



Jackson National Life
Insurance Company

WELCOME

Mark Tucker
Group Chief Executive, Prudential plc



PRUDENTIAL



Jackson National Life
Insurance Company®
Insuring your financial future.®

Jackson National Life

In a Clear Winning Position

Clark Manning
President & Chief Executive Officer, JNL



PRUDENTIAL

OVERVIEW

The U.S. Opportunity



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- U.S. – largest pool of assets on the globe
- Those assets are fluid
- A fragmented market with headroom
- 77 million Baby Boomers
- Vacuum created by shrinking roles of government and employers
- Increasingly complex financial landscape puts a premium on advice
- Volatile markets put a premium on guarantees

OVERVIEW

JNL Competencies



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- A seasoned, best-of-class distribution team covering all pertinent channels
- Intricate sales systems with disciplined wholesaler activity management
- Proven track record of profitable growth
- Strategic marketing to Baby Boomers
- Aligned with America's best financial advisers
- Innovative products tailored to meet Boomers' most important needs

INTRODUCTION



Jackson National Life
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- Who are we?
- Where do we fit?
- What is our strategy?
- What are our opportunities?

INTRODUCTION

Who are We?



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- Jackson National
 - \$65B in GAAP assets
 - Over \$7B in sales through 3Q 2005
- National Planning Holdings
 - 6th largest and most rapidly growing independent broker/dealer network
 - Product sales of more than \$9B per year and annual revenue in excess of \$400M
- Curian
 - Serves the rapidly growing fee-based adviser market, offering separately managed accounts
- Prudential Portfolio Managers of America
 - Major fixed income manager
 - Approximately \$73B AUM

INTRODUCTION

Where Do We Fit?



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Wholesale

Retail

Jackson National Life Distributors (JNLD)

JNLD
Guaranteed &
Life

JNLD
Registered

Regional B/D
(RBD)

Institutional
Marketing
Group (IMG)

Curian

Life of
Georgia / SE
Agency

National Plan Holdings (NPH)

- National Planning
- INVEST
- ICA
- SII Investments

Route-to-Market

Independent
Broker/Dealers
& Life Agents

Independent
Broker/Dealers

Regional
Broker/Dealers

Bank, Thrifts,
Credit Unions

Registered
Investment
Advisers

Life Agents

Affiliated
Independent
Broker/Dealers

Customer Segment

Mass Market

Upscale to
Mass Affluent

Upscale to
Mass Affluent

Mass Market to
Mass Affluent

Upscale to
Mass Affluent

Mass Market

Mass Market to
Mass Affluent

Products

- Fixed Annuities
- Equity Linked Annuities
- Life Insurance

- Variable Annuities
- Fixed Annuities
- Fixed Index Annuities

- Variable Annuities
- Fixed Annuities
- Fixed Index Annuities

- Variable Annuities
- Fixed Annuities
- Fixed Index Annuities

- Managed Separate Accounts

- Life Insurance

- Variable Annuities
- Mutual Funds
- Equity Linked Annuities
- Fixed Annuities
- Brokerage Products
- Investment Advisory
- REITs / UITs

INTRODUCTION

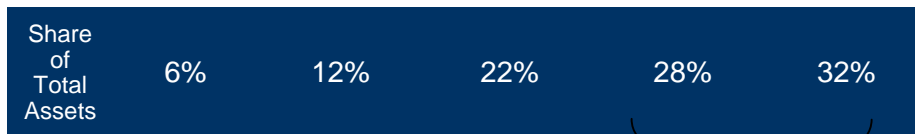
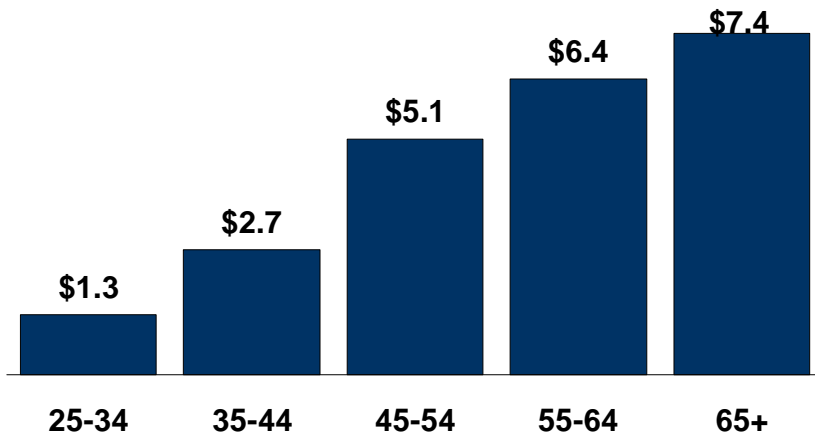
What is Our Strategy?



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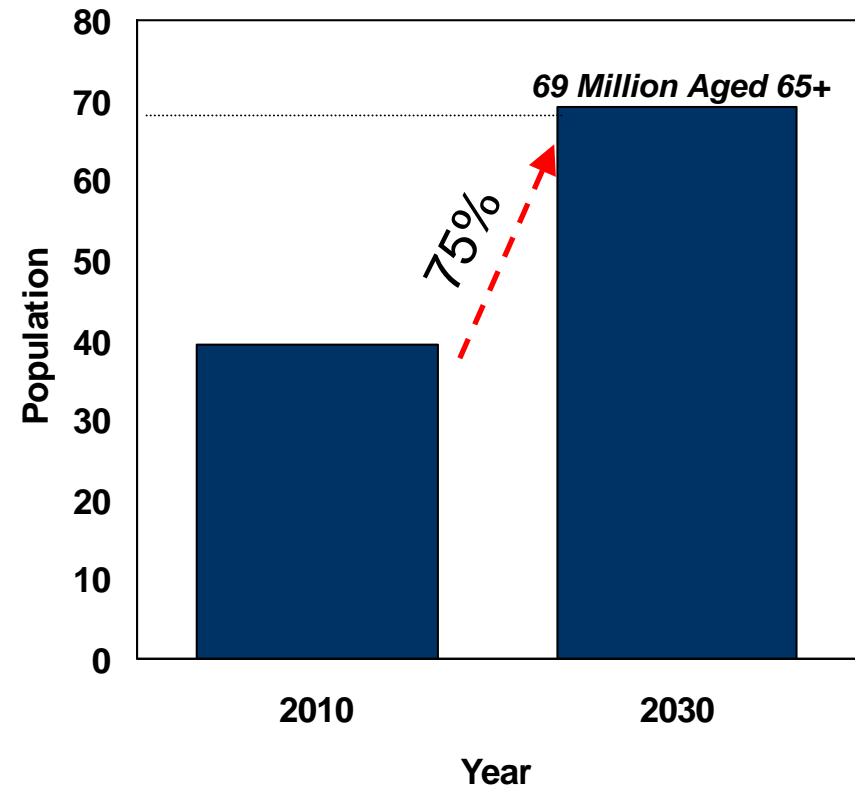
- Maximize select opportunities in the U.S. retirement market

**Total U.S. Financial Assets by Age Cohort
(In Trillions)**



Near-retirees and retirees control \$13.8T in assets, or 60% of total U.S. investable assets.

**Population Aged 65+
(in Millions)**



INTRODUCTION

What are Our Opportunities?



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- The U.S. retirement income and savings market
 - Largest in the world
 - Continued consolidation will create higher returns for advantaged competitors
 - Tactics are changing due to disrupted markets
- Demographic wave — de-risking client portfolios
- JNL is an advantaged competitor
- Fragmented market — 3% market share

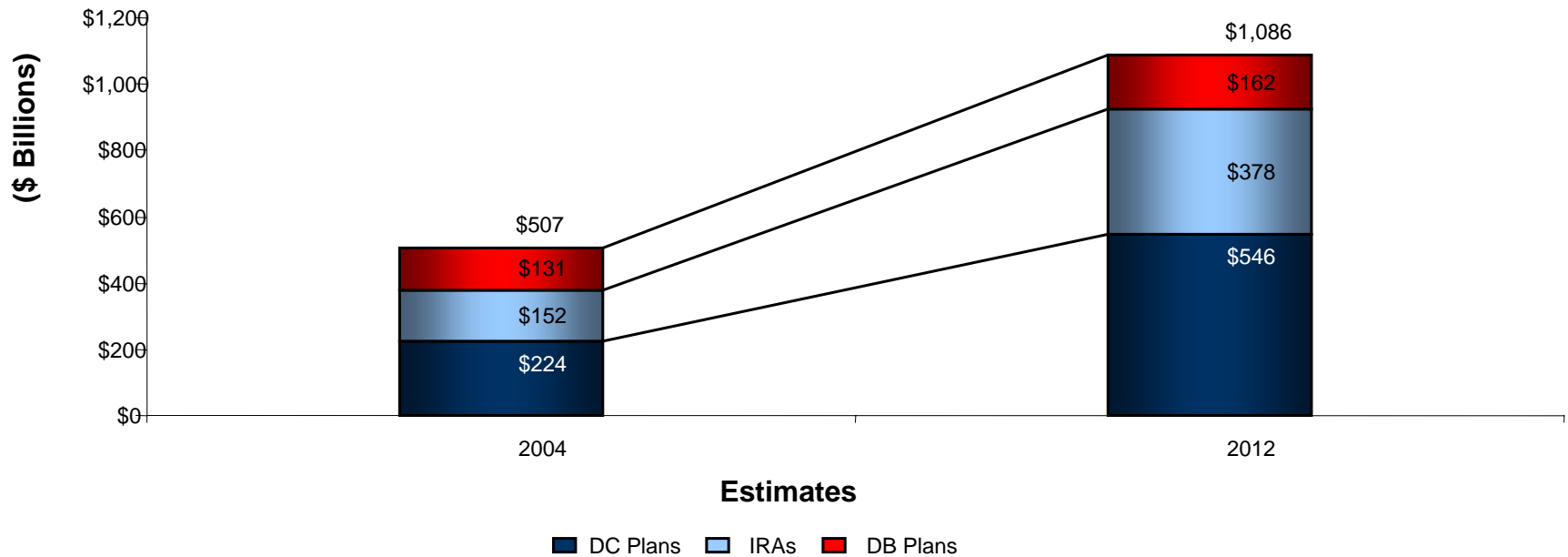
CUSTOMER AND MARKET TRENDS

Money in Motion



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ANNUAL RETIREMENT DISTRIBUTIONS



HOW WE DO IT

A Customer-centric Approach



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- I. Advantaged distribution model
- II. Innovative platforms
- III. Efficient execution

HOW WE DO IT

I. Advantaged Distribution Model



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- Clear strategy driven hard throughout the distribution companies
- Process driven sales culture supported by best people hired and trained to thrive in our culture
- Innovative product set and the ability to do more
- Very low acquisition costs
- Headroom in current markets

HOW WE DO IT

II. Innovative Platforms



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- Product
 - For the last several years, 80%+ of retail sales were generated from product launches within the previous two years, up from 22% in 2001
 - 32 product initiatives launched since 2004
 - Steadily increasing 2Q05 total annuity market share to 3.26%; ranked 12th
 - VA sales increased by 300% since 2001
 - Flexible administrative systems
 - Perspective II #1 selling contract in net flows
- Technology
 - Unified service
 - Efficient systems with significant capacity
 - Efficient data center

HOW WE DO IT

III. Efficient Execution



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- Superior cost model
 - Lowest expense ratio of top U.S. competitors
- A front-line compliance model
- Diversified earnings stream
- Top quartile returns on equity
- JNL can optimize its growth self-sufficiently
- Life of Georgia

THE JNL ADVANTAGE

Summary



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The Retirement Challenge

Gregory B. Salsbury, Ph.D.
Executive Vice President, JNLD



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RETIREMENT?



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- People worked until they died
- Families took in seniors unable to work

NEW DEAL CREATED RETIREMENT LANDSCAPE

The Social Security Act - 1935



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- Misconstrued as a “Pension Act”
- The modern day concept of retirement was born.

THE PIECES CAME APART



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- **Social Security – overburdened**
- **Pension Plans – dwindling**
- **Healthcare – costs skyrocketed**

Responsibility . . . shifted back to the individual.



THE RETIREMENT CHALLENGE

For the Lower-End of the Market



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Undersaved

- Savings rates at lowest levels since the Great Depression¹
- 40% of workers have saved nothing for retirement²
- 28 million U.S. households – no retirement savings account³
- Typical American household savings = \$18,750 for retirement⁴

Overspent

- Average debt per U.S. household (excluding mortgages) is \$18,700⁵
- Record bankruptcy filings⁶
- Record 4.81% of credit cards are 30 days past due⁷

¹The National Retirement Planning Coalition, 2004. ²Dan Ackman, "Retirement Doomsday," Forbes.com, May 4, 2005. ³Dan Ackman, "Retirement Doomsday," Forbes.com, May 4, 2005. ⁴New "Fidelity Retirement Index" Reports America's Retirement Readiness, 2005. ⁵"How to Manage the Debt-Laden Client," financial-planning.com, June 9, 2005. ⁶Timothy Egan, "Debtors in Rush to Bankruptcy as Change Nears," The New York Times Online, August 21, 2005. ⁷Sept. 28, 2005 American Bankers Association (press release)

THE RETIREMENT CHALLENGE

For the Mass, Middle, and Emerging Markets



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- **Accumulation focus**
- **Increased complexity**
- **Additional challenges:**
 - **Longevity**
 - **Pensions**
 - **Social Security**
 - **Taxes**
 - **Inflation**
 - **Healthcare**



- I. The retirement landscape
- II. Challenges to retirement
- III. The opportunity for JNL

THE RETIREMENT LANDSCAPE

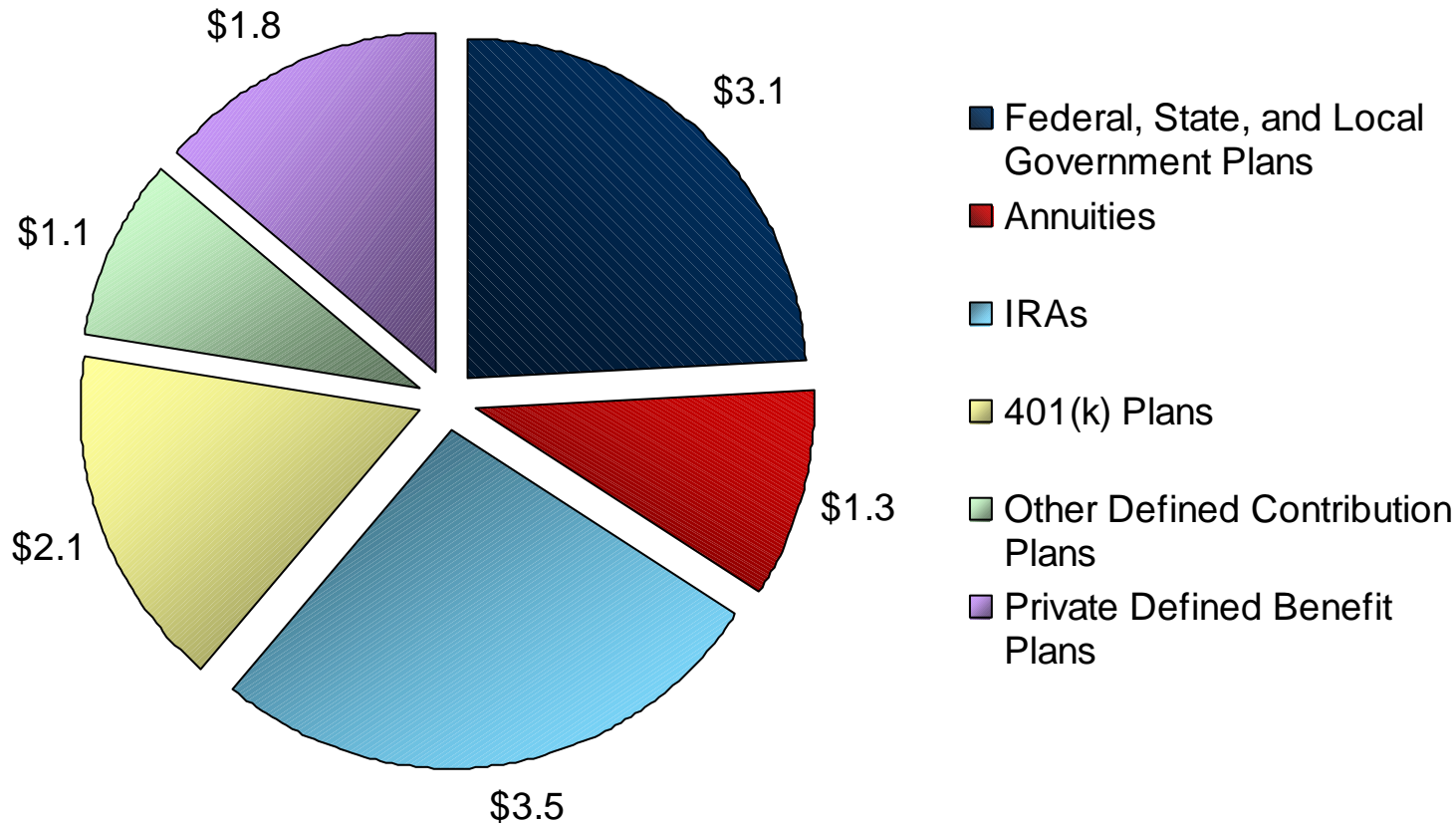
U.S. Retirement Saving Has Many Components



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TOTAL RETIREMENT MARKET ASSETS: \$12.9 TRILLION

Trillions



Sources: Investment Company Institute; Federal Reserve Board National Association of Government Defined Contribution Administrators; American Council of Life Insurers; and Internal Revenue Service, Statistics of Income Division. Year end 2004.

THE RETIREMENT LANDSCAPE

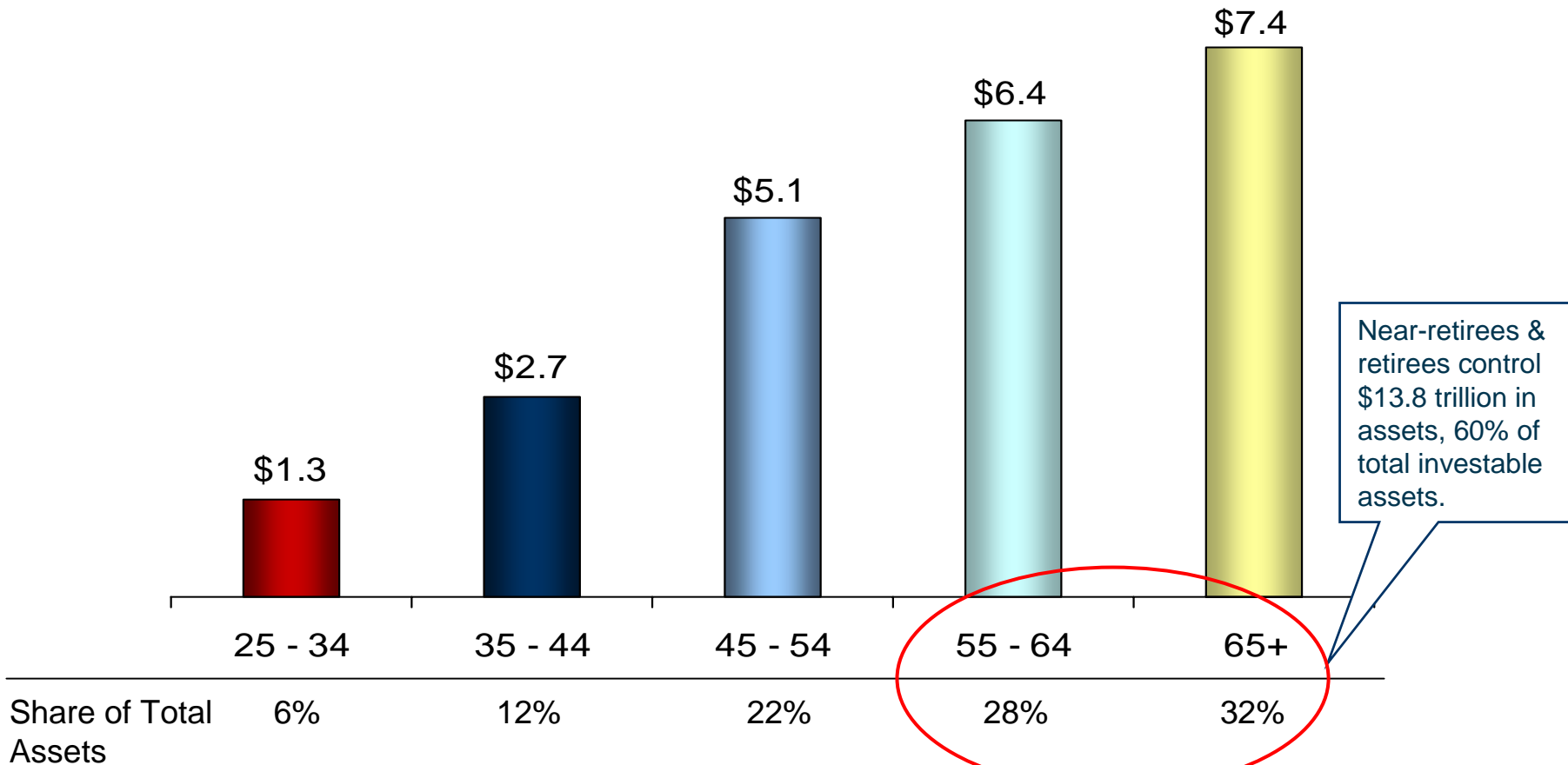
Who Has The Assets by Age?



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TOTAL U.S. INVESTABLE ASSETS BY AGE COHORT¹

Trillions



¹Total U.S. Financial Assets includes: cash, stocks, bonds, mutual funds, IRAs, Keoghs, SEPs, current value of DB assets, DC assets, cash value of life insurance, cash value of annuities. Source: Retirement Services Roundtable Analysis of Survey Consumer Finances Data – CE Board 2005.

