



Fourth Quarter 2012

Forward-Looking Statements and Non-GAAP Financial Measures

This presentation may contain forward-looking statements and information. Additional information on factors that could cause results to differ materially from those projected in this presentation is available in our Form 10-K for the year ended December 31, 2011, available in the “Investor Relations” section of our website, <http://investors.primerica.com>.

This presentation also contains non-GAAP financial measures. A reconciliation of those measures to GAAP financial measures is included in our Financial Supplement, which is posted in the Investor Relations section of our website, <http://investors.primerica.com>.

Reported amounts may not add due to rounding.

Fourth Quarter Results

GAAP Financials

(\$ in millions, except per-share amounts)	Q4 2012	Q3 2012	Q4 2011 ⁽¹⁾
Financial Highlights			
Revenues	\$304.5	\$299.1	\$275.9
Net Income	\$40.3	\$45.6	\$37.2
Stockholders' Equity	\$1,275.4	\$1,337.4	\$1,326.7
Diluted EPS ⁽²⁾	\$0.67	\$0.72	\$0.51
Book Value Per Share ⁽³⁾	\$22.62	\$22.39	\$20.45
ROE ⁽⁴⁾	12.3%	14.0%	10.6%

1) Revised to reflect new accounting standards related to costs associated with acquiring or renewing insurance contracts

2) 58,935,421 weighted-average shares used in computing Diluted EPS Q4 2012

3) 56,373,795 common shares outstanding as of December 31, 2012

4) Annualized Net Income Return on Equity

Reconciliation to Net Operating Income and Diluted Operating Earnings per Share

(numbers in millions, except per-share amounts)	Q4 2012
Net Operating Income	\$41.6
Realized investment gains	\$1.1
IPO-related equity awards	(\$3.1)
Tax impact of operating income reconciling items at effective tax rate	\$0.7
Net Income	\$40.3
Numerator:	
Net Operating Income	\$41.6
Less Operating Income attributable to unvested participating securities	(\$1.0)
Net Operating Income used in computing Diluted Operating EPS	\$40.6
Denominator:	
Weighted-average shares	58.94
Diluted Operating EPS	\$0.69

2012 Financial Highlights

- ◆ Increased borrowing at a favorable interest rate with a \$375 million inaugural senior debt offering
 - 22.7% debt-to-capital ratio at December 31, 2012
- ◆ Cost effective redundant reserve financing transaction facilitated capital redeployment
- ◆ Retired 15% of common stock outstanding in 2012 by repurchasing 9.5 million shares for \$257.3 million
- ◆ Raised quarterly stockholder dividends
- ◆ 30.2% total shareholder return in 2012 including dividends

(\$ in millions)	2011	2012	% ⁽⁴⁾
Net Operating Income	\$156.0	\$174.5	12%
Diluted Operating EPS	\$2.07	\$2.72	32%
Adjusted Book Value Per Share ⁽¹⁾	\$18.98	\$20.60	9%
Operating ROAE ⁽²⁾	11.8%	14.3%	nm
Dividend Yield ⁽³⁾	0.5%	1.2%	nm
Debt-to-Capital	18.4%	22.7%	nm

- 1) 56,373,795 common shares outstanding as of December 31, 2012
- 2) Annualized Net Operating Income Return on Adjusted Equity
- 3) Annualized current Dividend Yield as of December 31 of each year
- 4) Certain variances are noted as “nm” to indicate not meaningful

Fourth Quarter Business and Financial Highlights

Q4 2012 Business Highlights

- ◆ PRI consolidated results compared with Q4 2011
 - 12% growth in operating revenues
 - 14% increase in net operating income
 - 36% increase in diluted operating EPS to \$0.69
 - Legal fees and expenses impacted Diluted Operating EPS by \$0.03
- ◆ Term life policies issued declined 15% reflecting the prior year processing cycle and normalized productivity level compared with Q4 2011
- ◆ Term life issued policies were flat with Q3 2011 while average premium issued increased 2%
- ◆ Solid Investment & Savings Products (ISP) results driven by a 30% increase in sales and an 11% increase in ending client asset values compared with Q4 2011

