service Award Winner – 6th consecutive year<sup>6</sup>

<sup>1</sup> Source: S&P Global Market Intelligence; SNL Financial Data; Based on 2022 Total Admitted Assets

<sup>2</sup> Based on data from LIMRA International as of June 30, 2023

<sup>3</sup> Forbes “America’s Best Insurance Companies.” Published 3/13/23. Forbes Advisor is not an affiliated company of Pacific Life Insurance Company

<sup>4</sup> The COMDEX is a composite score of the four independent raters of financial strength (A.M. Best, Fitch, Moody’s, and Standard & Poor’s). The COMDEX rates life insurance companies on a scale of 0 to 100, with 100 being the highest rating. For current ratings, visit [www.PacificLife.com](http://www.PacificLife.com). COMDEX is not an affiliated company of Pacific Life Insurance Company

<sup>5</sup> Ethisphere Institute named Pacific Life one of the 2023 World’s Most Ethical Companies based on its compliance and ethics program, corporate citizenship, culture of ethics, corporate governance, and leadership, innovation, and reputation. This marks the sixth consecutive year Pacific Life has been recognized. Ethisphere Institute is not an affiliated company of Pacific Life Insurance Company

<sup>6</sup> Dalbar Insurance Service Award Winner for consistent focus on improving the policyowner experience for 2017-2022

# Pacific Life Management Team

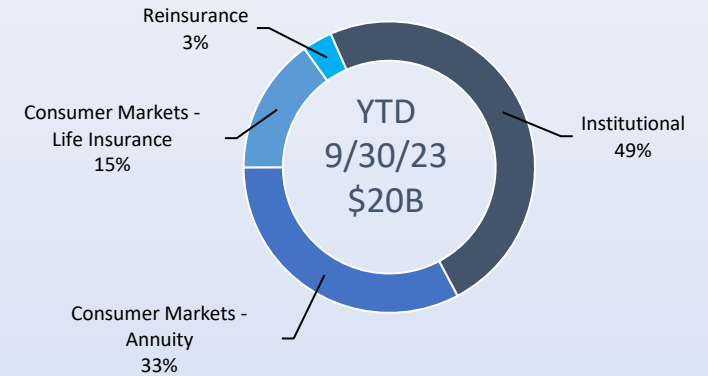
<b>Darryl Button</b> President & CEO	<ul style="list-style-type: none"> <li>• CFO of Pacific Life</li> <li>• CFO and member of the Executive Board of Aegon N.V.</li> <li>• CFO of Transamerica</li> <li>• Joined Pacific Life in 2017</li> </ul>	30 years experience	<b>Tod Nasser</b> EVP & Chief Investment Officer	<ul style="list-style-type: none"> <li>• SVP, Investment Management</li> <li>• VP of strategy, municipal bond sales and trading, First Boston Corp.</li> <li>• Head strategist, financial futures and options, First Boston Corp.</li> <li>• Joined Pacific Life in 1991</li> </ul>	40 years experience
<b>Adrian Griggs</b> EVP & COO	<ul style="list-style-type: none"> <li>• CFO of Pacific Life</li> <li>• SVP, Finance &amp; Risk Management, Retirement Solutions Division</li> <li>• Joined Pacific Life in 1994</li> </ul>	34 years experience	<b>Alessandro Papa</b> EVP & Chief Risk Officer	<ul style="list-style-type: none"> <li>• Chief of Staff to the President &amp; CEO, MetLife, Inc.</li> <li>• Head of Insurance and Product Risk Management, MetLife, Inc.</li> <li>• U.S. Chief Risk Officer, MetLife, Inc.</li> <li>• Joined Pacific Life in 2020</li> </ul>	11 years experience
<b>Jay Orlandi</b> EVP & General Counsel	<ul style="list-style-type: none"> <li>• EVP, Chief Operating Officer of Transamerica</li> <li>• Joined Pacific Life in 2020</li> </ul>	23 years experience	<b>Dawn Behnke</b> EVP, Consumer Markets	<ul style="list-style-type: none"> <li>• SVP, Product &amp; Strategy Management, Life Insurance Division</li> <li>• VP, IT &amp; PMO Operations, Life Insurance Division</li> <li>• Joined Pacific Life in 2001</li> </ul>	36 years experience
<b>Vibhu Sharma</b> EVP & CFO	<ul style="list-style-type: none"> <li>• EVP, CFO &amp; Treasurer, Thrivent</li> <li>• EVP, CFO &amp; Treasurer, Mutual of Omaha</li> <li>• CEO, General Insurance Business and Country Head of UK, Zurich Insurance Group AG</li> <li>• Joined Pacific Life in 2022</li> </ul>	35 years experience	<b>David Howell</b> CEO, Pacific Life Re	<ul style="list-style-type: none"> <li>• CEO, Scottish Re Group Limited</li> <li>• Chief Pricing Officer, Swiss Re</li> <li>• Joined Pacific Life in 2008</li> </ul>	26 years experience
<b>Carol Sudbeck<sup>1</sup></b> EVP & Chief Human Resources Officer	<ul style="list-style-type: none"> <li>• SVP, Corporate</li> <li>• VP, Corporate</li> <li>• Joined Pacific Life in 1994</li> </ul>	36 years experience	<b>Brian Woolfolk</b> EVP, Institutional	<ul style="list-style-type: none"> <li>• SVP &amp; CMO, Retirement Solutions Division</li> <li>• VP, Product Pricing, Retirement Solutions Division</li> <li>• Joined Pacific Life in 2010</li> </ul>	25 years experience
<b>Mary Beth Eckert</b> EVP & Chief Information and Digital Officer	<ul style="list-style-type: none"> <li>• SVP &amp; Chief Information Officer, USAA</li> <li>• Vice President, Travelers Group</li> <li>• Consultant, PricewaterhouseCoopers</li> <li>• Joined Pacific Life in 2022</li> </ul>	28 years experience	<b>Joseph Krum</b> SVP, Global Institutional Investment Group	<ul style="list-style-type: none"> <li>• VP, Capital Markets Group</li> <li>• VP, Treasurer</li> <li>• Joined Pacific Life in 2002</li> </ul>	32 years experience

<sup>1</sup> Carol Sudbeck, EVP & Chief Human Resources Officer, plans to retire from Pacific Life in January 2024. Pacific Life is currently recruiting to fill the Chief Human Resources Officer position.

