

Strategy and Performance

Michael Wells, Chairman and CEO



Jackson Defined

Prudential U.S. Operations

US Life Insurance



- Leadership position in Annuities market
- Producer-focused distribution model: Largest wholesaling network
- Best-in-class service
- Industry leading Asset Liability Management
- Low-cost efficient operations
- Life insurance closed block consolidator
- \$173bn in total IFRS assets (6/30/13)
- \$903m of IFRS pre-tax operating income 1H 2013
- \$1.4 billion of cash remittances combined over 2011, 2012 and 2013

Wealth Management



- Top 10 provider of Unified Managed Accounts (on basis of AUM)*
- \$10.3bn AUM and \$2.1bn gross sales in 9 months 2013
- Nearly 79,000 customer accounts
- More than 31,000 advisors
- \$22m pre-tax profit 1H 2013

Retail Broker-Dealer Network



- Nearly 3,600 representatives as of 9/30/13
- 7th Largest independent broker-dealer**
- NPH represents 8.4% of Jackson YTD 3Q 2013 VA Broker-Dealer sales
- \$10.4bn in gross product sales and \$18.5m pre-tax income for 1H 2013

Asset Management



- PPM America, Inc. manages \$103bn*** AUM in the US:
 - 64% on behalf of Jackson
 - 24% on behalf of Pru UK clients
 - 12% on behalf of Pru Asia clients

* The Cerulli Edge Managed Accounts Edition 3Q 2013

** Investment News Broker-Dealer Rankings- April 2013

*** 3Q 2013



Jackson's Strategy

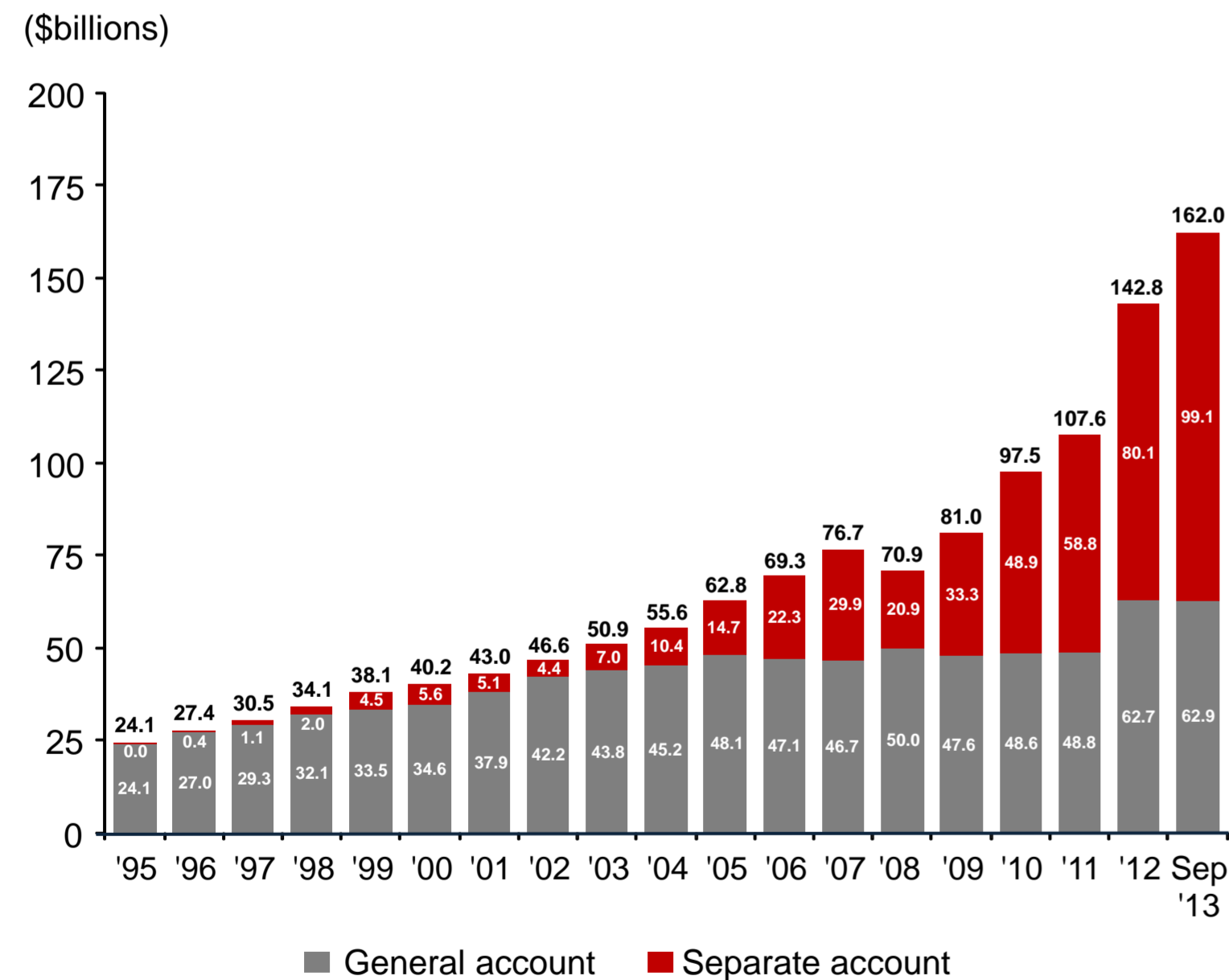
- 1 Capitalize on the 'Babyboomer' retirement opportunity
- 2 Platform focus, not product focus
- 3 Conservative, economic approach to pricing and risk management
- 4 Bolt-on financially attractive life acquisitions



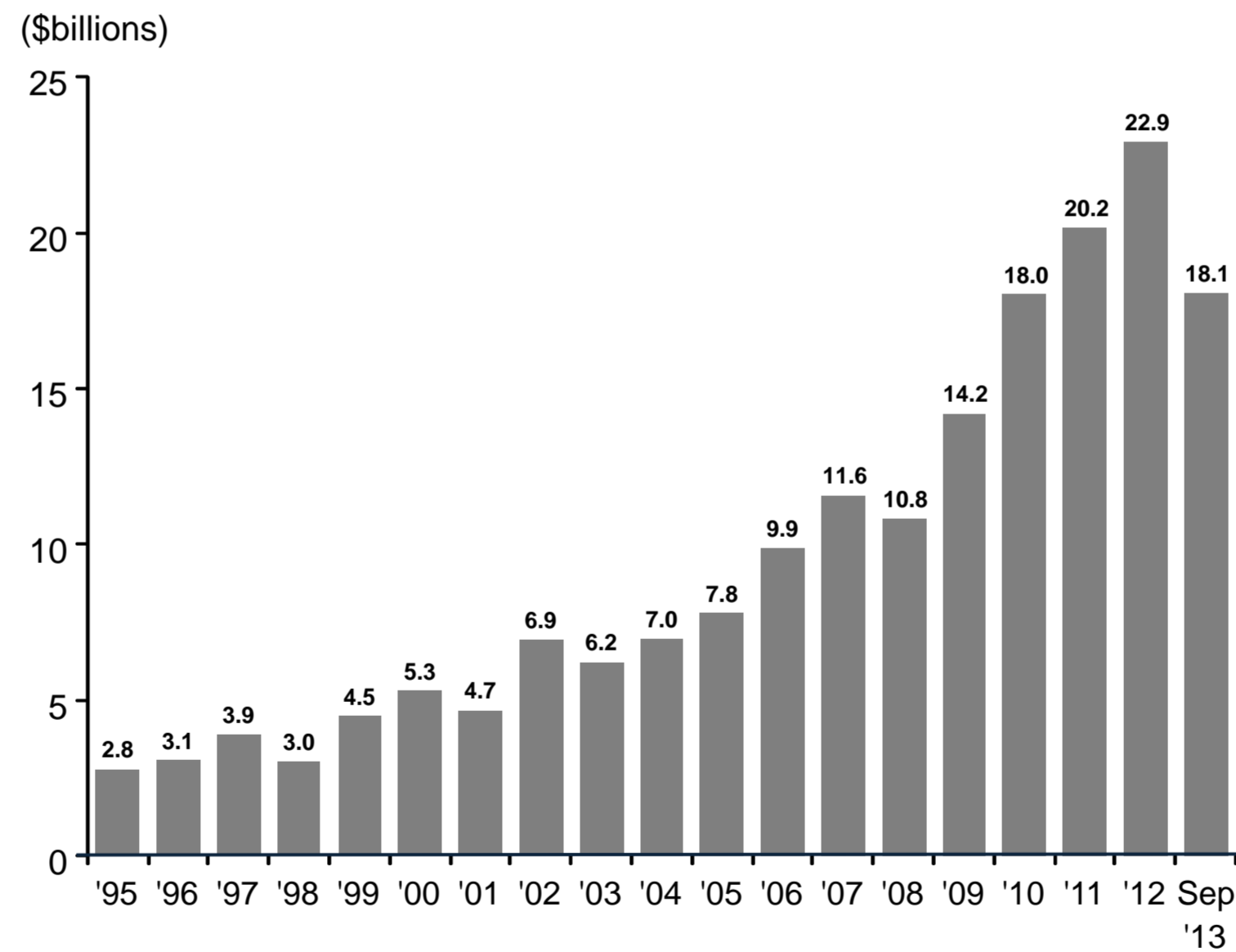
Jackson's Track Record

Since 1995, Jackson has grown premium by over 8x, grown assets nearly 7x, and more than tripled capital. Jackson has accomplished this and returned ~\$2.1bn of net capital to Prudential over that period