Summary Financials

(\$ in millions, except per-share amounts, or as noted otherwise)	Q4 2012	Q3 2012	Q4 2011 ⁽¹⁾
Financial Highlights			
Operating Revenues	\$303.4	\$295.2	\$271.6
Net Operating Income	\$41.6	\$45.1	\$36.7
Adjusted Stockholders' Equity	\$1,161.5	\$1,218.9	\$1,231.2
Diluted Operating EPS ⁽²⁾	\$0.69	\$0.72	\$0.51
Adjusted Book Value Per Share ⁽³⁾	\$20.60	\$20.41	\$18.98
Operating ROAE ⁽⁴⁾	14.0%	15.1%	11.2%
Distribution Highlights			
Recruits (thous.)	36.6	47.6	43.7
Life Licensed Sales Force (thous.) ⁽⁵⁾	92.4	91.5	91.2
Issued Life Insurance Policies (thous.)	52.3	53.5	61.4
Life Face amount issued (\$bn)	\$16.42	\$16.35	\$18.55
Life Insurance Face In Force (\$bn) ⁽⁵⁾	\$670.4	\$669.1	\$665.0
ISP Sales	\$1,239.0	\$1,091.7	\$955.8
ISP Client Asset Values (\$bn) ⁽⁵⁾	\$37.39	\$36.90	\$33.7

- 1) Revised to reflect new accounting standards related to costs associated with acquiring or renewing insurance contracts
- 2) 58,935,421 weighted-average shares used in computing Diluted EPS Q4 2012
- 3) 56,373,795 common shares outstanding as of December 31, 2012
- 4) Annualized Net Operating Income Return on Adjusted Equity
- 5) As of period end

2012 Sales Force and Distribution Highlights

◆ Investment and Savings Products Segment Enhancements

- Actively worked with top ISP producers to identify platform opportunities
- Expanded product offerings
 - New managed accounts product
 - Fixed Indexed Annuities underwritten by Lincoln Financial
- Targeted top life insurance producers with small ISP businesses and explained potential missed income opportunity of not fully integrating ISP into their businesses

◆ Emphasized licensing new representatives

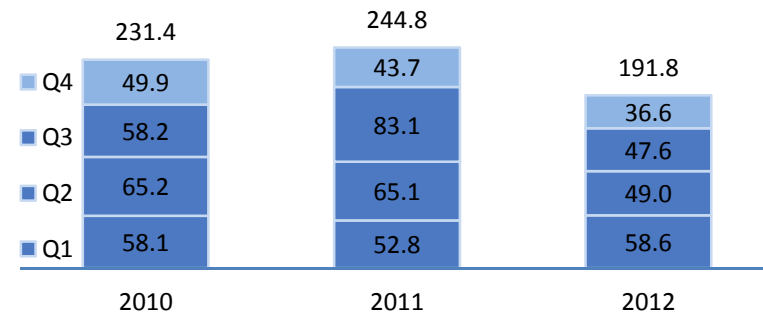
- Simplified incentive programs qualifications including the field equity program
- Developed streamlined licensing process for new recruits
- Refocused licensing instructors on helping new recruits through the licensing process
- Changed life insurance compensation to focus more on building productive distribution
- 30% increase in ratio of new recruits obtaining life insurance license

2012 Sales Force and Distribution Highlights

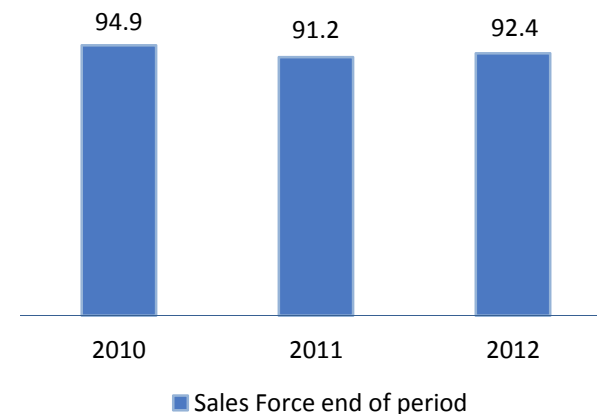
Q4 2012 Sales Force Highlights

- ◆ Size of sales force increased to 92,373
 - Positively impacted by licensing momentum, partially offsetting the recruiting decline compared with Q4 2011
 - Life license non-renewals declined due to Hurricane Sandy related mandated license renewal extensions and higher non-renewals in Q4 2011 following the 2011 post convention recruiting surge