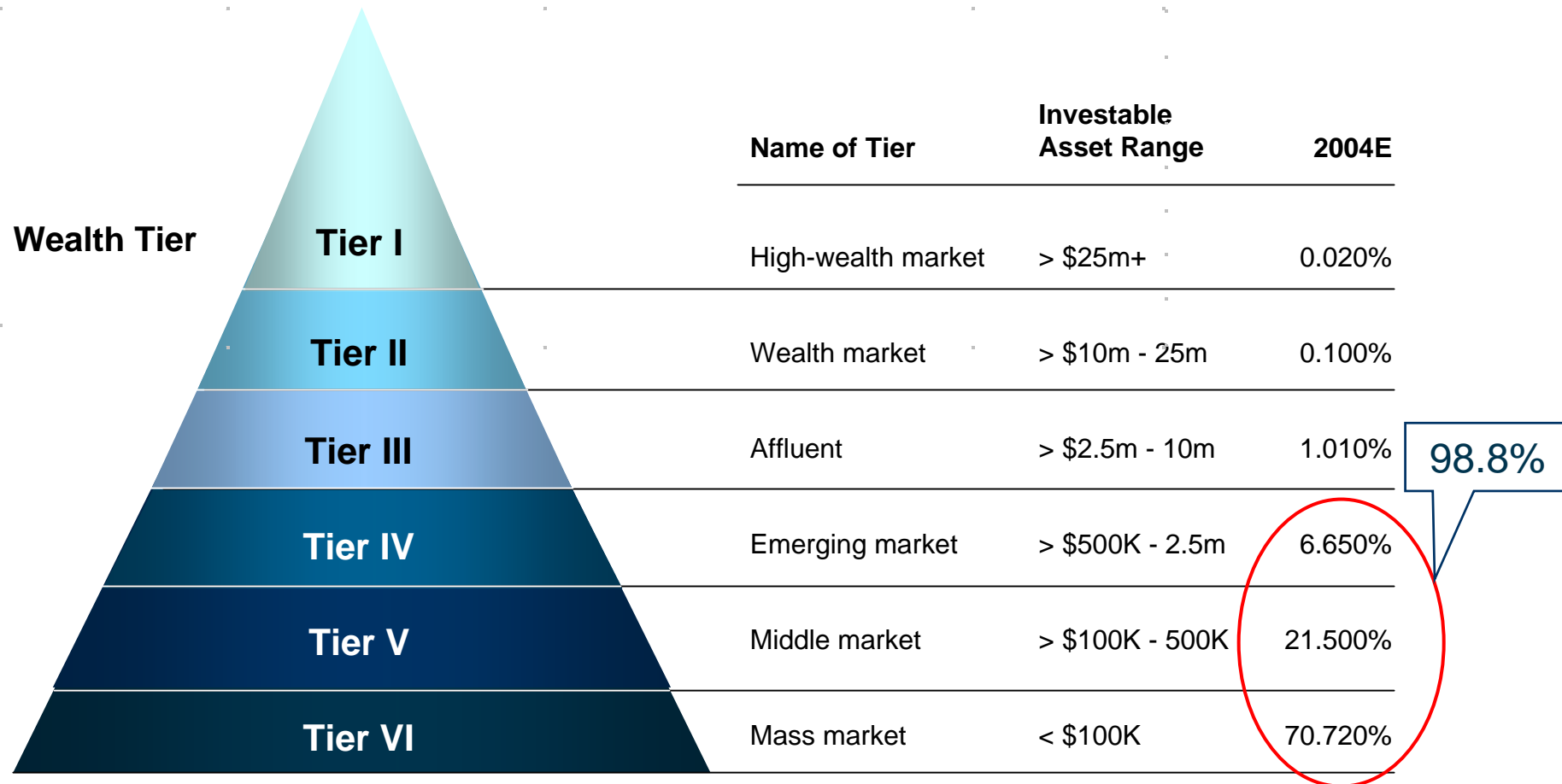
THE RETIREMENT LANDSCAPE

U.S. Household Distribution by Tier – Investable Assets



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THE MASS AND MIDDLE MARKET REMAIN THE JNL TARGET AND ACCOUNT FOR OVER 98% OF THE INVESTABLE ASSETS¹



¹Cerulli Quantitative Update: Advisor Metrics, 2004

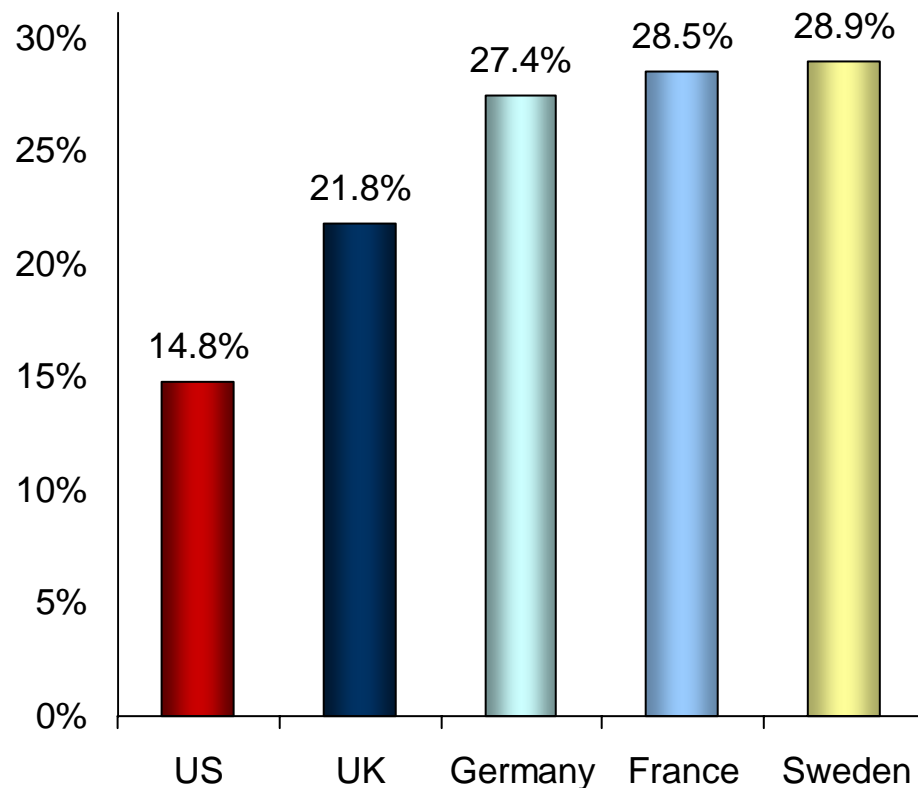
THE RETIREMENT LANDSCAPE

Social Welfare Spending (Including Public Pensions)



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GOVERNMENT SOCIAL SPENDING AS PERCENTAGE OF GDP¹



- **U.S. – a greater burden on the individual**
- **Sweden, where total state spending makes up 60% of the economy, also spends twice as much on social welfare as the United States**

¹OECD: *Should We Extend the Role of Private Social Expenditure*, March, 2005

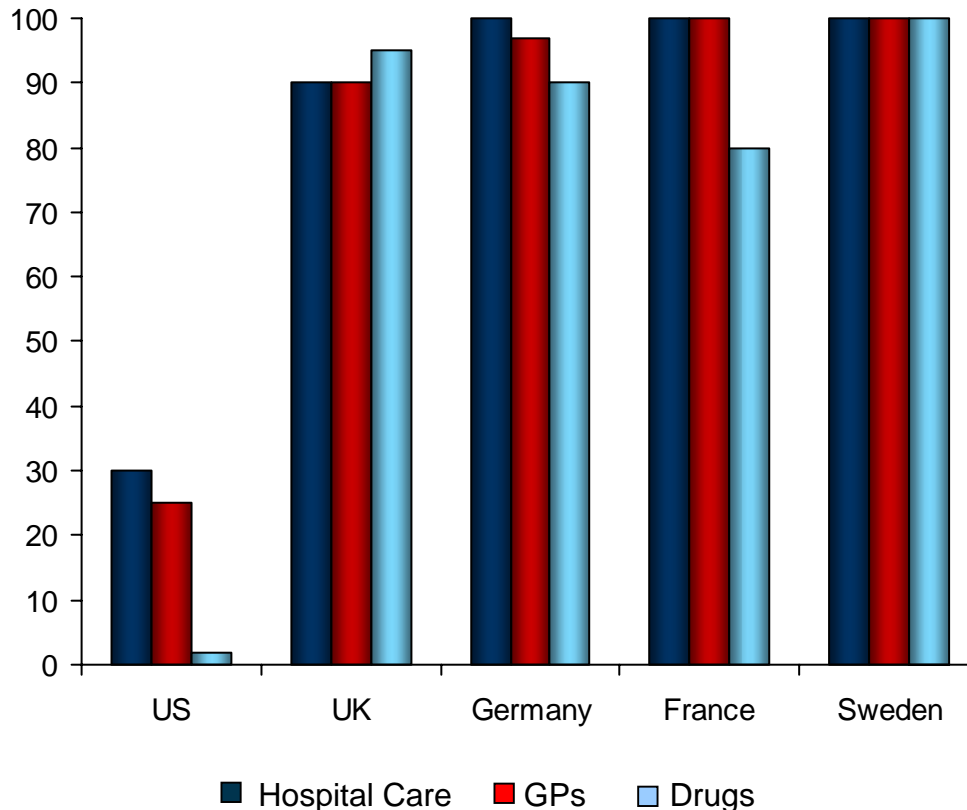
THE RETIREMENT LANDSCAPE

Healthcare Coverage — Who Pays?



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PERCENT OF POPULATION COVERED BY GOVERNMENT HEALTHCARE¹



- **U.S. stands out as the only industrialized country which provides only limited government healthcare benefits**
- **Americans spend more per capita on healthcare than any other nation**

¹OECD: *Should We Extend the Role of Private Social Expenditure*, March, 2005

THE RETIREMENT LANDSCAPE

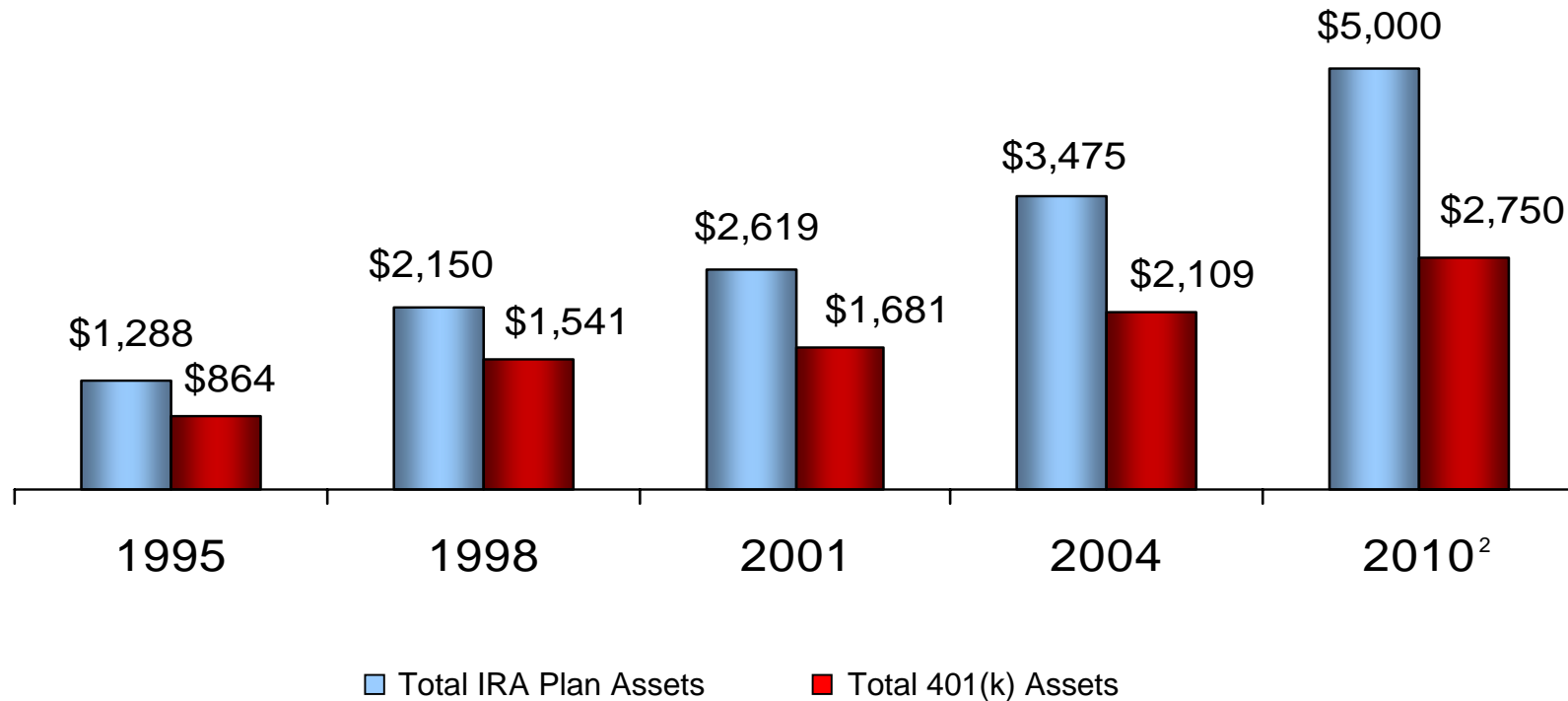
Qualified Assets Will Continue to Grow



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RETIREMENT ASSETS¹

Trillions



¹ICI and Tiburon Advisors, "The Future of Advice," January 21, 2005.

²Projected



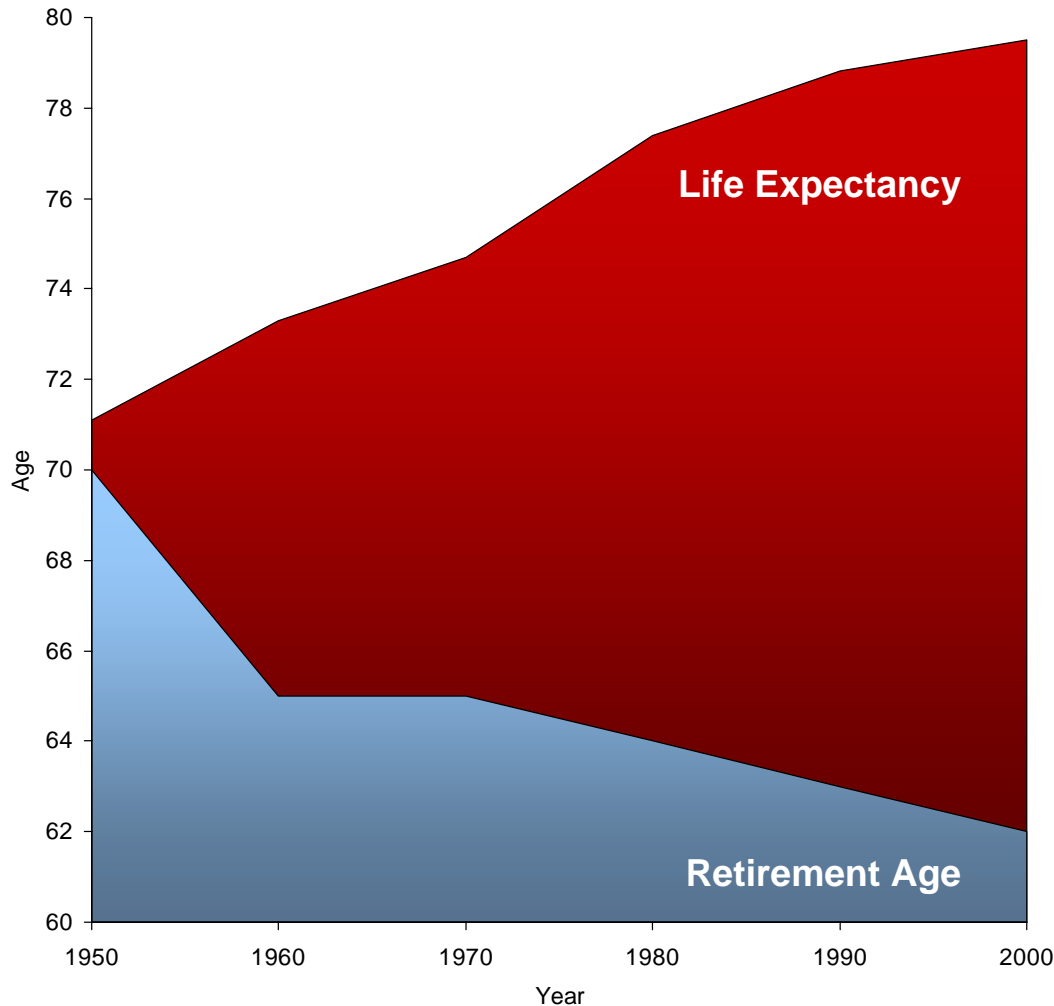
- Longevity
- Pensions
- Social Security
- Taxes
- Inflation
- Healthcare

CHALLENGES TO RETIREMENT

Longevity



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- The average American will spend 20+ years in retirement.¹
- Over 80 population growing 5 times faster than overall population.²

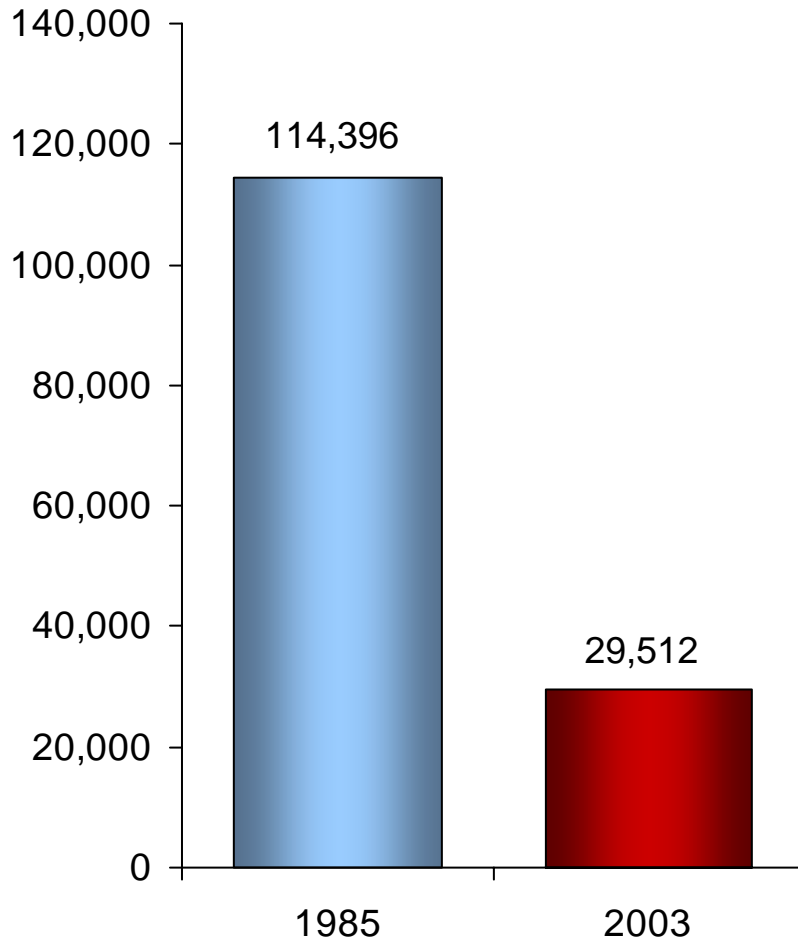
¹National Vital Statistics Report, 2003.

CHALLENGES TO RETIREMENT Pensions



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NUMBER OF U.S. PENSIONS



- **Percentage of workers with defined benefit pension plans has decreased from 80% in 1985 to 24% in 2003.¹**
- **44 Million Americans – and counting – have already been affected by pension defaults.²**
- **Pensions under-funded by \$450B.³**

¹"The Really Troubled Program," Time Magazine, January 4, 2005

²CNN Money, 2005

³BusinessWeek Online, June 13, 2005.

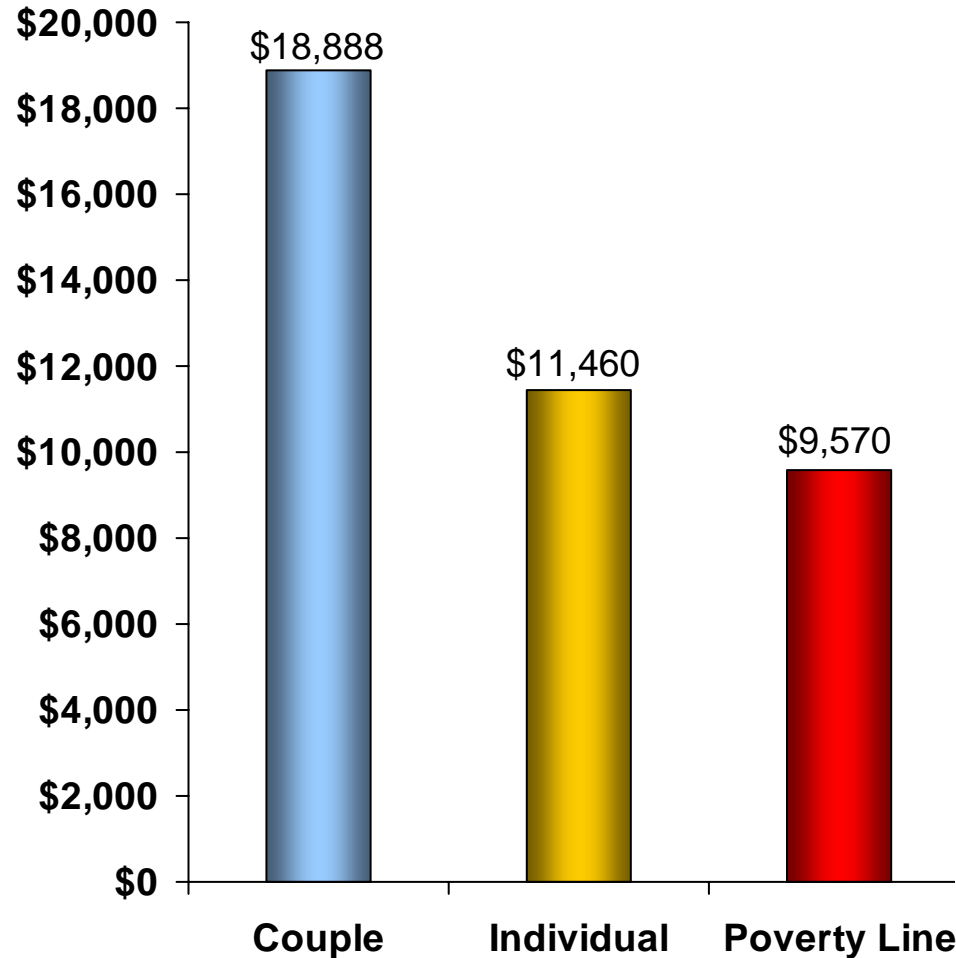
CHALLENGES TO RETIREMENT

Social Security



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AVERAGE ANNUAL SOCIAL SECURITY BENEFITS¹



- **Half of retirees would be in poverty without Social Security²**
- **In 1945, there were 16 contributors to Social Security for every benefactor of it. By 2004, that ratio had dropped to 3.3 to one, and continues to fall³**

¹The 2005 Annual Report of the Board of Trustees", Social Security Administration, 2005.

17 ² AFL-CIO.org, 2004.

³James B. Lockhart III, "Strengthening Social Security", Speech, Social Security Deputy Commissioner, March 21, 2005.

CHALLENGES TO RETIREMENT

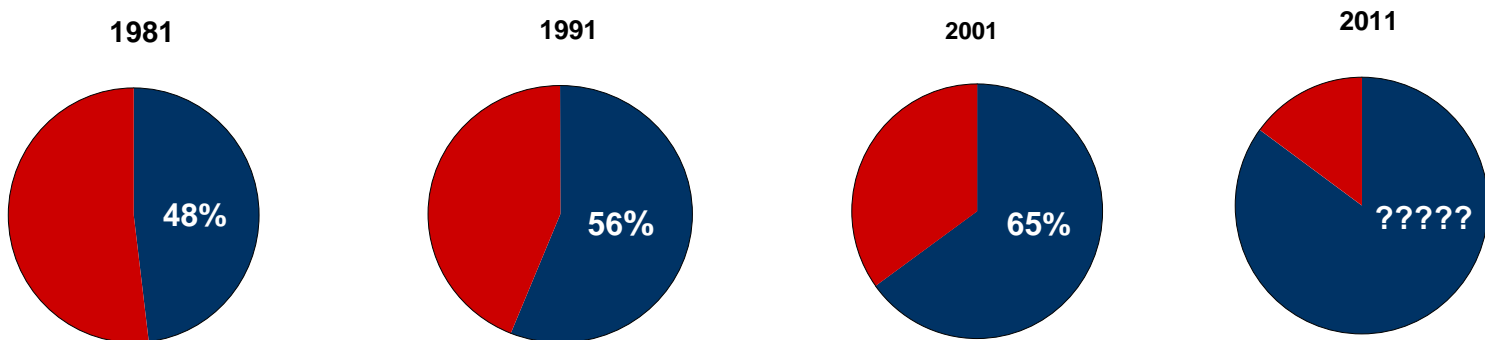
Taxes



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- 40% of Americans pay no income tax at all, placing 100% of the burden on the mass and mass-affluent¹
- This number is expected to continue to grow, as the mass through emerging markets assume a larger portion of the nation's tax burden

PERCENT OF FEDERAL INCOME TAXES PAID BY TOP 10%²



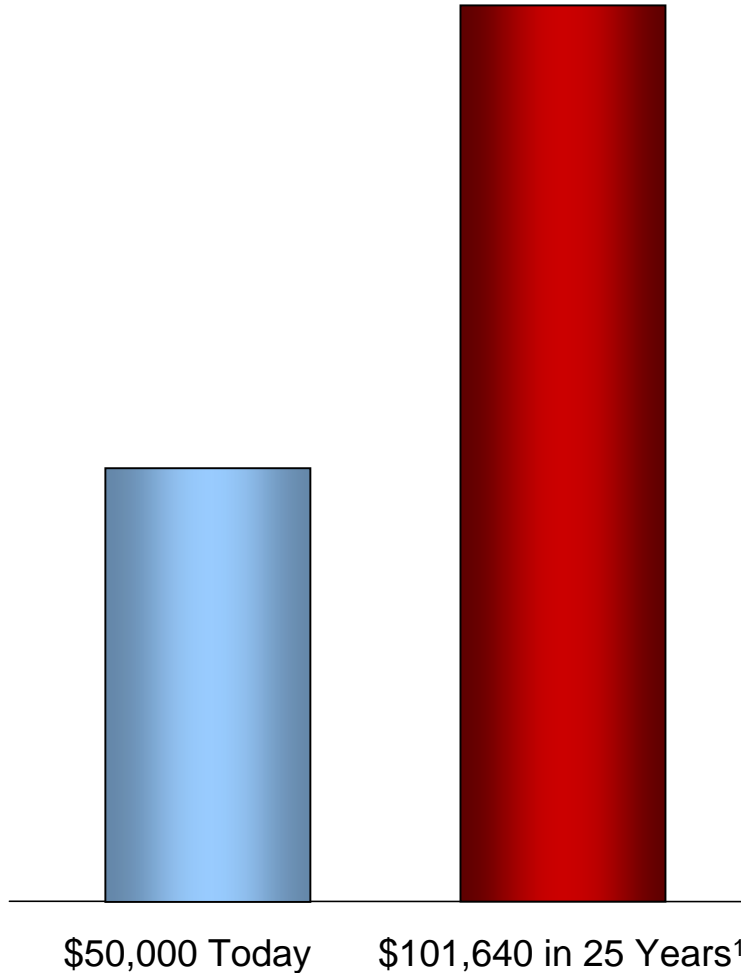
¹The Tax Foundation, 2005.