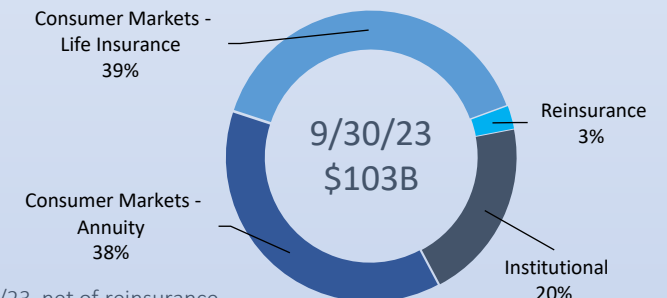
# Pacific Life Business Profile

	Consumer Markets – Life Insurance	Consumer Markets – Annuity	Institutional	Reinsurance
<b>Products</b>	<ul style="list-style-type: none"> <li>• Term Life</li> <li>• Universal Life</li> <li>• Indexed Universal Life</li> <li>• Variable Universal Life</li> </ul>	<ul style="list-style-type: none"> <li>• Variable Annuities</li> <li>• Fixed Annuities</li> <li>• Structured Settlement Annuities</li> </ul>	<ul style="list-style-type: none"> <li>• Pension Risk-Transfer</li> <li>• Defined Contribution Lifetime Income</li> <li>• Stable Value Products</li> <li>• Capital Markets Spread Lending</li> <li>• Institutional Fixed Annuities</li> </ul>	<ul style="list-style-type: none"> <li>• Domestic Retrocession</li> <li>• Longevity Reinsurance</li> </ul>
<b>Target Markets</b>	<ul style="list-style-type: none"> <li>• Individuals and families</li> <li>• Small businesses</li> <li>• Corporations</li> </ul>	<ul style="list-style-type: none"> <li>• Individuals</li> <li>• Small businesses</li> </ul>	<ul style="list-style-type: none"> <li>• Retirement plans</li> <li>• Corporations</li> <li>• Financial institutions</li> <li>• Institutional investors</li> </ul>	<ul style="list-style-type: none"> <li>• Insurance and Reinsurance Companies</li> </ul>
<b>Distribution</b>	<ul style="list-style-type: none"> <li>• Independent life producers</li> <li>• Financial advisory networks</li> <li>• Wirehouses</li> <li>• M Financial<sup>3</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Financial institutions</li> <li>• RIAs</li> <li>• Regional broker-dealers</li> <li>• Wirehouses</li> <li>• IMOs</li> </ul>	<ul style="list-style-type: none"> <li>• Actuarial and benefit consulting firms</li> <li>• Third-party brokers</li> <li>• Fund management firms</li> <li>• Investment banks</li> <li>• Internal teams</li> </ul>	<ul style="list-style-type: none"> <li>• Insurance Brokers</li> </ul>

## PLIC Premiums & Deposits<sup>1</sup>



## PLIC Statutory Reserves<sup>2</sup>



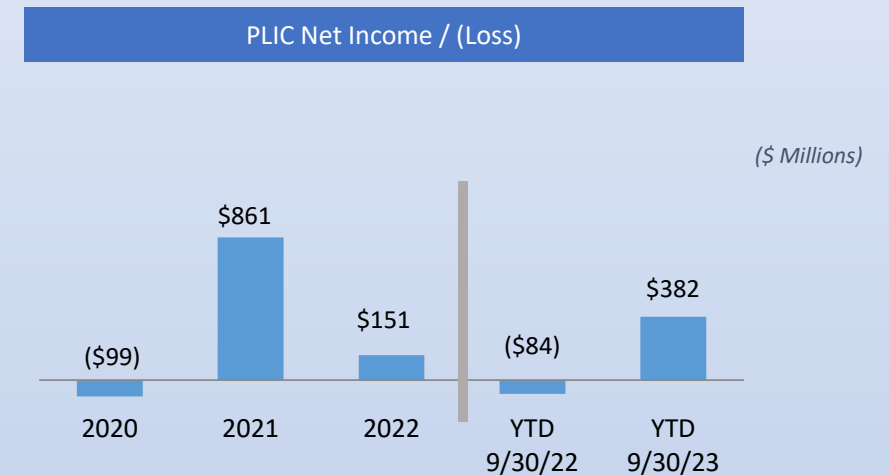
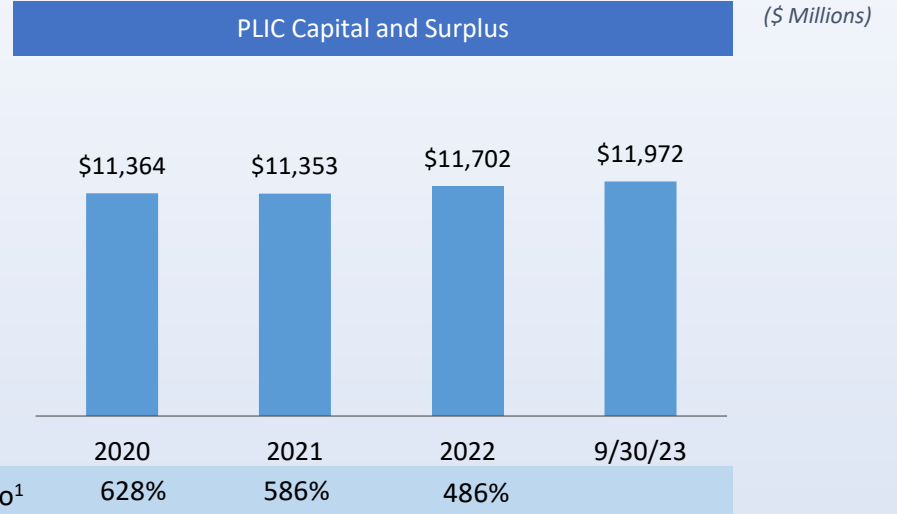
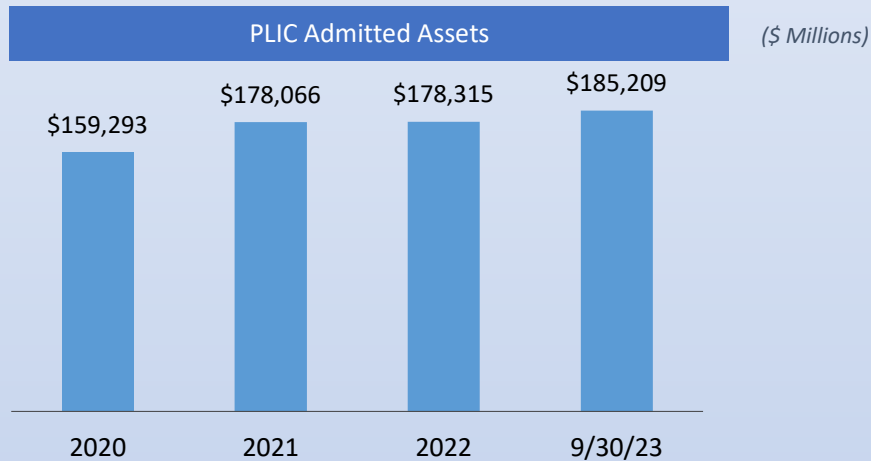
<sup>1</sup> Includes premiums and annuity considerations for life and accident and health contracts and deposits received for deposit-type contracts for the nine months ended 9/30/23, net of reinsurance

