



Nationwide®
is on your side

STRONG, STABLE AND FINANCIALLY SOUND.

JUST WHAT YOU'D EXPECT FROM A COMPANY THAT'S *ON YOUR SIDE*®

3rd Quarter 2014

Nationwide® has been in business for over 80 years and our Midwestern roots and conservative heritage have helped us to successfully navigate through a number of market and economic disruptions. Despite ongoing market volatility, Nationwide remains a strong, stable and financially sound company that is appropriately capitalized to serve the needs of our customers.

As a result of the uncertain economic environment, we know there is a lot of interest in assessing the strength of life insurance companies' capital positions and investment portfolios. At Nationwide, we welcome that discussion because we know that the more scrutiny you put us under, the more confidence you can have in us. The market may waver, but our long-term commitment to you and to our policyholders will not.

YOU CAN CONTINUE TO HAVE CONFIDENCE IN NATIONWIDE. HERE'S WHY.

Nationwide is one of the largest providers of financial services and property and casualty insurance in the United States. We're ranked No. 91 on the Fortune 500¹ with 2013 revenues exceeding \$35 billion. The wide range of our businesses and breadth of our distribution network help us to naturally diversify and mitigate risk. The businesses we're in—from annuities, life insurance and retirement plans to banking, mutual funds and property and casualty insurance—provide us with numerous sources of earnings and cash flows without being overly exposed to any single business or risk.

OUR CAPITAL ADEQUACY DEMONSTRATES OUR RESILIENCE.

The life insurance companies within Nationwide Financial Services, Inc. (NFS) are highly regulated and subject to strict capital requirements designed to help ensure that we are financially sound. As of September 30, 2014, Nationwide® Financial's statutory capital and surplus was \$4.1 billion. Combined with our mutual ownership, this allows us to invest for future growth while maintaining a strong capital position.

RISK MANAGEMENT IS ONE OF OUR CORE COMPETENCIES.

Managing risk is a key competency for our business, and it's something we've dedicated resources toward for many years. In fact, our enterprise risk management capabilities have been rated as "Strong" by third-party rating agency Standard & Poor's—a rating only 16% of insurance companies share with us.²

We also take pride in our in-house hedging program. Building this infrastructure was costly and, not surprisingly, some of our competitors have chosen to outsource these functions. For Nationwide, having this infrastructure internally allows us to finely tune our hedging strategies to specific policies and to respond nimbly in volatile market conditions. This infrastructure is a competitive advantage and an added protection for our policyholders.

¹ Fortune magazine, May, 2014.

² *Process Improvements And Regulation Drive ERM Of North American And Bermudian Insurers Forward*, RatingsDirect Report, Standard & Poor's (04/18/13).

QUALITY AND DIVERSITY: TWO FEATURES OF OUR GENERAL ACCOUNT INVESTMENT PORTFOLIO.

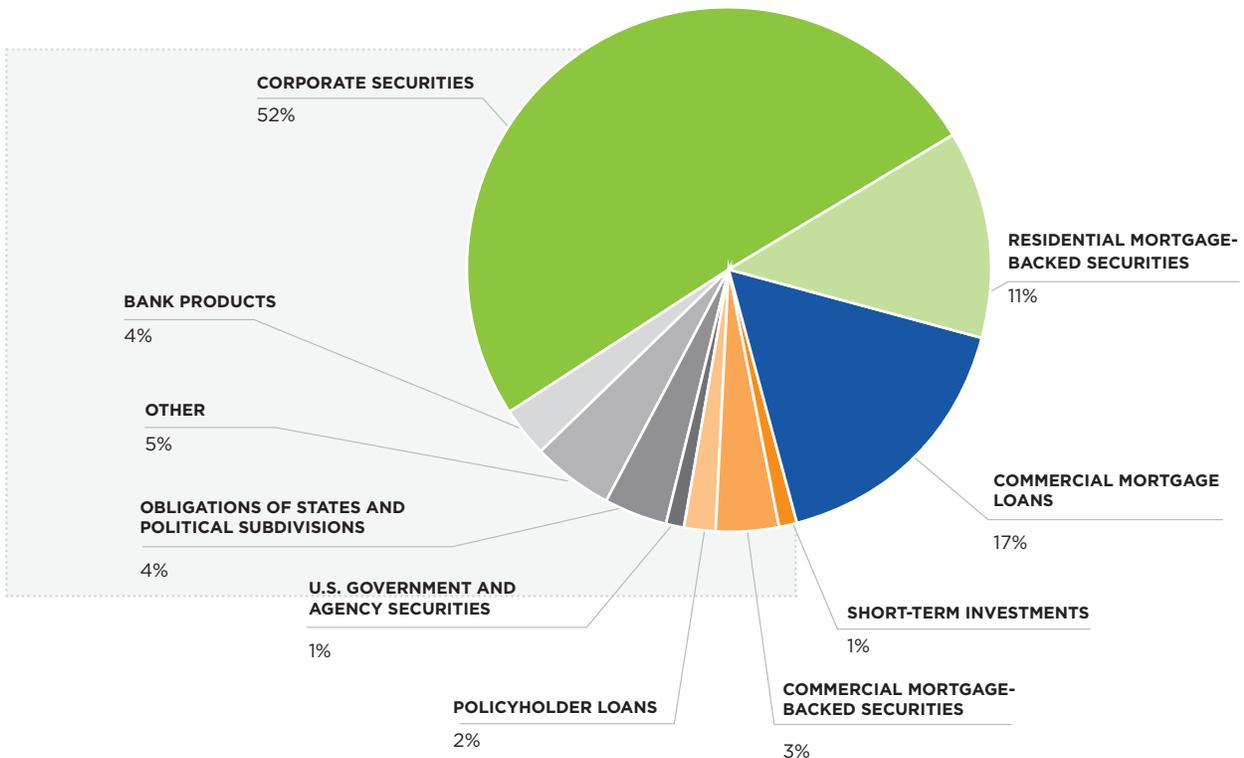
Because of our success and discipline over the years, we are fortunate to have a strong balance sheet and a long history of maintaining a quality investment portfolio, governed by a sound and disciplined investment policy.