CHALLENGES TO RETIREMENT

Inflation



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HISTORICAL RATES OF INFLATION

Annual Inflation Rate	Value At Retirement	After 10 Years	After 20 Years	After 30 Years
3%	\$10,000	\$7,441	\$5,537	\$4,120
5%	\$10,000	\$6,139	\$3,769	\$2,314
7%	\$10,000	\$5,083	\$2,584	\$1,314

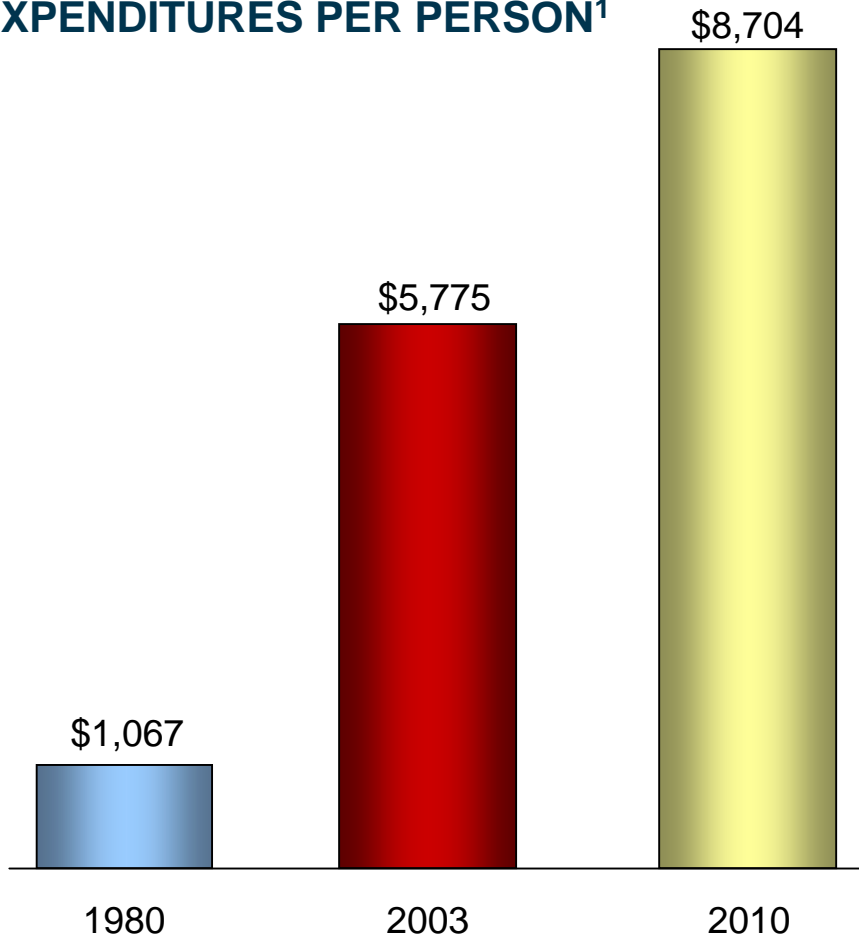
Average Historical Annual Inflation Rates (Avg. inflation rate from 1926 to 2003 was 3.1%) 1990s – 3% 1980s – 5% 1970s – 7%

CHALLENGES TO RETIREMENT Healthcare



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U.S. HEALTHCARE EXPENDITURES PER PERSON¹



- Equivalent to 52% of the average retiree's Social Security income (\$11,460)²
- At General Motors, the average cost of providing healthcare and pension benefits is now \$1,500 per car³

¹National Center for Health Statistics, 2004.

20 ²Social Security Administration, 2004.

³"Now for the Reckoning," The Economist, October 13, 2005.



- **The retirement wave – the single most significant event**
- **The wave is rolling**
- **Government assistance in doubt**
- **Employer assistance is shrinking**
- **All of this provides our greatest challenge and greatest opportunity**
- **The key is pre-retirement**

THE OPPORTUNITY FOR JNL

Understanding Our Target Market - Baby Boomers



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- **Boomer households have an average of 0.95 children¹**
- **40% anticipate that their adult child will move back in with them²**
- **14.2% are divorced³**
- **37% say their favorite TV show growing up was Star Trek⁴**
- **Average Boomer drinks 3.8 cups of coffee per day⁵**
- **Only 7.3% are below the poverty line⁶**
- **97% are uncomfortable with the amount of money they have saved for retirement⁷**

¹Demographic Profile of American Baby Boomers, Mature Market Institute, 2003.

²www.seniorjournal.com/NEWS/Housing/4-06-29Survey.htm

³Demographic Profile of American Baby Boomers, Mature Market Institute, 2003.

⁴USA Today Snapshot, 2001.

⁵National Coffee Drinking Trends Baby Boomers Report, National Coffee Association, 2005.

⁶"When We're All 64," Wall Street Journal, 2005.

⁷"Almost all Retirees, Boomer Regret not Doing More to Prepare for Retirement", Senior Journal, 2005.

THE OPPORTUNITY FOR JNL

What Does America Need?



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Advice

- The majority of Americans use a professional adviser
- During the bear market of 2000-2002, 50% of those investors who did not use a professional adviser consulted one¹

Choices

- There are now over 8,000 mutual funds²

Income

- According to NAVA, the #1 concern of retirees is running out of money prematurely, and downgrading lifestyle³

Safety

- Of the \$8 trillion in mutual funds, 27.5% is invested in money market accounts⁴

Guarantees

- Research indicates that the majority of retiree goals include:
 - maintaining or enhancing their lifestyle throughout retirement; and
 - a zero chance of ending life in deprivation⁵

THE OPPORTUNITY FOR JNL

Why Consumers Want Annuities?



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Safety: Protection of principle

Growth: Potential for growth

Income: Guaranteed income for life

Choice: Choice of asset classes



- **Largest pool of retirement assets in the world**
- **Retirees are dramatically underserved**
- **The age wave is rolling and the levy has cracks**
- **More fluid than at any point in history**
- **JNL is well-positioned with our channels, products, and marketing**



LPL Financial Services

Mark S. Casady

President & CEO

November 2, 2005

Agenda

- Independent Advisor Market Segment
- LPL Financial Services Overview
- Industry Challenges
- LPL and Jackson National

Financial Advisors by Channel

2004 Year End

<u>Rank</u>	<u>Channel</u>	<u>Number of Advisors</u>
1	Independent Broker / Dealers	106,688
2	Wirehouse	70,805
3	Insurance	49,795
4	RIA	38,068
5	Bank	18,280
6	Regional	16,342
Total		299,978

Source: Cerulli Associates - Intermediate Markets report

Industry Overview

- Positive industry trends include industry consolidation, growth in the independent business model, and increasing asset investment
- With 300,000 financial advisors in the United States, the broker/dealer industry remains highly fragmented, with the largest, Merrill Lynch, representing less than 5% of all advisors
- Comprised of over 106,000 advisors, independent contractors represent 35% of the overall financial advisor market
- In the last ten years, U.S. household financial assets under professional management have more than doubled, from \$7 trillion to \$15 trillion

Sources: Cerulli and Federal Reserve

2004 Year End Brokerage Industry Rankings

<u>Rank</u>	<u>Firm</u>	<u>Total Advisors</u>
1	Merrill Lynch & Co	13,320
2	Salomon Smith Barney	12,100
3	AEGON	11,000
4	Morgan Stanley	10,962
5	American Express Financial Advisors	10,741
6	Wachovia/Prudential	10,519
7	Edward Jones	9,493
8	ING Advisors Network*	8,725
9	UBS Financial Services, Inc	7,519
10	AG Edwards & Sons	6,892
11	AIG Advisors Group*	6,412
12	MetLife Securities	6,150
13	NYLIFE Securities	6,037
14	AXA/Equitable	6,000
15	LPL Financial Services	5,825

Source: Cerulli Associates - Intermediate Markets report

* Includes subsidiary broker / dealers

2004 Independent B/D Rankings

<u>Rank</u>	<u>Firm</u>	<u>2004 Revenue</u>	<u>Producing Advisors</u>
1	LPL Financial Services	\$1,137	5,825
2	AIG Advisor Group*	\$869	5,717
3	Raymond James Fin Services	\$790	3,506
4	ING Network*	\$563	5,286
5	Lincoln Financial Advisors	\$562	2,390
6	National Planning Holdings*	\$407	2,786
7	Northwestern Mutual	\$318	5,824

Source: Financial Planning June 2005

* Includes subsidiary broker / dealers

Variable Annuity Sales by Channel

Q2 2005 YTD

<u>Channel</u>	<u>Market Share*</u>
Captive Agency	36%
Independent NASD Firms	30%
Banks and Credit Unions	13%
Wirehouses	10%
Regional Investment Firms	10%
Direct Response	1%

* Total sales through Q2 YTD are approximately \$64.5 billion

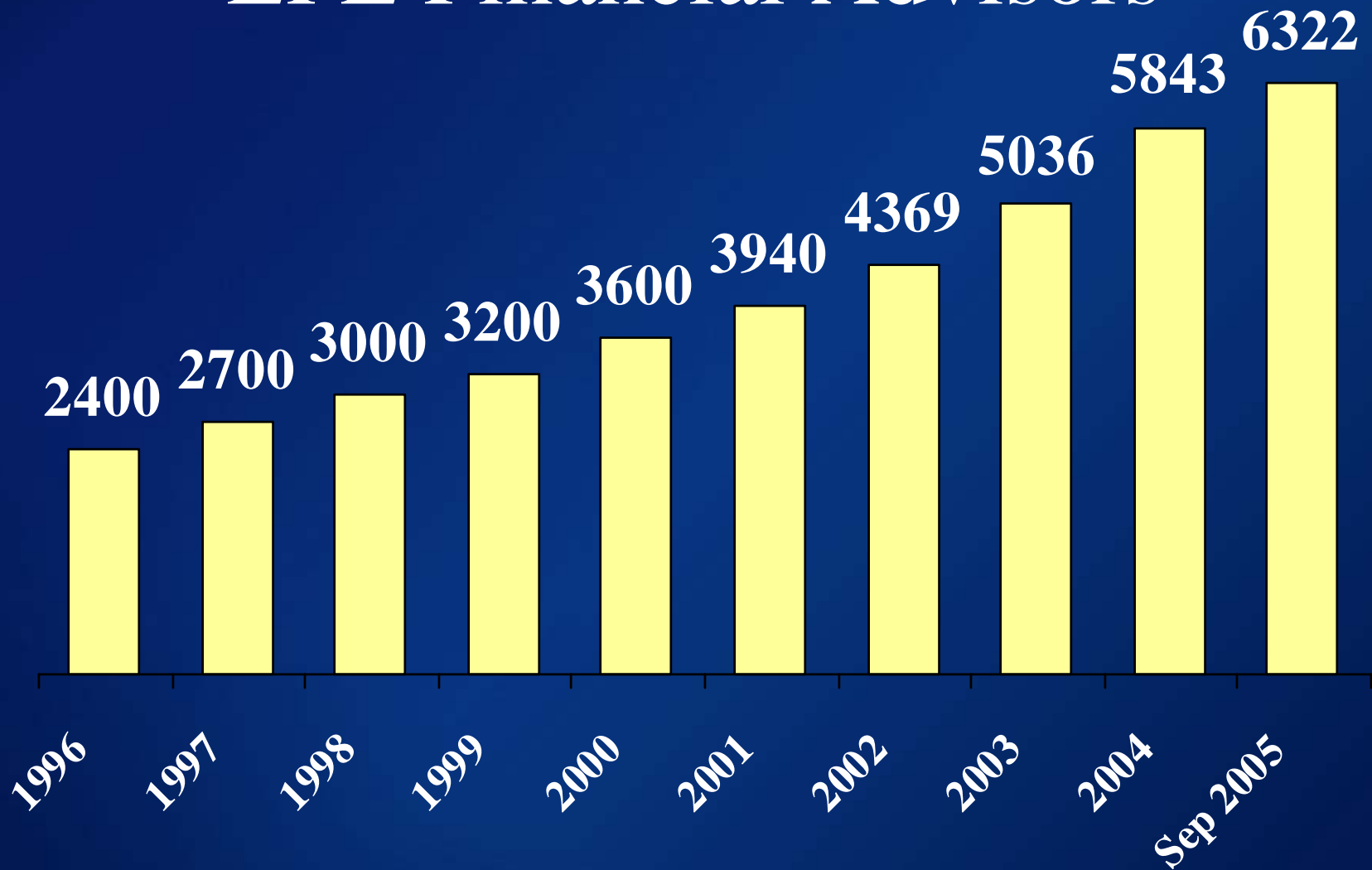
LPL Overview

- LPL is a privately held brokerage firm and registered investment advisor, specializing in the service and support of a national network of financial advisors and financial institutions
- LPL provides advisors with access to a wide selection of financial products, including full-service stock and bond trading, mutual funds, fixed and variable annuities, managed accounts and life insurance
- With quality research and strong home office support, advisors have the ability to develop a greater understanding of the economy and markets; more time to evaluate financial strategies; and greater access to information
- LPL offers no investment products of its own, so LPL advisors can devote their time and energies not to product quotas and sales goals, but to understanding individual financial objectives
- To help them meet client needs with suitable options, LPL forms alliances with the nation's leading providers of investment and insurance products

LPL Through September 2005

- Network of over 6,300 independent advisors and dedicated service to approximately 389 financial institutions
- Leading distributor of mutual funds, variable annuities, life insurance and managed accounts
- 23% average growth rate of revenues from 1992 through 2004
- \$95 billion in custodied assets, including over \$35 billion in managed account programs
- Outpaced competitors in revenue and new financial advisor growth

LPL Financial Advisors



- A LPL advisor typically has 16 years experience and LPL is their third firm
- The median age of a LPL advisor is 46

LPL Total Revenue

(\$ millions)



(a) Recurring revenue includes: trails, advisory fees, asset-based fees, service fees, and margin interest

LPL Product Sales

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>July YTD</u> <u>2005 (b)</u>
Load Mutual Funds (\$ in B)	\$4.2	\$5.1	\$5.7	\$6.3
Annuities (\$ in B)	\$3.1	\$3.8	\$4.3	\$4.9
Managed Accounts (\$ in B)	\$5.8	\$6.7	\$10.5	\$12.3
Life (\$ in mm) (a)	\$203	\$169	\$218	\$218
Alternative (\$ in mm)	\$352	\$611	\$627	\$741

(a) Life insurance results are estimates and include fixed and variable life insurance and target and excess premium

(b) Annualized based on July 2005 YTD results

LPL Summary

- For the tenth consecutive year, LPL Financial Services has been named the #1 independent broker dealer in the U.S. by *Financial Planning Magazine*, based on total revenues
- Strong national network of financial advisors

Keys to Success:

1. Independent Research to deliver non-proprietary “best of breed” platforms and services
2. Solid infrastructure and support
3. Focus on the needs of the financial advisor
4. Training- in person, on the phone, on the web

Industry Challenges: The Distributor Perspective

- 1) Responding to dynamic regulatory environment
- 2) Keeping up with new product development
- 3) More complex due diligence
- 4) Continue to focus on client benefits

Industry Challenges: The Product Provider Perspective

- 1) Bullets 1, 2 and 3 from Distributor Perspective
- 2) Different channels require different sales and marketing support
- 3) Flexible technology infrastructure to accommodate product development
- 4) Rational product pricing – the importance of ratings

LPL and Jackson National

- 2005 variable annuity sales are up 100% versus 2004 - #8 in the LPL system
- 2005 fixed annuity sales are up 90% versus 2004 - #6 in the LPL system
- Drivers of growth:
 - Focused wholesaling strategy
 - Participation in all LPL training, including the National Conference and Fast Forward
 - Flexible product design to meet client needs



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Retail Distribution and Operational Overview

Our Primary Engine For Growth

Mike Wells

Vice Chairman and Chief Operating Officer, JNL



PRUDENTIAL



- Market landscape
- Product manufacturing
- Intermediary management
- Acquisition management
- Leveraging value chain



- The age wave redefined features
- Regulations redefined the sales process
- The market has already consolidated

MARKET LANDSCAPE

Tier One Operational Units Control 75% of the Market



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TIER-ONE COMPANIES (JNL'S PRIMARY COMPETITORS) HAVE THREE PRIMARY STRATEGIES TO DIFFERENTIATE THEMSELVES AND CAPTURE MARKET SHARE

- **Sub-Account Selection**

- Popular mutual fund accounts can dramatically affect sales
- Brand reputation and performance of manager are key
- Sales rise and fall with perceived popularity of the manager

- **Feature/Pricing Leadership**

- GMAB, GMIB, GMDB, GMWB
- Leader feature pricing delivers sales
- Pricing and hedging aspects can change risk profile

- **Producer-Focused Distribution Model**

- Attempts to leverage the advisor relationship
- Sales development, flexibility, productivity, financial and operational support
- Reduces dependence on best product pricing

MARKET LANDSCAPE

VARDS Top 15 VA Sellers

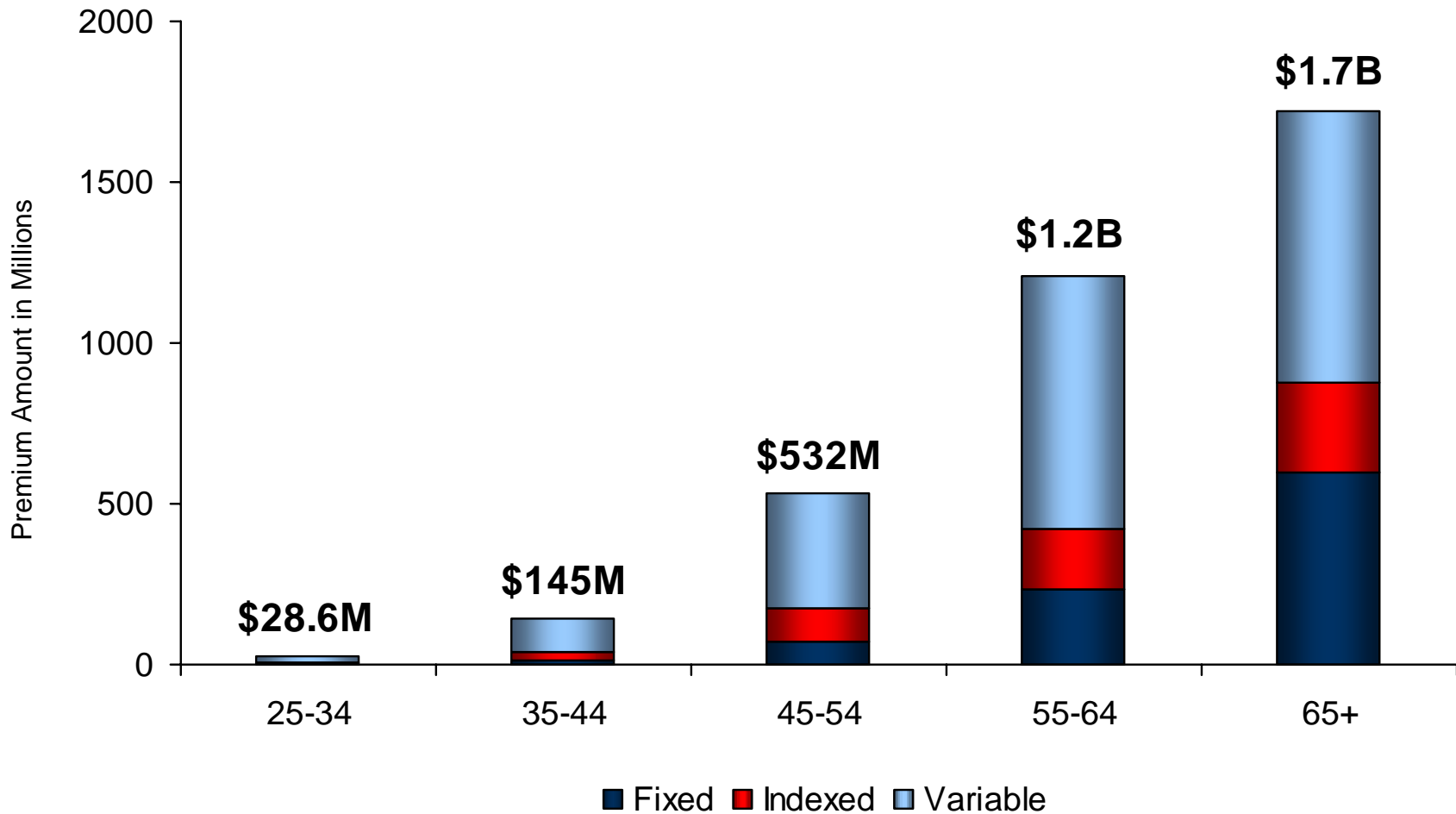


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RANK BY NEW SALES		1H 05 NEW SALES	1H 05 NET SALES
1	TIAA-CREF	\$6,839.0	\$ 708.0
2	MetLife	\$6,430.7	\$2,068.5
3	Hartford	\$6,116.8	\$ (768.7)
4	AXA/MONY	\$5,044.2	\$1,716.8
5	ING	\$4,071.0	\$1,103.1
6	Lincoln National	\$4,147.6	\$ 926.8
7	AIG	\$3,997.8	\$ (567.3)
8	John Hancock	\$3,242.1	\$1,810.9
9	Pacific Life	\$3,200.5	\$1,700.2
10	Prudential/American Skandia	\$3,197.5	\$ 160.6
11	Ameriprise/IDS Life	\$3,053.4	\$ 588.1
12	Jackson National Life	\$2,231.6	\$1,472.4
13	Allianz	\$2,101.4	\$1,562.3
14	Nationwide	\$1,863.4	\$ (1,110)
15	Aegon/Transamerica	\$1,242.0	\$ (666.6)



JNL ISSUED PREMIUM BY AGE GROUP BY PRODUCT – 2005





- Over the last several years, 80%+ of products sold were built in the previous two years, up from 22% in 2001
- Platforms across all business units
- Speed to market
- Innovation



- Headroom
- Profitability
- Sustainable growth
- Barriers to entry

INTERMEDIARY MANAGEMENT

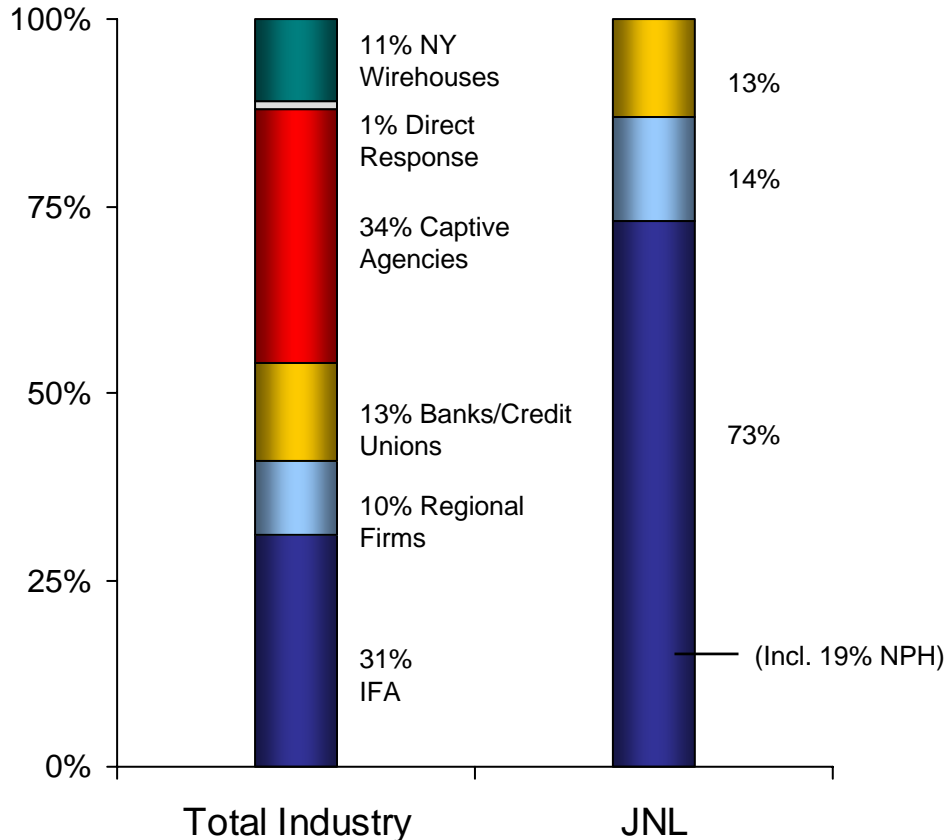
Targeting Opportunity



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VARIABLE ANNUITY SALES YTD BY DISTRIBUTION CHANNEL

VA Sales by Channel



Key Points

- 31% of total industry VA sales is through IFA channel. JNL major force:
 - Most difficult channel to sell through
 - Requires strong wholesaling
 - Most profitable
 - Fastest growing
- JNL distributes VAs primarily through the IFA channel – 73% of total
- 33% of total industry VA sales through the captive channel – JNL not a participant
- JNL sales through Regional firms are greater than the industry average at 14%
- JNL sales through Banks are in line with the industry average at 13%.

