FINANCIAL OVERVIEW

Andy Hopping
Executive Vice President, Chief Financial Officer and Treasurer, JNL®

EVOLUTION OF FINANCIAL REPORTING

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- Judgment and Principles → Rules
- Historical Cost → Market Value
- Consistency/Conservatism → More Volatility
- Materiality → Little or No Materiality
- Fundamental Purpose Remains:
  - Absolute Performance: better, worse or same?
  - Relative Performance: better, worse or same?

PRUDENTIAL

PROFIT SIGNATURES OF STATUTORY, GAAP AND AP/EEV BASES

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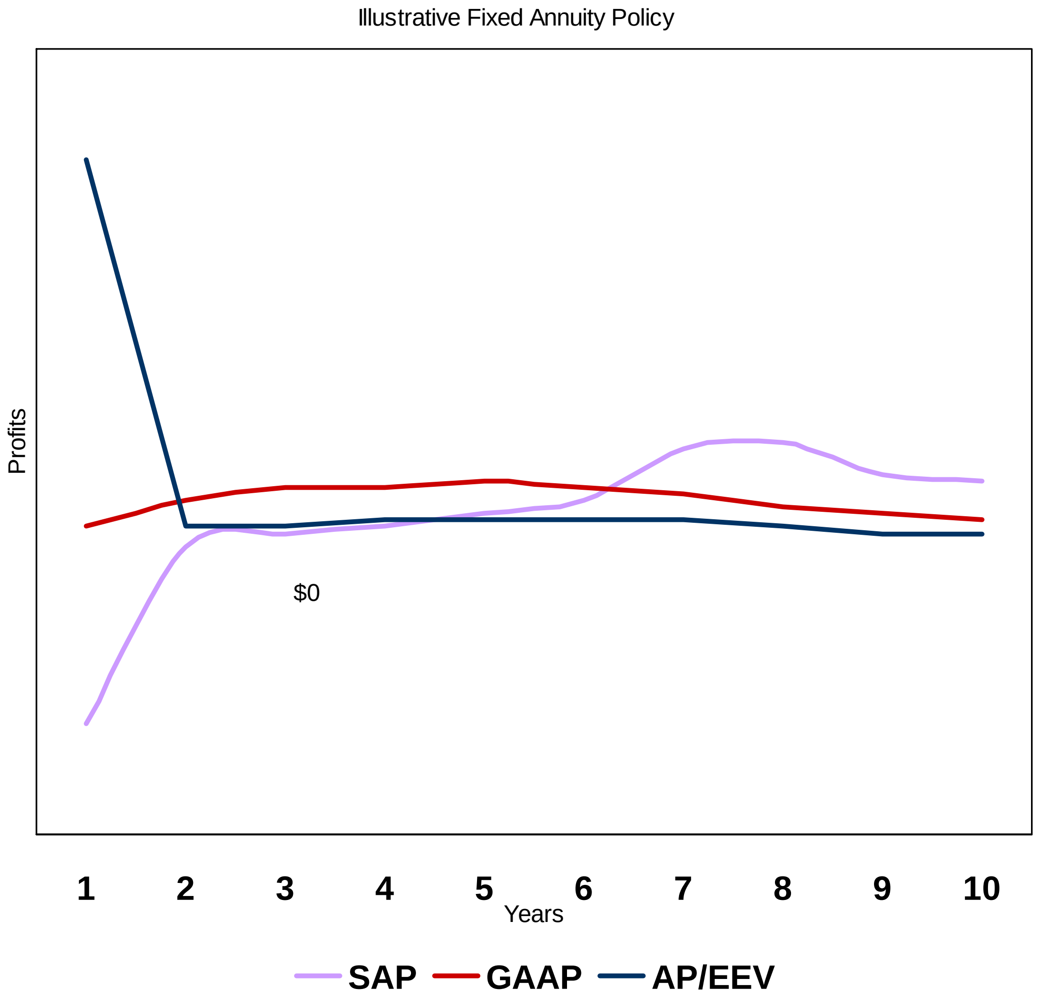

KEY POINTS

- Distributable income is negative in year one under SAP
- Profit emerges smoothly under GAAP
- New business value is realized up front under AP/EEV

PRUDENTIAL

KEY BENEFITS OF REPORTING METHODS

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USING KEY ELEMENTS OF VARIOUS METHODS PROVIDES A COMPLETE PICTURE OF A COMPANY'S RESULTS AND FUTURE PROSPECTS.