<sup>2</sup> Total general account annuity and life actuarial reserves and deposit-type contract liabilities as of 9/30/23

<sup>3</sup> M Financial Group is a life insurance distribution, service, and product organization serving high net worth individuals, executives and employers

# Statutory Capital and Admitted Assets

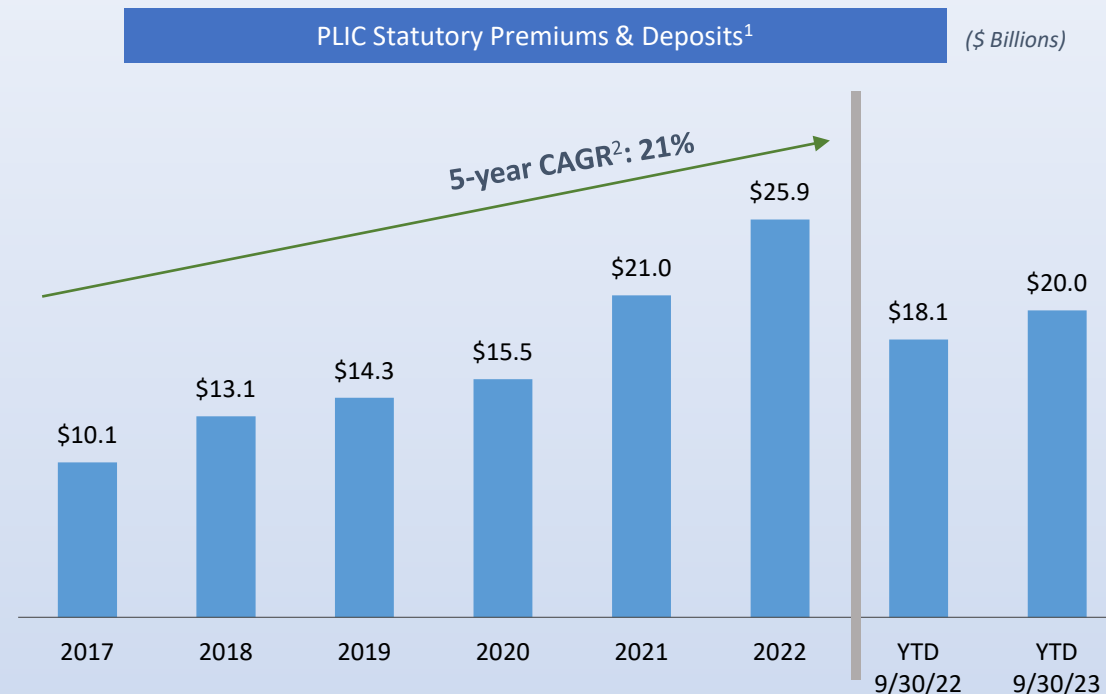
- Capital and Surplus increase from the prior year was primarily driven by an increase in net income. Net income of \$382 million was driven by net investment income due to investment portfolio growth and higher yield bonds. There were realized capital gains on indexed universal life (“IUL”) hedges, net of reserve changes due to the positive equity markets, slightly offset by the reinsurance recapture and reserve strain on new business
- Company action level risk-based capital ratio (RBC Ratio)<sup>1</sup> of 486% as of December 31, 2022
- Assets increased \$6.9 billion primarily due to general account growth from investments of premiums and deposits and an increase in separate accounts values primarily from stronger performance in the equity markets



<sup>1</sup> RBC Ratio is not intended for the purpose of ranking any insurance company or for use in connection with any marketing, advertising or promotional activities. See limitations on use in *Important Notices*, on slide 2. RBC is only presented on an annual basis.

# Statutory Premiums and Deposits

- 5-year CAGR<sup>2</sup> of 21% driven by strong growth in our Institutional and retail life products
- The growth in premiums and deposits as compared to 2022 is driven by strong sales in our retail fixed annuity products and an increase in issuances of short-term funding agreements, offset by a decrease in deposits for guaranteed fixed group annuity contracts
- We remain committed to growing our retail, Institutional, and reinsurance product lines



<sup>1</sup> Includes premiums and annuity considerations for life and accident and health contracts and deposits received for deposit-type contracts, net of reinsurance

<sup>2</sup> 5-year CAGR calculated using years 2017-2022

# Consumer Markets – Life Insurance

Our solutions for individuals, families, and businesses help them reach their goals of financial protection and supplemental retirement income through life insurance. We work with leading financial professionals to provide high-quality products and services for the diverse and evolving needs of their clients.

## Strategy & Target Markets

- Deliver exceptional products, services, and experiences that meet the needs of our target markets (individuals, small businesses, corporations)
- Strengthen our industry-leading position in the Affluent Market
- Grow sustainably and profitably in the Broad Market

## Key Products

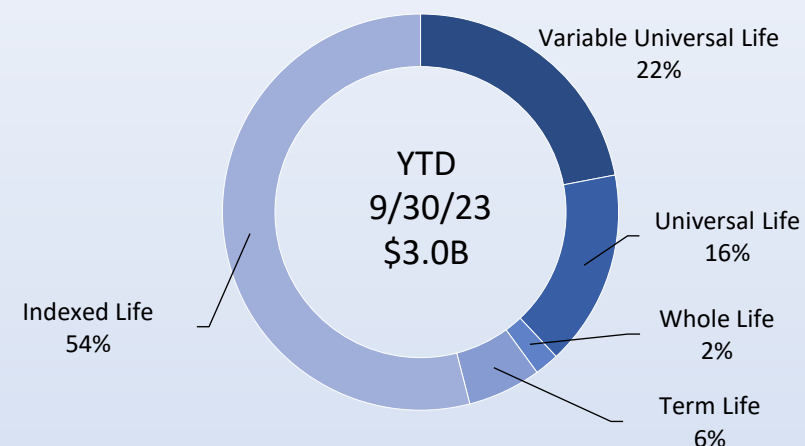
- Our products are centered around customer needs, spanning across financial protection, business planning and continuation strategies, estate planning strategies, and supplemental retirement income
- Key product lines include term, indexed universal life and variable universal life

## Distribution Model

- Our differentiated distribution model supported by consultative sales support is central to our go-to market strategy
- Distribution channels include independent financial professionals, producer groups, financial institutions, wirehouses, brokerage general agencies, and direct marketers

