

## Record 2015 results show Northwestern Mutual is strong and growing

Company expects to pay industry-leading total dividend; sets records in revenue, assets, operating gain, surplus and dividends

MILWAUKEE, Feb. 18, 2016 /[PRNewswire](#)/ -- Northwestern Mutual continues to grow, reporting record-level revenue, assets, operating gain and surplus in 2015, while expecting to pay an industry-leading total dividend of \$5.6 billion in 2016<sup>1</sup>, despite another year of historically low interest rates.

The results reflect Northwestern Mutual's strong operating fundamentals. They also underscore the growing demand for the company's distinctive approach to financial security.

"Clients need, want and deserve a financial plan that addresses a wide range of goals," said **John E. Schlifske**, Northwestern Mutual chairman and CEO. "We help clients see their whole financial picture. Rather than focusing only on insurance or investments, we take a comprehensive planning approach that helps clients protect *and* grow their wealth."

This comprehensive approach has helped drive strong financial results. In 2015, Northwestern Mutual:

Achieved records in total revenue, \$27.9 billion; total assets, \$238.5 billion; and operating gain before dividends and taxes, \$6.4 billion. Assets included more than \$203 billion in the general account investment portfolio backing the company's disability income, fixed annuities, long-term care and most life insurance liabilities;

Grew total surplus to an all-time high of \$23.2 billion;

Increased total premium revenue for insurance and annuity products to a record \$17.8 billion, a 5 percent increase over 2014;

Managed more than \$89 billion in client investment assets, a 2 percent increase over 2014 and a 14 percent increase over 2013; and

Increased repeat sales to existing clients to 4.4 percent of total sales, a growth of 9 basis points over 2014. Sales included both insurance and investment products.

The results also demonstrate Northwestern Mutual's commitment to providing clients with superior long-term product value and financial strength.

In 2016, Northwestern Mutual expects to pay policyowners \$5.6 billion in total dividends, including record dividends on traditional permanent life insurance, \$4.9 billion; disability income insurance, \$340 million; term life insurance, \$155 million; and variable life insurance, \$115 million. In addition, it expects to pay \$55 million on fixed and variable annuities.

The company also maintained the highest financial strength ratings awarded to any U.S. life insurer<sup>2</sup> and expects to maintain one of the lowest life insurance unit costs in the industry<sup>3</sup> – both reflections of its disciplined expense management.

### Investing in the future

In May 2015, the company acquired LearnVest<sup>™</sup>,<sup>4</sup> a leader in online financial planning, to enhance its client

experience and help deliver financial security to more people. The acquisition will enable Northwestern Mutual to offer a distinctive planning experience that combines personal guidance with engaging technology.

<sup>1</sup> *Decisions with respect to the determination and allocation of divisible surplus as dividends each year are left to the discretion and sound business judgement of the company's Board of Trustees. There is no guaranteed specific method or formula for the determination or allocation of divisible surplus. Accordingly, the company's approach is subject to change. Neither the existence nor the amount of a dividend is guaranteed on any policy in any given policy year.*

<sup>2</sup> *A.M. Best Company A++ (highest), 5/2015; Fitch Ratings AAA (highest), 9/2015; Moody's Investors Service Aaa (highest), 1/2016; and Standard & Poor's AA+ (second highest), 5/2015. Ratings are for The Northwestern Mutual Life Insurance Company and Northwestern Long Term Care Insurance Company, as of the most recent review and report by each rating agency. Ratings are subject to change.*

<sup>3</sup> *Source: SNL Financial.*

<sup>4</sup> *LearnVest, Inc. is owned by NM Planning, LLC, a subsidiary of The Northwestern Mutual Life Insurance Company, Milwaukee, Wisconsin.*

## **About Northwestern Mutual**

**Northwestern Mutual** has been helping families and businesses achieve financial security for nearly 160 years. Our financial representatives build relationships with clients through a distinctive planning approach that integrates risk management with wealth accumulation, preservation and distribution. With \$238.5 billion in assets, \$27.9 billion in revenues, nearly \$90 billion in assets under management in our investment products and services, and more than \$1.6 trillion worth of life insurance protection in force, Northwestern Mutual delivers financial security to more than 4.3 million people who rely on us for insurance and investment solutions, including life, disability income and long-term care insurance; annuities; trust services; mutual funds; and investment advisory products and services.