Historical Sales Force Recruiting (in thousands)



Sales Force Size Trends (in thousands, end of period)



Term Life Operating Results

Q4 2012 Term Life Highlights

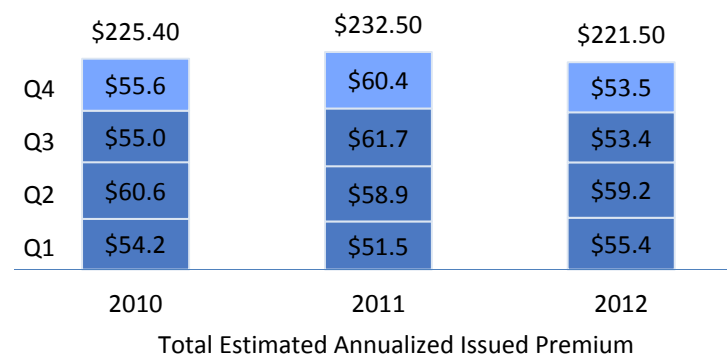
- ◆ 14% growth in operating revenues was driven by a 16% increase in net premium and higher net investment income associated with growth in required assets compared with Q4 2011
- ◆ 19% increase in operating income before income taxes reflects revenue growth, lower non-deferred commissions, growth in premium-related and employee-related expenses and higher interest expense compared with Q4 2011
- ◆ Sequential decline in operating income before income taxes was impacted by seasonally worse persistency in Q4 2012 and favorable expense items and investment income in Q3 2012

Summary Term Life Operating Results

(\$ in millions)	Q4 2012	Q3 2012	Q4 2011 ⁽¹⁾
Direct Premium	\$551.7	\$549.1	\$537.5
Ceded Premium	(\$411.8)	(\$411.2)	(\$416.5)
Net Premium	\$139.9	\$137.8	\$121.0
Allocated Net Investment Income	\$17.3	\$18.4	\$15.6
Other, Net	\$7.3	\$7.8	\$8.1
Total Revenues	\$164.5	\$164.0	\$144.7
Benefits & Expenses	\$120.2	\$115.4	\$107.6
Income before Income Taxes	\$44.2	\$48.6	\$37.0

1) Revised to reflect new accounting standards related to costs associated with acquiring or renewing insurance contracts

Historical Term Life Production (\$ in millions)



Term Life Segment Margin Highlights

- ◆ New Term pre-tax operating income increased to \$10.8 million in Q4 2012 reflecting continued leveraging of fixed expenses and lower commission deferrals
 - Leveraging of fixed expenses should continue to positively impact New Term Margins

- ◆ Legacy direct premiums have run-off ~4-5% per year while operating income before income taxes has run-off ~8% per year
 - Legacy margins will experience downward pressure on a longer-term basis due to lower margins on post-end-of-term conversions

(\$ in thousands)	Q4 2012	Q3 2012	Q4 2011
New Term			
Direct Premium	\$99.5	\$94.1	\$71.2
New Term Life operating income before income taxes	\$10.8	\$12.2	\$0.6
Benefits & expenses, net ⁽¹⁾	\$67.7	\$63.4	\$51.0
Insurance expenses, net ⁽²⁾	\$24.0	\$21.3	\$20.8
Legacy Term			
Direct Premium	\$452.3	\$454.9	\$466.2
Legacy term life operating income before income taxes	\$33.5	\$36.4	\$36.4