Source: VARDS YTD Q3 2004 Report (Year-End data not available until mid-February 2005).



- Core competency
- Administration and IT model
- Financial expertise
- In-house team
- Disciplined integration



LOG TRANSACTION STRATEGIC RATIONALE

- Attractive Return
- Additional Scale:
 - Additional 1.6 million policies more than triples life policies currently administered, significantly lowering unit costs
 - Draws on JNL's competency in maintaining an efficient low-cost IT and administration infrastructure
 - JNL 2005 expense base of ~\$244 million increases incrementally by \$8 million initially and decreasing to \$3 million in Year 10
- Diversification of Earnings:
 - Significant portion of LOG's customer base own policies that are "paid-up", therefore, this business produces stable earnings and predictable cash flows
 - ALM benefits derived through diversification of JNL's liabilities

FINANCIAL RESULTS

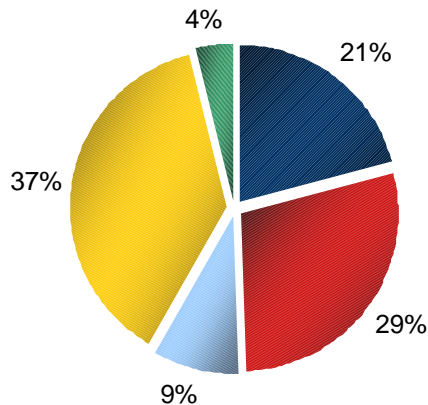
Life of Georgia



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31 December 2004 reserve and separate account composition

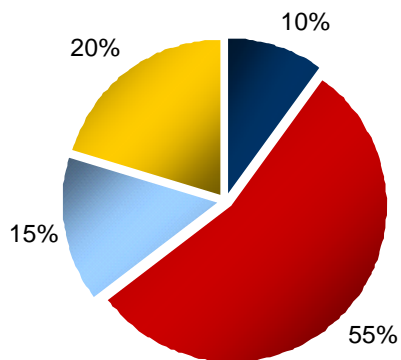
Industry



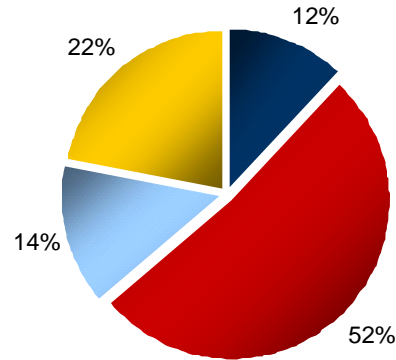
■ Life ■ Annuity ■ Deposit Funds ■ Separate Account ■ A & H

30 June 2005 reserve and separate account composition

JNL pre-Life of Georgia



JNL including Life of Georgia



Life of Georgia transaction is meeting or exceeding all objectives

Integration is successful and is progressing on schedule

- Acquired approximately 1.6 million life policies and \$1.6 billion in life reserves – more than triples number of life policies administered
- Purchase price of \$254 million
- Full expectation that 12% IRR target will be exceeded – effective capital deployment
- Increases life insurance reserves from 10% to 12% of JNL statutory reserves and separate account balances
- [80]% of policies have been converted

THE JNL ADVANTAGE

Summary



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EXPERTISE

- Track record of success
- Prudent risk taking
- Strong relationships
- Home grown, tenured people



EXECUTION

- Process-driven culture
- Disciplined activity management
- Flexibility
- Leveraged value chain

INNOVATION

- Product set
- Scalable platforms
- Targeted marketing



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JNL's Distribution Advantage in the Era of the Boomer

Clifford Jack
Executive Vice President & Chief Distribution Officer, JNL



PRUDENTIAL

INTRODUCTION

JNL's Distribution Advantage



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- Overview of our distribution companies
- Why we are in the markets we are in
- Why we are advantaged in these markets

JACKSON NATIONAL LIFE

Distribution Channel Overview



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Wholesale

Retail

Jackson National Life Distributors (JNLD)

**JNLD
Guaranteed &
Life**

**JNLD
Registered**

**Regional B/D
(RBD)**

**Institutional
Marketing
Group (IMG)**

**Curian
Capital**

**Life of
Georgia**

**National
Planning
Holdings (NPH)**

- National Planning
- INVEST
- ICA
- SII Investments

Route-to-Market

Independent
Broker/Dealers
& Agents

Independent
Broker/Dealers

Regional
Broker/Dealers

Banks, Thrifts,
Credit Unions

Registered
Investment
Advisers (RIAs)
& Unaffiliated
Broker/Dealers

Life Agents

Affiliated
Independent
Broker/Dealers

Customer Segment

Mass Market

Mass Market to
Mass Affluent

Mass Market to
Mass Affluent

Mass Market to
Mass Affluent

Mass Market to
Mass Affluent

Mass Market

Mass Market to
Mass Affluent

Products

- Fixed Annuities
- Fixed Index Annuities
- Life Insurance

- Variable Annuities
- Fixed Annuities
- Fixed Index Annuities

- Variable Annuities
- Fixed Annuities
- Fixed Index Annuities

- Variable Annuities
- Fixed Annuities
- Fixed Index Annuities

- Managed Separate Accounts

- Life Insurance

- Variable Annuities
- Mutual Funds
- Fixed Annuities
- Fixed Index Annuities
- Brokerage Products
- Investment Advisory
- REITs / UITs

THE JNL DISTRIBUTION ADVANTAGE

Strength in Key Channels

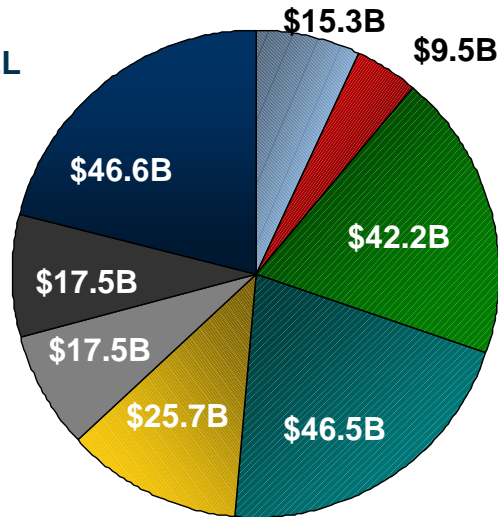


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THE U.S. ANNUITY MARKET BY CHANNEL

Total 2004 Sales: \$220.8B

- Banks
- Direct Response
- Other
- Career Agents
- Independent Agents
- IBDs
- Wirehouse
- Regional B/Ds

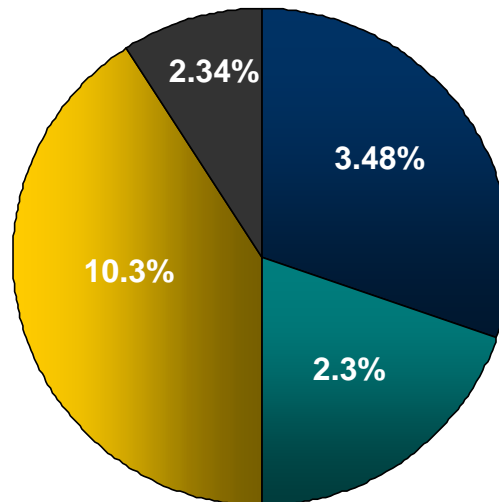


JNL MARKET SHARE BY CHANNEL

Total Annuity Market
by Channels JNL Serves: \$136.3B

Total 2004 JNL Sales: \$6.6B

- Banks \$2.0B
- Independent Agents \$1.3B
- IBDs \$2.7B
- Regional B/Ds \$0.6B



% Indicates JNL Market Share by Channel

HOW WE DO IT

The JNL Distribution Advantage



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Strategic Themes

1. Process-driven sales culture supported by best people hired and trained to thrive in our culture
2. Differentiated distribution model targeted to growth markets
3. Complex relationship management maximizes results
4. Trusted reputation in target markets

Tactical Strengths

1. Focused wholesaling
2. Wholesaler activity & territory management
3. Homegrown talent
4. Competitors bring golf balls; we bring profits and time

JNL / JNLD

JACKSON NATIONAL LIFE DISTRIBUTORS (JNLD)

Growing Presence Across Major Channels



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- Four dedicated wholesaling teams:
 - **JNLD Registered, Guaranteed/Life, IMG, RBD**
 - **230 external and internal**
- Four primary products:
 - **Variable Annuities, Fixed Index Annuities, Fixed Annuities, Life Insurance**
- 1,200 selling agreements
- 80,000 appointed producers

JACKSON NATIONAL LIFE DISTRIBUTORS

Headroom in Existing Markets



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ADVISER COUNT & INVESTMENT PRODUCT SALES (\$B) BY DISTRIBUTION CHANNEL, 2004

Channel	Total Number of Reps	JNLD Producing Reps	JNLD producing for JNLD	Industry Annuity Sales 2004 (\$B)	JNLD Annuity Sales 2004 (\$B)	JNLD as % of Channel
Independent Agents	161,000	9,619	6%	\$46.5	\$1.3	3%
Independent B/Ds	106,688	5,669	5%	\$25.7	\$2.7	11%
Bank B/Ds	18,280	5,285	29%	\$46.6	\$1.9	4%
Regional B/Ds	16,342	1,490	9%	\$17.5	\$.60	3%
TOTAL:	302,310	22,063	7%	\$136.3	\$6.6	5%

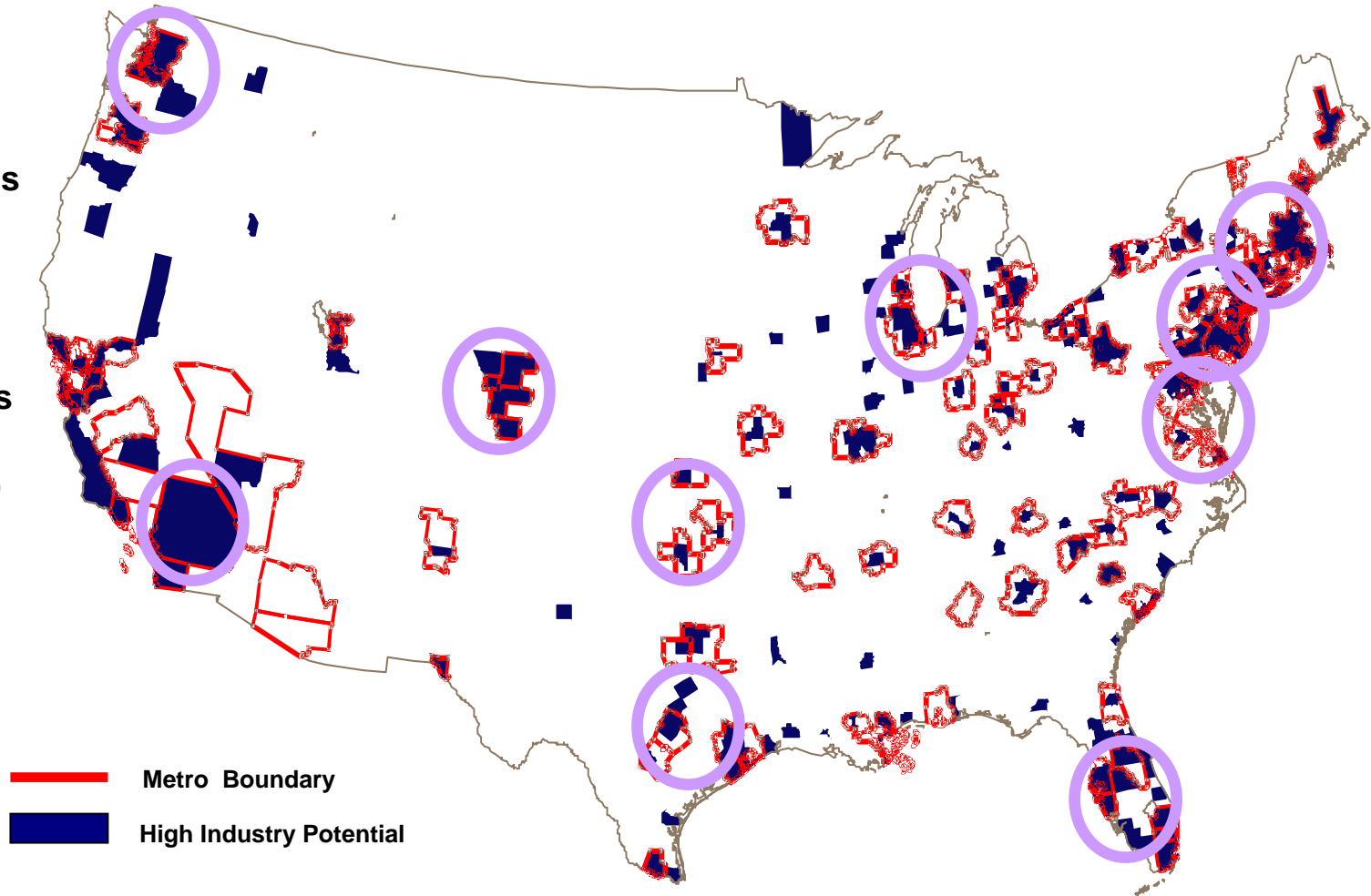
JNLD TERRITORY MANAGEMENT

Not All Markets Are Created Equal



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- Highest potential Metropolitan Statistical Areas (MSAs) are identified & monitored
- Sales territories are allocated by opportunity, not just geography
- Sales results tracked & correlated to territory opportunity



JNLD TERRITORY MANAGEMENT

Information for Strategic or Tactical Deployment



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Fort Collins

“Moveable” Assets: \$23B
 Total Annuity Assets: \$1.1B (5% of “Moveable” Assets)
 JNL VA Premium: \$22. 4M (12% of Total Premium)
 “A” Count: 11
 “A” Premium: \$13M
 (13% of Total “A” Premium)
 (7% of Total Premium)
 EW Meetings: 105 (16% of Total EW Meetings)
 IW Calls: 262 (12% of Total IW Calls)

Denver Metro

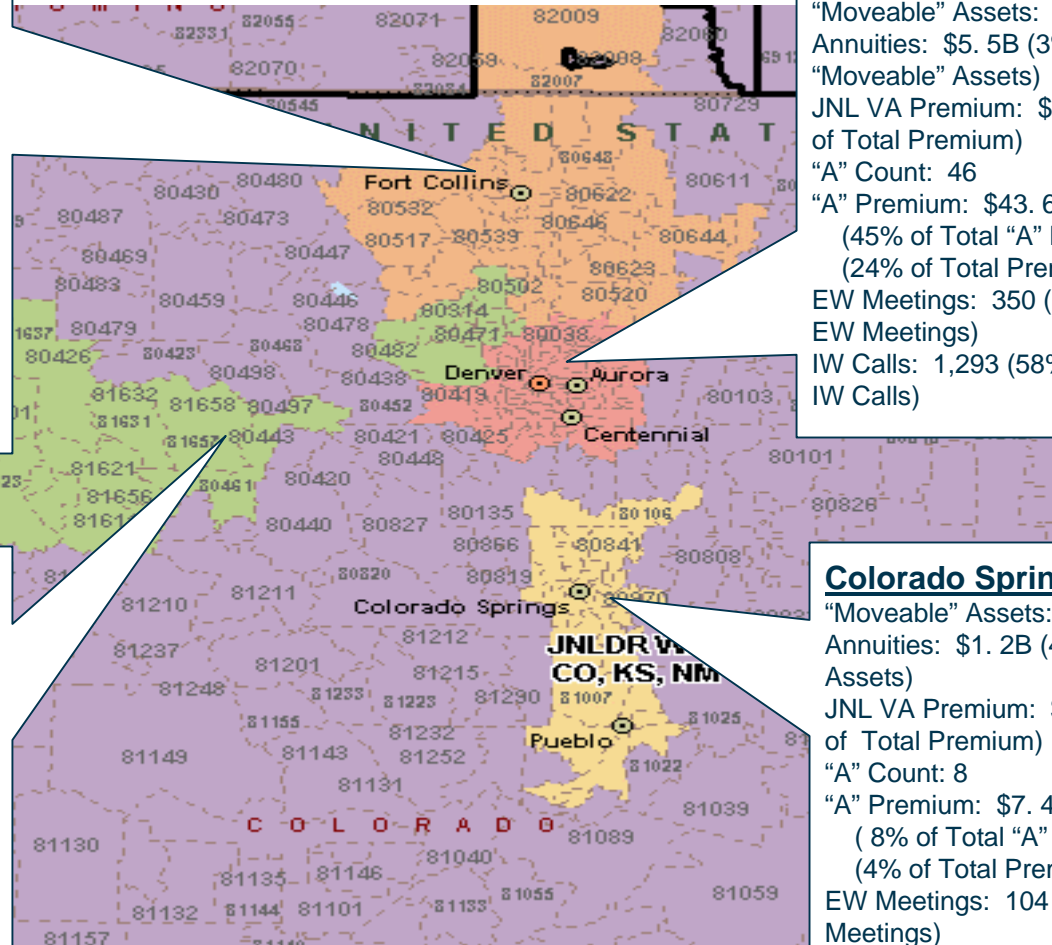
“Moveable” Assets: \$158. 1B
 Annuities: \$5. 5B (3% of “Moveable” Assets)
 JNL VA Premium: \$78M (43% of Total Premium)
 “A” Count: 46
 “A” Premium: \$43. 6M
 (45% of Total “A” Premium)
 (24% of Total Premium)
 EW Meetings: 350 (54% of Total EW Meetings)
 IW Calls: 1,293 (58% of Total IW Calls)

Boulder, Aspen

“Moveable” Assets: \$47. 4B
 Annuities: \$1. 3B (3% of “Moveable” Assets)
 JNL VA Premium: \$5. 2M (3% of Total Premium)
 “A” Count: 5
 “A” Premium: \$3. 2M
 (3% of Total “A” Premium)
 (2% of Total Premium)
 EW Meetings: 11 (2% of Total EW Meetings)
 IW Calls: 71 (3% of Total IW Calls)

Colorado Springs

“Moveable” Assets: \$30. 3B
 Annuities: \$1. 2B (4% of “Moveable” Assets)
 JNL VA Premium: \$12.1M (7% of Total Premium)
 “A” Count: 8
 “A” Premium: \$7. 4M
 (8% of Total “A” Premium)
 (4% of Total Premium)
 EW Meetings: 104 (16% of Total EW Meetings)
 IW Calls: 248 (11% of Total IW Calls)



JNLD TERRITORY MANAGEMENT

Resulting in Unparalleled Sales Activity



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- Our producers see us more often
- Our producers hear from us more often
- Our producers buy more from us

YTD September 2005 JNLD Sales Activity

	Internal Wholesalers				External Wholesalers					
	# of IWs	# of Calls	Avg Calls/Day	Meetings Scheduled	# of EWs	Total Contacts	Avg Contacts/Week	% A Meetings	Total Meetings	Avg Meetings/Week
Guaranteed	35	116,921	25	7,654	29	29,404	38	32%	15,299	19
Registered	36	142,064	24	14,431	38	40,279	41	41%	19,441	20
<i>Subtotal</i>	<i>71</i>	<i>258,985</i>	<i>25</i>	<i>22,085</i>	<i>67</i>	<i>69,683</i>	<i>40</i>	<i>37%</i>	<i>34,740</i>	<i>19</i>
RBD	15	31,143	19	2,322	18	21,561	49	26%	6,484	14
IMG	10	55,930	34	2	21	28,522	60	41%	5,861	12
<i>Subtotal</i>	<i>25</i>	<i>87,073</i>	<i>25</i>	<i>2,324</i>	<i>39</i>	<i>50,083</i>	<i>55</i>	<i>30%</i>	<i>12,345</i>	<i>13</i>
Grand Total	96	346,058	25	24,409	106	119,766	45	36%	47,085	17
Curian	10	36,307	26	N/A	15	10,956	33	N/A	4,412	12
Dist. Co. Total	106	382,365	25	24,409	121	130,677	43	36%	51,497	17

Annually:

**509,000 I.W.
successful calls**

**174,000
E.W. successful calls**

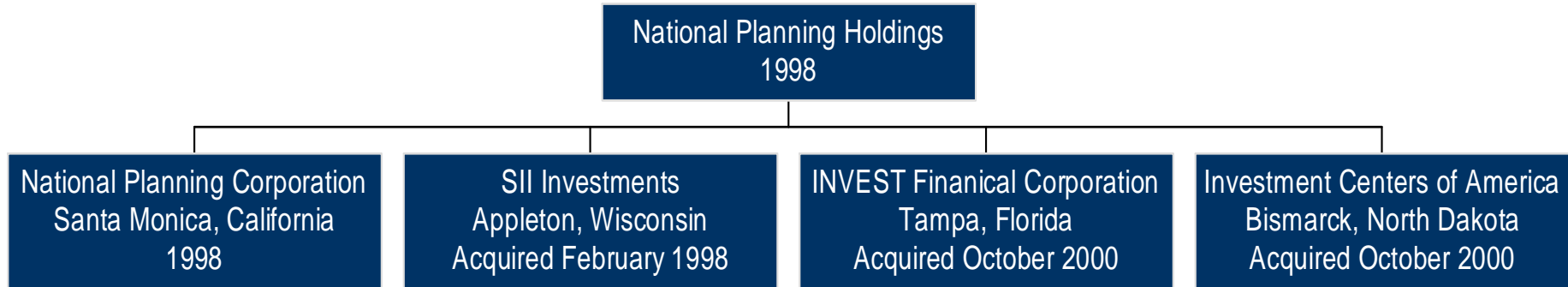
**69,000 In-person
E.W. Meetings**

National Planning Holdings

NATIONAL PLANNING HOLDINGS (NPH) Overview



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- 6th largest independent broker/dealer
- YTD sales of \$7.2B and revenues of \$313.4M¹
- 2,500 reps across four broker/dealers
- High-payout, high-tech, and low-touch model in growth segment of market
- JNL VAs have a 30% market share with no special treatment
- Profitable

¹ YTD September 2005

NPH

Headroom in Existing Markets



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ADVISER COUNT BY DISTRIBUTION CHANNEL, 2004

Channel	Total Number of Reps	Number of NPH Reps	NPH Reps as % of Total
Independent B/Ds	106,688	1,923	2%
Bank B/Ds	18,280	564	3%
TOTAL:	124,968	2,487	2%

Curian Capital



- Pru U.S. Benefits
 - Diversifies book in a large (\$620B) and growing (13%) market
 - Strengthens current relationships and adds new ones
- Rep Benefits
 - 100% Paperless
 - Automated compliance tools
 - Conversion to fees from commissions
- Clients Benefits and Regulators Value to the Curian Proposition
 - Fully transparent 24 x 7 account access
 - Tax efficiencies vs. Mutual Funds
 - Ability to exclude stocks, sectors and industries
 - Institutional quality asset managers
 - Lowest account minimums in the industry - \$25,000

CURIAN CAPITAL

Headroom in Existing Markets



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ADVISER COUNT BY DISTRIBUTION CHANNEL 2004

Total Series 65 Licensed Reps	Curian Producing Reps	Curian Producing Reps as % of Total
116,376	2,046	1.76%