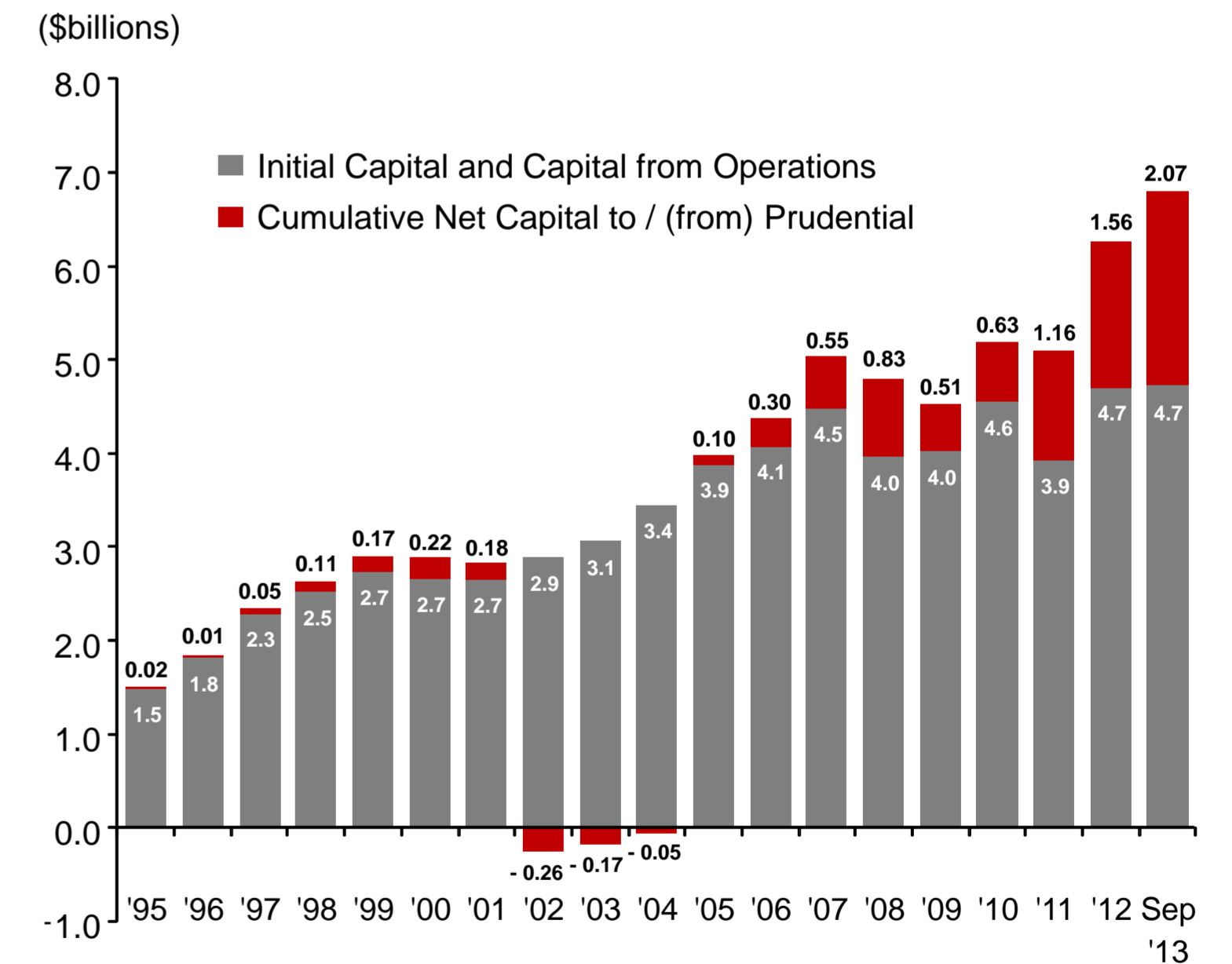
Statutory Admitted Assets



Statutory Premiums



Statutory Capital and Distributions



Data is consolidated to include Jackson National Life, Jackson National Life of New York and Squire Reassurance Company LLC. Statutory premiums are after reinsurance and exclude Institutional deposit funds. Admitted assets exclude leverage.



What We Do Differently – Competitor Landscape & Trends

Market Environment – Life Industry Top 10 VA Companies

Top 10 Companies	New VA Sales		YOY % Change	Total VA Assets*
	3Q YTD 2012	3Q YTD 2013		
Jackson National	15,297	15,469	1.1%	105,950
Lincoln Financial Group	7,258	10,678	47.1%	105,102
Prudential Financial	16,198	9,027	-44.3%	142,849
MetLife	14,136	8,894	-37.1%	173,797
SunAmerica/VALIC	6,561	8,846	34.8%	88,384
AXA Equitable	6,200	6,714	8.3%	101,489
AEGON/Transamerica	3,851	6,127	59.1%	55,294
Nationwide	3,234	4,164	28.8%	53,459
Ameriprise Financial	3,887	3,952	1.7%	71,574
Pacific Life	2,837	3,428	20.9%	54,292
Top 10	79,459	77,299	-2.7%	952,188
Industry	109,370	105,967	-3.1%	1,786,916

Source: MARC

\$millions

*As of 3Q 2013 and includes fixed account

Top 10 new VA sales and assets figures exclude TIAA-CREF



What We Do Differently – Competitor Landscape & Trends

Market Environment - Historically Low Interest Rates, but Slowly Increasing



Industry Trends

- Investment restrictions
- Reduced withdrawal percentage
- Charges increased
- Products closed
- Subpay restrictions
- Buy-out offers
- New, less capital intensive products



Competitors

- **Prudential:** Increased M&E, reduced commission, reduced GAWA%, new VA
- **Met Life:** Reduced GMIB to 4%, new VA
- **Lincoln:** Capped premium at \$1 million, decreased withdrawal rate on joint option; expanded investment options
- **AXA:** Increased M&E & contract mins, increased GMIB/GMDB charges
- **TransAmerica:** Expanded distribution in certain BDs through proprietary & white labeled VAs
- **SunAmerica:** Increased min issue age, decreased bonus, 2 increases on withdrawal rates on Income Builder (5.5%/5.25%)



- Closed 2 ROP GMWBs & Select Protector
- Closed Freedom Flex quarterly step-up options
- Increased charge 10-15 bps on Freedom Flex annual step-up options
- Lowered the GAWA% for ages 75+
- EA: Introduced 21 new investment options addressing International & Rising Interest Rate opportunities
- Rank #1

1H 2013

- Investment restrictions
- Reduced withdrawal percentage
- Charges increased
- Products closed
- Subpay restrictions
- Buy-out offers
- New, less capital intensive products

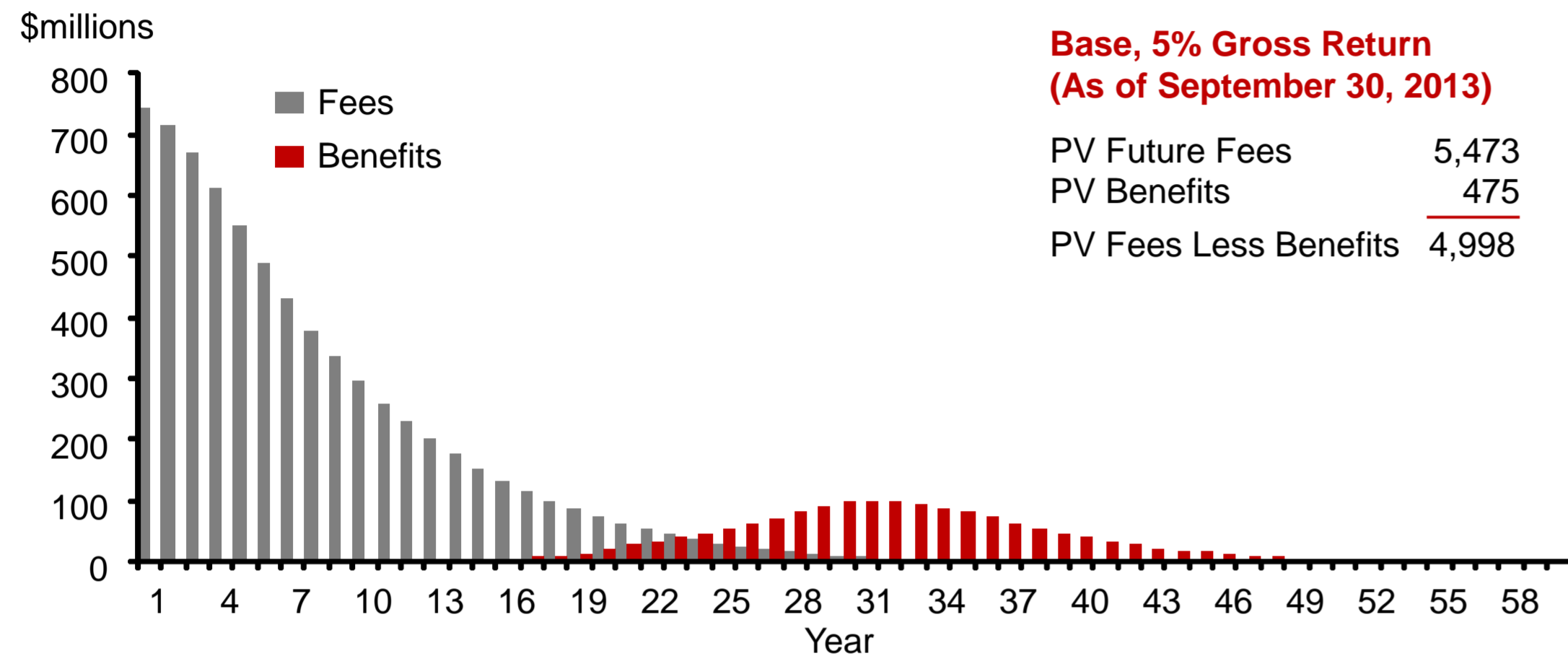
- **Prudential:** Series of w/d% increases on DIA, now 6% at 65; subpay cap on old contracts
- **Lincoln:** Suspended living benefit VA sales at select broker dealers
- **AXA:** Removed active fund options and replaced with passive/managed vol funds (26 to 11); expanded buy-outs to GMIBs, launched investment only VA
- **TransAmerica:** Increased charges on old living benefits; expanded distribution through O-share VA
- **Hartford:** Implemented investment restrictions on old GMWBs
- **SunAmerica:** Decreased upfront commission