- 1) Include total benefits & claims, ceded premiums, insurance commissions, and amortization of deferred policy acquisition costs
- 2) Insurance expenses, net of other net revenues

Investment & Savings Products Operating Results

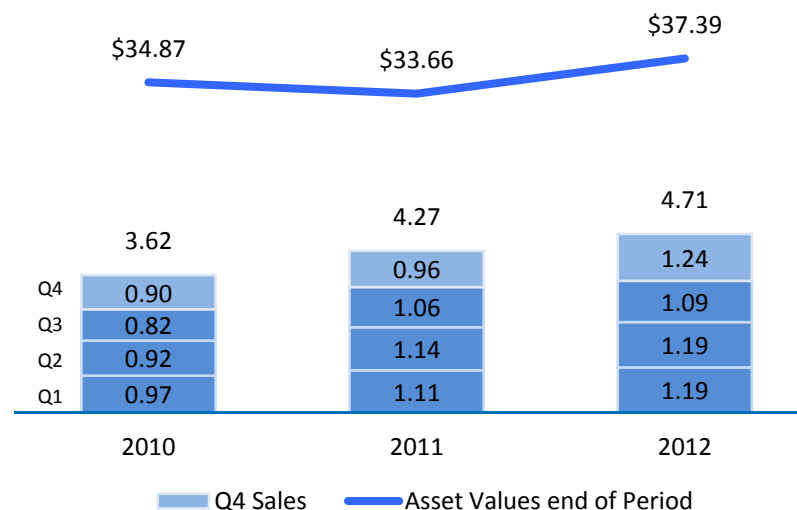
Q4 2012 Investment & Savings Products Highlights

- ◆ 17% increase in operating revenues and an 8% increase in operating income before income taxes compared with Q4 2011
 - 25% increase in sales-based revenue driven by 30% sales growth offset by lower variable annuity incentive payment compared with Q4 2011
 - 14% increase in asset-based revenues resulting from growth in average client asset values and higher DAC amortization compared with Q4 2011
 - \$2.9 million of FRS legal fees and expenses in Q4 2012
- ◆ Sequentially, operating revenue increased 8% and operating income before income taxes remained consistent with Q3 2012 due to Q4 2012 items including:
 - Sales growth
 - Higher average client assets
 - Annual variable annuity incentive payment
 - Higher legal fees and expenses
 - Higher Canadian segregated fund DAC amortization

Summary ISP Operating Results

(\$ in millions)	Q4 2012	Q3 2012	Q4 2011
Sales-Based Revenues	\$50.1	\$43.1	\$40.1
Asset-Based Revenues	\$46.6	\$45.6	\$40.9
Account-Based Revenues	\$9.8	\$9.8	\$9.6
Other, Net	\$3.1	\$2.6	\$3.2
Total Revenues	\$109.7	\$101.2	\$93.8
Sales, Commissions & Other Expenses	\$78.5	\$69.6	\$65.0
Income before Income Taxes	\$31.2	\$31.6	\$28.8

Historical ISP Production (\$ in billions)



Corporate & Other Distributed Products Operating Results

Q4 2012 Corporate & Other Distributed Products Highlights

- ◆ \$3.9 million decline in operating revenues and \$2.5 million increase in operating losses before income tax compared with Q4 2011
 - \$3.1 million lower net investment income following cumulative share repurchases through Q4 2012

Summary Corporate & Other Operating Results

(\$ in millions)	Q4 2012	Q3 2012	Q4 2011 ⁽¹⁾
Net Premium (NBLIC non-term)	\$14.9	\$14.5	\$15.2
Allocated Net Investment Income	\$6.9	\$8.5	\$10.1
Commissions and Fees	\$6.2	\$5.8	\$6.7
Other Income	\$1.3	\$1.3	\$1.2
Total Revenues	\$29.3	\$30.0	\$33.1
Benefits & Expenses	\$41.7	\$40.4	\$43.2
Benefits & Claims	\$10.0	\$10.0	\$9.9
Amortization of DAC	\$1.0	\$0.2	\$1.1
Commissions	\$5.4	\$5.5	\$6.6
Expenses & Interest	\$25.3	\$24.8	\$25.6
Loss before Income Taxes	(\$12.5)	(\$10.4)	(\$10.0)

