S&P Global Ratings Points to Northwestern Mutual's Financial Profile, Market Leadership, Strong Brand and Highly Effective Distribution System in Affirming Financial Strength Ratings

S&P expects company to maintain its 'extremely strong competitive position' while sustaining 'extremely strong capital' and 'exceptional liquidity'

MILWAUKEE, June 17, 2019 /PRNewswire/ -- S&P Global Ratings ("S&P") affirmed Northwestern Mutual's AA+ financial strength rating, the highest rating awarded to any U.S. life insurer, in a recently released report. As noted in the report, Northwestern Mutual's credit profile is indicatively AAA, but S&P limits the company's rating to 'AA+' due to the "U.S. foreign and local currency credit ratings." S&P highlights several competitive strengths that form the basis of the rating decision, including the company's dominant market position in whole life insurance, its 'highly effective' financial professionals, and its excellent business and financial risk profiles. S&P also expects that Northwestern Mutual will "maintain its extremely strong competitive position while sustaining its extremely strong capital and exceptional liquidity" as part of its stable outlook for the Company.

"As a mutual company, we exist to serve our policyowners, and we do this in two important ways: by delivering on our promises when they need us most, and with exceptional product value evidenced in the form of dividends," said Todd Jones, vice president and controller. "To do so we need to be diligent in managing risk at all levels, while also seeking every opportunity to maximize value for our policyowners. These industry-leading, third-party ratings signal that we are doing so successfully and consistently."

Ratings rationale – key details
Specifically, the S&P report called out the following details supporting Northwestern Mutual's financial strength rating:

A strong brand and a well-seasoned management team with a strategy that emphasizes long-term stability and strength, and a commitment to mutuality and policyholders
Extremely strong competitive position in life insurance, stemming from its national presence and top market position
An exclusive and highly effective distribution system, which has demonstrated increased productivity in recent years
Excellent business risk profile and extremely strong financial risk profile, supported by its range of complementary products including term and universal life and disability income insurance, annuities and mutual funds, and long-term care insurance; along with its well-diversified managed investment portfolio
Strong operating performance - bolstered by favorable underwriting results, excellent persistency, expense efficiency and long-term investment performance - allowing it to distribute "a meaningful amount of" dividends to policyholders

Industry-leading financial strength ratings
With this latest affirmation, Northwestern Mutual continues to have the highest financial strength ratings awarded to any U.S. life insurer by all four of the major rating agencies: AM Best Company, A++ (highest), April 2019; Fitch Ratings, AAA (highest), May 2019; Moody's Investors Service, Aaa (highest), May 2019; and S&P Global Ratings, AA+ (second highest), June 2019. Third-party ratings are subject to change.

Ratings are for The Northwestern Mutual Life Insurance Company and Northwestern Long Term Care Insurance Company.

For more information, see the Our Commitment to Financial Strength page on northwesternmutual.com.

About Northwestern Mutual
Northwestern Mutual has been helping families and businesses achieve financial security for more than 160 years. Through a distinctive, whole-picture planning approach, we empower our clients to make the most of every single day and plan for important moments in their future. We combine the expertise of our financial professionals with a personalized digital experience to help our clients navigate their financial lives every day. With $272.2 billion in assets, $28.5 billion in revenues, and $1.8 trillion worth of life insurance protection in force, Northwestern Mutual delivers financial security to more than 4.5 million people who rely on us for life, disability income and long-term care insurance, annuities, and brokerage and advisory services. The company manages $128 billion of investments owned by our clients and held or managed through our wealth management and investment services businesses. Northwestern Mutual ranks 104 on the 2018 FORTUNE 500 and is recognized by FORTUNE® as one of the "World's Most Admired" life insurance companies in 2019.

Northwestern Mutual is the marketing name for The Northwestern Mutual Life Insurance Company (NM), Milwaukee, WI (life and disability insurance, annuities, and life insurance with long-term care benefits) 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** (NMIS) (securities), broker-

dealer, registered investment adviser, member FINRA and SIPC; the Northwestern Mutual Wealth Management Company® (NMWMC) (fiduciary and fee-based financial planning services), federal savings bank; and Northwestern Long Term Care Insurance Company (NLTC) (long-term care insurance).

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https://news.northwesternmutual.com/2019-06-17-S-P-Global-Ratings-Points-to-Northwestern-Mutuals-Financial-Profile-Market-Leadership-Strong-Brand-and-Highly-Effective-Distribution-System-in-Affirming-Financial-Strength-Ratings