NFS' investment portfolio consists of a broad array of quality investments in various types of securities that are spread across industries, geographies and markets. The goal of our investment strategy is to ensure that we have the capital and liquidity to fulfill our financial obligations and pay claims across all business lines, in both the short and long term.

To meet this goal, we employ a disciplined investment approach that focuses on ensuring that our investments are closely linked to the liabilities they support. Our product development group and investment group work as a team to develop investment strategies that meet our financial objectives and stay within our risk tolerance as well as identify specific investments that are believed to best support the guarantees we make on every insurance policy we issue.

As of September 30, 2014, the NFS' investment assets totaled \$50 billion.³ The following chart summarizes the investment portfolio by asset category:

NATIONWIDE® FINANCIAL INVESTMENT PORTFOLIO AS OF 9/30/14



³ Nationwide Financial Statistical Supplement, 09/30/14.

Fixed maturity securities (public and private bonds) comprise 73% of the portfolio and 96% of these securities are rated as investment grade ('Baa' rating or better). The following table summarizes the credit quality of the fixed maturity securities as determined by the National Association of Insurance Commissioners (NAIC) and the equivalent ratings by Moody's, a nationally recognized rating agency:

NAIC DESIGNATION⁴	MOODY'S EQUIVALENT DESIGNATION⁵	% OF TOTAL
1	Aaa/Aa/A	56%
2	Baa	40%
3	Ba	3%
4	B	1%
5	Caa and lower	0%
6	In or near default	0%

⁴ NAIC Designations are assigned at least annually. Some designations for securities shown have been assigned to securities not yet assigned an NAIC Designation in a manner approximating equivalent public rating categories.

⁵ Comparisons between NAIC and Moody's designations are published by the NAIC. If no Moody's rating is available, the Company assigns internal ratings corresponding to public ratings.

WE CONTINUE TO MAINTAIN STRONG FINANCIAL STRENGTH RATINGS.

Nationwide® continues to enjoy strong ratings in the top quartile of all the major ratings agencies, as indicated below:

FINANCIAL STRENGTH RATINGS

AGENCY	RATING	RANK	RECEIVED	AFFIRMED
A.M. Best	A+ "Superior"	2nd strongest of 16	10/17/02	4/02/14
Moody's	A1 "Good"	5th strongest of 21	3/10/09	9/12/13
Standard & Poor's	A+ "Strong"	5th strongest of 22	12/22/08	5/13/14

These ratings and rankings reflect rating agency assessment of the financial strength and claims-paying ability of Nationwide Life Insurance Company and Nationwide Life and Annuity Insurance Company. They are not intended to reflect the investment experience or financial strength of any variable account, which is subject to market risk. Because the dates are only updated when there's a change in the rating, the dates above reflect the most recent ratings we have received. They are subject to change at any time.

OUR MUTUAL ADVANTAGE

At Nationwide, our unique combination of mutual company heritage and risk management capabilities are difficult to replicate. Here are some of the many reasons you can continue to have confidence in Nationwide:

- We're proud of our heritage, providing innovative protection products and services for our policyholders for over 80 years
- We identify with our roots – doing together what individuals can't do on their own
- We contribute meaningfully to every community we call home
- We want to be known as a great company that's also a great place to work
- We believe these aspects of our identity support the delivery of our business through highly engaged associates and partners

We look forward to continuing to earn your business for decades to come.