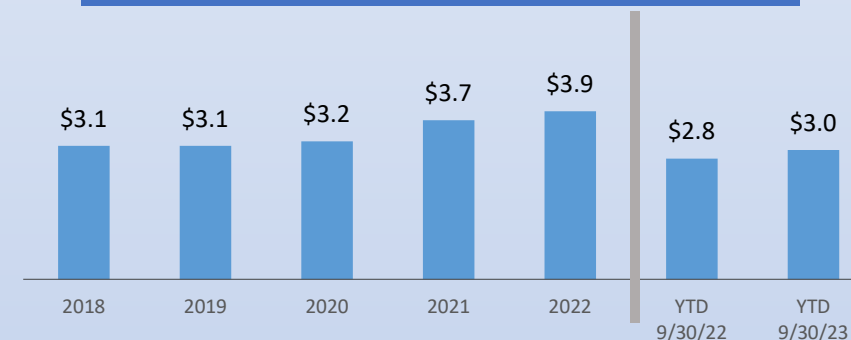
*Effective January 1, 2023, the Company combined its Life Insurance and Retirement Solutions divisions into a single, unified Consumer Markets Division*

Business Mix by Premiums & Deposits<sup>1</sup>



Life Insurance Statutory Premiums & Deposits<sup>1</sup>

(\$ Billions)



<sup>1</sup> Includes premiums and annuity considerations for life and accident and health contracts and deposits received for deposit-type contracts, net of reinsurance

# Consumer Markets – Annuity

We offer a broad and diversified range of products and solutions designed to help individuals and families achieve asset growth, guaranteed lifetime income, and long-term financial independence.

## Strategy & Target Markets

- Deliver exceptional customer experience and financial solutions that meet the needs of our target markets (individuals, families & small businesses)
- Grow core markets, broaden distribution, drive operational excellence, and enhance the customer experience

## Key Products

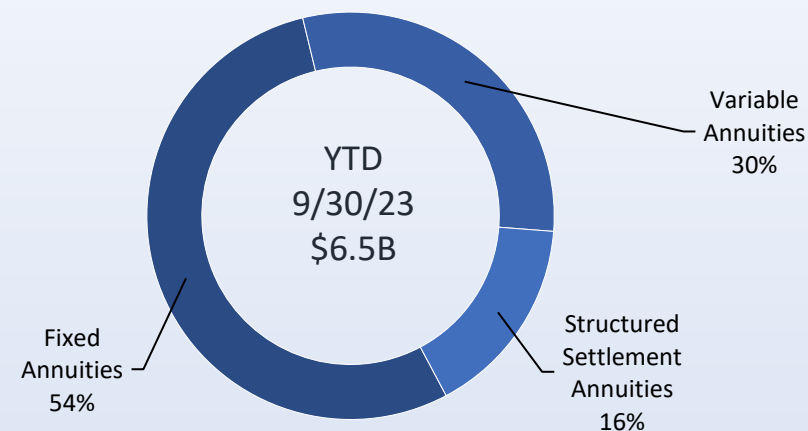
- We offer a broad and diversified range of products and solutions designed to help individuals and families achieve financial security, wealth accumulation, and guaranteed lifetime income
- Key product lines include Variable Annuities, Fixed Annuities and Structured Settlement Annuities

## Distribution Model

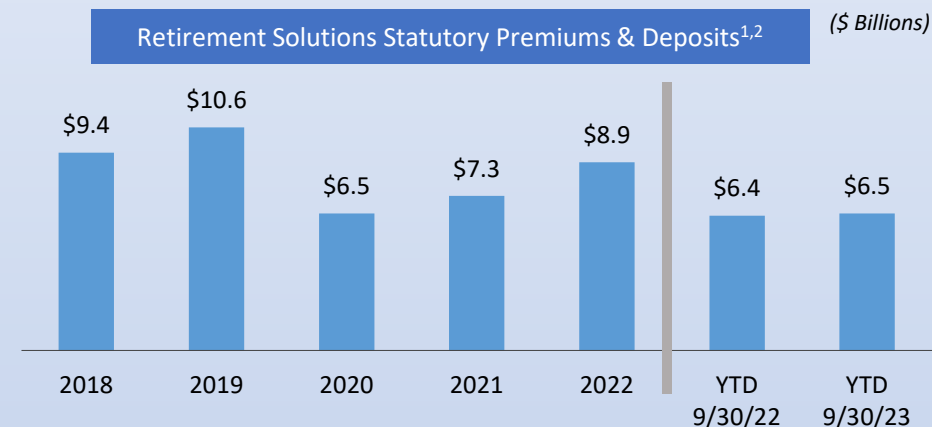
- Distribution channels include independent financial professionals, financial institutions, wirehouses, independent marketing organizations, brokerage general agencies, and registered investment advisors

*Effective January 1, 2023, the Company combined its Life Insurance and Retirement Solutions divisions into a single, unified Consumer Markets Division*

Business Mix by Premiums & Deposits<sup>1</sup>



Retirement Solutions Statutory Premiums & Deposits<sup>1,2</sup>



<sup>1</sup> Includes premiums and annuity considerations for life and accident and health contracts and deposits received for deposit-type contracts, net of reinsurance

<sup>2</sup> PRT business was transferred to Institutional effective 1/1/20. All prior periods presented include PRT business in Consumer Markets - Annuity

# Institutional

We offer a spectrum of risk mitigating and financing solutions to meet the needs of our clients. We have a dedicated team of experts that specialize in institutional markets.

## Strategy & Target Markets

- Grow our institutional business by exceeding customer expectations, driving new business growth, improving operational efficiency, and expanding our analytical capabilities

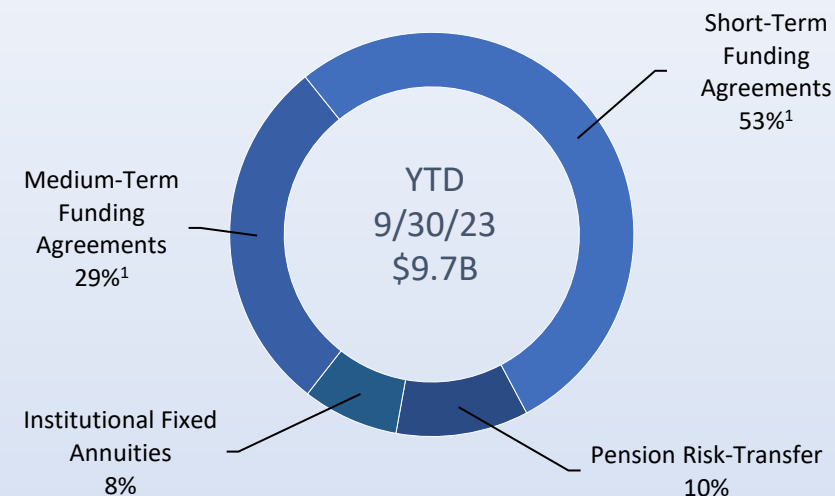
## Key Products

- Key product lines include Pension Risk-Transfer, Stable Value Wrap, FA-Backed Notes, FA-Backed Commercial Paper, Federal Home Loan Bank Advances and Institutional Fixed Annuities
- Emerging product offerings include Defined Contribution Lifetime Income