THE JNL ADVANTAGE

Summary



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Service and Information Technology

George Napoles

Executive Vice President, Operations and Information Technology



PRUDENTIAL



I. Platform support, flexibility, scalability

II. Personalization

III. Execution efficiencies

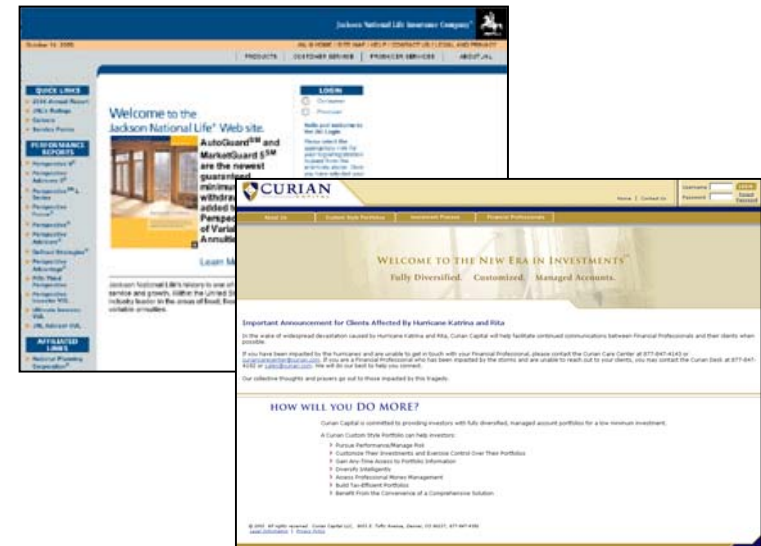
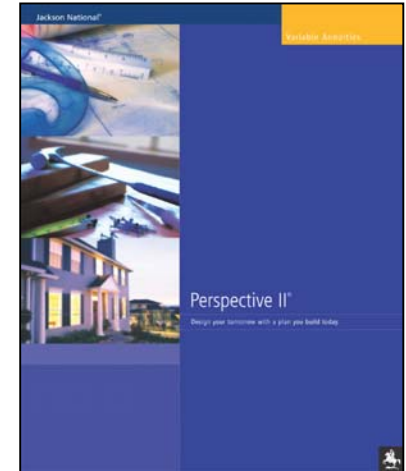
- Key What You See
- Policy assembly
- Skill based routing

JNL DIFFERENCE: PLATFORM SUPPORT



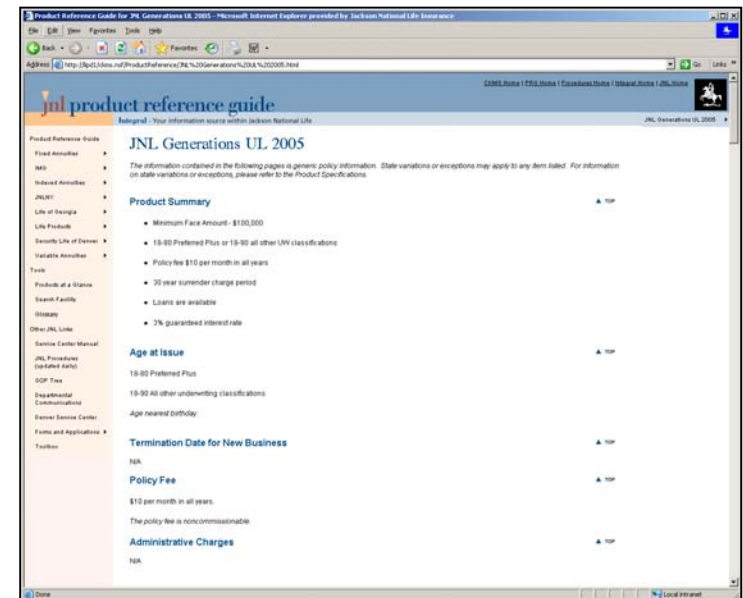
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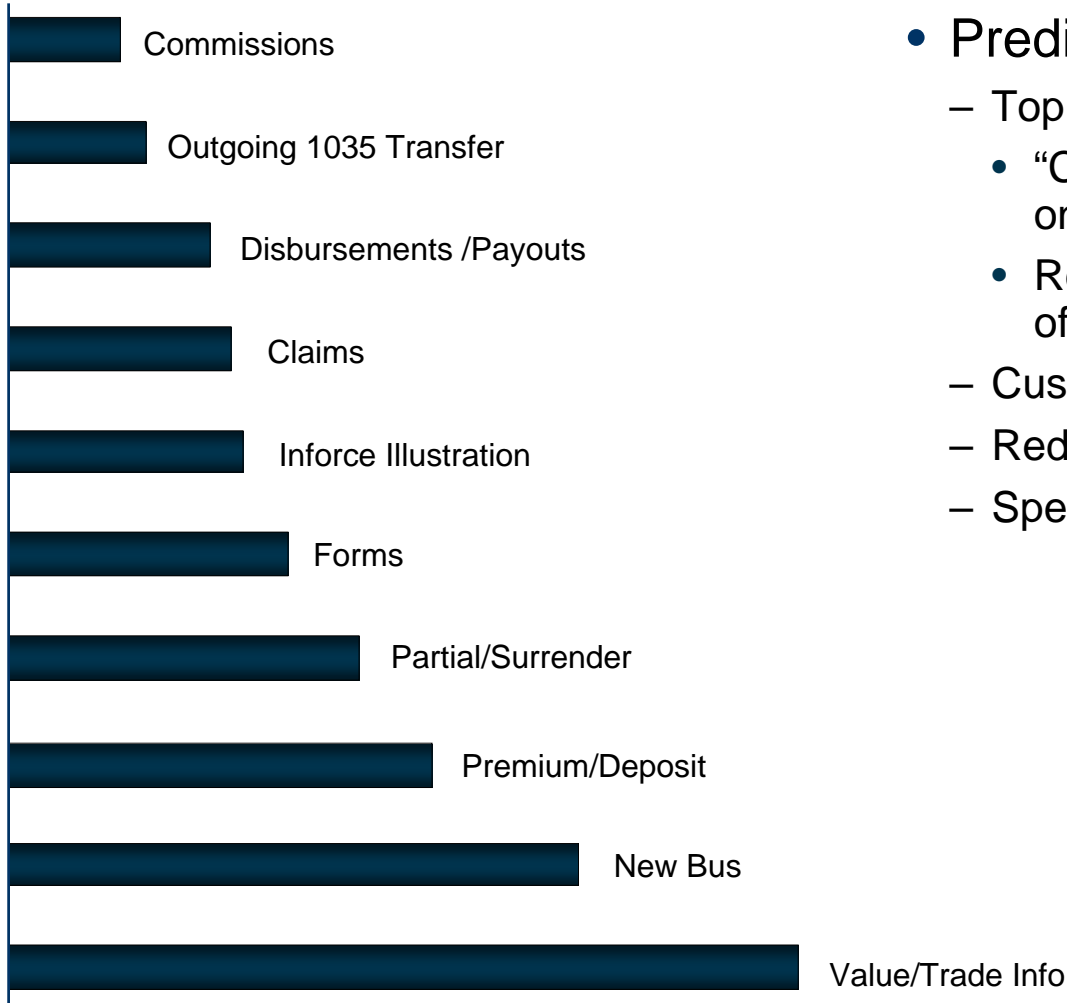
- Products
 - Perspective II Fixed and Variable Annuity
 - #1 selling variable annuity
 - Thousands of benefit combinations
- Flexibility
 - Emergencies
 - Recent gas leak in the town of Lansing
 - Dual Services Centers provide redundancy
- Client choices through service options
 - Telephone
 - IVR
 - Web site
 - Emails and Post





- Online Product Reference Guide
 - Online Reference and Standard Operations Procedures dynamically composed and tailored for each unique client
 - Significantly reduces required training
 - Ensures consistency and accuracy of responses by Service Representatives
 - Conform to regulatory requirements
- Contact history
 - Automatically captures demographic information
 - Supplemented by wrap-up data
 - Analyze information for metrics and to identify needed behavioral changes
 - Drives Predictive Messaging
 - Alerts representative of critical information





- Predictive voice messages

- Top 10 messages

- “Contact values” is the number one question

- Represents 12% within 27 categories of the calls over a four month period

- Customize and personalize

- Reduce number of calls

- Special circumstances



- Key-what-you-see
 - Competitive advantage – technology unique to JNL
 - Reduces transaction cost
 - Follows Business Process Re-engineering model
 - Capture data
 - Analyze and correct data
 - Automate processing when clean
- Policy assemble
 - 50 independent state regulators
 - Millions of combinations for assembling policy
 - Arduous and error prone manual process
 - Automation
 - Increased productivity reduced from a projected 83 to 2 Full Time Associates
 - Virtually eliminates errors
 - Expedites policy delivery



- Skill based routing
 - Vast potential impact
 - Assign specific calls and documents to subject matter experts
 - Benefits
 - Decrease staff cost because of “bubble-up” advancement of representatives
 - Decrease impact of personnel turnover
 - Decrease training cycle for new employees
 - Increase quality of service and allows highly customized service with no incremental costs
 - Increase career path for associates.
- Staffing and training
 - Granular modules train projected skill set shortages
 - Training modules derived from processing models
 - Supports “bubble-up” hiring practice
 - Hire faster and less expensively
 - IT 7-month class with certification

LIFE OF GEORGIA: A PERFECT FIT



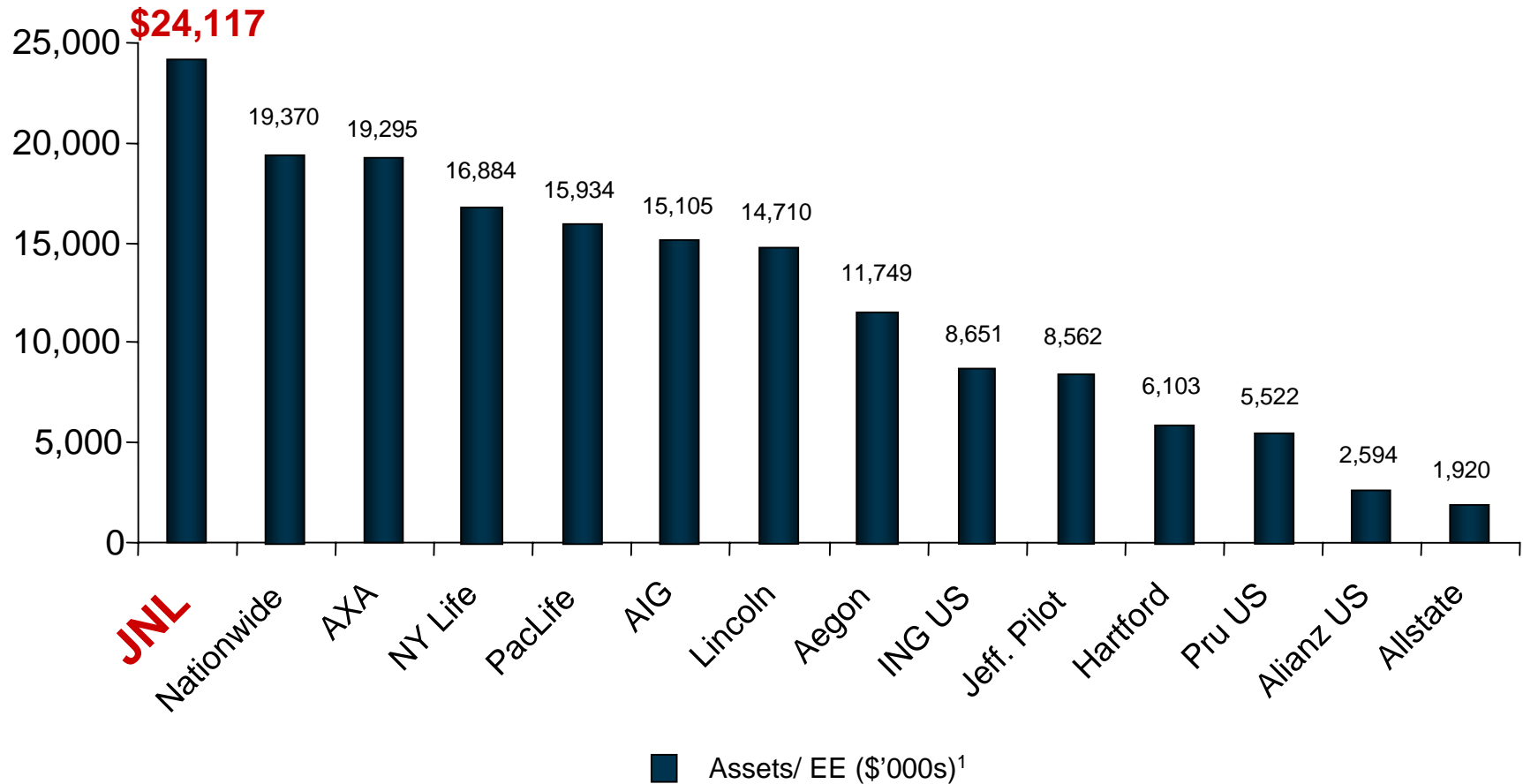
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	<u>Before LOG</u>	<u>After LOG</u>	<u>Net Result</u>
Executive Level	5	5	0
Manager Level Departmental	28	29	1
Employee Base Telephone Service Representatives, Administration	640	688	48

JNL DIFFERENCE: EFFICIENT ORGANIZATION



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⁹ ¹Source: JNL; Bloomberg; Dun & Bradstreet; Annual reports
2003 statutory assets and premiums



THE JNL ADVANTAGE

Summary



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FINANCIAL OVERVIEW

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



PRUDENTIAL



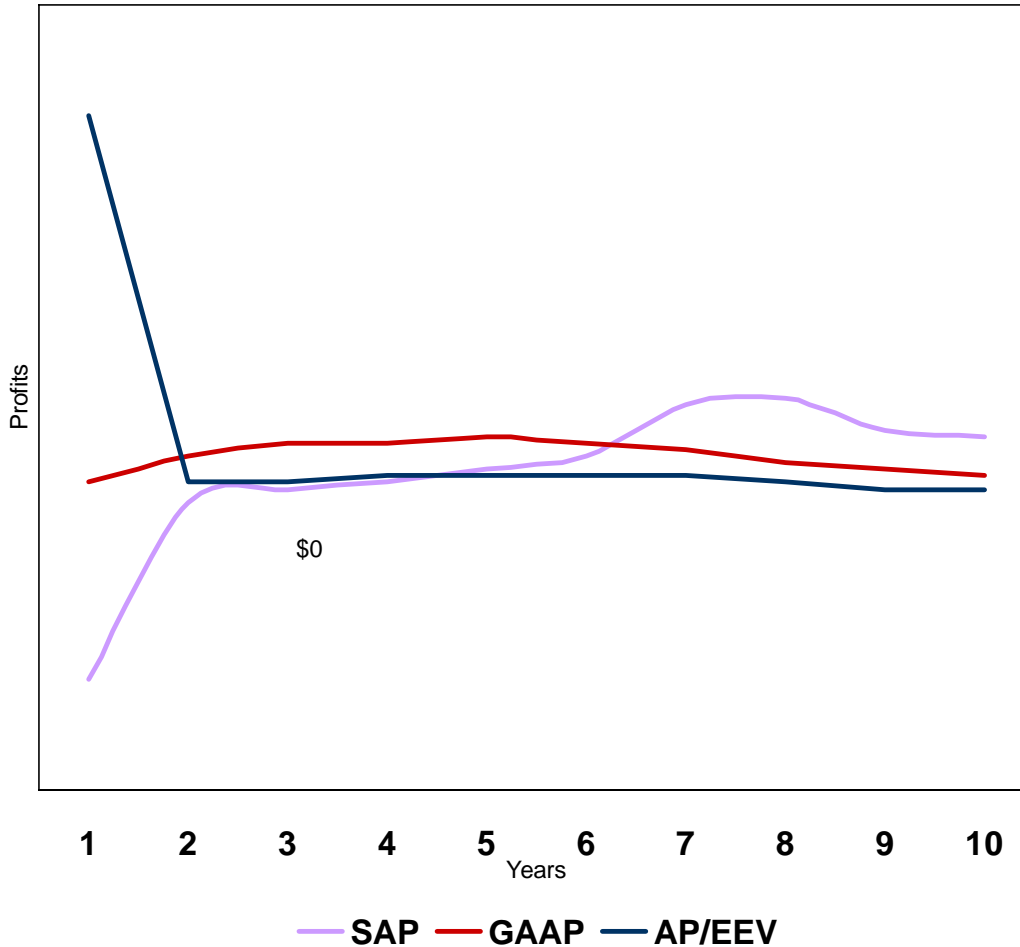
- Judgment and Principles → Rules
- Historical Cost → Market Value
- Consistency/Conservatism → More Volatility
- Materiality → Little or No Materiality
- Fundamental Purpose Remains:
 - Absolute Performance: better, worse or same?
 - Relative Performance: better, worse or same?

PROFIT SIGNATURES OF STATUTORY, GAAP AND AP/EEV BASES



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Illustrative Fixed Annuity Policy



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

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

SIMPLIFIED MODEL OF VARIABLE ANNUITY RETURNS



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Mortality & Expense Fees	1.25%
Fund Management Fees	0.45%
Policy Fees	<u>0.02%</u>
Total Fees	1.72%

Acquisition Costs:

Commission	7.50%
Marketing	1.85%
Issue Costs	<u>0.19%</u>
Total Acquisition Costs	9.54%
Acquisition Costs Over 8 Years	(1.19)%
Administrative Costs	(0.13)%
Return of Premium Death Benefit	<u>(0.05)%</u>

PROFIT MARGIN **0.35%**

CAPITAL **1.5%**

Ratio	23.3%
Investment Return on Capital	<u>5.5%</u>
Pretax Return on Capital	<u>28.8%</u>
After Tax Return on Capital	<u>18.7%</u>

KEY POINTS

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

SIMPLIFIED MODEL OF FIXED ANNUITY RETURNS



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

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



- 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

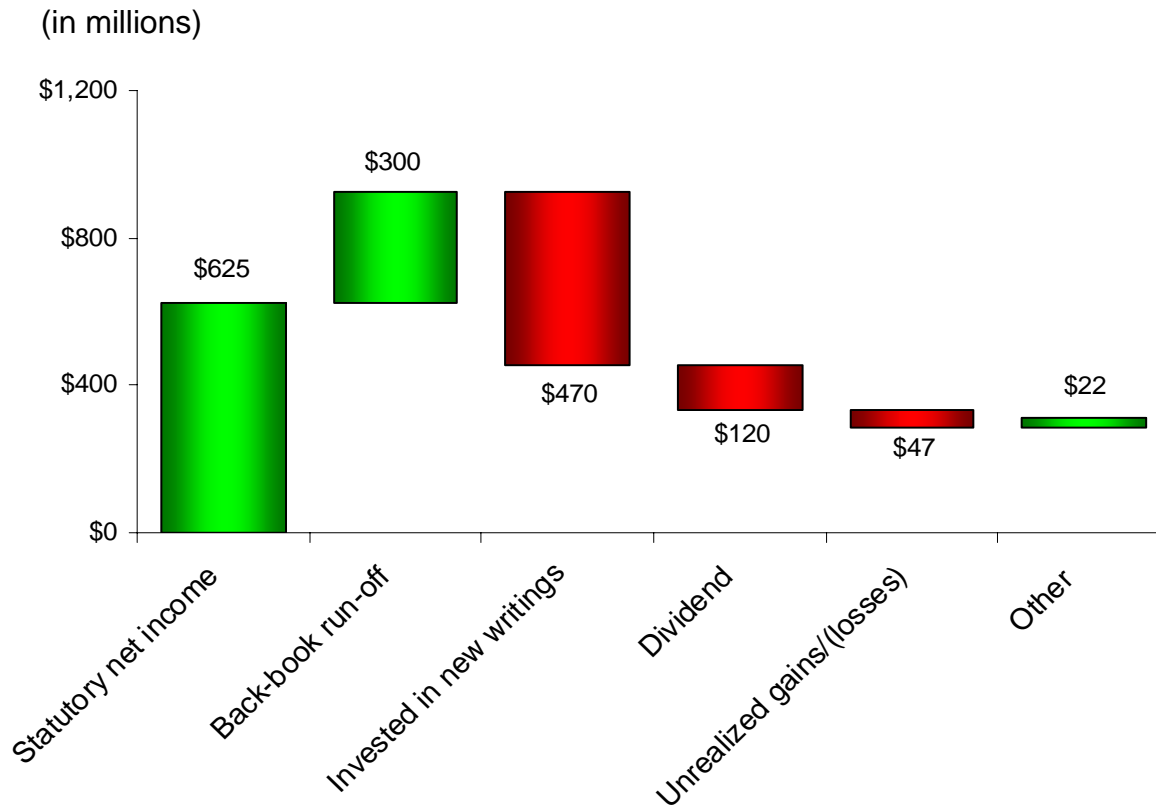
Dividends to the Group (millions)

2003	\$ 85
2004	\$ 120
2005 (forecast)	\$ 150



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

Full-Year 2004



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)



Jackson National Life
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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

SUMMARY



Jackson National Life
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- 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



Jackson National Life
Insurance Company

JNL Accounting Metrics

Jim Binder

Vice President, Finance and Corporate Strategy, JNL



PRUDENTIAL

JNL ACCOUNTING METRICS

H1, 2005 IFRS Results

Strong Financial Results

(millions)	H1 2005	H1 2004	FY 2004
Operating profit for North American Operations	\$ 316	\$ 283	\$ 516
Short-term fluctuations	112	192	374
Discontinued operations (JFB)	-	21	32
Gain on sale of discontinued operations (JFB)	-	-	70
Profit before tax	428	496	992
Income tax	(154)	(172)	(353)
Profit after tax	<u>\$ 274</u>	<u>\$ 324</u>	<u>\$ 639</u>
Longer-term investment returns included in operating earnings:			
Default provision	\$ (46)	\$ (42)	\$ (86)
Amortization of bond interest related gains	42	46	83
Longer-term returns on equity type investments	27	31	57
	<u>\$ 23</u>	<u>\$ 35</u>	<u>\$ 54</u>
Short-term fluctuations:			
Adjust realized gains, LPs and equities to actual	\$ 56	\$ 41	\$ 108
Consolidate investment entities	(10)	(16)	3
Derivatives mark-to-market	66	167	263
	<u>\$ 112</u>	<u>\$ 192</u>	<u>\$ 374</u>

- Operating profits are up 12% year-over-year
- Spread income has improved, credit experience is positive, expenses are well controlled – the fundamentals of the business are strong

Note: IAS 39 is adopted effective 1 January 2005. 2004 amounts are restated on a pro forma basis to include the effect of IAS 39.