- September 2013:
 - Relaunched Joint option GMWBs
 - EA: Introduced 7 new investment options, including 2 focused strategies
 - Rank #1
- October 2013:
 - Suspended new 1035 exchanges/transfers until 12/16/13

2H 2013

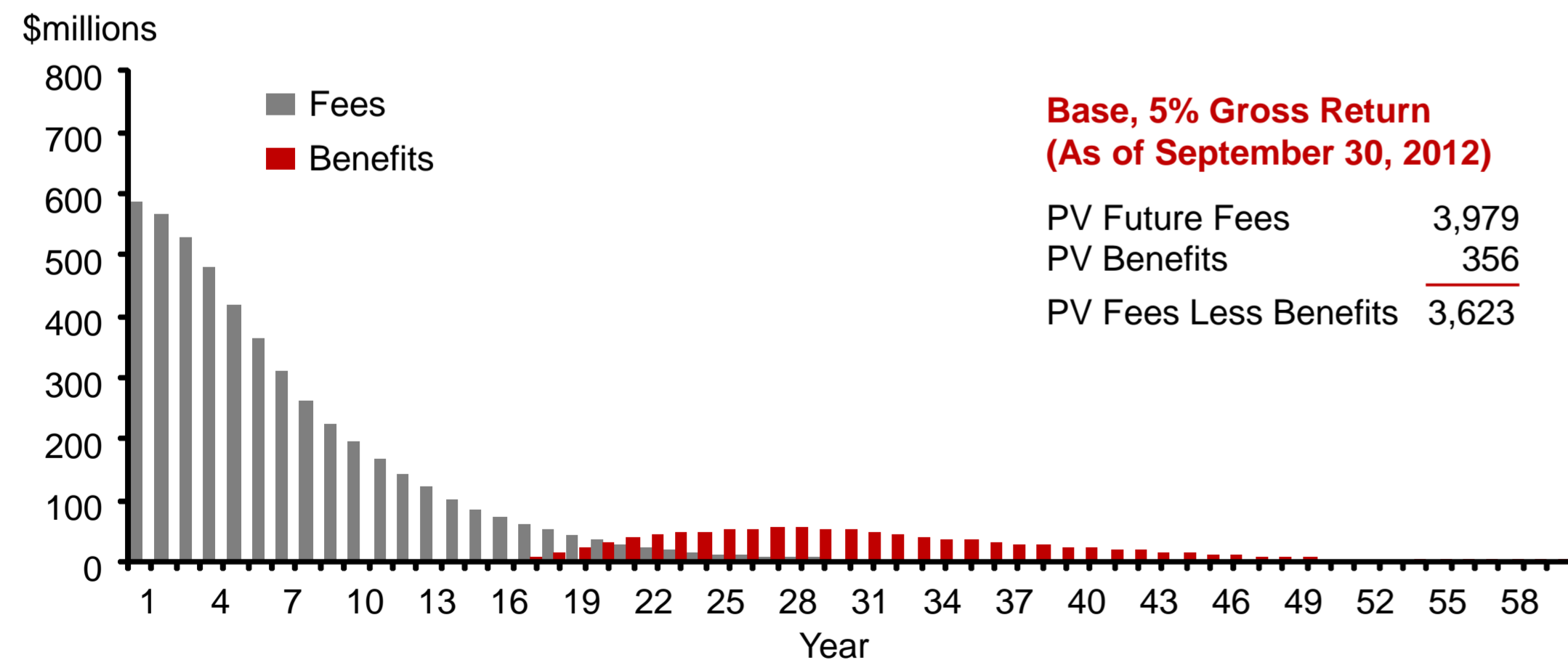


In-Force Remains Strong



Unhedged GMWB In-Force Cash Flow

- In-force portfolio cash flows on an unhedged basis
- Analysis based solely on guarantee fees (excludes M&E fees)
- Uses prudent best estimate assumptions (AG43, C3P2)
- 5% gross return is well below historical average market return
- Ignores fees collected to date as well as reserves
- PV of future GMWB fees exceeds PV of benefits over a wide range of market shocks
- Negative cash flow is far into future even in bad scenarios
- No material strain on liquidity





Why Jackson Continues to Succeed

Key Jackson Success Factors

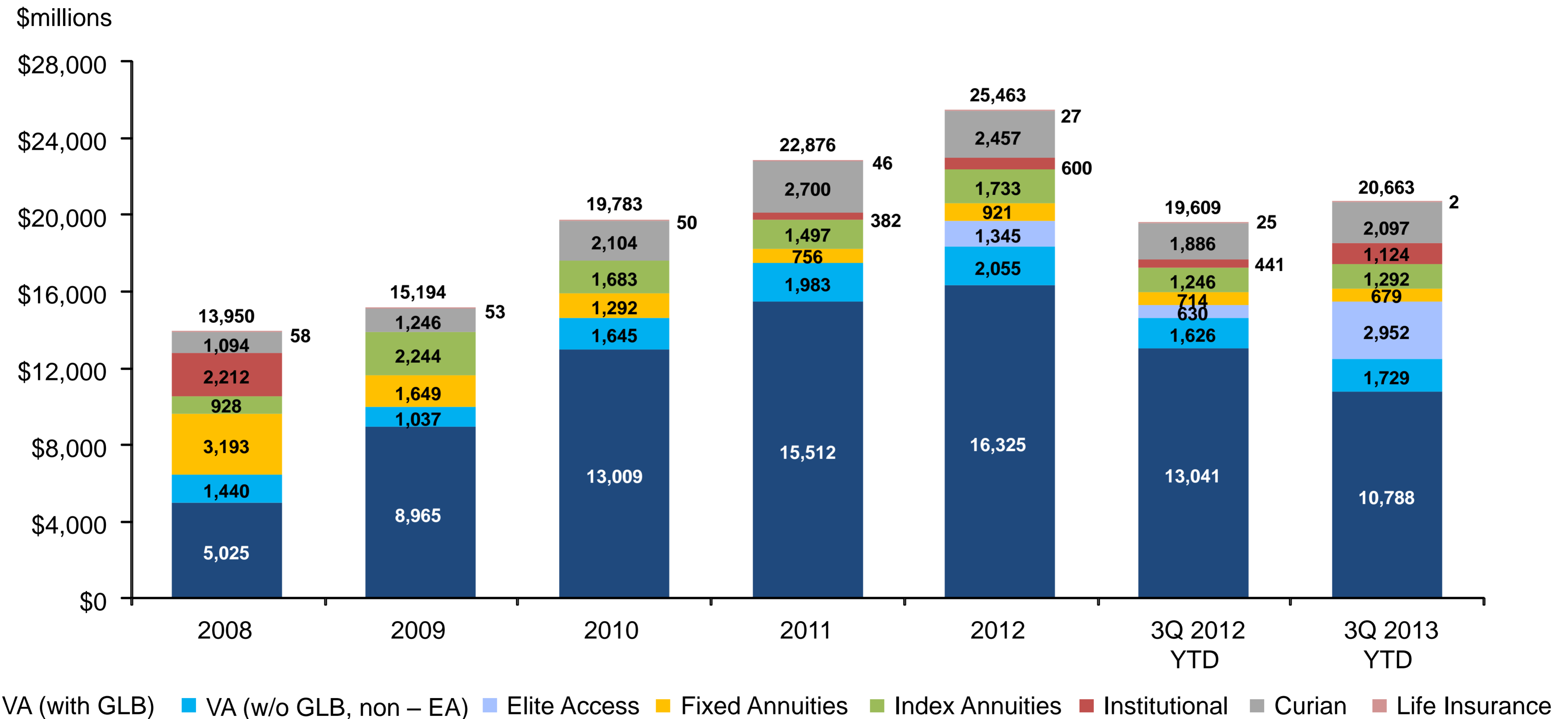
- 1 Prudent Pricing & Product Design**
 - Unique 'menu based' product platform – all features individually priced
 - Conservative economic and policyholder behavior assumptions
 - Price through the business cycle without chasing risk when cheap
- 2 Strong Distribution & Service Culture**
 - Jackson's external wholesalers are the top ranked in the industry
 - Wholesaling force 31% larger than the nearest competitor
 - Business reputation, not brand
- 3 Efficient & Scalable Operations**
 - Low-cost locations in Lansing, Nashville and Denver
 - Jackson has the lowest expense ratio in the industry (41 vs. 70 bps)
 - Efficient, modern technology
 - Life Insurance bolt-on consolidator – LOG (2005) & REALIC (2012)
- 4 Hedge Economics of Tail Risk Exposure**
 - Focus on true economic hedging of tail risks; not an immunization strategy
 - Take advantage of natural offsets within the book
 - Conservative pricing approach drives large 'hedging budget'
- 5 Manage Volumes & Vintages**
 - Proactive pricing & distribution actions to manage volumes and vintages
 - Regular pricing updates to avoid fire sales
 - All of Jackson's pre-crisis vintages are profitable
- 6 Robust Capital & Liquidity Position**
 - Jackson's AA (stable) rating from S&P is the highest among key players in the VA space
 - Strong RBC ratio with over \$4.7 billion of TAC
 - Delivered \$470m dividend to group in 2013
- 7 Experienced Management Team**
 - Jackson has a seasoned and long tenured senior management team that has successfully managed through multiple business cycles