- SAP
  - Cash flow
  - Capital generation and organic growth potential
  - Solvency
  - Investment detail
- GAAP/IFRS
  - L/T operating earnings trend
  - Comparability
  - Detailed footnote and business disclosure
- AP/EEV
  - Value added
  - Value of business overall
  - Capital management
  - Margins expected and achieved
  - Quantification of business risks

PRUDENTIAL

SIMPLIFIED MODEL OF VARIABLE ANNUITY RETURNS

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Mortality & Expense Fees		1.25%
Fund Management Fees		0.45%
Policy Fees		0.02%
Total Fees		1.72%
Acquisition Costs:		
Commission	7.50%	
Marketing	1.85%	
Issue Costs	0.19%	
Total Acquisition Costs	9.54%	
Acquisition Costs Over 8 Years		(1.19)%
Administrative Costs		(0.13)%
Return of Premium Death Benefit		(0.05)%
PROFIT MARGIN		**0.35%**
CAPITAL		**1.5%**
Ratio		23.3%
Investment Return on Capital		5.5%
Pretax Return on Capital		28.8%
After Tax Return on Capital		**18.7%**

KEY POINTS

- Capital requirements based on AA rating
- Actual pricing based on detailed models
- Guaranteed benefits priced separately

PRUDENTIAL

SIMPLIFIED MODEL
OF FIXED ANNUITY RETURNS

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Gross Yield		5.60%
Investment Expenses and Default Costs		(0.35)%
Net Yield		5.25%
Crediting Rate		(3.50)%
Gross Spread		1.75%
Acquisition Costs:		
Commission	6.00%	
Marketing	1.85%	
Issue Costs	0.19%	
Total Acquisition Costs	8.04%	
Acquisition Costs Over 10 Years		(0.80)%
Administrative Costs		(0.14)%
PROFIT MARGIN		**0.81%**
CAPITAL		**6.5%**
Ratio		12.5%
Investment Return on Capital		5.5%
Pretax Return on Capital		18.0%
After Tax Return on Capital		**11.7%**

KEY POINTS

- Capital requirements based on AA rating
- Actual pricing based on detailed models
- Crediting rate is annually renewable, subject to a 2% minimum guarantee

PRUDENTIAL

VIEWS ON CAPITAL

- Multiple views of capital – regulatory, economic, rating agency and actual by method
- Pricing based on “AA” rating agency capital
- Economic capital derived to support risk analysis and capital allocation
- EEV and IFRS returns relative to economic capital is current best practice in an ever-evolving process
- Economic capital for JNL is well below rating agency capital level
- Actual returns are good despite carrying significant levels of excess capital

CAPITALIZATION

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JNL IS WELL CAPITALIZED, IS RETURNING CASH TO THE GROUP AND CAN SUPPORT A SIGNIFICANT LEVEL OF ORGANIC GROWTH

(billions)	Regulatory Minimum	Economic Capital	Ratings Agency
Basis	FCD	AA	AA
31 December 2004			
Actual Capital	$ 3.4	$ 3.4	$ 3.4
Required capital	0.6	1.9	2.7
Excess capital	**$ 2.8**	**$ 1.5**	**$ 0.7**
30 June 2005			
Actual Capital	$ 3.8		$ 3.8
Required capital	0.6		3.0
Excess capital	**$ 3.2**		**$ 0.8**