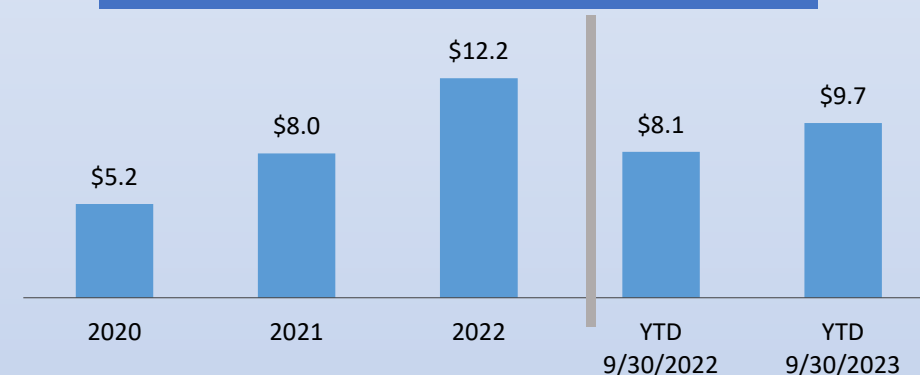
## Distribution Model

- Our Pension and Stable Value products are offered through plan sponsors, consultants, and investment partnerships while our funding agreements are offered to institutional investors

Business Mix by Premiums & Deposits<sup>2</sup>



Institutional Statutory Premiums & Deposits<sup>2</sup> (\$ Billions)

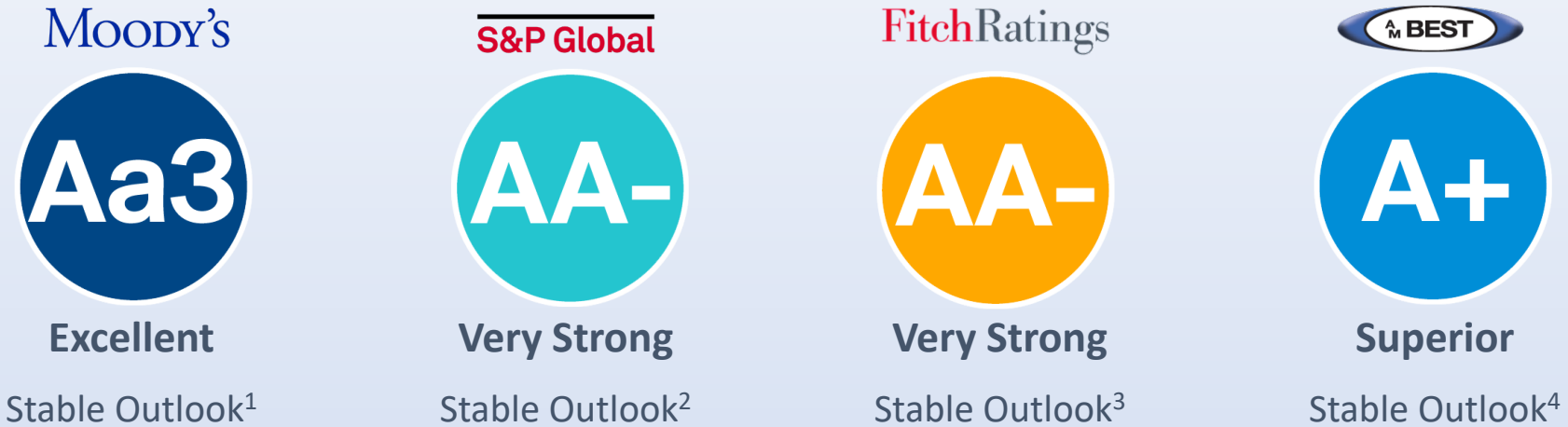


<sup>1</sup> Short-term funding agreements include funding agreements with maturities less than 12 months. Medium-term funding agreements have maturities greater than 12 months

<sup>2</sup> Stable Value Wrap fee income is not included in the table above as Stable Value Wrap fees are recorded in miscellaneous income



# Pacific Life Insurance Company's Ratings



Favorable Business Profile  
Strong Market Positions  
Diversified Earnings  
Very Strong Capitalization  
Excellent Liquidity

<sup>1</sup> Moody's outlook and rating reaffirmed in June 2023

<sup>2</sup> S&P outlook and rating reaffirmed in February 2023

<sup>3</sup> Fitch outlook and rating reaffirmed in September 2023

<sup>4</sup> AM Best outlook and rating reaffirmed in July 2023

Ratings as of November 15, 2023

# Strong Enterprise Risk Management

- ✓ **Strong Risk Culture**
- ✓ **Diversified Business Profile**
- ✓ **Clearly Articulated Risk Appetite**
- ✓ **Well-Designed Risk Framework**
- ✓ **Robust Governance Structure**
- ✓ **Effective Risk Organization**

## Comprehensive Stress Testing

- Resilient capital ratio under extreme market stress scenarios
- Sufficient liquidity to support elevated demands under stress

## Strong Financial and Market Risk Management

- Diversified and well-positioned investment portfolio
- Disciplined asset-liability management
- Hedging programs performing as designed

## Mature Operational Risk Management

- Effective coordination across three-lines-of-defense<sup>1</sup> model
- Well-established enterprise-wide programs and processes

## Robust Cyber Security & IT Risk Management

- Established programs aligned with industry standards<sup>2,3</sup>
- Extensive training and awareness campaigns

<sup>1</sup>Three lines of defense framework for risk management includes risk owners as first line, risk management as second line, and internal audit as third line

<sup>2</sup>National Institute of Standards and Technology (NIST) Cybersecurity Framework (CSF)

<sup>3</sup>Control Objectives for Information and Technologies (COBIT) Framework

# Investment Strategy Starts with our Liabilities

- The general account is segmented into product portfolios with characteristics determined by liability needs
- Investment decisions are based on both top-down views and bottom-up analysis
- We seek to optimize among yield, risk, capital efficiency, and relative value
- We continually reassess risk-adjusted return across investment opportunities, including by sector, geography, and rating
- Investment pace is influenced by projected cash flows and market opportunities
- As the economic environment evolves, we re-evaluate all of our holdings in terms of value, suitability, and credit fundamentals