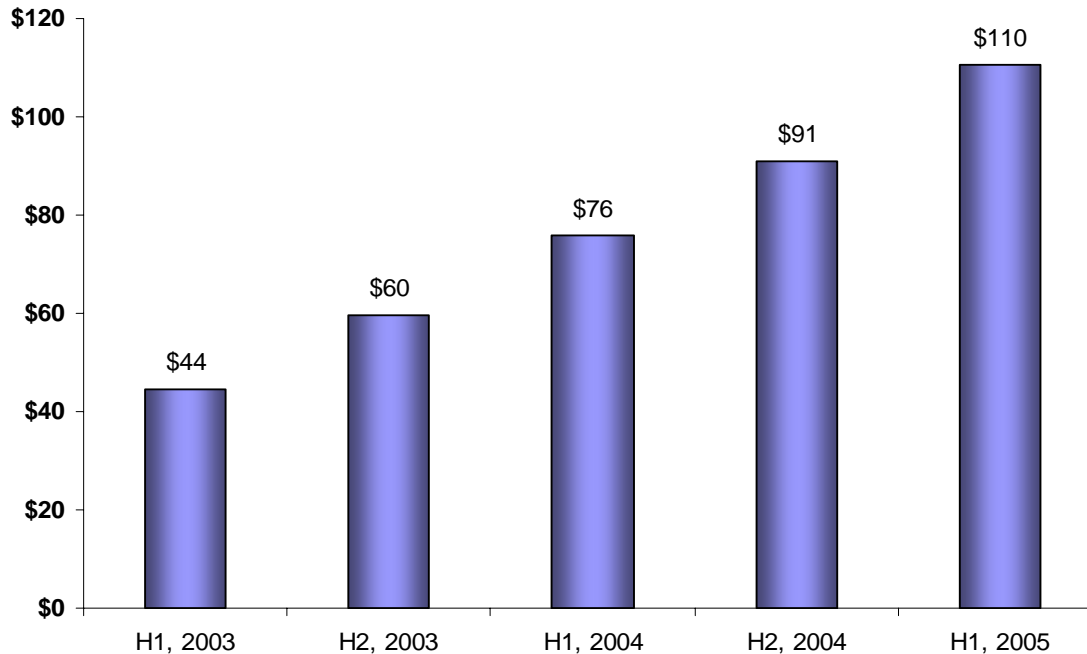
JNL ACCOUNTING METRICS

H1, 2005 IFRS Results

Variable annuity fee income has increased due to strong net flows

Variable Annuity Fee Income

\$ Millions



- VA fee income is up 45% over H1, 2004 and is 250% of H1, 2003 fee income
- Strong VA net flow enhances earnings and helps to diversify the revenue stream

JNL ACCOUNTING METRICS

H1, 2005 Achieved Profits Results

Solid Fundamentals Produce Solid Results

(millions)	H1 2005	H1 2004	FY 2004
New business profits	\$ 190	\$ 149	\$ 286
Inforce profits:			
Experience variances and other	84	42	83
Amortization of bond interest related gains	50	55	99
Unwind of discount	145	128	254
Return on opening surplus assets	41	34	65
Non-economic assumption changes	271	(5)	(5)
Pretax operating profit before discontinued operations	781	403	782
Discontinued operations (JFB)	-	21	32
Pretax operating profit	781	424	814
Short-term fluctuations in investment returns	22	21	174
Economic assumption changes	39	(111)	(97)
Gain on sale of discontinued operations (JFB)	-	-	70
Total long-term pretax profits for JNL	842	334	961
Operating profit from fund mgt. and other	22	(4)	(26)
Total long-term pretax profits for North American Operations	\$ 864	\$ 330	\$ 935

- New business profits are up 28% year-over-year
- Excluding the H1, 2005 \$263m term premium increase, pretax profits from continuing operations are up 29% year-over-year

JNL ACCOUNTING METRICS

H1, 2005 Achieved Profits Experience Variances

Experience variances are favourable and earned spreads are above targets

A positive \$82m spread variance accounted for substantially all of the H1, 2005 experience variance

- spread targets remain achievable
- average crediting rate is 3.94%, which is more than 60 basis points higher than the 3.29% guaranteed minimum
- private equity portfolio is performing well and is in-line with long-term expectations; returns are normalized at 8% under achieved profits reporting

Persistency and mortality are in line with expectations

H1, 2005 Experience Variances

Spread	\$82m
Persistency	7
Mortality/Morbidity	1
Other	(6)
Total	\$84m

Earned Spread at 30 June 2005

Investment yield ^(Note 1)	5.86%
Crediting Rate	3.94%
Earned rate	1.92%

^(Note 1) Investment yield includes private equity at the long-term earnings rate. The 30 June year-to-date private equity book yield on a GAAP basis is 24.1%.

JNL ACCOUNTING METRICS

H1, 2005 AP Non-Economic Assumption Changes

The operating assumption change relates to increased term premium cashflows

Premiums have been increased on older term life products

- Certain term life products issued between 1985 and 1996
- Changes are contractually allowed and are subject to guaranteed maximum levels
- Annualized premiums increased from \$75m to approximately \$125m
- Increased premium levels were determined with consideration of associated lapse and mortality impacts

H1, 2005 Assumption Changes

Term premium increase	\$263m
Other assumption changes	8
Total	\$271m

- A term life premium increase accounts for a majority of the H1 assumption changes
- The remainder of the assumption changes are routine updates reflecting current company experience

JNL ACCOUNTING METRICS

European Embedded Value – Underlying Assumptions

- Risk discount rates are calculated using a ‘bottom-up’ approach, reflecting risk characteristics of the business unit and volatility of product cashflows
- Cost of capital determined using ‘AA’ calibrated economic capital as a basis
- Cost of options and guarantees has been included in embedded value, calculated on a stochastic basis
- Credit defaults – ~200 basis point gross spread with a weighted average ~25 basis point default provision results in discounting back a ~175 basis point spread. This is consistent with stochastically determined default charge used in economic capital
- Future increases in interest rates approximate the forward curve

JNL ACCOUNTING METRICS

European Embedded Value – Risk Discount Rates

Risk Discount Rate (RDR) at 31 December 2004

	Variable Annuities	General Account Products
Risk free rate	4.26%	4.26%
ERP * beta	2.50%	0.24%
Additional margin	0.50%	0.50%
Rounding	0.04%	0.00%
Product RDR	7.30%	5.00%
Aggregate in-force RDR	5.80%	
Aggregate new business RDR	6.10%	

- Equity risk premium is 300 basis points
- Strong correlation to equity market movements results in a 0.83 beta for variable annuities
- Beta for general account products is low due to low cashflow volatility after excluding risks allowed for elsewhere

JNL ACCOUNTING METRICS

European Embedded Value – Key Sensitivities*

Sensitivities	Impact on Embedded Value
Economic	
1% absolute increase in risk discount rate	(\$158m)
10% relative decrease in market value of equities	(\$103m)
1% absolute increase in equity yields	\$46m
Non-Economic	
10% relative decrease in maintenance expenses	\$64m
10% relative decrease in lapse rates	\$86m
5% relative decrease in mortality and morbidity	\$133m

2004 Embedded value = \$4,872

* Unaudited

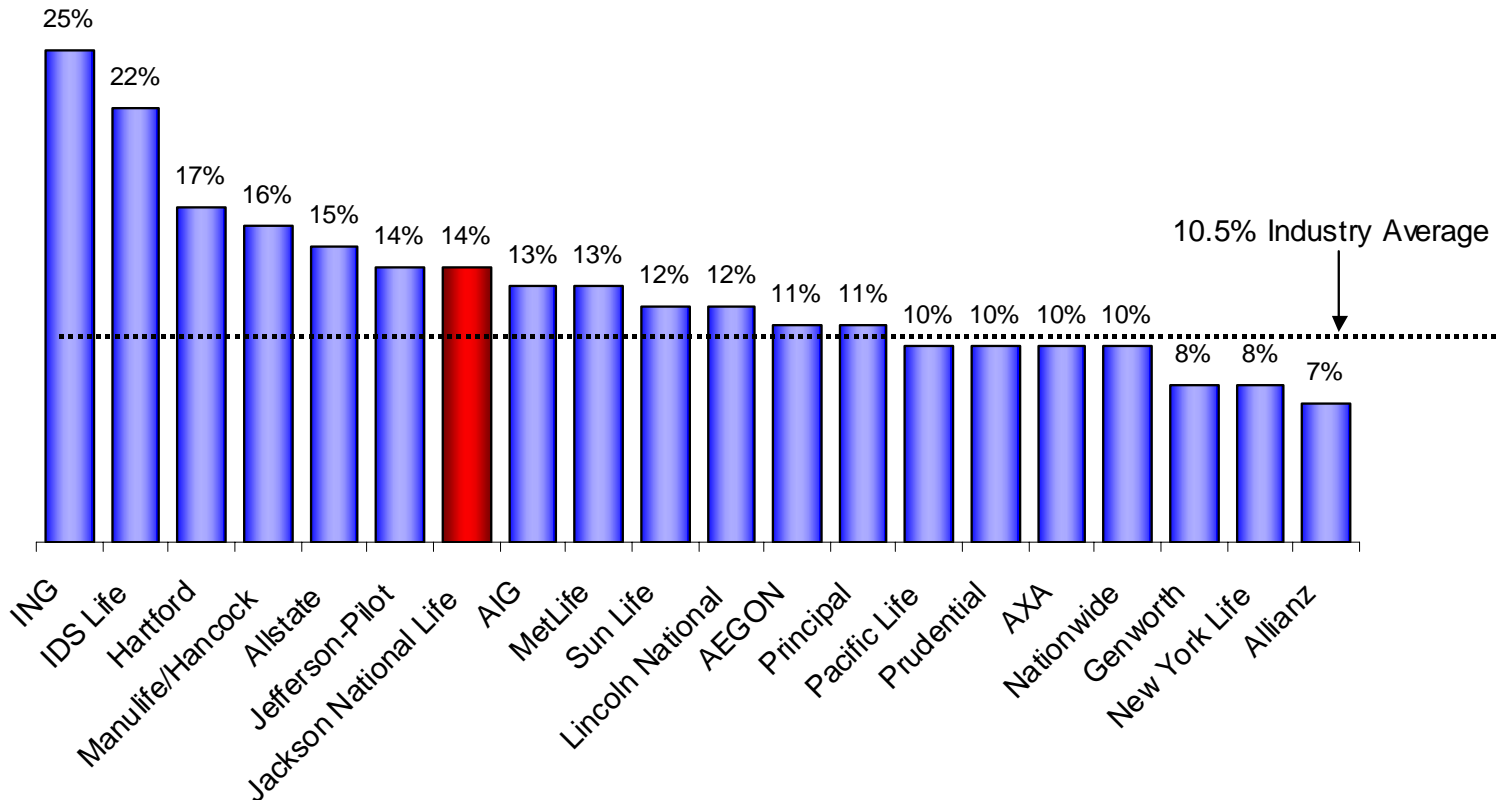
JNL ACCOUNTING METRICS

JNL 2004 Return on Equity (GAAP)

JNL compares favourably to our peer competitive group – 2004 returns were well in excess of the industry average

Return on Equity as Reported By Bloomberg ^(Note 1)

Peer Competitive Group Ranked by 2004 ROE



(Note 1) JNL ROE is not available on Bloomberg and is calculated from public US GAAP audited financial statements. Companies are shown on the basis reported by Bloomberg, which is not, in all cases, US GAAP. On a US GAAP basis (reflecting 20-F filings for foreign insurers), the 6 foreign insurers excluding JNL had a 2004 average ROE of 12.3% versus an average ROE of 13.6% as reported by Bloomberg. Industry average from Value Line.

JNL ACCOUNTING METRICS

Summary

Strong and improving financial markets

Strong and improving fundamentals

Above market returns



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Economic and Investment Review

Chad Myers
Senior Vice President, Asset Liability Management, JNL



PRUDENTIAL

OVERVIEW



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- Liability Profile
- Strategic Asset Allocation
- Investment Policy
- Major Product Risks
- Hedging Approach
- Risk Analysis

LIABILITY PROFILE



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Category	12/31/95		6/30/05	
	Amount	%	Amount	%
(\$millions)				
Annuities with Book Value Surrender	\$15,521	70.9%	\$18,592	33.8%
Annuities with MVA	1,211	5.5%	5,778	10.5%
Fixed Indexed Annuities	0	0.0%	3,518	6.4%
Other	705	3.2%	1,132	2.1%
Total General Account Annuities	\$17,437	79.6%	\$29,020	52.8%
Life Insurance	4,349	19.9%	6,939	12.7%
Institutional Products	100	0.5%	7,716	14.1%
Total General Account	\$21,886	100.0%	\$43,675	79.6%
Separate Account (VA)	1	0.0%	11,160	20.4%
Total Statutory Reserves	\$21,887	100.0%	\$54,835	100.0%



- Model liabilities with potential asset portfolios to establish a constrained best-fit investment policy
- Constraints
 - Must support spread lending business model
 - Must be consistent with available capital (rating agency and economic)
 - Must consider liquidity needs of the liabilities
 - Must be investable by PPMA
- Resulting policy can then be used as a benchmark to manage credit and interest rate risk
- Periodic analysis to re-validate investment policy



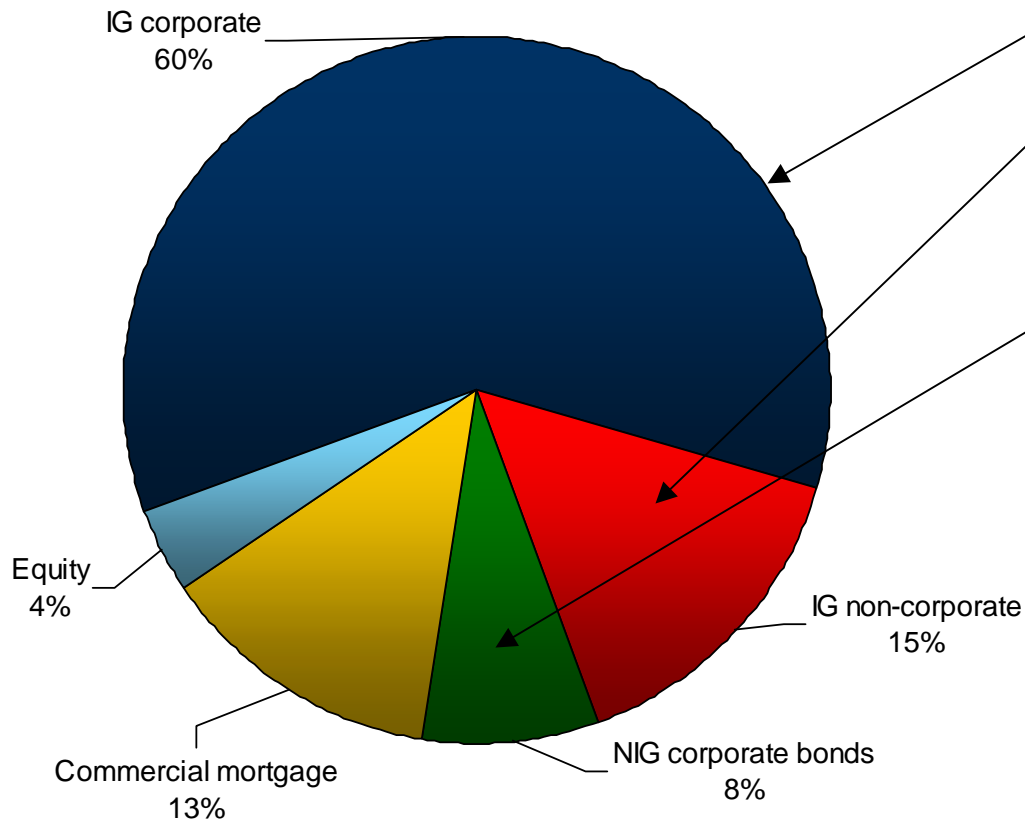
- Why benchmark the portfolio?
 - Provides an anchor for investment decisions and a clearly defined risk profile
 - Modified total return approach allows for a process more grounded in economics and risk-adjusted thinking
 - Total return approach is modified to adapt to spread-based model with constraints on turnover, gains, asset allocation and other factors
 - Allows for quantitative assessment of portfolio manager
 - Better represents the investable universe
 - Provides a more scaleable policy
 - Trading flexibility allows for greater diversification



- Benchmark constraints
 - Large issuer caps
 - Small issuer floors
 - Maturities of 1-10 years
- Policy limits
 - “Soft” issuer limits set by credit rating
 - Need Investment Committee approval to exceed
 - “Hard” issuer limits set by credit rating
 - Can’t be exceeded without a modification to the Policy
 - Asset class maximums
 - High yield – 10%
 - Commercial real estate – 20%
 - MBS – 20%



NEUTRAL BENCHMARK PORTFOLIO



Investment Grade Bonds

- Split 60% "BBB" and 40% "A"
- Non-corporate bonds includes MBS, CMBS and ABS

Non-investment Grade Corporate Bonds

- Split 70% "BB" and 30% "B"

Higher than industry allocation to "BBB" bonds due to higher mix of spread based business than peers.

MAJOR PRODUCT RISKS



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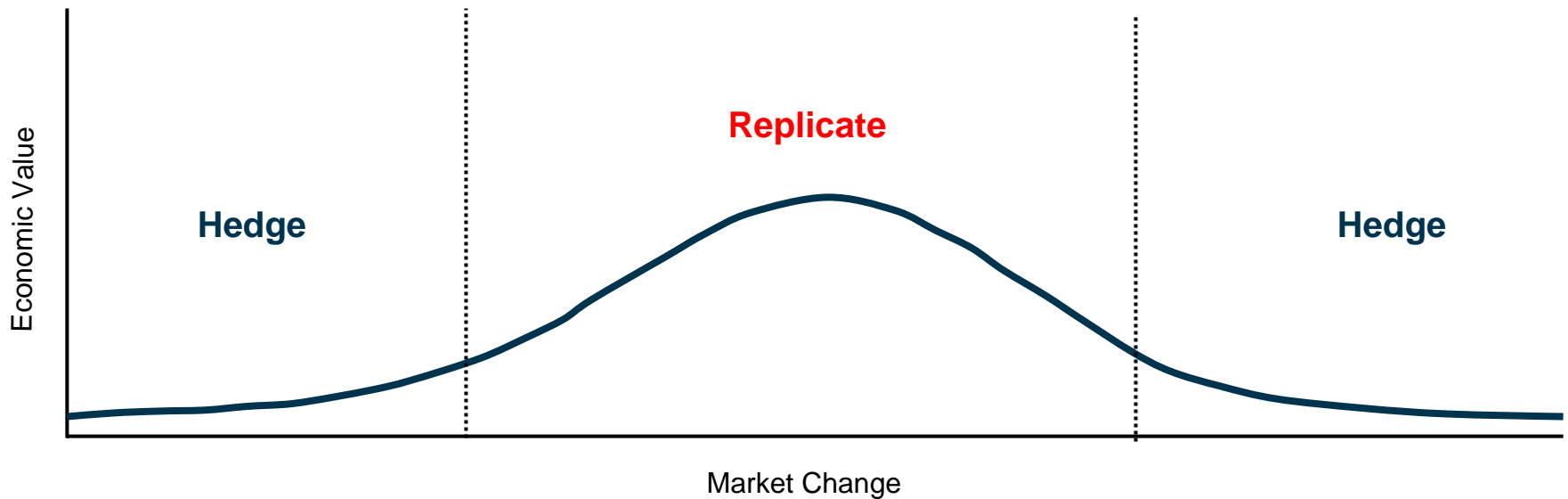
Product Type	Risk Type	Exposure (30 June, 2005)	Mitigant
Fixed Annuities	Minimum guarantee	\$25.5 billion statutory reserves net of reinsurance	<ul style="list-style-type: none"> • Low absolute guarantee (1.5%-3%) • Duration management
Fixed Annuities	High interest rate surrenders	\$25.5 billion statutory reserves net of reinsurance	<ul style="list-style-type: none"> • Duration management • Surrender charges • MVAs • Swaptions
Fixed Indexed Annuities	Index participation	\$3.5 billion account value	<ul style="list-style-type: none"> • Hedging
Variable Annuities	Guaranteed minimum death benefits (GMDB)	\$1.6 billion net amount at-risk (NAR)	<ul style="list-style-type: none"> • Time diversification • Mortality-based risk • Hedging • Pricing
Variable Annuities	Guaranteed minimum income benefits (GMIB)	\$1.58 billion net premium in force	<ul style="list-style-type: none"> • Reinsurance
Variable Annuities	Guaranteed minimum withdrawal benefits (GMWB)	\$2.93 billion net premium in force	<ul style="list-style-type: none"> • Time diversification • Hedging • Pricing
Institutional	Floating rate exposure	\$7.7 billion statutory reserves	<ul style="list-style-type: none"> • Internal derivatives desk • Interest rate swaps



- Manage all market risk within acceptable policy limits
 - Not an immunization strategy
 - Immunization is typically too costly and often unnecessary
 - Inability to know policyholder behavior in advance requires flexibility to rebalance hedges
 - Opportunity to profit from market dislocations (within policy limits)
 - Replication can add substantial value in periods of high volatility
 - Investment policy has specific limits for various market risks
 - 5% limit for economic equity risk (i.e. direct equity and off-balance sheet)
 - Maximum duration mismatch of one year
 - Additional limits for curve risk, spread duration, liquidity etc.



- Eliminate exposure to tail risk
 - Limits are set with market shocks in mind
 - Extensive use of options to eliminate exposure to large market moves
 - Replication strategies can break down in market distress
 - JNL uses replication more for the body of the distribution





- All hedging done on a macro basis to maximize economic efficiency
 - Internal Derivative Desk (IDD) established to trade exposures across accounts
 - Offsets among FIAs and VAs
 - Offsets between fixed annuity and institutional blocks
 - Offsets across VA and fixed annuity blocks
 - JNL hedges one net position for each risk on an external basis
 - Internal trading saves substantial transaction costs
 - Correct economic answer
 - Unified view of risk
 - Accounting regimes not friendly to this approach

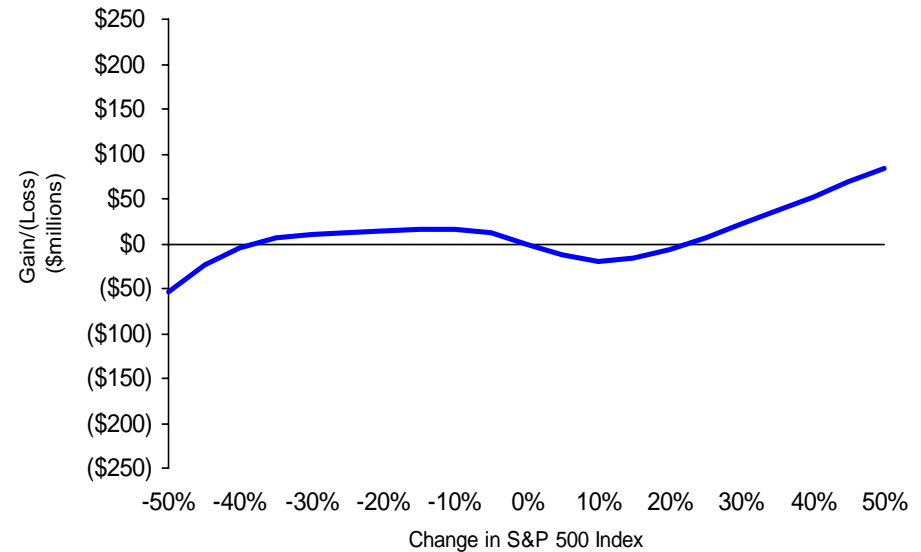
RISK ANALYSIS

EQUITY EXPOSURE OF EMBEDDED LIABILITIES (NET OF HEDGES)



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- FIA exposures in increasing market
- VA exposures in decreasing market
- Partial offset of exposures
- Hedges address balance of risk

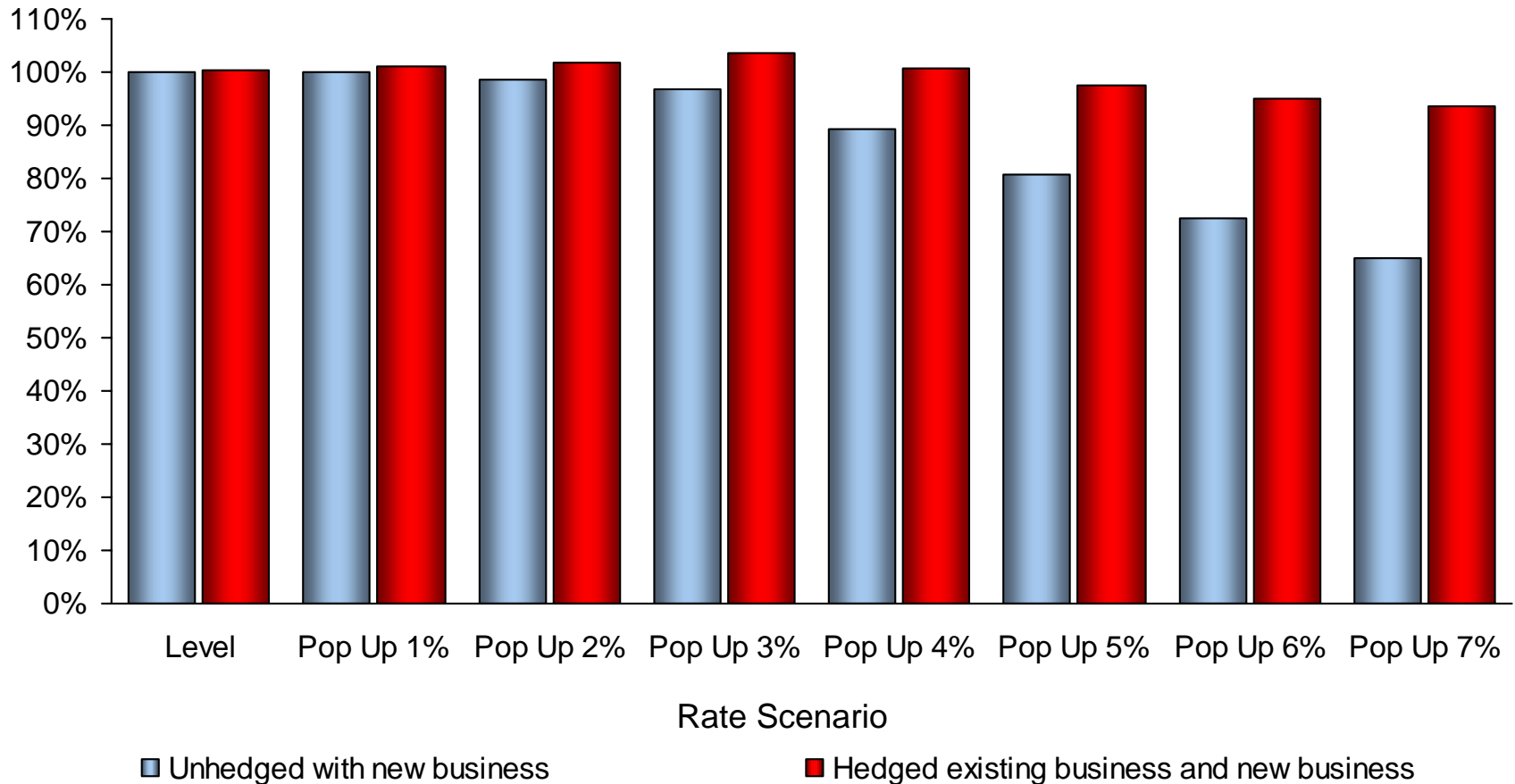


Note: Results as of 9/30/05.