Risk Management

Chad Myers, EVP, CFO



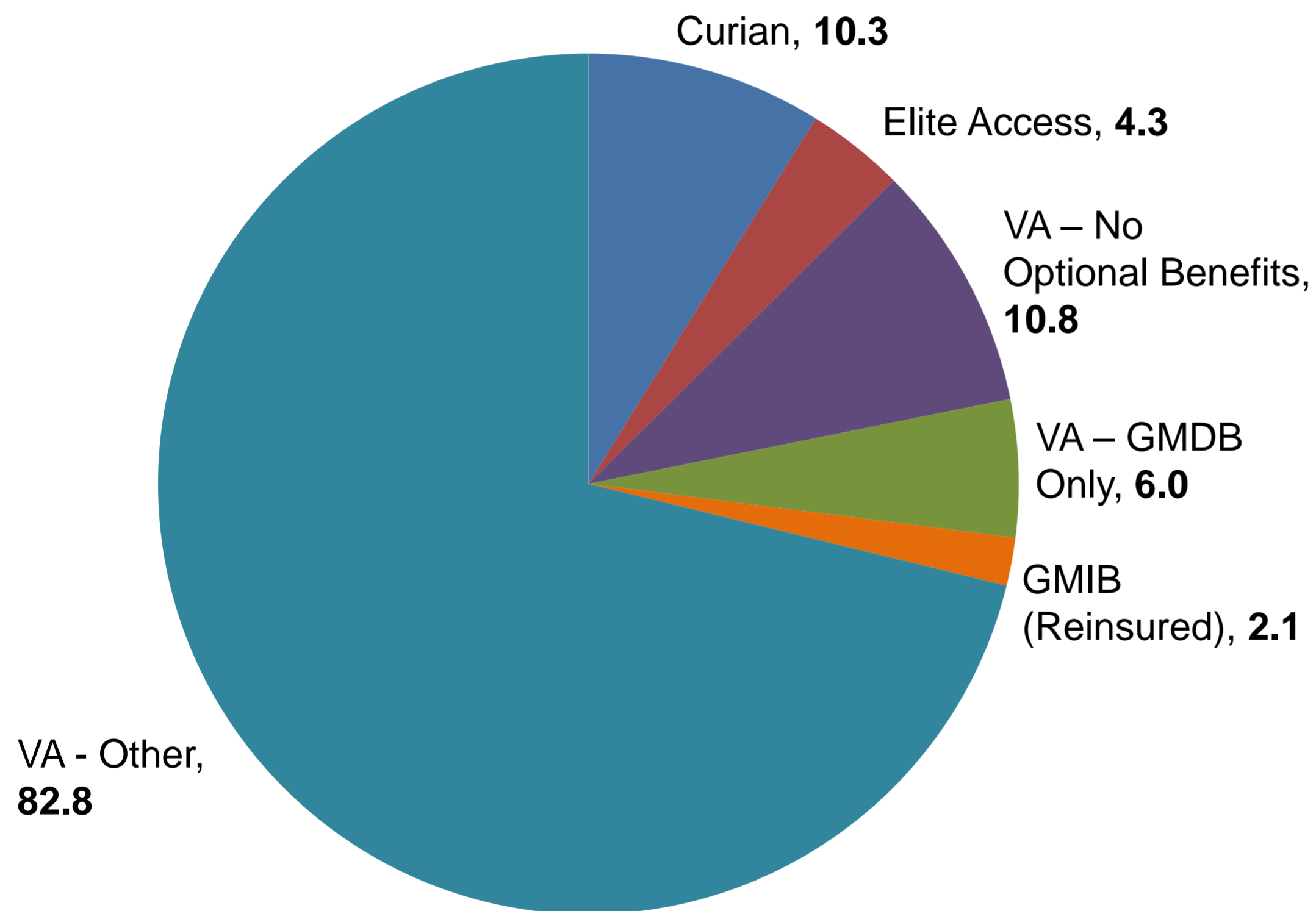
Diversified Sales by Product Line



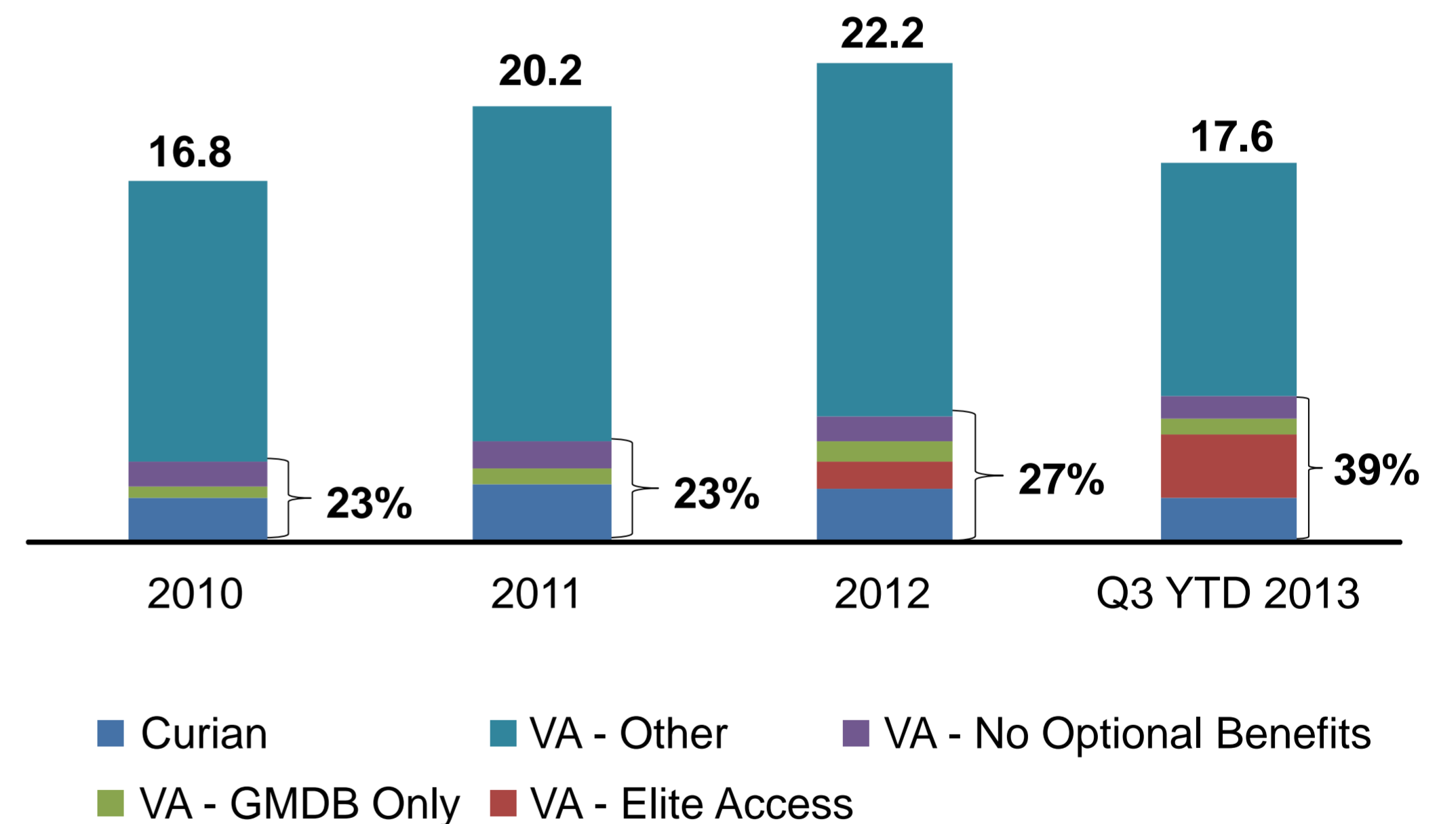


Jackson Fee Based Business

VA Account Value and Curian AUM \$116.3 billion ending September 30, 2013, (\$ in billions)

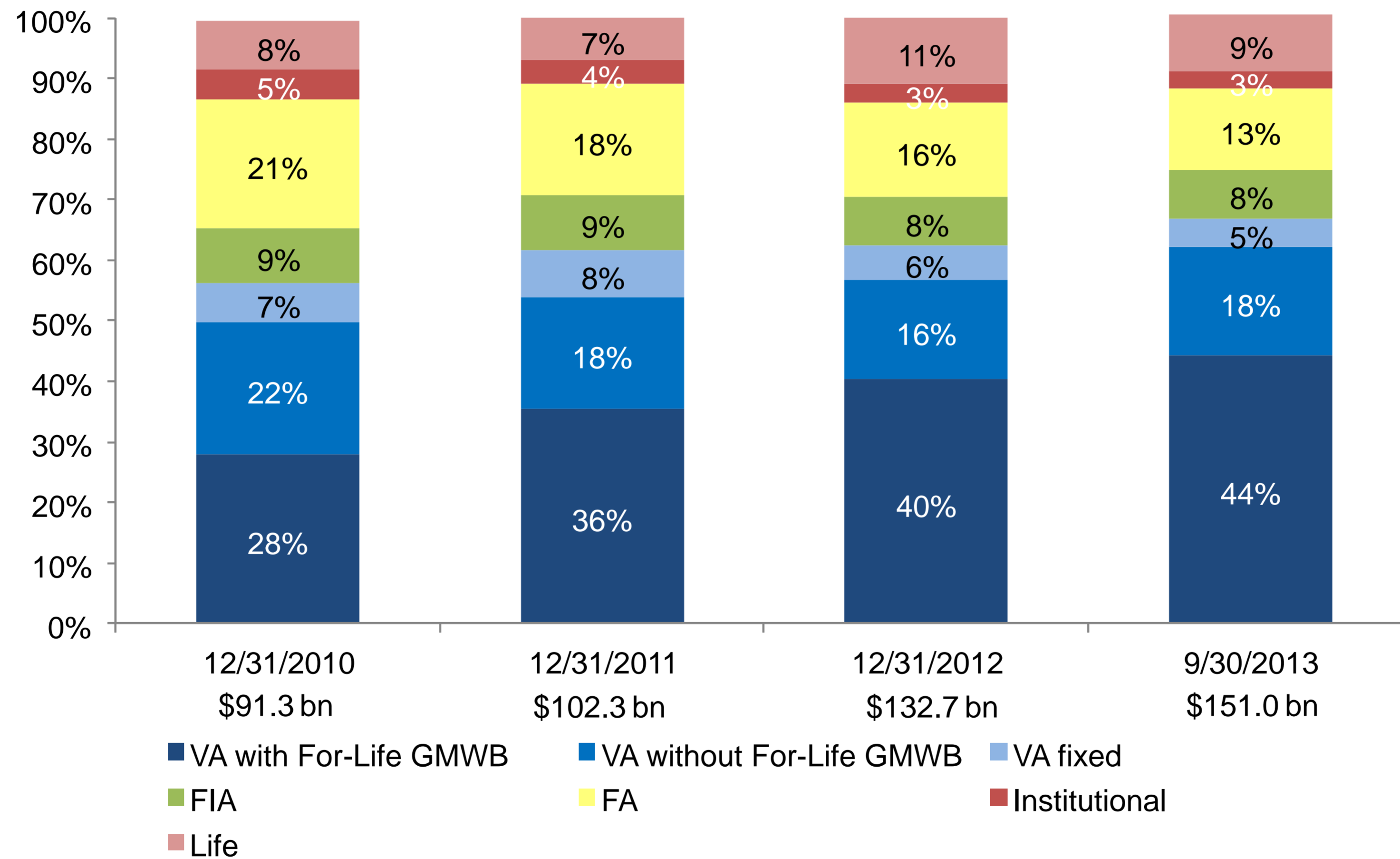


Fee Based Premiums and Deposits, (\$ in billions)