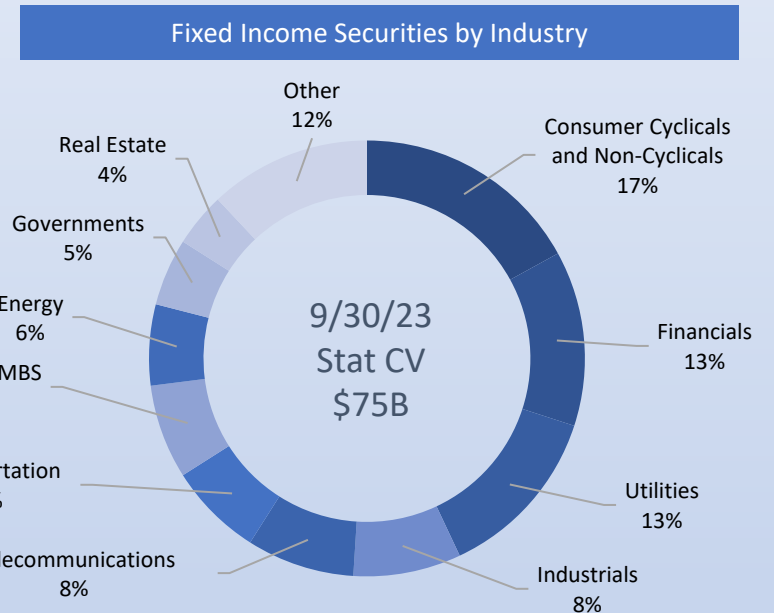
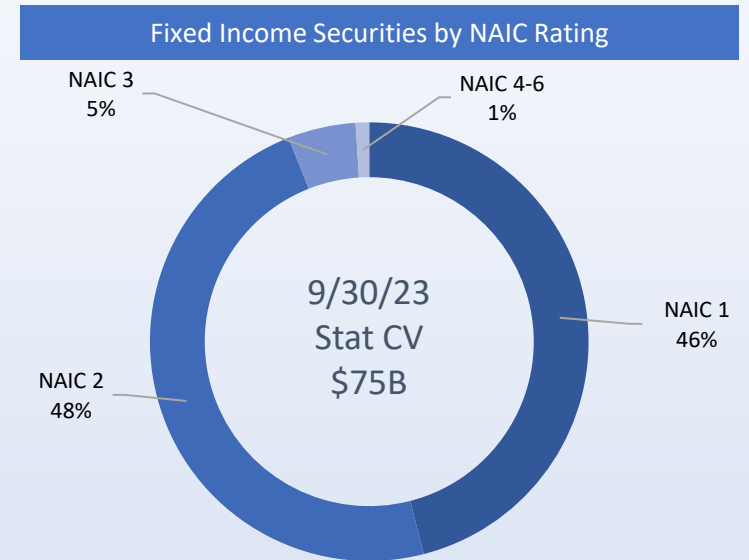
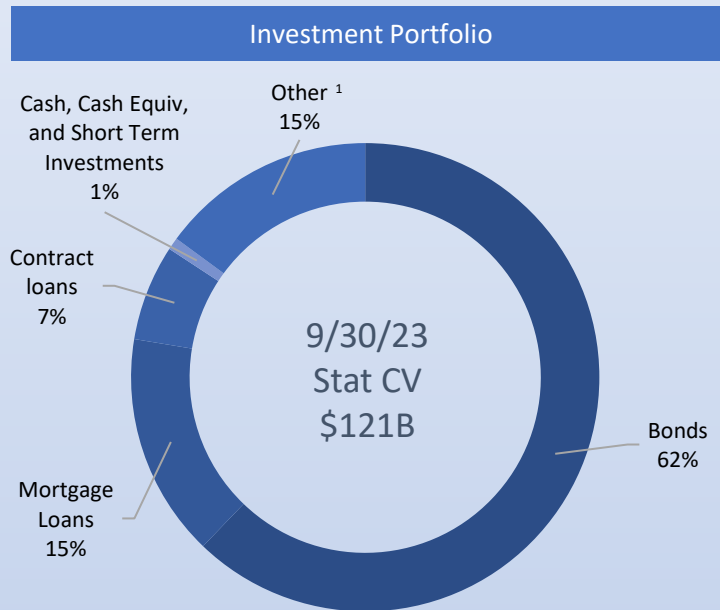
# Pacific Life Investment Portfolio Highlights

## Total investment portfolio

- Investment portfolio consists primarily of investment grade public and private fixed income securities, mortgage loans and contract loans

## Fixed income profile

- Net unrealized losses in the fixed income portfolio were \$9.1B as of September 30, 2023
- As of September 30, 2023, 94% of our fixed maturity securities were rated as investment-grade. We have not experienced any material changes in the credit quality of our portfolio since December 31, 2022
- Fixed income portfolio performance continues to be strong



<sup>1</sup>Other includes other invested assets, securities lending reinvested collateral assets, private equity funds, derivatives, and common stock

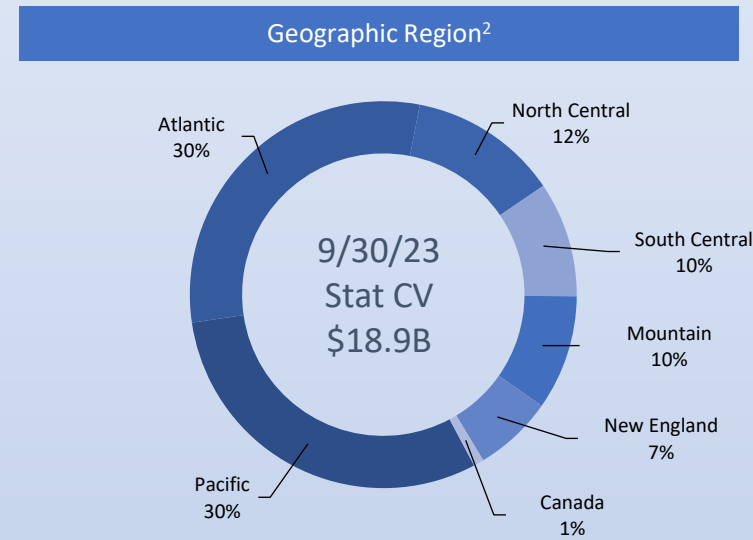
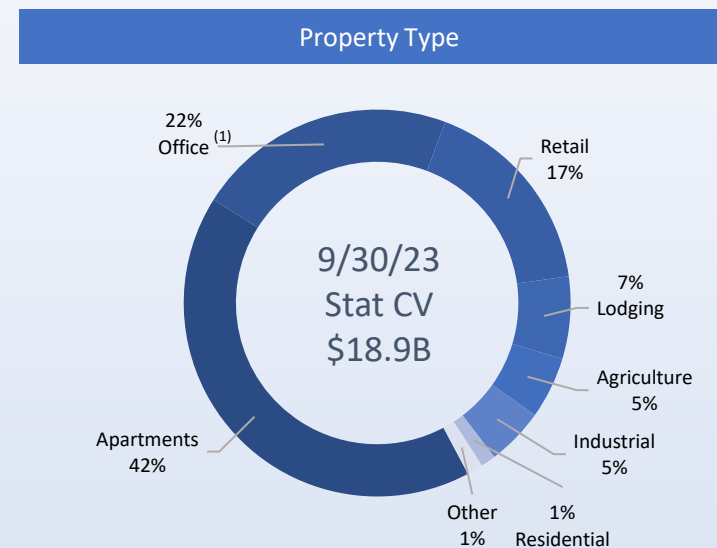
# Pacific Life Mortgage Loan and Real Estate Portfolio Highlights