INTEREST RATE EXPOSURE INCLUDING NEW BUSINESS

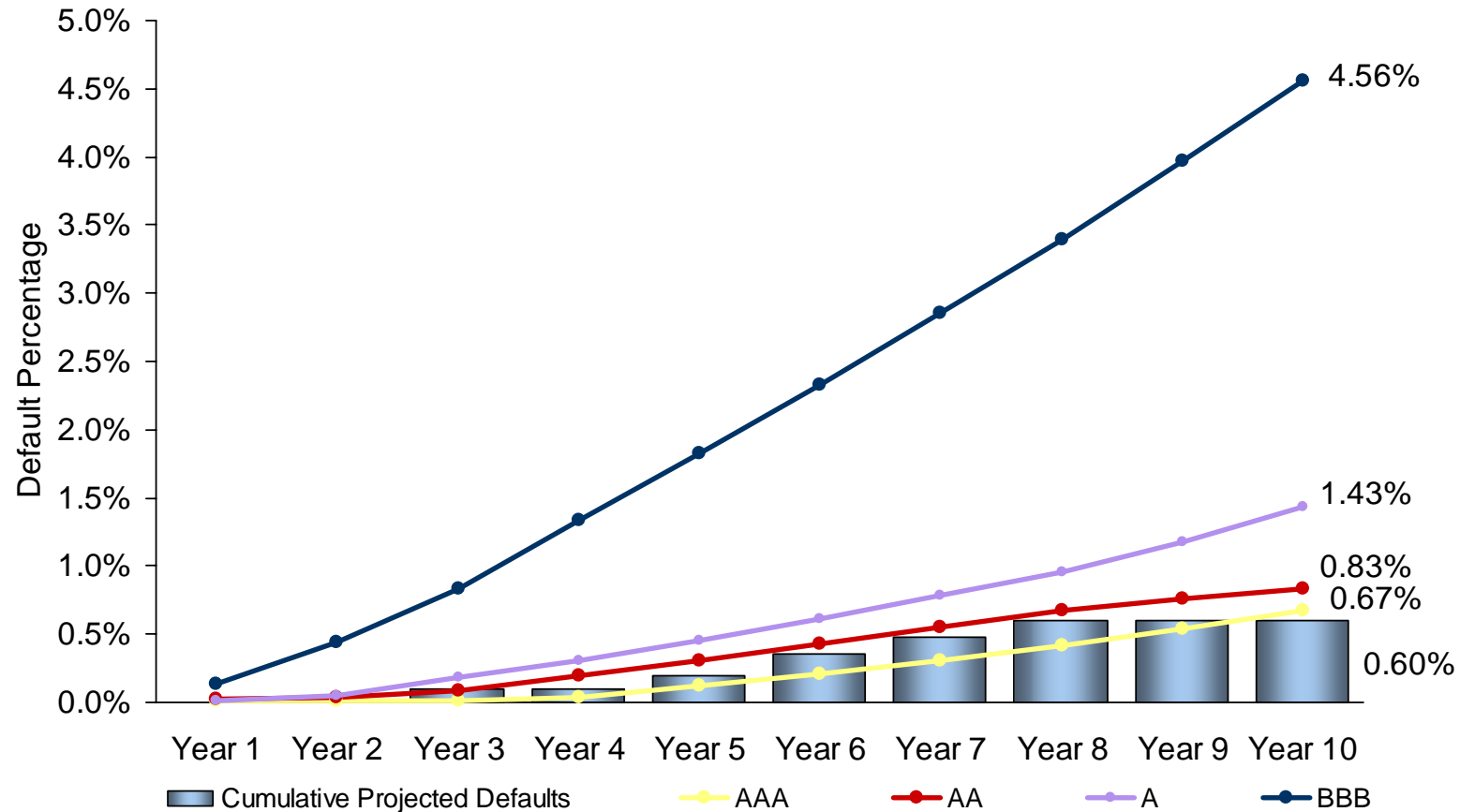
PV of Incremental Market Surplus (shown as % of level unhedged)





ECONOMIC CAPITAL

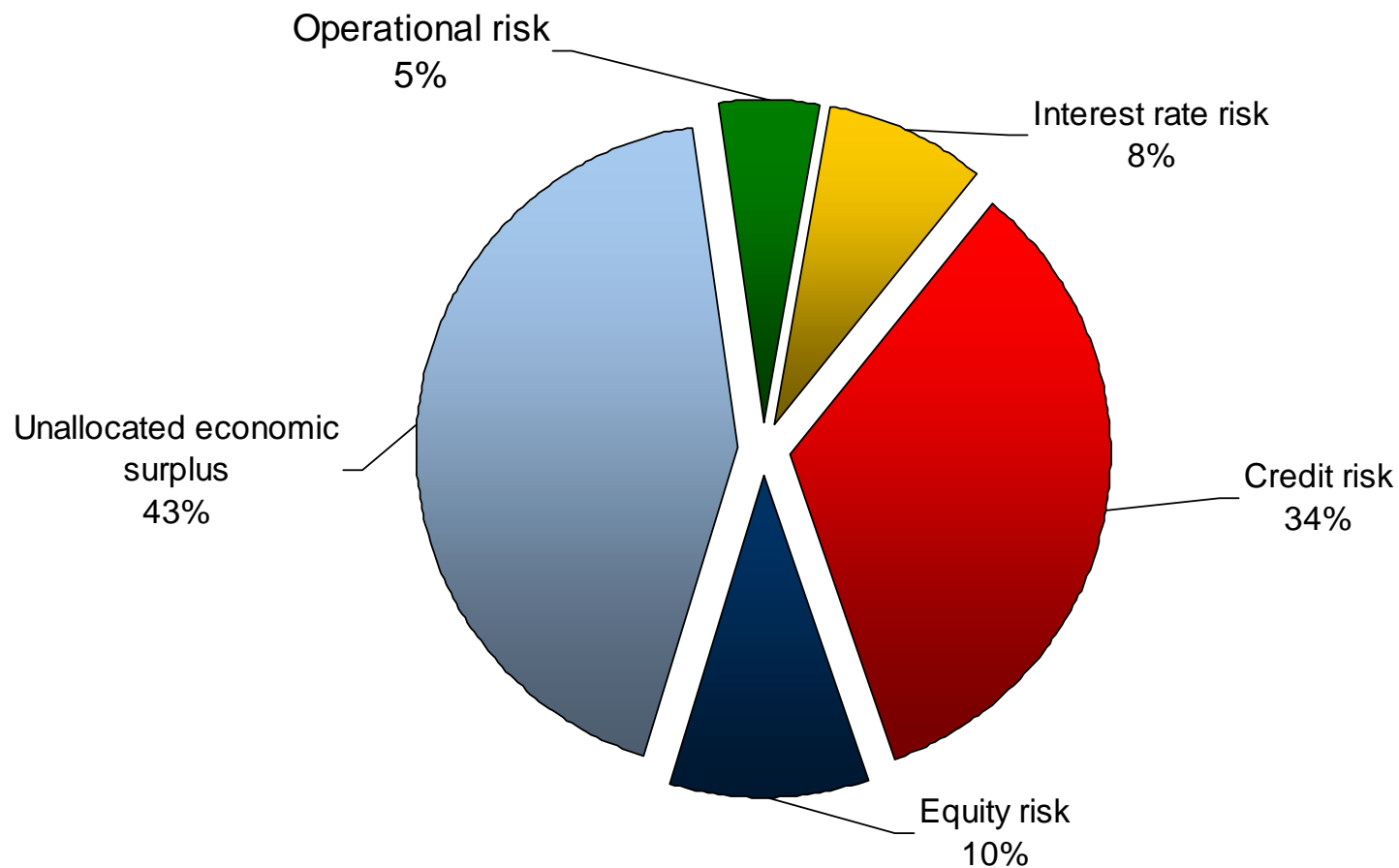
"AA" Initial Capital: \$1.9 billion



Note: Results as of 12/31/04.



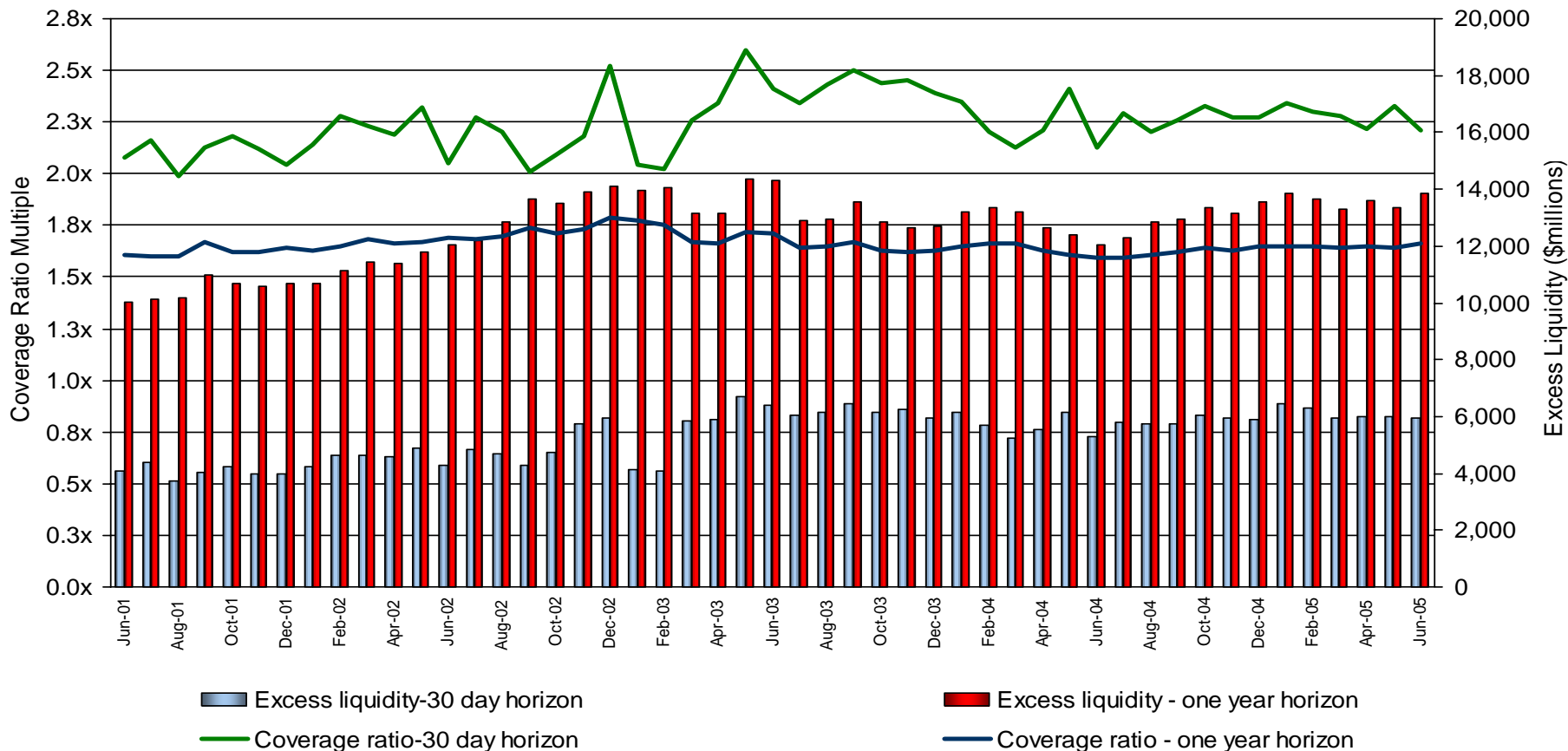
ECONOMIC CAPITAL (“AA” CALIBRATION)



Based on pretax figures as of 12/31/04.



JNL LIQUIDITY POSITION



CONCLUSION



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- JNL is in the business of accepting and managing risk
- We do so within clearly defined limits in a cost effective and efficient way
- We don't take risks we can't cost effectively hedge or that depend on unproven assumptions about policyholder behavior
- Because of our approach to hedging we are not economically exposed to tail events
- Our approach to risk aggregation and economic capital is industry best practice



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PPMA

Leandra Knes Johnson, President, CEO & CIO
Brion Johnson, EVP, Portfolio Management
Jim Young, EVP, Chief Credit Officer



PRUDENTIAL



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**LEANDRA KNES JOHNSON
PRESIDENT, CEO & CIO
PPM AMERICA, INC.**

THE NORTH AMERICAN INVESTMENT ARM OF PRUDENTIAL PLC



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- Founded in 1990, headquartered in Chicago
- Manages approximately \$73.2 billion in assets
 - Jackson National
 - Prudential UK and Prudential Asia
 - Institutional Collateralized Bond Obligation clients
 - Other clients
- 180 total employees in Chicago and New York City
- Third largest investment management company in Chicago
- More than 90% of our assets are fixed income assets

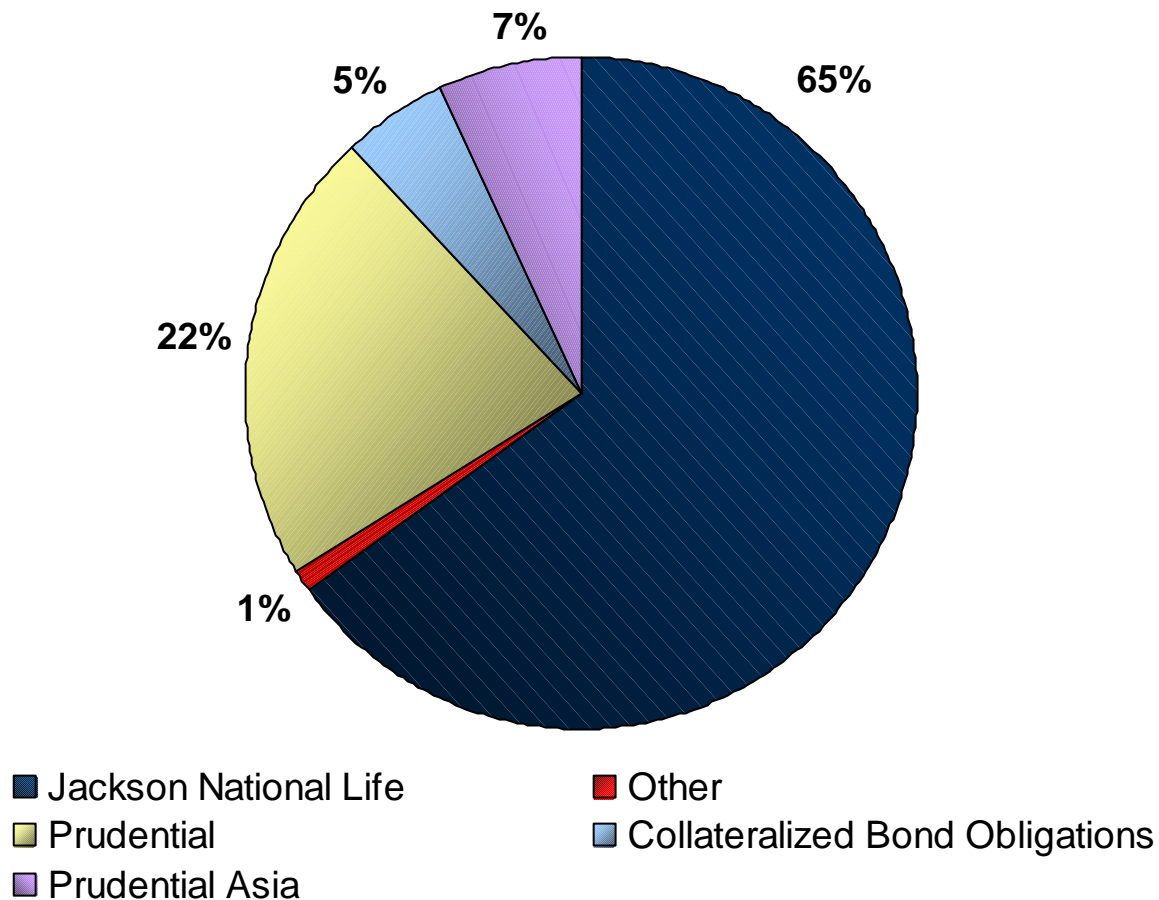
OVERWHELMING MAJORITY OF PPMA'S CLIENTS ARE INTERNAL



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ASSETS UNDER MANAGEMENT AS OF JUNE 30, 2005

\$73.2 billion



HOW DO WE ADD VALUE FOR OUR CLIENTS?



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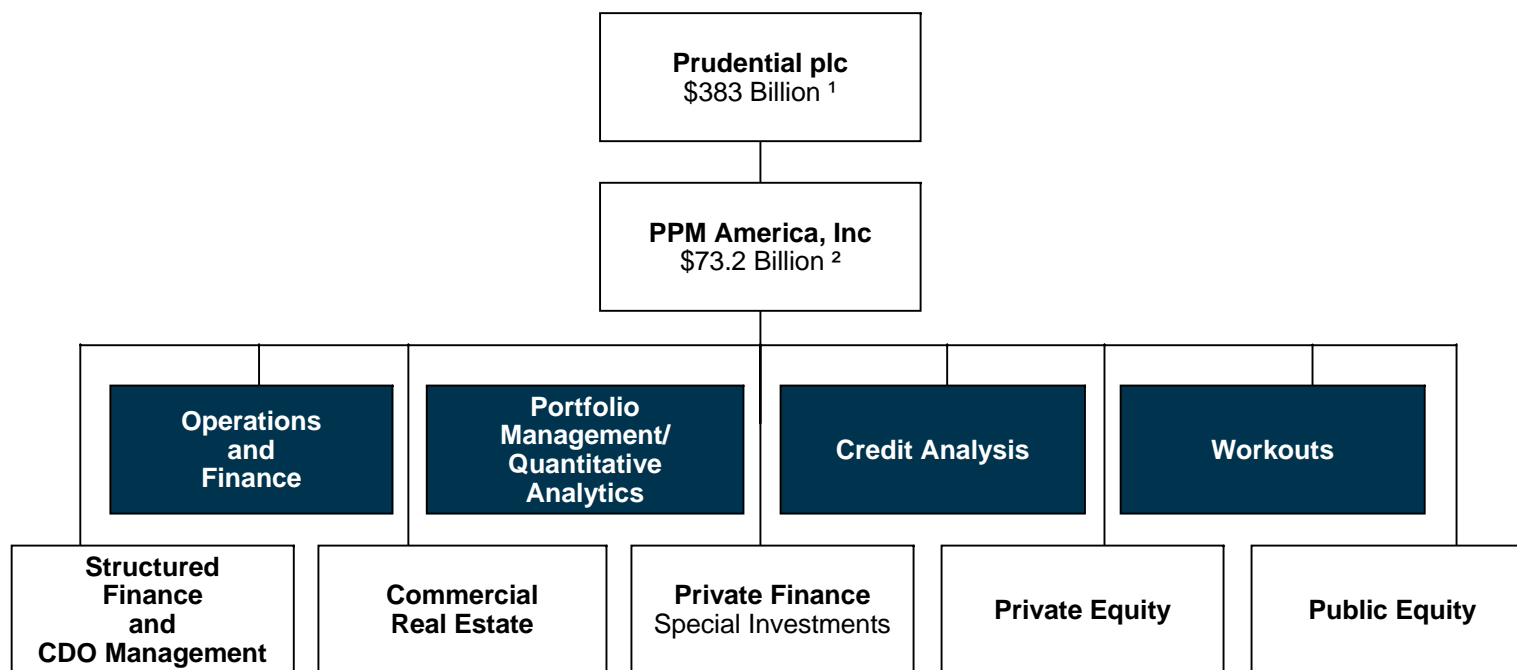
- Broad investment management capability / multi-asset class expertise
- Client-focused organizational structure
- Disciplined credit underwriting
- Investment performance

FUNCTIONAL ORGANIZATION STRUCTURE



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WE MANAGE A BROAD ARRAY OF FIXED INCOME AND EQUITY ASSETS



¹ As of June 30, 2005

² As of June 30, 2005; includes assets managed through PPM America's affiliate, PPM Finance, Inc.
Blue boxes indicate a firm-wide function.

