Corporate Profile

Lincoln Financial Group

About Lincoln Financial Group

Lincoln Financial Group is the marketing name for Lincoln National Corporation (NYSE:LNC) and its affiliates. With headquarters in the Philadelphia region, the operating companies of Lincoln Financial Group had assets under management of $153 billion as of September 30, 2011. Through its affiliated companies, Lincoln Financial Group offers: annuities; life, group life, disability and dental insurance; 401(k) and 403(b) plans; savings plans; and comprehensive financial planning and advisory services.

New York products are issued by Lincoln Life & Annuity Company of New York, Syracuse, NY. The Lincoln National Life Insurance Company of Fort Wayne, IN, issues products in all other states. The Lincoln National Life Insurance Company does not solicit business in the state of New York, nor is it authorized to do so. It is separately responsible for satisfying its own financial and contractual obligations. Variable products are distributed by Lincoln Financial Distributors, Inc., a broker/dealer. Products available may include market risk including possible loss of principal.

Strategic highlights

A broad and balanced product portfolio for individuals

The companies of Lincoln Financial Group are known for innovation in life insurance and annuity products and enjoy a leadership position among U.S. companies for life and annuities sales.

Product rankings*

# 3 in total life sales	# 5 in variable annuity sales
# 5 in VUL sales	# 6 in fixed annuity sales
# 1 in UL sales	# 6 in indexed annuity sales

**Product rankings are based on third quarter 2011 sales reported by LIMRA. The rankings are provided by outside sources and are inclusive of all products issued by Lincoln National Corporation affiliates. As of September 30, 2011, the above rankings are the most recently published.*

Insurer financial strength ratings±

	A.M. Best	Standard & Poor's	Moody's	Fitch
The Lincoln National Life Company (LNL)	**A+** (2 of 16)	**AA-** (4 of 21)	**A2** (6 of 21)	**A+** (5 of 21)
Lincoln Life & Annuity Company of New York (LLANY)	**A+** (2 of 16)	**AA-** (4 of 21)	**A2** (6 of 21)	**A+** (5 of 21)
First-Penn Pacific Life Insurance Company (FPP)	**A+** (2 of 16)	**A+** (5 of 21)	**A2** (6 of 21)	**A+** (5 of 21)

±*These ratings apply only to the claims-paying ability of each company as of November 2, 2011. All ratings are subject to revision or withdrawal at any time by the rating agencies. The ratings are not recommendations to buy, sell or hold our securities. For more information on ratings, including rating agency outlooks, see www.LincolnFinancial.com/investor.*

Integrated solutions for employers
Lincoln Financial Group offers a broad range of products and services focused on life insurance, retirement, group life, group disability and dental insurance.

Three powerful distribution platforms
Lincoln Financial Distributors, a leading wholesaling force of more than 500 professionals, has well-established relationships with wirehouses, regional brokerage firms, national banks and independent advisors.

Lincoln Financial Network encompasses active, experienced independent planners and producers across the country who work directly with high net worth, affluent and emerging affluent clients.

Lincoln worksite sales and service organizations are found in our Group Protection and Defined Contribution businesses.

Summary of key facts

Parent company:	Lincoln National Corporation (NYSE:LNC)
Headquarters:	Radnor, PA
Locations:	Arlington Heights, IL; Concord, NH; Fort Wayne, IN; Greensboro, NC; Hartford, CT; Omaha, NE; Philadelphia, PA; Radnor, PA; Syracuse, NY.
President and CEO:	Dennis R. Glass
Founded:	1905 in Fort Wayne, IN

Company executives

Dennis R. Glass
President and Chief Executive Officer

Lisa Buckingham
Chief Human Resources Officer

Charles C. Cornelio
Defined Contribution

Frederick J. Crawford
Corporate Development and Investments

Robert W. Dineen
Lincoln Financial Advisors Corporation
Lincoln Financial Securities Corporation