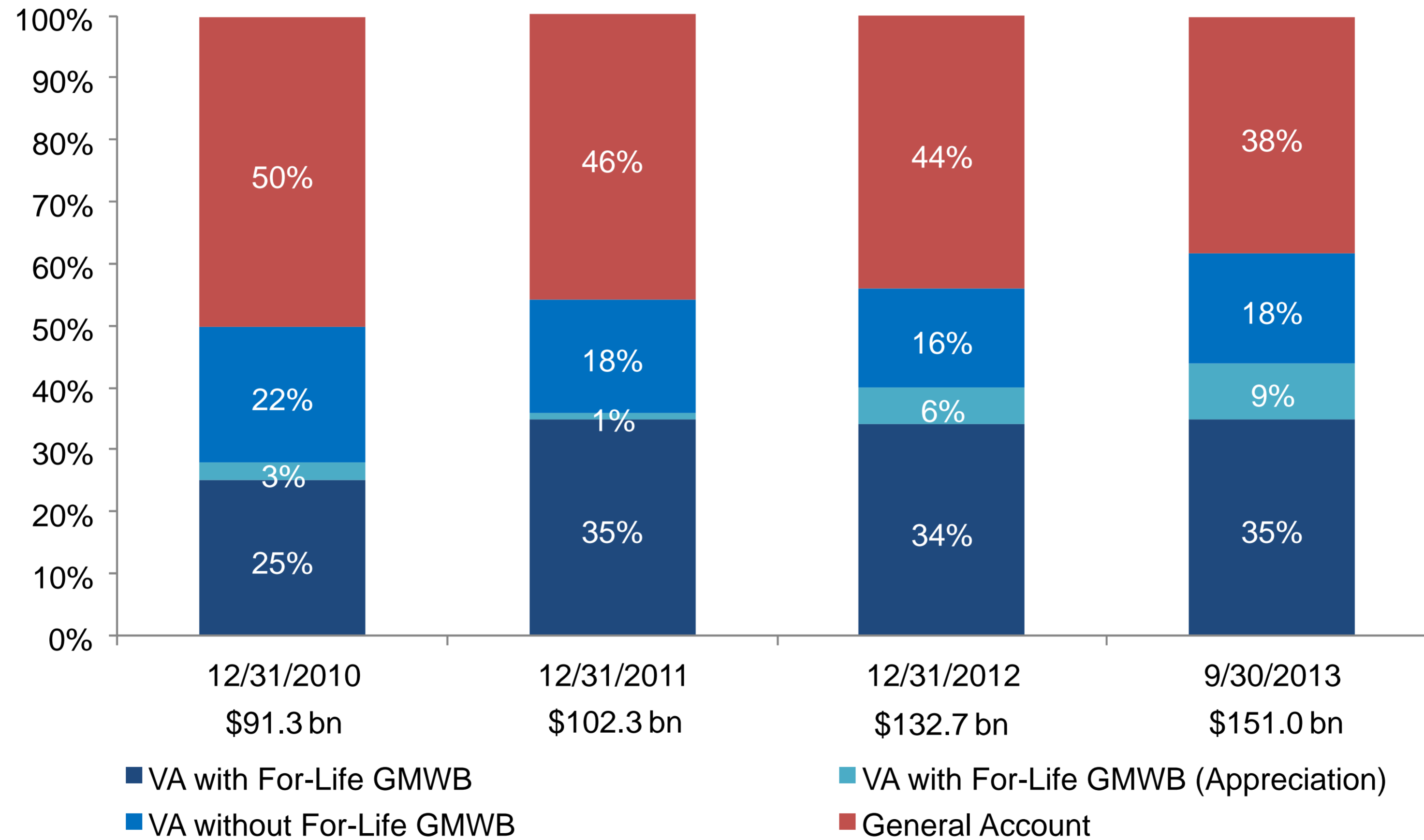


Statutory Reserves – Major Product Categories





Statutory Reserves – Major Product Categories

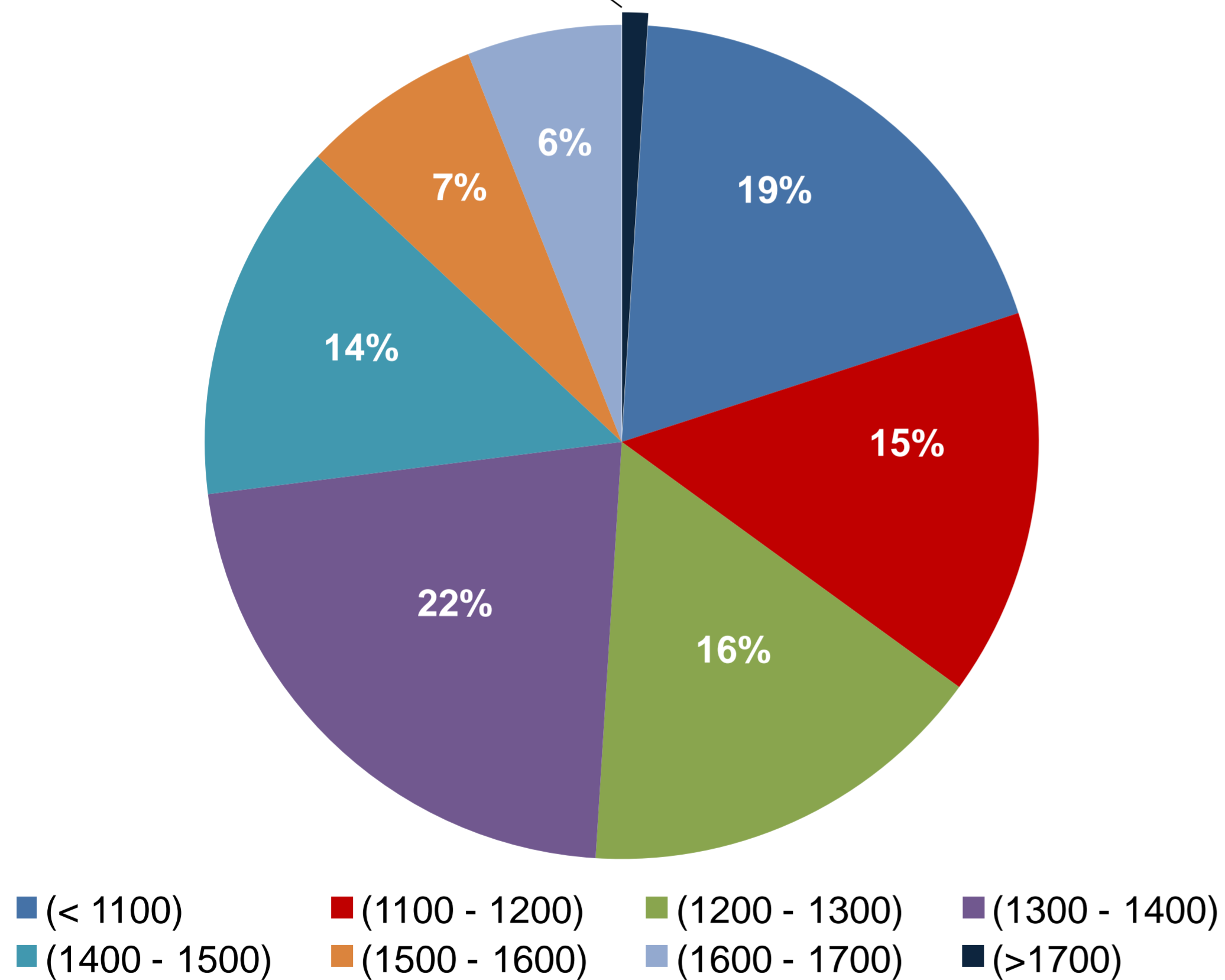




Separate Account Value by S&P 500 Level at Policy Issue

\$98.6 billion as of September 30, 2013

"In the Money" from issue 1%

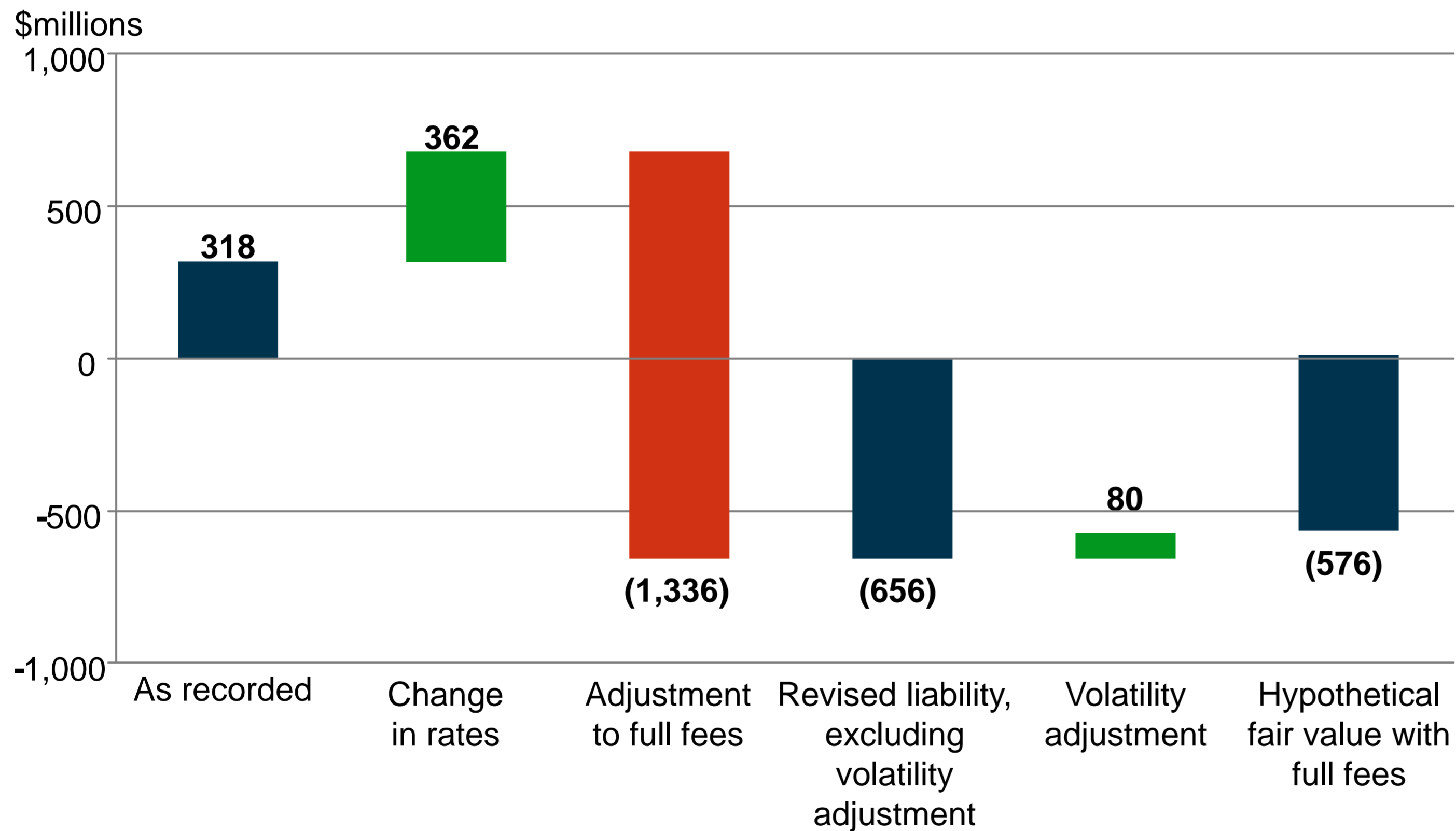


- Jackson's business is concentrated in more favorable vintages than most competitors
- 99% of Jackson's business was issued at less than current market levels
- 72% of business was issued below S&P 1400
- Although guarantee fees tend to be close to ATM due to roll-ups, strong underlying base product fees add additional cushion to profitability



IFRS vs. Economic View of Reserves