Dividends to the Group (millions)	
2003	$ 85
2004	$ 120
2005 (forecast)	$ 150

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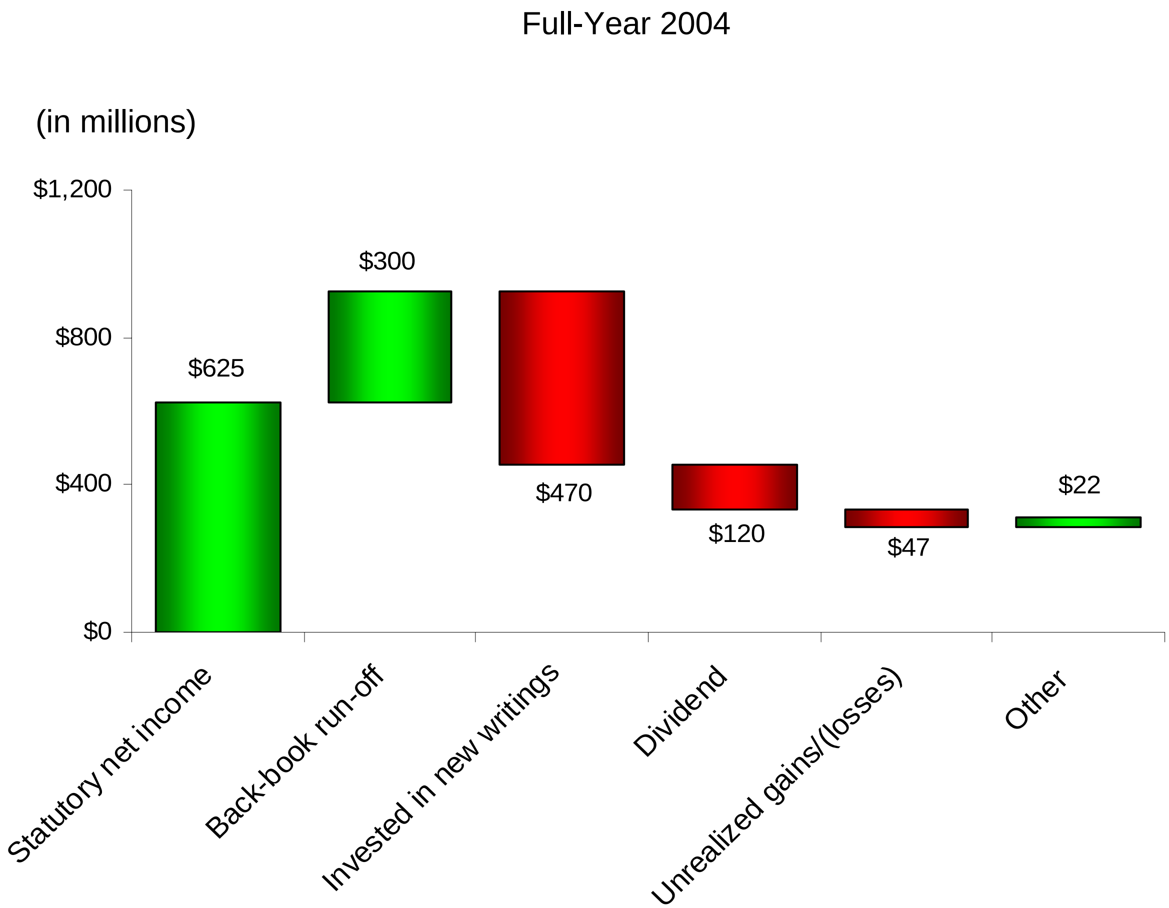
CAPITAL FORMATION

JNL IS ABLE TO FUND RAPID GROWTH IN THE US BUSINESS THROUGH STRONG STATUTORY EARNINGS



KEY POINTS

- JNL is investing close to $500 million per year in new business writings
- Capital to support the new writings is derived from statutory earnings and capital that is freed up by natural run-off of the in-force book of business

Illustrated using 7.5% of general account reserves to calculate required/excess capital.

EXPENSES / ASSETS (STATUTORY)

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	($ millions)	2004 General Expenses	2004 Average Total Assets	2004 Ratio in bps
1.	Jackson National Life	$ 230	$ 53,238	**43**
2.	Nationwide	664	104,174	**64**
3.	Sun Life (Keyport)	350	52,712	**66**
4.	Hartford	1,349	180,593	**75**
5.	AEGON (Transamerica)	1,244	163,539	**76**
6.	Prudential	2,076	249,875	**83**
7.	Allstate	680	78,609	**86**
8.	Allianz	331	36,779	**90**
9.	ING	1,385	152,343	**91**
10.	AIG	2,775	302,519	**92**
11.	Amex (IDS Life)	588	63,111	**93**
12.	Pacific Life	609	65,029	**94**
13.	Manulife (J. Hancock)	1,233	124,881	**99**
14.	Jefferson-Pilot	283	28,450	**100**
15.	AXA	1,201	119,135	**101**
16.	Lincoln National	887	87,014	**102**
17.	Genworth	899	83,350	**108**
18.	MetLife	3,258	297,526	**109**
19.	New York Life	1,633	146,202	**112**
20.	Principal	1,149	96,035	**120**
21.	Mass Mutual	1,262	102,519	**123**
	PEER GROUP AVERAGE			**92**

KEY POINT

- JNL has the lowest general insurance expense to assets ratio compared to its peer group and continues to improve

Ranked by 2004 expense ratio
Source: Highline Data - statutory results

PRUDENTIAL

SUMMARY

- Strong and improving financial results with excellent returns on annuities
- Strong capital position and disciplined pricing supports self-financing business model
- Industry-leading expense advantage