Northwestern Mutual is the marketing name for The Northwestern Mutual Life Insurance Company, Milwaukee, WI, and its subsidiaries. Northwestern Mutual and its subsidiaries offer a comprehensive approach to financial security solutions including: life insurance, long-term care insurance, disability income insurance, annuities, life insurance with long-term care benefits, investment products, and advisory products and services. Subsidiaries include Northwestern Mutual Investment Services, LLC, broker-dealer, registered investment adviser, member FINRA and SIPC; the Northwestern Mutual Wealth Management Company, limited purpose federal savings bank; and Northwestern Long Term Care Insurance Company.

## **Summary of Operations**

(Statutory basis, in millions)

<b><i>Year ended Dec. 31:</i></b>	<b><i>2015</i></b>	<b><i>2014</i></b>
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Premiums	\$17,788	\$17,001
Net investment income	9,467	9,104
Other income	<u>625</u>	<u>602</u>
<b>Total revenue</b>	<b><u>27,880</u></b>	<b><u>26,707</u></b>
Policyowner benefits paid	9,043	8,396
Increase in benefit reserves	9,502	9,411
Commissions and expenses	<u>2,932</u>	<u>2,831</u>
<b>Total benefits and expenses</b>	<b><u>21,477</u></b>	<b><u>20,638</u></b>
<b>Gain before dividends and taxes</b>	<b>6,403</b>	<b>6,069</b>
<b>Policyowner dividends</b>	<b><u>5,609</u></b>	<b><u>5,511</u></b>
Gain before taxes	794	558
Income tax expense (benefit)	<u>(53)</u>	<u>22</u>
<b>Net gain from operations</b>	<b>847</b>	<b>536</b>
Net realized capital gains (losses)	<u>(32)</u>	<u>143</u>
<b>Net income</b>	<b><u>\$815</u></b>	<b><u>\$679</u></b>

### Summary of Financial Position

(Statutory basis, in millions)

Dec. 31:

2015

2014

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Bonds	\$133,449	\$128,126
Mortgage loans	32,236	29,341
Policy loans	17,146	16,756
Common and preferred stocks	3,886	3,713
Real estate	1,999	1,610
Other investments	13,292	12,827
Cash and short-term investments	<u>1,460</u>	<u>2,588</u>
<b>Total investments</b>	<b>203,468</b>	<b>194,961</b>
Other assets	8,273	7,916
Separate account assets	<u>26,731</u>	<u>27,056</u>
<b>Total assets</b>	<b><u>\$238,472</u></b>	<b><u>\$229,933</u></b>
Policy benefit reserves	\$176,928	\$167,508
Policyowner dividends payable	5,610	5,510
Other liabilities	5,983	7,261
Separate account liabilities	<u>26,731</u>	<u>27,056</u>
<b>Liabilities (excluding AVR)</b>	<b>215,252</b>	<b>207,335</b>
Asset valuation reserve (AVR)	3,564	3,544
Surplus	<u>19,656</u>	<u>19,054</u>
<b>Surplus and AVR</b>	<b><u>23,220</u></b>	<b><u>22,598</u></b>

**Total liabilities and surplus**

**\$238,472**   **\$229,933**

The summarized financial statements above were prepared on the statutory basis of accounting in accordance with the accounting practices prescribed or permitted by the Office of the Commissioner of Insurance of the State of Wisconsin. Financial statements prepared on the statutory basis of accounting differ materially from financial statements prepared in accordance with generally accepted accounting principles ("GAAP").

SOURCE Northwestern Mutual

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<https://news.northwesternmutual.com/2016-02-18-Record-2015-results-show-Northwestern-Mutual-is-strong-and-growing>