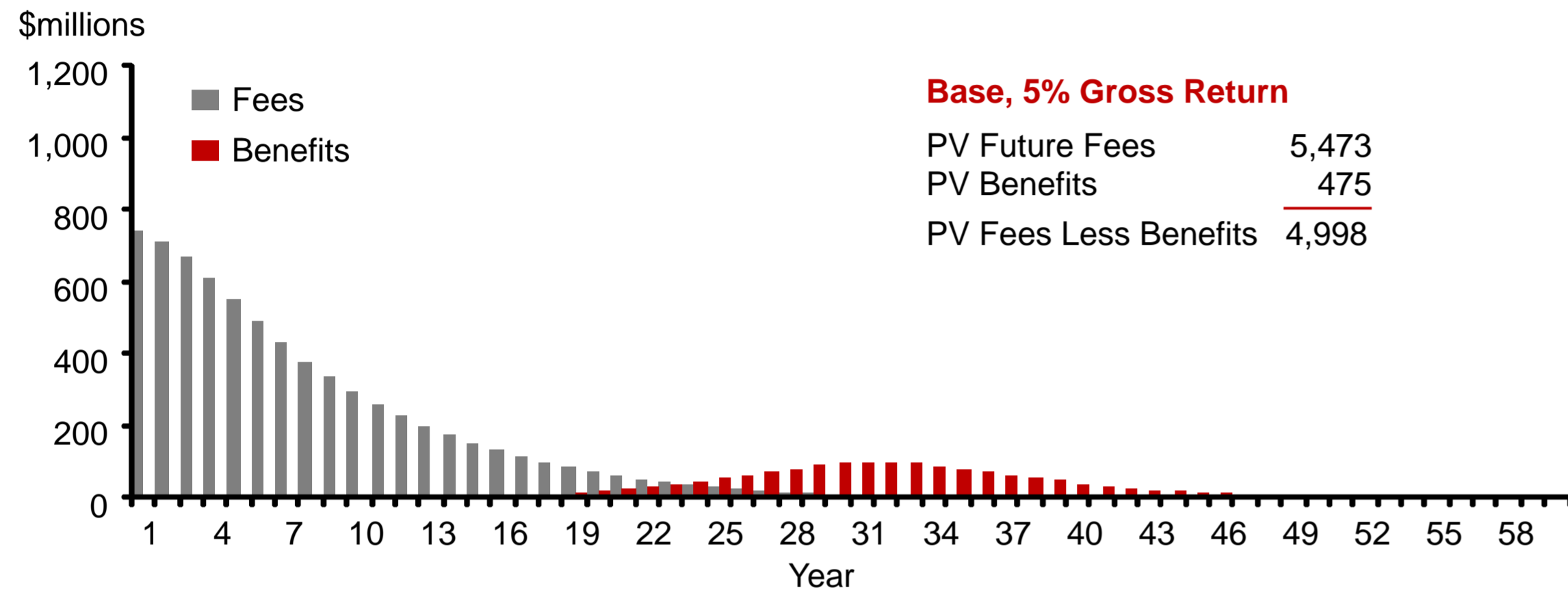
As of June 30, 2013



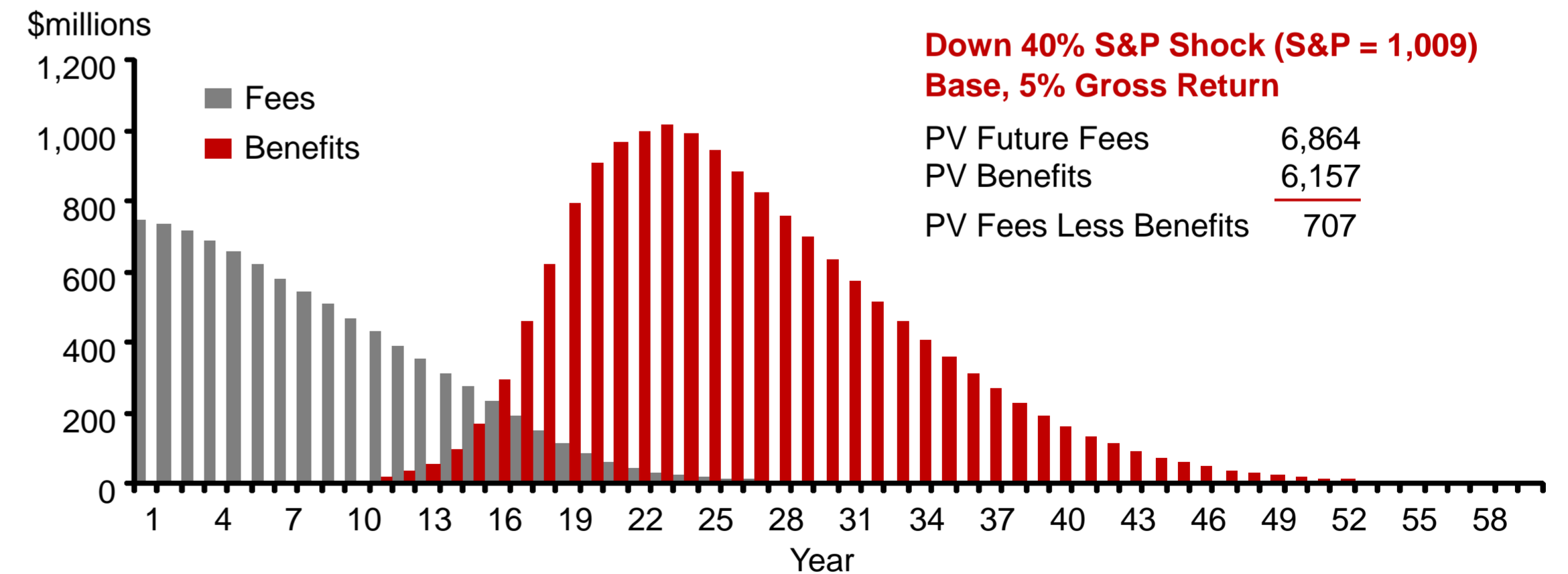
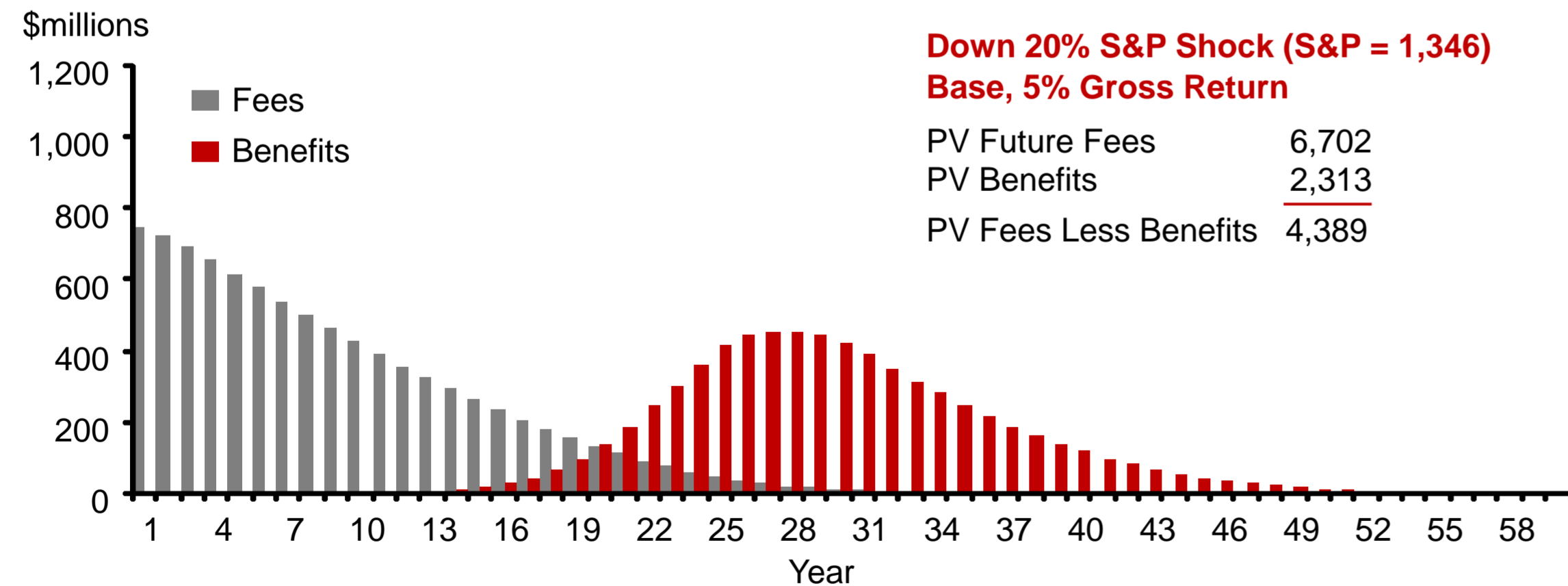
- IFRS accounting under FAS 157 gives a reasonable approximation of the market consistent value of GMWB liabilities
- IFRS accounts for GMDBs under SOP 03-1 which will often vary substantially from market consistent values
- This analysis compares Jackson's stated IFRS reserves for guarantees at June 2013 to a more economic view
- SOP 03-1 reserves are moved to a FAS 157 basis
- The portion of guarantee fees not recognized under FAS 157 are included
- After adjustment, current reserves appear to be a reasonable proxy for the economic value despite the underlying inconsistencies in method