ALIGNMENT WITH CLIENT OBJECTIVES



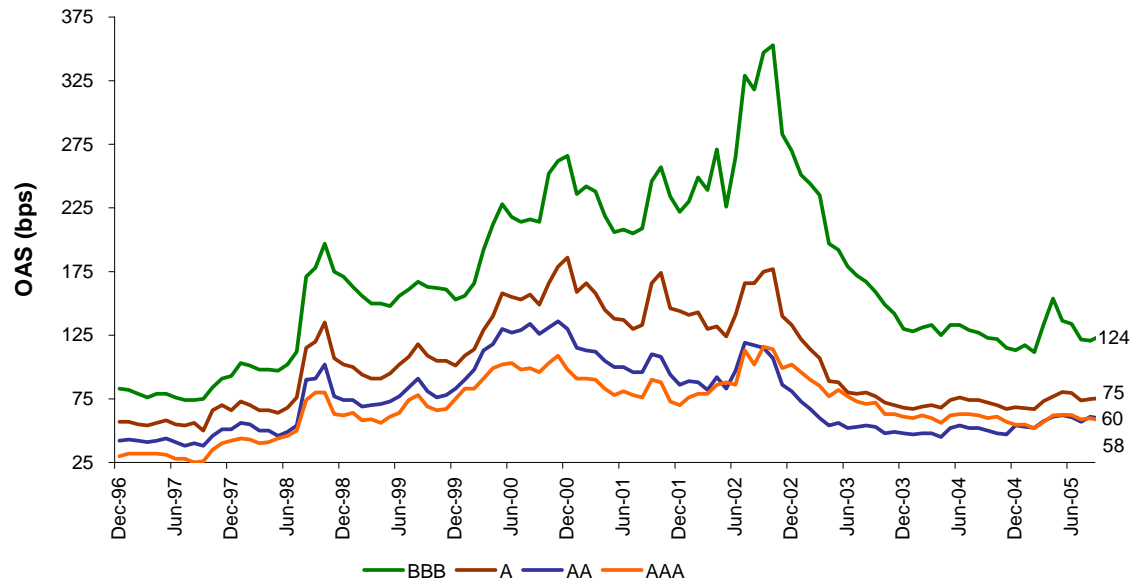
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- 90% of our compensation is driven by client investment performance
- PPM participates in the same LTIP plan as JNL
- PPM has developed performance metrics for each of its clients
 - Designed to be consistent with client objectives
- JNL's performance metrics are
 - Return metrics
 - Purchase/New money spreads
 - Outperforming pricing provisions for losses
 - Cash targets
 - Discretionary



INVESTMENT GRADE SPREADS

YTD 9/30/05



COMMENTS

- The U.S. economy continues to perform well despite oil prices and natural disasters
 - 2H2005 GDP of 3.3%
 - 5% unemployment
- Inflation rising, but contained
 - Producer prices were up 6.9% for the 12 months ended in September
 - Current surveys estimate the CPI will rise 3.7% this year.
- Reflecting good conditions investment grade spreads remain tight by historical standards

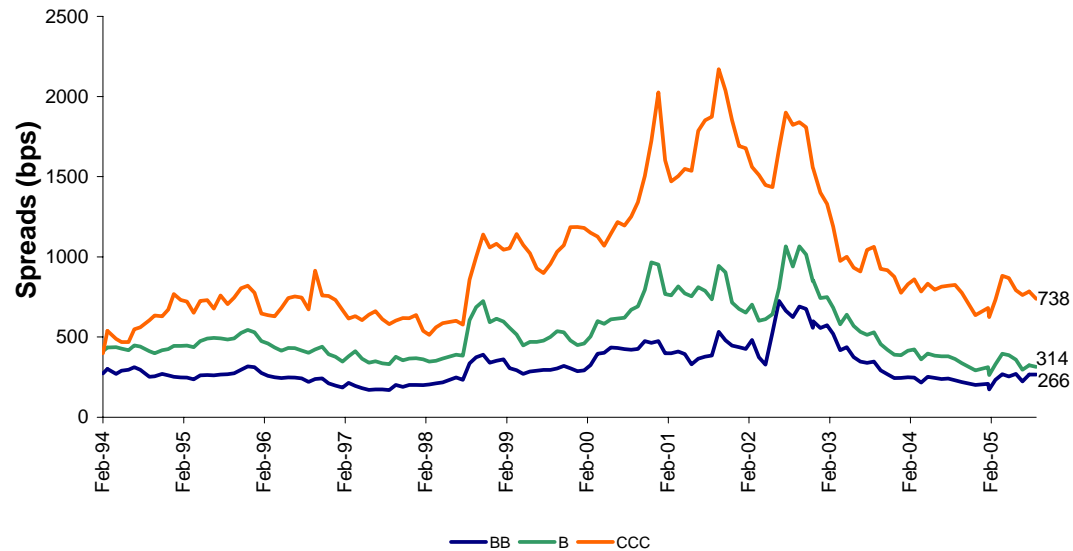
MARKET CONDITIONS



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HIGH YIELD SPREADS

YTD 9/30/05



COMMENTS

- High yield corporate fundamentals remain solid and defaults remain well below historic averages.
- Valuations remain tight by historical standards, particularly in lower rated credits



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BRION JOHNSON, EVP HEAD OF PORTFOLIO MANAGEMENT AND PUBLIC FIXED INCOME



PRUDENTIAL

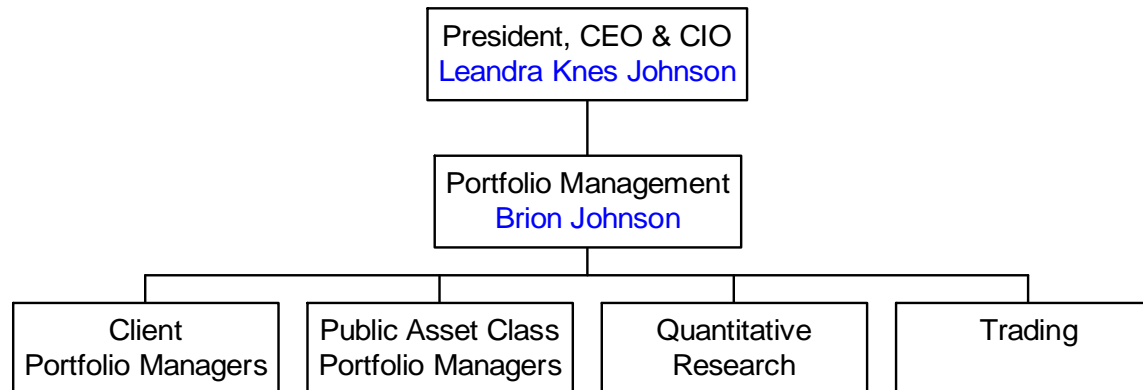
PORTFOLIO MANAGEMENT STRUCTURE



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MANAGE MULTIPLE ACCOUNTS USING TOTAL RETURN, “BUY AND MANAGE” AND OTHER CLIENT SPECIFIC STRATEGIES

- Client Portfolio Managers coordinate relationships, guide asset allocation and articulate client objectives via benchmarks
- Asset Portfolio Managers make sector and individual credit decisions for public fixed income securities
- Quantitative research supports these functions
- Trading transmits market information and centralizes our interactions with Wall Street

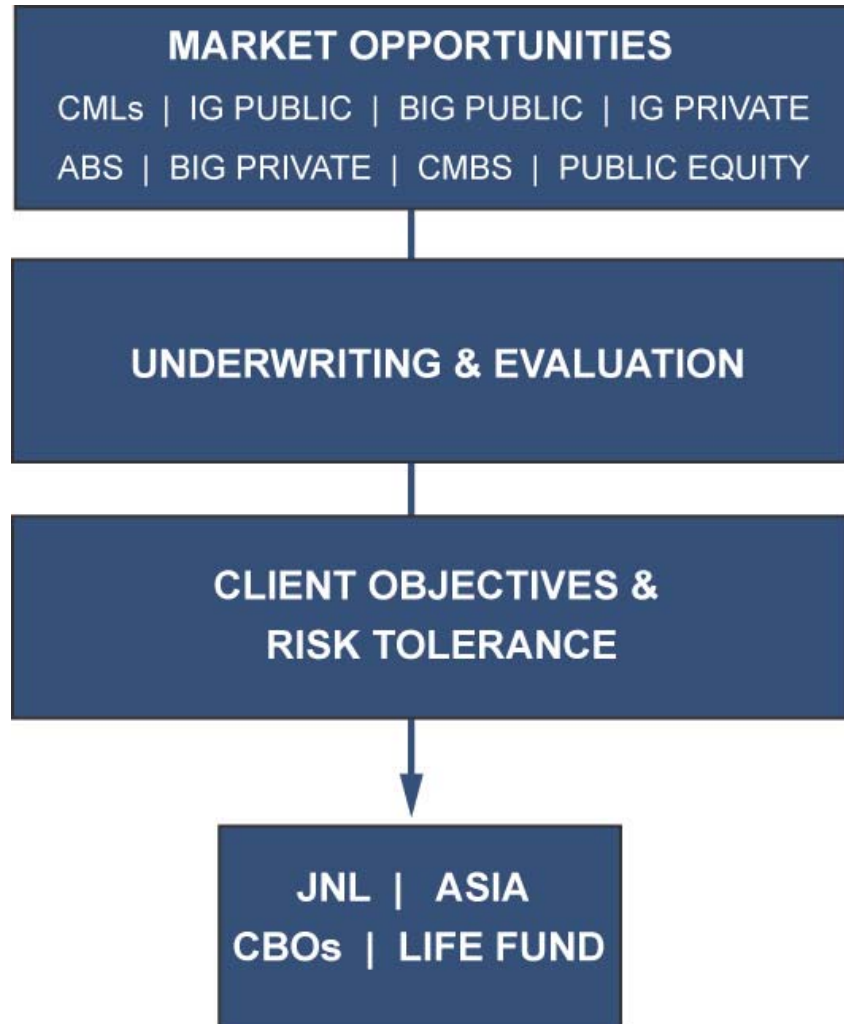


PORTFOLIO MANAGEMENT STRUCTURE

PPMA's Investment Process



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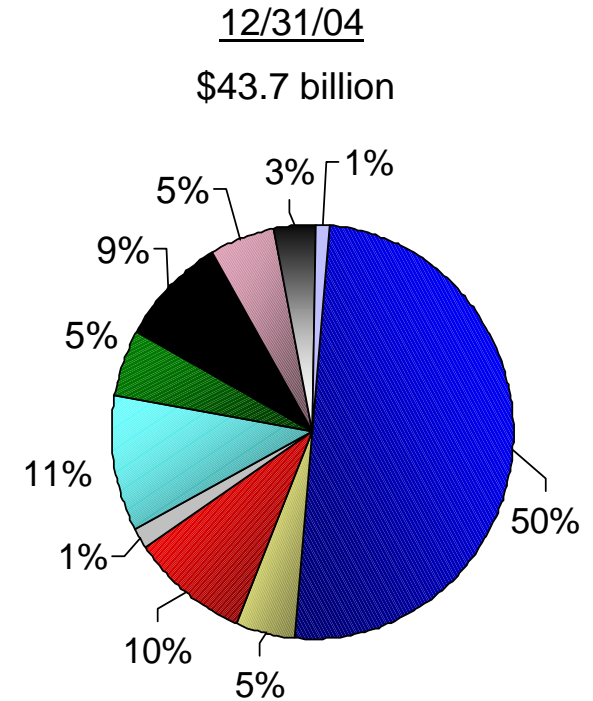
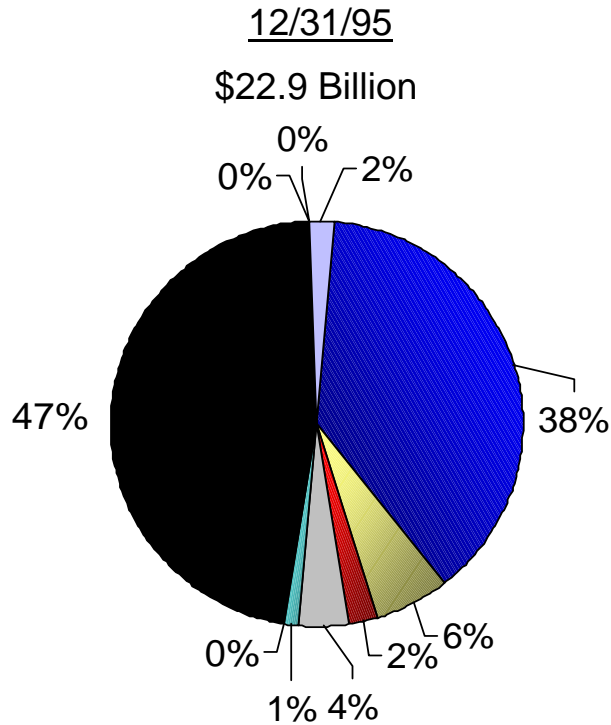
- Client focused
- Portfolio decisions made across the range of PPMA's multiple asset expertise
- Team oriented / individual accountability
- Multiple layers of investment judgment
- Emphasis on “value-added” investments when relative values are attractive
 - Commercial mortgage loans
 - Investment grade private placements
 - ABS and CMBS

JNL PORTFOLIO COMPOSITION



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JNL HAS BEEN MOVING TO A MORE DIVERSIFIED PORTFOLIO



- Investment grade public
- Non-investment grade public
- Investment grade private
- Non-investment grade private
- Commercial mortgage loans
- ABS
- RMBS
- CMBS
- Private equity
- Cash & other

Note: Excludes policy loans. Public bonds include 144A private placements.



INVESTED ASSETS MIX - JNL VS. INDUSTRY

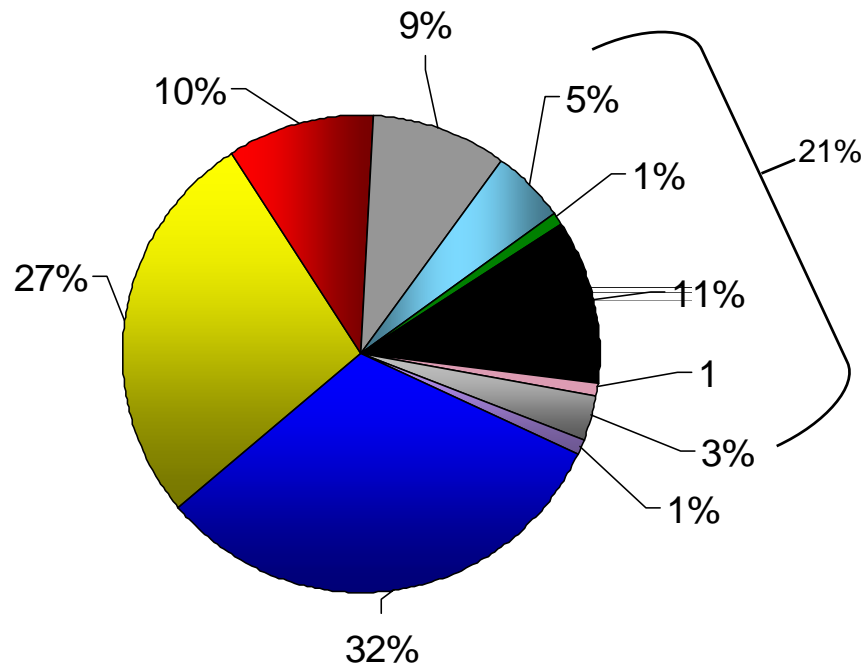


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FOCUS IS ON DIVERSIFIABLE INVESTMENT GRADE CREDIT RISK

JNL (6/30/05)

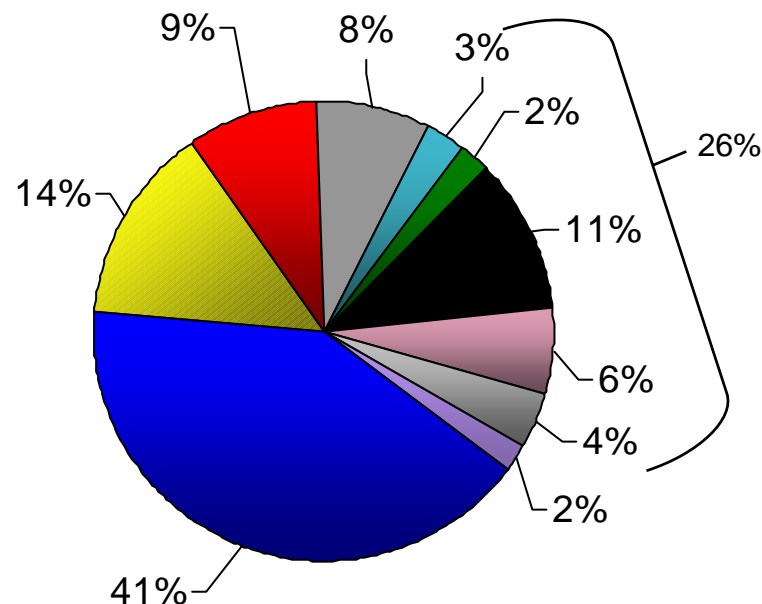
\$44.8 Billion



- IG - Public (AAA-A)
- IG - Private/144A (BBB)
- Commercial Mortgages
- Cash & other assets

- IG - Public (BBB)
- NIG - Public
- Common & Preferred Stock

Industry (12/31/04)



- IG - Private/144A (AAA-A)
- NIG - Private/144A
- Sch. BA & real estate

Notes:

Excludes policy loans and net of dollar roll leverage. As of 6/30/05 the statement value of 144A private placement bonds was \$4,053 million. Statutory financial data is consolidated to include Jackson National of New York.



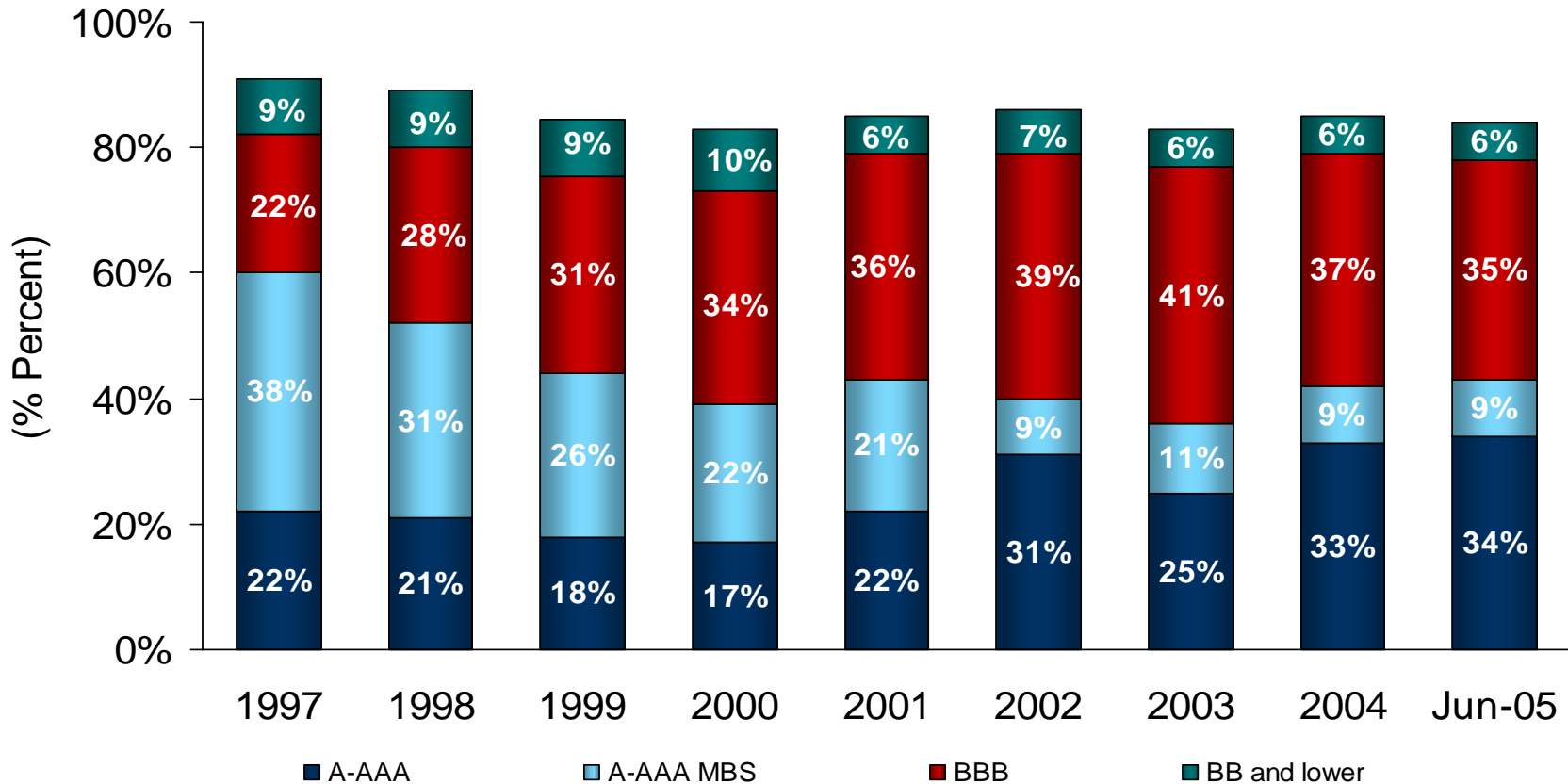
FIXED INCOME PORTFOLIO QUALITY

As % of cash and invested assets



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HIGH YIELD STRATEGICALLY AND TACTICALLY LOWER



Notes:

Percentages based on statutory accounting data. Excludes policy loans and net of dollar roll leverage. Beginning in 2001 data is consolidated to include Jackson National of New York.



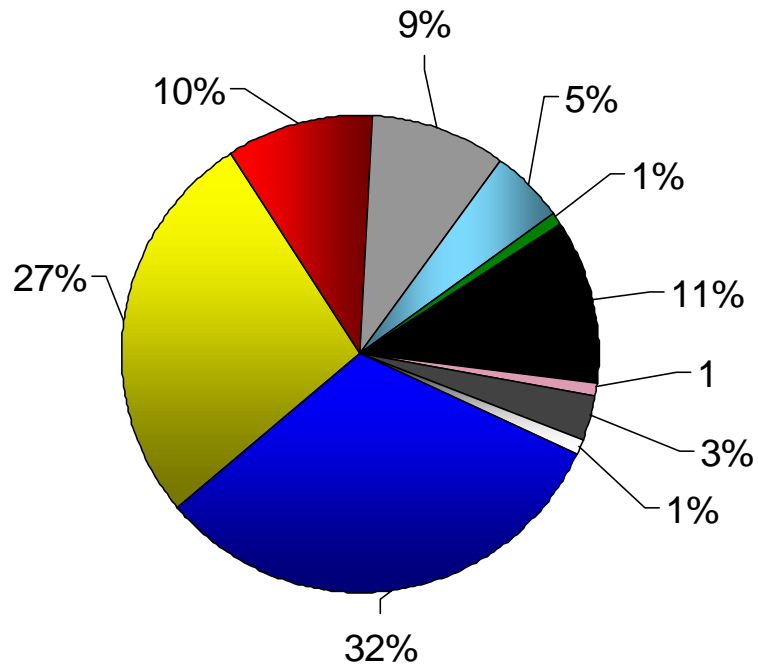
JNL'S INVESTMENT PORTFOLIO

Current position as June 30, 2005

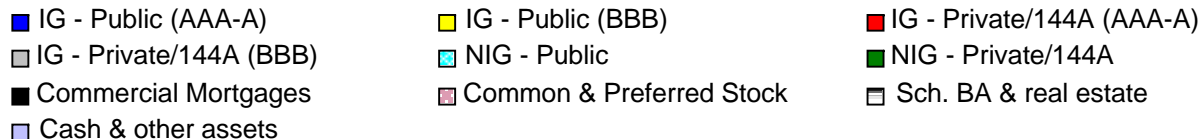


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\$44.8 Billion



- Neutral duration – ALM run by JNL
- Opportunistically deploying cash
- Slightly underweight credit
 - Fundamentals good, but valuations tight
- Corporate portfolio somewhat defensive
 - Little value in B rated credit
 - Rising event risk in IG credit





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JIM YOUNG, EVP CHIEF CREDIT OFFICER AND HEAD OF STRUCTURED INVESTMENTS



PRUDENTIAL

CREDIT ANALYSIS

Credit intensive shop



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- 19 Analysts
- Industry specialization
- Analysts, on average, follow 2 industries and 40-50 credits
- Full underwriting and committee for all purchases
- Goal is to give Portfolio Managers information to guide purchase decision
- Know credits “real time”
- Focus on credit and relative value

CREDIT ANALYSIS

How are we doing?



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	<u>Actual Credit Losses</u>	<u>Market Implied Credit Losses ⁽¹⁾</u>	<u>Variance</u>
2003	38 bps	45 bps	7 bps
2004	3 bps	19 bps	16 bps
2005 (YTD)	1 bps	6 bps	5 bps
Average	17 bps	27 bps	10 bps

Notes:

⁽¹⁾Takes investment grade and high yield issuer default rates, weighted to reflect composition of JNL portfolio.



CREDIT ANALYSIS

How have we handled autos?



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GM Internal				Ford Internal				Delphi Internal			
Holdings	Rating	Opinion		Holdings	Rating	Opinion		Holdings	Rating	Opinion	
6/30/04	\$210MM	BBB	Buy At	12/31/04	\$148MM	BBB-	Buy Below	12/31/04	\$40MM	BB+	Buy At
12/31/04	\$124MM	BBB-	Buy Below	6/30/05	\$104MM	BBB- (N/O) ²	Buy Below	3/31/05	\$25MM	BB-	Buy Below
6/30/05	\$84MM ¹	BB+	Buy Below					5/31/05	\$0MM	B+	Sell

Notes:

¹\$39MM of this exposure is in GMAC

²Negative outlook



PROBLEM CREDITS AS OF 6/30/05

Better than pricing



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\$ in Millions

<u>Asset Class</u>	<u>Market Value</u>	<u>Statutory</u>		<u>GAAP</u>	
		<u>Book Value</u>	<u>Unrealized Gain / (Loss)</u>	<u>Book Value</u>	<u>Unrealized Gain / (Loss)</u>
ABS / CDO	\$0.2	\$0.2	\$0.0	\$0.2	\$0.0
Corporates	9.2	7.6	1.6	7.6	1.6
MBS / CMBS	15.7	17.5	(1.8)	15.9	(0.2)
Total	<u>\$25.1</u>	<u>\$25.3</u>	<u>(\$0.2)</u>	<u>\$23.7</u>	<u>\$1.4</u>



- Economy “strong enough”
- Leverage remains manageable
- Fraud much less of an issue

Overall, fundamentals should stay strong well into 2006



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LEANDRA KNES JOHNSON PRESIDENT, CEO & CIO PPM AMERICA, INC.



PRUDENTIAL

HOW HAVE WE PERFORMED?



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- Credit impairments have out-performed metrics both near- and long-term
 - Benign credit environment
 - Performance better than the averages
- Corporate total return performance better than indices both near-term and long-term

	<u>Annual 2003</u>	<u>Annual 2004</u>	<u>YTD 2005</u>	<u>Annualized 2 Years 8 Months</u>
JNL Corporate Total Return	9.52	5.94	3.19	6.98
JNL Corporate Benchmark	9.43	4.95	2.55	6.32
JNL Corporate Excess Return	7.13	2.50	0.40	3.72
JNL Corporate Benchmark	6.58	2.04	0.34	3.33

SUMMARY



Jackson National Life
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- People
- Process
- Results