Randal J. Freitag
Chief Financial Officer

Will H. Fuller
Lincoln Financial Distributors

Mark E. Konen
Insurance Solutions
Retirement Solutions

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Certain companies affiliated with Lincoln National Corporation

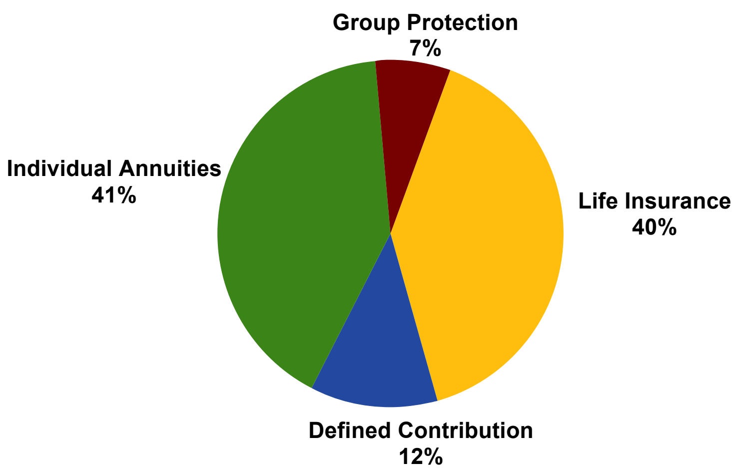
First Penn-Pacific Life Insurance Company, Fort Wayne, IN
Lincoln Life & Annuity Company of New York, Syracuse, NY
Lincoln Financial Advisors Corporation, Fort Wayne, IN
Lincoln Financial Distributors, Inc., Radnor, PA
Lincoln Financial Foundation, Inc., Radnor, PA
Lincoln Financial Securities Corporation, Concord, NH
The Lincoln National Life Insurance Company, Fort Wayne, IN

Key financial metrics

Assets under management as of 9/30/11:	$153 billion
Net income for the three months ended 9/30/11:	$139 million
Income from operations‡ for the three months ended 9/30/11:	$317 million
Market cap (based on 9/30/11 closing price of $15.63):	$4.9 billion
Common shares outstanding as of 9/30/11:	315.7 million
Average diluted shares outstanding as of 9/30/11:	312.0 million

Earnings by segment

Lincoln Financial Group provides products and solutions along the dual pathways of wealth protection and transfer, and retirement accumulation and distribution, which leads to a diversity of earnings.



Percentages above based on YTD Income from operations, excluding other operations, as of September 30, 2011.

Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates. This document contains summary information regarding Lincoln Financial Group and was last updated November 2, 2011. More detailed information can be found in our most recent Annual Report to Shareholders and our reports on Form 10-K, 10-Q and 8-K filed with the SEC.

LCN1106-2056226

Footnotes

LIMRA — YTD rankings as of September 30, 2011, the latest available published rankings.