Unhedged GMWB In-Force Cash Flow



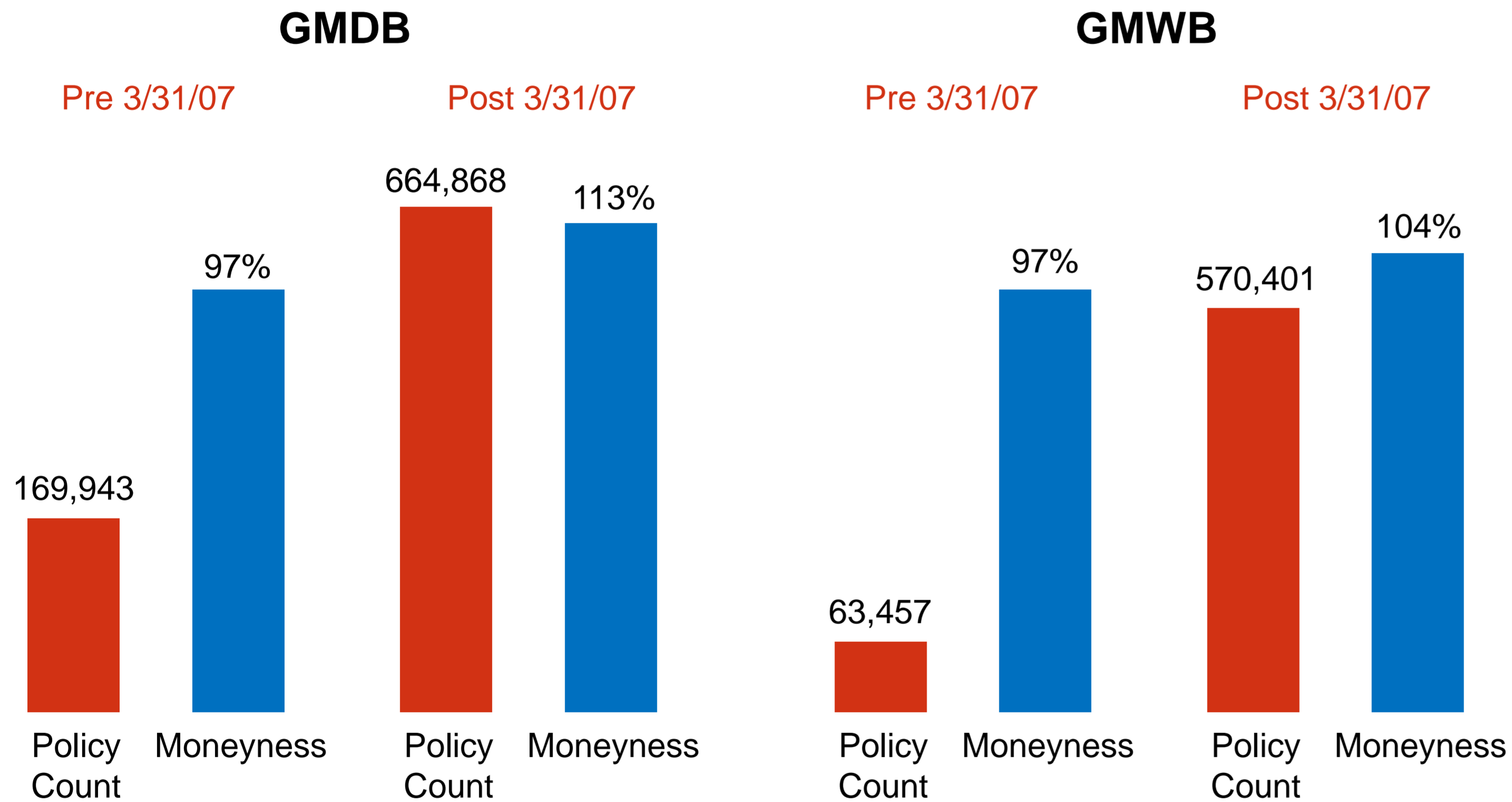
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In-Force Performance

In-force VA Cohort Analysis



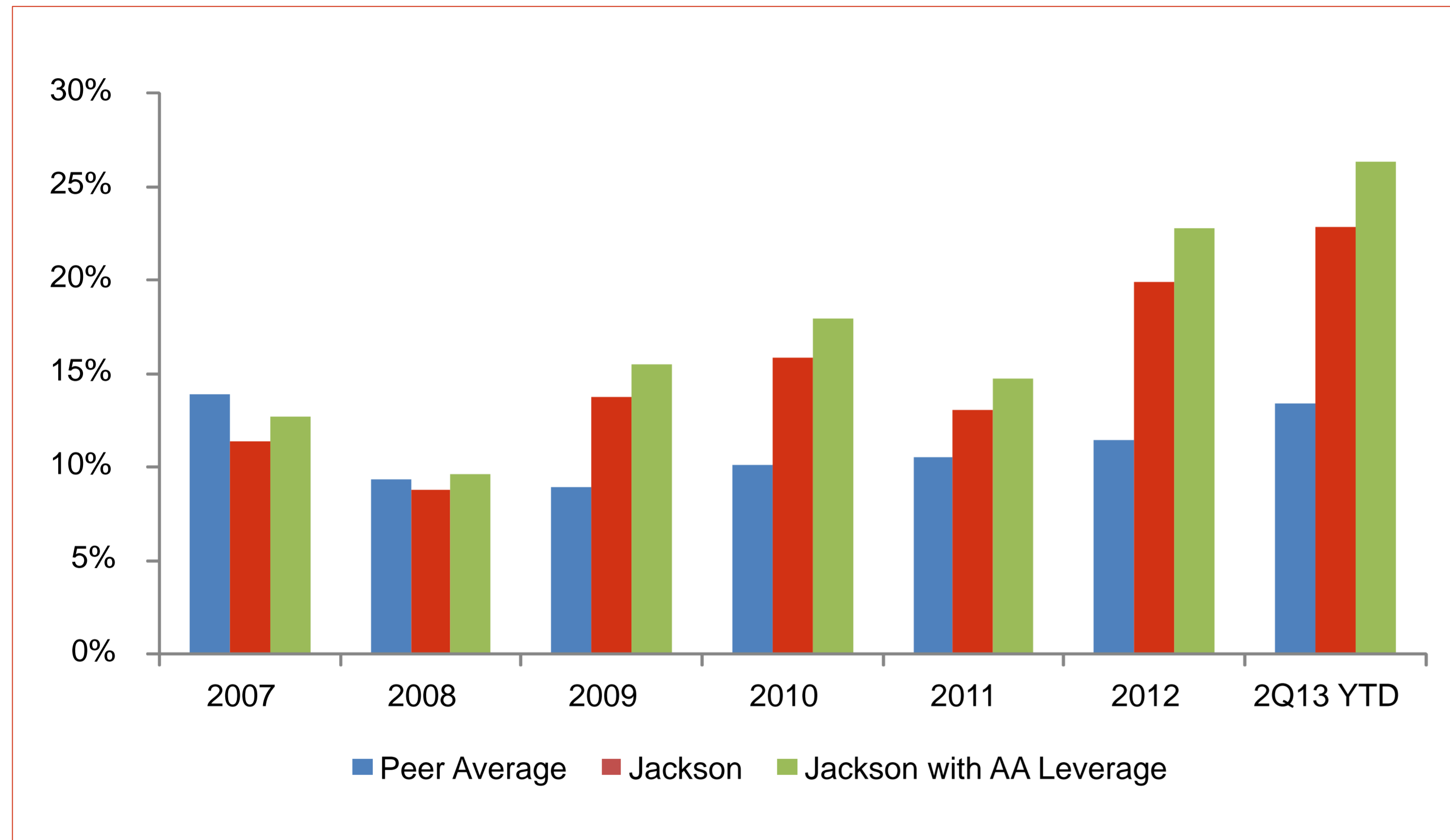
Overall, 835K in-force DB policies at 9/30/2013 with AV / GMDB of 111% (deep OTM)