## Portfolio strategy

- Mortgage loan and real estate emphasis is on properties in high “barrier to entry” locations and regions exhibiting strong demographic and economic trends
- Loan underwriting at origination emphasizes high debt coverage ratio and low loan-to-value

## Mortgage loan and real estate profile

- As of September 30, 2023, total carrying value of mortgage loans and real estate was \$18.9B. Mortgage loans primarily consist of commercial mortgage loans
- Overall portfolio loan-to-value (LTV) remains strong at 60.3% as of September 30, 2023, a slight increase from 59.8% at year end 2022
- The real estate mortgage portfolio is backed by high quality assets that are operated by owners with proven track records. As of September 30, 2023,
  - 4.2% of the mortgage portfolio loans are engaged in deferral of scheduled principal amortization
  - Year to date credit losses of \$114 million associated with commercial mortgage loans



<sup>1</sup> Office portfolio attributes: Average LTV of 60%, average debt coverage ratio (DCR) of 1.90x, average occupancy of 91%

<sup>2</sup> Regions consistent with the American Council of Life Insurers (ACLI) geographic regions

# Liquidity Summary

	(\$ Billions)	9/30/23
Cash and Cash Equivalents <sup>1</sup>		\$0.3
High Quality Liquid Assets (HQLA) <sup>2</sup>		\$1.5
<b>Total Cash and HQLA</b>		<b>\$1.8</b>
<b>Total Contingent Capacity<sup>3</sup></b>		<b>\$5.1</b>
<b>Revolving Credit Facility (RCF)<sup>4</sup></b>		<b>\$1.0</b>
<b>Total Available Liquidity<sup>5</sup></b>		<b>\$7.9</b>

- Pacific Life has strong liquidity with total cash/cash equivalents and HQLA of \$1.8B
- Pacific Life also has \$5.1B in available contingent liquidity, where most sources are able to provide same day funding
- Additionally, we have \$1.0B in an undrawn revolving credit facility provided collectively by top tier global and U.S. banks
- Total available liquidity of \$7.9B represents a subset of our total available liquidity at the consolidated group level

<sup>1</sup> Excludes bilateral cash collateral pledged or received, including associated deposits and restricted funds

<sup>2</sup> HQLA includes unencumbered U.S. Treasury securities, as well as other G5 sovereign securities

<sup>3</sup> Total Contingent capacity include estimated borrowing capacity against Federal Home Loan Bank (FHLB) eligible pledged collateral, IG repo and securities lending cash release capacity

<sup>4</sup> PLC and PLIC co-borrowed RCF matures in June 2026

<sup>5</sup> Represents management's internal measure of liquidity. Includes liquidity sources within PLC and readily available to PLIC

A large whale is breaching the ocean surface, creating a massive splash of white water. The whale's body is dark and textured, with its head and back visible above the water. In the background, there are misty, blue-toned mountains under a bright sky. The overall scene is dynamic and powerful.

# ESG & Sustainable Financing Framework

# Pacific Life's Principles for Responsible Investing



ENVIRONMENTAL



SOCIAL



GOVERNANCE

The mission of Pacific Life's investment team is to deliver solid risk-adjusted returns that provide flexible, scalable, and value-added solutions to Pacific Life's General Account and in support of Pacific Life's product portfolio. In fulfilling this mission, it is important that we do so in a responsible manner. Investing responsibly is a key pillar of Pacific Life's Corporate Social Responsibility program. It aligns with Pacific Life's Core Values of Accountability for our actions, Financial Strength focused on investing with a long-term view, Integrity to do the right thing, and making a positive impact on our Communities.

As an enterprise, we believe that responsible investing is not only good for the environment and society, but also key to our long-term financial strength and our mission to help our clients and their families attain peace of mind and financial security. We continually evolve our investment processes and incorporate environmental, social, and governance (ESG) factors to better align our decision-making with our duty to invest responsibly.

For more information, please visit: <https://www.pacificlife.com/home/corporate-social-responsibility/responsible-investment-policy.html>



# Pacific Life Corporate Social Responsibility

Pacific Life is committed to creating a meaningful future for our stakeholders. This extends beyond the current generation, which is why our corporate social responsibility initiatives create lasting, positive impact for our people, our communities, our customers, and our environment. To learn more about our programs, visit [www.pacificlife.com/csr](http://www.pacificlife.com/csr).



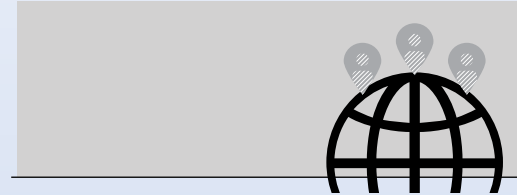
## People

Our mission to help clients achieve financial security can only be accomplished if we have a great culture that attracts top talent who feel engaged and supported at work.



## Communities

We are all stronger when the communities in which we live, and work thrive. Pacific Life has a long history of building better communities through investments in low-income housing, volunteerism, disaster relief, and programs to support underserved and underrepresented individuals.



## Customers

Our strong ethics, investment, and privacy programs represent our commitment to the highest standards and help ensure we're able to meet the promises we make to our policyholders. Our investment options within our product portfolios provide choice and flexibility, including investment funds focused on ESG principles.



## Environment

In our more than 150-year history, Pacific Life has never been more committed to having a positive impact on our environment. Today, we are working to protect oceans, reduce our environmental footprint, and identify investment opportunities that create a positive impact for the planet.

# Pacific Life Sustainable Financing Framework

IN ALIGNMENT WITH THE FOUR COMPONENTS OF THE SUSTAINABILITY BOND GUIDELINES-2021 (SBG), THE GREEN BOND PRINCIPLES-2021 (GBP) AND THE SOCIAL BOND PRINCIPLES-2023 (SBP)

## Use of proceeds

An amount equal to the net proceeds will be allocated to existing or future investments in or financings of Eligible Projects that meet Pacific Life's Sustainable Financing Framework Eligibility Criteria:

- *Green Buildings, Renewable Energy, Energy Efficiency, Sustainable Water and Wastewater Management, Terrestrial and Aquatic Biodiversity Conservation, Clean Transportation, Circular Economy adapted products, production technologies and processes and/or certified eco-efficient product, Environmentally Sustainable Management of Living Natural Resources and Land Use, Access to Essential Services – Education, Affordable Housing*

## Process for project evaluation and selection

Pacific Life's Sustainable Financing Steering Committee is comprised of members from the Institutional Capital Markets Group, Investment Management, Commercial Real Estate, Law Department, Corporate Affairs, and/or Brand Management, and is responsible for the review and selection of the green and social projects that will qualify as Eligible Projects for the final approval of Pacific Life's Institutional Capital Markets Group

## Management of proceeds

Pacific Life tracks allocations using its internal recording system. Pacific Life intends to allocate an amount equal to the net proceeds in the first 24 months after issuance

## Reporting

Pacific Life has posted the Annual Review (dated February 25, 2022) on Pacific Life's website specifying the 1) Use of Proceeds 2) Eligibility Criteria and 3) Associated KPIs for our inaugural sustainable bond issuance

*Pacific Life has posted on its website a Second Party Opinion from a consultant with recognized environmental and social expertise that provides an opinion on the environmental and social benefits of Pacific Life's Sustainable Bond Framework as well as the alignment to the SBG, GBP and SBP*



# Pacific Life ESG Risk Rating

LAST UPDATED OCTOBER 16, 2023

## Pacific LifeCorp

Industry Group: Insurance

Country/Region: United States of America

Identifier: -

ESG Risk Rating **COMPREHENSIVE** ?