‡ **Definition of income (loss) from operations and ROE**

Income (loss) from operations and return on equity, as used in this document, are non-GAAP financial measures and are not substitutes for net income (loss) and ROE, calculated using GAAP measures. We exclude the after-tax effects of the following items from GAAP net income (loss) to arrive at income (loss) from operations: realized gains and losses associated with the following ("excluded realized gain (loss)"): sale or disposal of securities; impairments of securities; change in the fair value of derivative investments; embedded derivatives within certain reinsurance arrangements and the change in the fair value of our trading securities; change in the fair value of the derivatives we own to hedge our guaranteed death benefit ("GDB") riders within our variable annuities, which is referred to as "GDB derivatives results"; change in the fair value of the embedded derivatives of our guaranteed living benefit ("GLB") riders within our variable annuities, accounted for under the Derivatives and Hedging and the Fair Value Measurements and Disclosures Topics of the Financial Accounting Standards Board ("FASB") *Accounting Standards Codification*™ ("ASC") ("embedded derivative reserves"); net of the change in the fair value of the derivatives we own to hedge the changes in the embedded derivative reserves, the net of which is referred to as "GLB net derivative results"; and changes in the fair value of the embedded derivative liabilities related to index call options we may purchase in the future to hedge contractholder index allocations applicable to future reset periods for our indexed annuity products, accounted for under the Derivatives and Hedging and the Fair Value Measurements and Disclosures Topics of the FASB ASC ("indexed annuity forward-starting option"); change in reserves accounted for under the Financial Services — Insurance — Claim Costs and Liabilities for Future Policy Benefits Subtopic of the FASB ASC resulting from benefit ratio unlocking on our GDB and GLB riders ("benefit ratio unlocking"); income (loss) from the initial adoption of new accounting standards; income (loss) from reserve changes (net of related amortization) on business sold through reinsurance; gain (loss) on early extinguishment of debt; losses from the impairment of intangible assets; and income (loss) from discontinued operations. Return on equity measures how efficiently we generate profits from the resources provided by our net assets. Return on equity is calculated by dividing annualized net income (loss) by average equity, excluding accumulated other comprehensive income (loss) ("AOCI"). Management evaluates return on equity by both including and excluding average goodwill within average equity.

The earnings used to calculate ROE, as used in this document, are net income (loss) and income (loss) from operations. Income (loss) from operations is an internal measure used by the company in the management of its operations. Management believes that this performance measure explains the results of the company's ongoing businesses in a manner that allows for a better understanding of the underlying trends in the company's current business because the excluded items are unpredictable and not necessarily indicative of current operating fundamentals or future performance of the business segments, and, in most instances, decisions regarding these items do not necessarily relate to the operations of the individual segments.

The company uses its prevailing corporate federal income tax rate of 35% while taking into account any permanent differences for events recognized differently in its financial statements and federal income tax returns when reconciling non-GAAP measures to the most comparable GAAP measure.

($ in millions, except per share data)	For the three months ended September 30, 2011
Revenues	**$2,547.7**
Net income	**$143.3**
Adjustment for deferred units of LNC stock in our non-director deferred compensation plans	**(4.8)**
Net income available to common stockholders — Diluted	**$138.5**
Earnings per share — Basic	**$.47**
Earnings per share — Diluted	**$.44**
Average shares — Basic	**304,779,641**
Average shares — Diluted	**311,997,683**

Forward-looking statements — cautionary language

Certain statements made in this report and in other written or oral statements made by us or on our behalf are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 ("PSLRA"). A forward-looking statement is a statement that is not a historical fact and, without limitation, includes any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain words like: "believe," "anticipate," "expect," "estimate," "project," "will," "shall" and other words or phrases with similar meaning in connection with a discussion of future operating or financial performance. In particular, these include statements relating to future actions, trends in our businesses, prospective services or products, future performance or financial results and the outcome of contingencies, such as legal proceedings. We claim the protection afforded by the safe harbor for forward-looking statements provided by the PSLRA.

Forward-looking statements involve risks and uncertainties that may cause actual results to differ materially from the results contained in the forward-looking statements. Risks and uncertainties that may cause actual results to vary materially, some of which are described within the forward-looking statements, include, among others:

- Deterioration in general economic and business conditions that may affect account values, investment results, guaranteed benefit liabilities, premium levels, claims experience and the level of pension benefit costs, funding and investment results;
- Adverse global capital and credit market conditions could affect our ability to raise capital, if necessary, and may cause us to realize impairments on investments and certain intangible assets, including goodwill and a valuation allowance against deferred tax assets, which may reduce future earnings and/or affect our financial condition and ability to raise additional capital or refinance existing debt as it matures;
- Because of our holding company structure, the inability of our subsidiaries to pay dividends to the holding company in sufficient amounts could harm the holding company's ability to meet its obligations;
- Legislative, regulatory or tax changes, both domestic and foreign, that affect the cost of, or demand for, our subsidiaries' products, the required amount of reserves and/or surplus, or otherwise affect our ability to conduct business, including changes to statutory reserve requirements related to secondary guarantees under universal life such as a reinterpretation of reserve calculations under Actuarial Guideline 38 (also known as The Application of the Valuation of Life Insurance Policies Model Regulation, or "AG38"); changes to risk-based capital ("RBC") requirements; restrictions on revenue sharing and 12b-1 payments; and the potential for U.S. federal tax reform;
- Uncertainty about the effect of rules and regulations to be promulgated under the Dodd-Frank Wall Street Reform and Consumer Protection Act on us and the economy and the financial services sector in particular;
- The initiation of legal or regulatory proceedings against us, and the outcome of any legal or regulatory proceedings, such as: adverse actions related to present or past business practices common in businesses in which we compete; adverse decisions in significant actions including, but not limited to, actions brought by federal and state authorities and class action cases; new decisions that result in changes in law; and unexpected trial court rulings;
- Changes in or sustained low interest rates causing a reduction in investment income, a reduction in the interest margins of our businesses and a related reduction in estimated gross profits, and demand for our products;
- A decline in the equity markets causing a reduction in the sales of our subsidiaries' products, a reduction of asset-based fees that our subsidiaries charge on various investment and insurance products, an acceleration of the net amortization of deferred acquisition costs ("DAC"), value of business acquired ("VOBA"), deferred sales inducements ("DSI"), and deferred front end sales loads, ("DFEL"), and an increase in liabilities related to guaranteed benefit features of our subsidiaries' variable annuity products;
- Ineffectiveness of our risk management policies and procedures, including various hedging strategies used to offset the effect of changes in the value of liabilities due to changes in the level and volatility of the equity markets and interest rates;
- A deviation in actual experience regarding future persistency, mortality, morbidity, interest rates or equity market returns from the assumptions used in pricing our subsidiaries' products, in establishing related insurance reserves and in the net amortization of DAC, VOBA, DSI and DFEL, which may reduce future earnings;
- Changes in GAAP, including moving to International Financial Reporting Standards, that may result in unanticipated changes to our net income;
- Lowering of one or more of our debt ratings issued by nationally recognized statistical rating organizations and the adverse effect such action may have on our ability to raise capital and on our liquidity and financial condition;

- Lowering of one or more of the insurer financial strength ratings of our insurance subsidiaries and the adverse effect such action may have on the premium writings, policy retention, profitability of our insurance subsidiaries and liquidity;
- Significant credit, accounting, fraud, corporate governance or other issues that may adversely affect the value of certain investments in our portfolios, as well as counterparties to which we are exposed to credit risk, requiring that we realize losses on investments;
- The effect of acquisitions and divestitures, restructurings, product withdrawals and other unusual items;
- The adequacy and collectibility of reinsurance that we have purchased;
- Acts of terrorism, a pandemic, war or other man-made and natural catastrophes that may adversely affect our businesses and the cost and availability of reinsurance;
- Competitive conditions, including pricing pressures, new product offerings and the emergence of new competitors, that may affect the level of premiums and fees that our subsidiaries can charge for their products;
- The unknown effect on our subsidiaries' businesses resulting from changes in the demographics of their client base, as aging baby-boomers move from the asset-accumulation stage to the asset-distribution stage of life; and
- Loss of key management, financial planners or wholesalers.

The risks included here are not exhaustive. Our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and other documents filed with the Securities and Exchange Commission ("SEC") include additional factors that could affect our business and financial performance. Moreover, we operate in a rapidly changing and competitive environment. New risk factors emerge from time to time, and it is not possible for management to predict all such risk factors.

Further, it is not possible to assess the effect of all risk factors on our businesses or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. In addition, we disclaim any obligation to update any forward-looking statements to reflect events or circumstances that occur after the date of this report.

The reporting of RBC measures is not intended for the purpose of ranking any insurance company or for use in connection with any marketing, advertising or promotional activities.