Overall, 634K in-force WB policies at 9/30/2013 with AV / GWB of 103% (ATM)

- Pre March 2007 block still solidly profitable due to hedge program
- No write-offs, write-downs, goodwill impairments or charges taken against VA
- Post March 2007 block significantly larger as Jackson gained market share throughout the crisis
- Inherent profitability of newer block is even stronger as it was written at much lower market levels



Strong Returns - Operating ROE vs. Peers



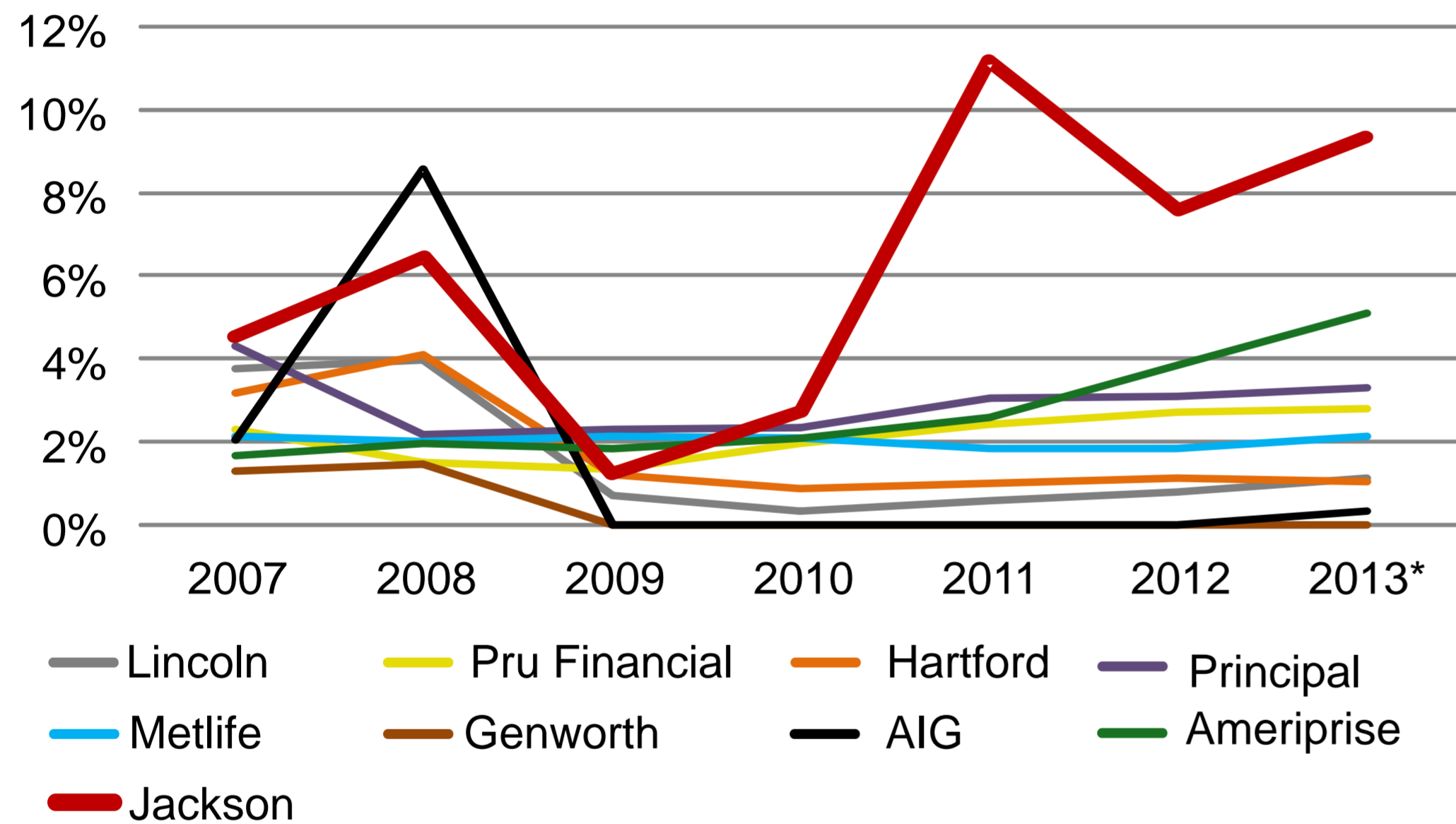
- Jackson continues to return well above the cost of capital as well as significantly above industry ROEs
- Well hedged VA book coming into 2008 crisis means that profitability of back book is intact
- Post crisis pricing environment has been favorable for VA writers and this is the period in which more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

Source: Bloomberg and SNL Financial. 2012 and 2Q13 results based on new DAC guidelines. Prior periods are not restated for this impact.
Jackson ROE is based on after-tax IFRS operating income and average operating equity
Peer ROEs are U.S. GAAP and are calculated using adjusted operating EPS and equity excl AOCI
Peer group includes Ameriprise, MetLife, Lincoln National, Prudential Financial, Principal.
This slide from the 2012 New York Investor Conference included the above peer group plus Hartford, Genworth and Allstate.

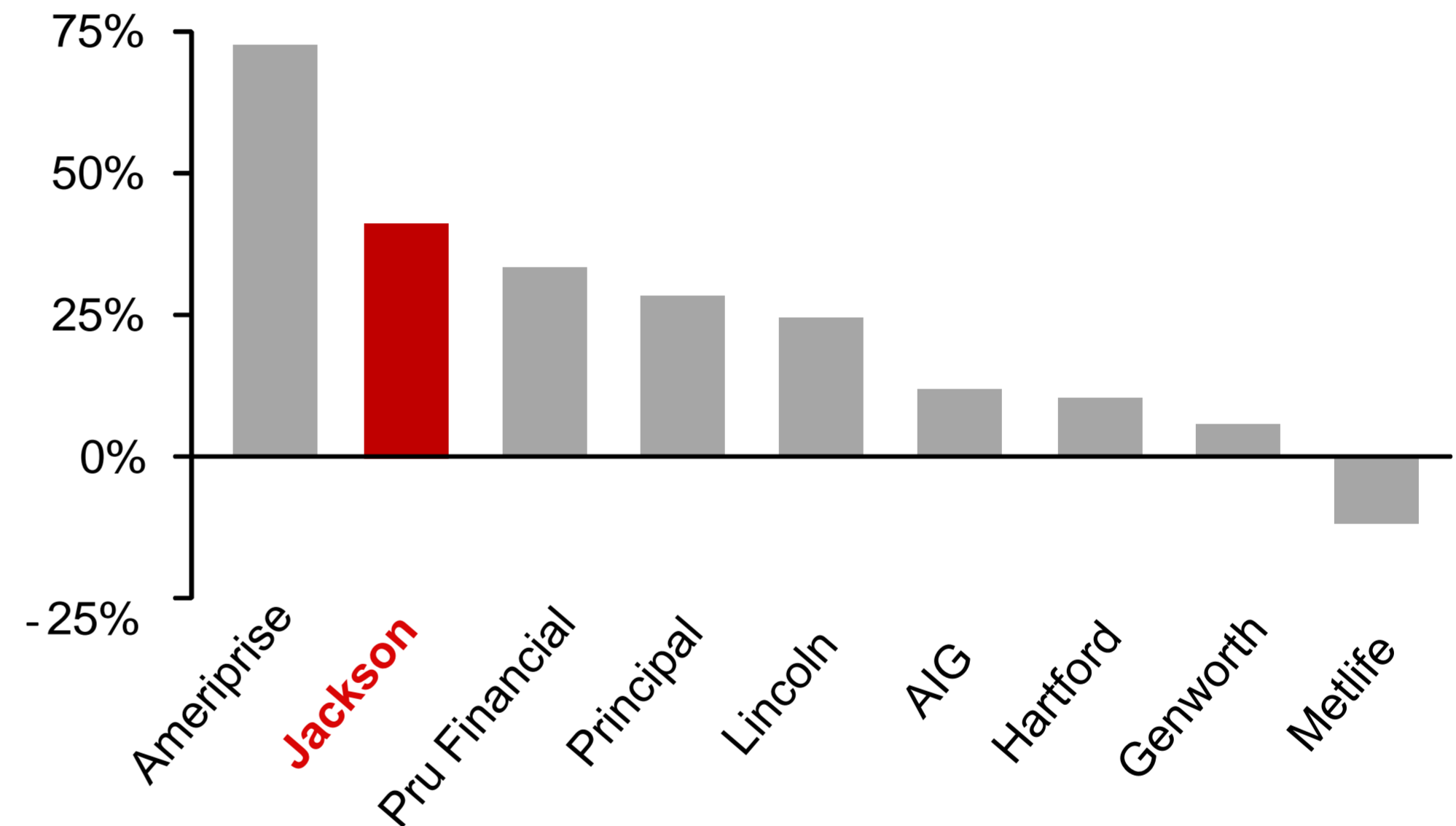


US Dividend Measures

Jackson Dividend / Equity Ex AOCI vs. US Peers



2007-1H13 Dividends & Net Share Repurchases / 2007 Beginning Equity Ex AOCI



- Jackson's dividends have been well above average in the US industry
- Jackson's total cash returned to shareholders is among the best in the industry

Source: Bloomberg and SNL Financial LC
 *Based on Bloomberg projected dividends and 2Q13 common equity



Summary

- Jackson takes a strategic view of its product profile
- Conservative pricing through the cycle
- Selective approach has delivered healthy in-force block
- Policyholder behavior tracking favorably versus prudent assumptions
- Effective hedging
- Proven risk management has ensured strong financial performance