**21.0** Medium Risk



Last Full Update: Oct 16, 2023 ?

### Ranking

Industry Group (1st = lowest risk)

**Insurance** 89 out of 301

Universe

**Global Universe** 4938 out of 15712



# Additional Information

# Key Financial Highlights

(\$ Millions)

	Nine Months Ended September 30		Years Ended December 31		
	2023	2022	2022	2021	2020
<b>Selected Income Statement Data</b>					
Premiums and annuity considerations	\$10,312	\$10,322	\$14,298	\$13,984	\$11,760
Net investment income	3,087	2,526	3,401	3,276	3,206
Total revenues	14,257	13,661	18,730	18,235	15,617
Total benefits and expenses	14,465	12,562	17,589	18,776	15,849
Realized capital gains (losses), net of taxes	750	(1,070)	(981)	1,612	(64)
Net income (loss)	382	(84)	151	861	(99)
<b>Selected Balance Sheet Data</b>					
Total invested assets	\$121,296	\$113,055	\$116,472	\$103,873	\$92,897
Total general account assets	125,038	116,873	119,679	107,624	96,010
Aggregate reserves	81,903	78,353	79,459	76,028	71,367
Liability for deposit-type contracts	20,703	16,285	18,585	11,198	6,281
Surplus notes	1,588	1,588	1,588	1,675	1,674
Total capital and surplus	11,972	11,461	11,702	11,353	11,364
Separate account assets / liabilities	60,171	55,331	58,636	70,442	63,283

# Overview of Pacific Life Short Term Funding, LLC



## Issuer

Pacific Life Short Term Funding, LLC,  
a Delaware limited liability company



## PLIC Short Term Ratings<sup>1</sup>

- Moody's: P-1
- S&P: A-1+
- Fitch: F1+
- AM Best: AMB-1+



## Funding Agreement Provider

Pacific Life, a Nebraska domiciled company



## Program Size

\$5B



## Type

Funding Agreement-Backed  
Commercial Paper ("FA-Backed CP")



## Dealers

- Citigroup Global Markets Inc
- Goldman Sachs & Co. LLC
- J.P. Morgan Securities LLC
- Wells Fargo Securities, LLC



## Format

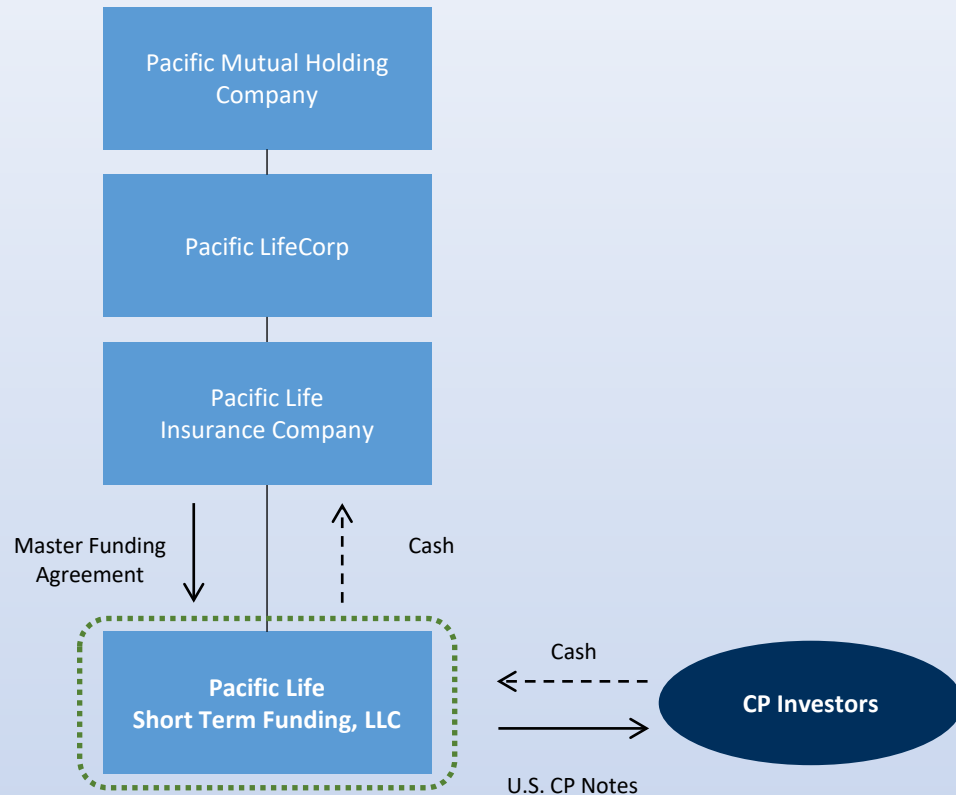
- Section 4(a)(2) / Rule 144A (Securities Act Exemption)
- Rule 3a-7 (Investment Company Act Exemption)



<sup>1</sup> Ratings as of November 15, 2023

# FA-Backed Commercial Paper Structure Overview

## Legal Entity Overview



## FA-Backed Commercial Paper Mechanics

- Pacific Life Short Term Funding, LLC, is a special purpose vehicle (SPV) formed under the laws of the State of Delaware
- Pacific Life Insurance Company will issue a Master Funding Agreement (MFA) to Pacific Life Short Term Funding, LLC which will serve as the SPV's sole material asset
- Pacific Life Short Term Funding, LLC will issue match funded U.S. CP Notes with the use of proceeds to acquire deposits under the MFA with Pacific Life Insurance Company
- Under Nebraska statutes, the deposits under the MFA backing the U.S. CP notes will rank *pari passu* with policyholder claims of Pacific Life Insurance Company
- Pacific Life Short Term Funding, LLC's FA-Backed CP program ratings as of November 15, 2023 are:
  - Moody's: P-1
  - S&P: A-1+
  - Fitch: F1+

# Contact Information

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