1) Revised to reflect new accounting standards related to costs associated with acquiring or renewing insurance contracts

Insurance and Operating Expense Highlights

Q4 2012 Operating Expense Highlights

- ◆ \$4.4 million higher expenses compared with Q4 2011
 - Prior year non-recurring costs
 - Employee merit increases and another layer of management stock compensation awards
 - Continuing growth in premium-related taxes and decline in allowances as our New Term block grows and the legacy block runs off
 - Legal fees and expenses associated with the Florida Retirement System matter
- ◆ \$5.3 million higher expenses compared with Q3 2012
 - Prior quarter health-care benefit adjustment
 - Legal fees and expenses associated with the Florida Retirement System matter
- ◆ 2013 growth in employee-related expenses as well as investments in technology, new building infrastructure and ongoing fees associated with the FRS matter

Insurance and Operating Expenses – operating basis

(in millions)	Cons	Life	ISP	Corp
Q4 2011 Expenses	61.5	19.4	20.6	21.4
Prior year charges	(3.0)	-	-	(3.0)
Growth in employee related costs	2.1	0.8	0.2	1.1
Premium-related taxes & allowance runoff	1.5	1.5	-	-
Q4 2012 FRS Legal fees and expenses	2.9	-	2.9	-
Other	0.9	1.4	(1.6)	1.1
Q4 2012 Expenses	65.9	23.1	22.1	20.7*
Q3 2012 Expenses	60.6	20.5	19.7	20.3

* Items may not add due to rounding.

Investment Portfolio Highlights

Q4 2012 Investment Income and Liquidity

- ◆ \$2.07 billion of investment and cash with \$182.6 million of net unrealized gains at December 31, 2012
- ◆ Investment income down \$1.4 million versus prior year primarily due to lower invested assets
- ◆ 2.94% new money rate in 4Q 2012, up from 2.64% in Q3 2012
- ◆ \$63.0 million of cash and invested assets at the holding company at December 31, 2012

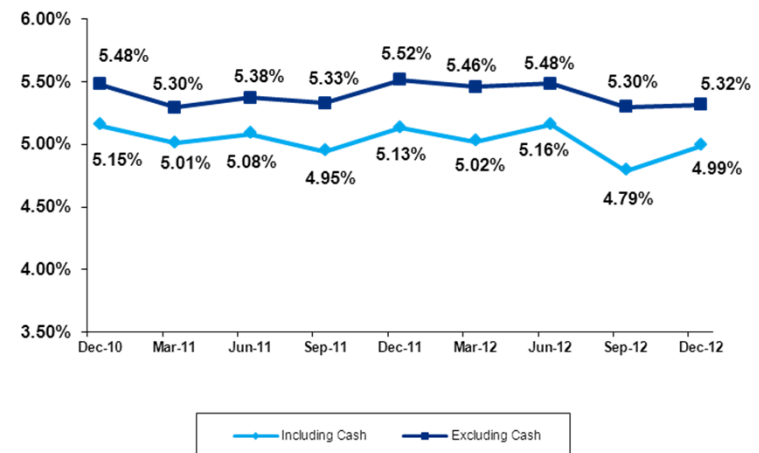
Q4 2012 Invested Asset Portfolio Key Attributes ⁽¹⁾

	Q4 2012
Fixed Income / Other Mix	98% / 2%
Fixed Income Average Book Yield	5.32%
Average Rating	A
Investment Grade / BIG Mix	95% / 5%
Average Duration	3.9 years
PIIGS Financial & Sovereign Exposure ⁽²⁾	<0.3%

(1) Excludes cash

(2) Banking & Other Financial and Sovereign exposure to Portugal, Italy, Ireland, Greece and Spain

Fixed Income Book Yield Trends ⁽³⁾



⁽³⁾ End of period