

Financial Highlights - Nationwide and Subsidiaries



(\$ in millions)	Three months ended September 30,		Nine months ended September 30,	
	2011	2010	2011	2010
Income Statement	(unaudited)		(unaudited)	
Premiums and policy charges	\$ 4,144	\$ 4,147	\$ 12,332	\$ 12,436
Net investment income	673	771	2,405	2,230
Net realized investment gains (losses)	(1,256)	(214)	(1,540)	(427)
Other-than-temporary impairment losses	(21)	(54)	(111)	(224)
Other income	249	241	756	713
Total revenue	\$ 3,789	\$ 4,891	\$ 13,842	\$ 14,728
Property and casualty losses and loss expense	2,905	2,505	8,415	7,267
Life, accident, and health benefits	604	542	1,731	1,636
Insurance acquisition and other operating expenses	1,709	1,814	5,121	5,262
Taxes and other	(577)	(55)	(793)	(6)
Net (loss) income	\$ (852)	\$ 85	\$ (632)	\$ 569

Key Performance Indicators (Unaudited)

Operating revenue	\$ 5,162	\$ 5,142	\$ 15,615	\$ 15,495
Net operating income				
Property & Casualty	\$ (156)	\$ 168	\$ (209)	\$ 623
Financial Services	160	138	603	400
Corporate & Other	17	(81)	37	(28)
Total net operating income	\$ 21	\$ 225	\$ 431	\$ 995

Financial Services

New and renewal production premiums and deposits	\$ 4,696	\$ 4,176	\$ 14,288	\$ 12,685
Net flows	\$ 1,018	\$ 871	\$ 2,481	\$ 2,492
Property & Casualty direct written premium	\$ 3,851	\$ 3,817	\$ 11,206	\$ 11,146

	September 30, December 31,	
	2011	2010
Balance Sheet	(unaudited)	
Total investments	\$ 68,428	\$ 66,050
Separate account assets	\$ 59,832	\$ 64,346
Total assets	\$ 149,603	\$ 148,702
Property and casualty loss and loss expense reserves	\$ 14,369	\$ 14,602
Future policy benefits and claims	\$ 34,496	\$ 32,032
Long-term debt	\$ 5,219	\$ 4,492
Total policyholders' equity	\$ 16,889	\$ 16,838

Key Performance Indicators (Unaudited)

Statutory surplus	\$ 12,396	\$ 12,974
Customer funds managed and administered	\$ 152,301	\$ 160,084

Certain prior period amounts have been reclassified to conform to current year presentation.

Glossary – Nationwide

Nationwide (or the Company) prepares its combined financial statements in accordance with accounting principles generally accepted in the United States (GAAP).

Customer funds managed and administered. The value of assets the Company manages on behalf of its customers.

Financial Services. The Financial Services segment includes operating results from Nationwide Financial Services, Inc. (NFS), which includes Nationwide Bank. The businesses within the Financial Services segment, through a diverse distribution network, develop and sell a wide range of products, including individual annuities, private and public sector group retirement plans, life insurance, investment advisory services and other investment products.

New and renewal production premiums and deposits. The Company regularly monitors and reports a sales production metric as a measure of the volume of new and renewal business generated in a period.

New and renewal production premiums and deposits, previously referred to as "sales", are not derived from any specific GAAP income statement accounts or line items and should not be viewed as a substitute for any financial measure determined in accordance with GAAP, including sales as it relates to non-insurance companies. Management believes that the presentation of new and renewal production premiums and deposits enhances the understanding of the Company's business and helps depict longer-term trends that may not be apparent in the results of operations due to differences between the timing of sales and revenue recognition.

Net operating income. The Company analyzes operating performance using a non-GAAP financial measure called "net operating income," which the Company believes enhances understanding and comparability of its performance by highlighting its results from continuing operations and the underlying profitability drivers. Net operating income excludes the impact of realized gains (losses) on sales of investments and hedging instruments, certain hedged items, other-than-temporary impairments, discontinued operations, and extraordinary items, all net of taxes.

Net flows. Customer deposits, net of withdrawals, affiliated with products offered by the Financial Services segment, which include retirement plans, individual annuities, life insurance products, and bank deposits.

Corporate & Other. The Corporate & Other segment consists of real estate development operations, real estate and other investments, information technology, health management services, third-party administration services and run-off asbestos and environmental toxic tort claims. For reporting purposes, the Corporate & Other segment includes all of the Company's residual operating results.

Property & Casualty. The Property & Casualty segment includes operating results from five operating brands: Nationwide Insurance, Allied Insurance, Scottsdale Insurance, Titan Insurance, and Nationwide Agribusiness. The businesses within the P&C segment underwrite personal automobile, personal property and commercial insurance products and services through exclusive and independent agents.

Property & Casualty direct written premium. The total premiums received by the Property & Casualty segment without any adjustments for the ceding of any portion of these premiums to the reinsurers.

Statutory surplus. A financial measure that is calculated based on accounting practices prescribed or permitted by the department of insurance of the state of domicile. Each of the states in which the Company's insurance companies are domiciled has adopted the National Association of Insurance Commissioners (NAIC) statutory accounting practices (NAIC SAP) as the basis of its statutory accounting practices. The Company's insurance subsidiaries have no statutory accounting practices that differ from NAIC SAP.