

Financial Highlights - Nationwide and Subsidiaries



(\$ in millions)	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
	(unaudited)		(unaudited)	
Income Statement				
Premiums and policy charges	\$ 4,147	\$ 4,287	\$ 12,436	\$ 12,830
Net investment income	771	830	2,230	2,152
Net realized investment (losses) gains	(214)	(93)	(427)	650
Other-than-temporary impairment losses	(54)	(187)	(224)	(780)
Other income	241	234	713	666
Total revenue	\$ 4,891	\$ 5,071	\$ 14,728	\$ 15,518
Property and casualty losses and loss expenses	2,505	2,696	7,267	8,019
Life, accident, and health benefits	542	470	1,636	1,575
Insurance acquisition and other operating expenses	1,814	1,827	5,261	5,572
Taxes and other	(55)	(130)	(5)	(189)
Net income	\$ 85	\$ 208	\$ 569	\$ 541

Key Performance Indicators (Unaudited)

Net operating income				
Property & Casualty	\$ 171	\$ 120	\$ 630	\$ 308
Financial Services	138	118	400	277
Other	(73)	66	(55)	117
Total net operating income	\$ 236	\$ 304	\$ 975	\$ 702

Financial Services				
New and renewal production premiums and deposits	\$ 4,176	\$ 3,771	\$ 12,684	\$ 11,670
Net flows	\$ 871	\$ 571	\$ 2,493	\$ 2,280
Property & Casualty direct written premium	\$ 3,797	\$ 4,003	\$ 11,176	\$ 11,701

	September 30,	December 31,
	2010	2009
	(unaudited)	
Balance Sheet		
Investment assets	\$ 67,561	\$ 63,880
Separate account assets	\$ 60,309	\$ 57,358
Total assets	\$ 146,066	\$ 140,084
Property and casualty loss and loss expense reserves	\$ 14,641	\$ 15,113
Future policy benefits and claims	\$ 32,689	\$ 32,512
Long-term debt	\$ 4,399	\$ 4,403
Total policyholders' equity	\$ 17,343	\$ 15,147

Key Performance Indicators (Unaudited)

Statutory surplus	\$ 12,825	\$ 11,718
Customer funds managed and administered	\$ 153,169	\$ 146,520
Full-time equivalent employees (end of period)	32,756	32,881

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. A non-GAAP financial measure that is calculated by adjusting earnings (loss) from continuing operations before discontinued operations to exclude: (1) net realized investment gains and losses, except for operating items [periodic net amounts paid or received on interest rate swaps that do not qualify for hedge accounting treatment, trading portfolio realized gains and losses, trading portfolio valuation changes, net realized gains and losses related to hedges on guaranteed minimum death benefit contracts and securitizations]; (2) other-than-temporary impairment losses; (3) the adjustment to amortization of deferred policy acquisition costs and value of business acquired related to net realized investment gains and losses; and (4) other miscellaneous adjustments.

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.

Other. The 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 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.