

## Northwestern Mutual 2021 Financial Results Shatter Records Again

Firmly anchored in commitment to serving clients and a focus on the long-term, exceptional business growth, performance, and operational resilience drive best year in company history

MILWAUKEE, Feb. 17, 2022 /PRNewswire/ -- Northwestern Mutual delivered exceptional financial strength and growth throughout 2021, announcing today that it once again finished the year with record-setting business results, including revenue, total surplus, total company assets, client investment assets and life insurance market share. As a mutual company, Northwestern Mutual shares its success with policyowners in the form of annual dividends, and, as previously announced, the total expected [2022 dividend payout is the largest ever – \\$6.5 billion](#).

"It's an honor that we continue to see a record number of customers choosing Northwestern Mutual and our advisors for our holistic approach to financial security," said John Schlifske, chairman, president and chief executive officer. "These business results prove that having a combination of world-class insurance products and investment offerings is resonating – and I've never had more confidence in the future of our company."

Among the key financial results that surpassed the record levels reached just one year prior:

**Record revenue:** Revenue grew nine percent year over year, led by record life insurance and strong annuity sales, reaching an all-time high of \$34 billion.

**Record total surplus:** In 2021, total surplus grew \$4.7 billion to a record \$37 billion.<sup>1</sup> A robust surplus gives the company the flexibility to respond to unexpected events, staying strong while upholding the promise to pay claims to policyowners whenever needed.

**Investment leader with a combined \$570 billion invested through company and client assets:** Across nearly every asset class, Northwestern Mutual's general account investments delivered excellent investment returns that, along with the company's growth in client retail investment assets, contributed to its more than \$570 billion in combined company and client assets – the highest in company history.

**One of four U.S. companies:** Northwestern Mutual yet again earned the highest available [financial strength ratings](#) awarded to any U.S. life insurer with a stable outlook by all of the four major rating agencies (A.M. Best, Fitch, Moody's and S&P).<sup>2</sup> One of only four U.S. companies to receive Moody's Aaa rating with a stable outlook.

### Behind the numbers: Clients choose and stay with Northwestern Mutual

**Growing Life insurance market share:** Demand for Northwestern Mutual's life insurance products rose again in 2021. The company reached nearly \$1.6 billion in new life insurance premium sales, an increase of 52 percent over 2020. Yet again, Northwestern Mutual is #1 in individual life insurance sales industry wide.<sup>3</sup> In addition, policyowner persistency, a key measure of customer satisfaction, was at its highest level on record, with clients maintaining 97 percent of their life insurance coverage.

**Growing client investment assets:** The retail investments business saw a 25 percent increase in total assets to more than \$244 billion, as well as record net cash flows totaling \$24 billion, nearly doubling year over year. Northwestern Mutual continues to be one of the top ten independent broker-dealers by revenue – and among the fastest growing – in the United States.<sup>4</sup>

**Growing our field of financial professionals:** Northwestern Mutual saw a 20 percent increase in new financial representatives since the start of 2020, making this the best recruiting period in company history and helping meet the growing demand for comprehensive financial planning.

"Our value proposition stands out. Clients are choosing Northwestern Mutual because they want to work with a firm that can equally help them navigate the financial ups and downs of today, while preparing for the opportunities and unexpected tomorrow may bring," said Schlifske. "We can proudly say that we have been serving our clients' best interests for nearly 165 years, and we will continue to provide the compassion, commitment and unflinching focus needed for generations to come."

### About Northwestern Mutual

Northwestern Mutual has been helping people and businesses achieve financial security for more than 160 years. Through a holistic planning approach, Northwestern Mutual combines the expertise of its financial professionals with a personalized digital experience and industry-leading products to help its clients plan for what's most important. With more than \$334 billion in total assets, \$34 billion in revenues, and \$2.1 trillion worth of life insurance protection in force, Northwestern Mutual delivers financial security to more than 4.9 million people with life, disability income and long-term care insurance, annuities, and brokerage and advisory services. The company manages more than \$244 billion of investments owned by its clients and held or managed through its wealth management and investment services businesses. Northwestern Mutual ranks 90 on the 2021 FORTUNE 500 and is recognized by FORTUNE® as one of the "World's Most Admired" life insurance companies in 2022.

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. Subsidiaries include Northwestern Mutual Investment Services, LLC (NMIS) (investment brokerage services), broker-dealer, registered investment adviser, member FINRA and SIPC; the Northwestern Mutual Wealth Management Company® (NMWMC) (investment advisory and services), federal savings bank; and Northwestern Long Term Care Insurance Company (NLTC) (long-term care insurance). Not all Northwestern Mutual representatives are advisors. Only those representatives with "Advisor" in their title or who otherwise disclose their status as an advisor of NMWMC are credentialed as NMWMC representatives to provide investment advisory services.

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<sup>1</sup> Total surplus, which includes Asset Valuation Reserve (AVR) and surplus notes.

<sup>2</sup> Among U.S. life insurers. 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 as of: 12/21 (Moody's Investors Service), 05/21 (A.M. Best Company), 12/21 (Fitch Ratings), 07/21 (S&P Global Ratings). Ratings are subject to change.

<sup>3</sup> Source: LIMRA 3Q21 U.S. Retail Individual Life Sales Survey.

### Summary of Operations

(Statutory basis, in millions)

Years ended December 31:	2021	2020
Premiums	\$22,771	\$19,323
Net investment income	10,447	11,078
Other income	814	723
Total revenue	34,032	31,124
Policyowner benefits paid	12,022	11,736
Increase in benefit reserves	11,931	8,847
Commissions and expenses	4,048	3,502
Total benefits and expenses	28,001	24,085
<b>Gain before dividends and taxes</b>	<b>6,031</b>	<b>7,039</b>
Policyowner dividends	6,522	6,235
(Loss) gain before taxes	(491)	804
Income tax (benefit) expense <sup>1</sup>	(1,166)	277
Net gain from operations	675	527
Net realized capital gains (losses)	303	(102)
<b>Net income</b>	<b>\$978</b>	<b>\$425</b>

<sup>1</sup> Income tax benefit substantially offset by a reduction in deferred tax assets (included in other assets) in the summary of financial position.

The summarized financial statements above were prepared on the statutory basis of accounting. Financial statements prepared on the statutory basis of accounting differ materially from financial statements prepared in accordance with generally accepted accounting principles ("GAAP").

### Summary of Financial Position

(Statutory basis, in millions)

As of December 31:	2021	2020
Bonds	\$179,121	\$166,324
Mortgage loans	47,844	41,568
Policy loans	17,208	17,686
Common and preferred stocks	4,242	5,083
Real estate	3,113	2,959
Other investments	29,184	24,942

Cash and short-term investments	3,786	3,239
<b>Total investments</b>	<b>284,498</b>	<b>261,801</b>
Other assets	7,773	8,519
Separate account assets	42,383	38,447
<b>Total assets</b>	<b>\$334,654</b>	<b>\$308,767</b>
Policy benefit reserves	\$230,034	\$217,365
Deposit funds	8,303	4,860
Policyowner dividends payable	6,505	6,220
Other liabilities	10,413	9,556
Separate account liabilities	42,383	38,447
<b>Liabilities (excluding AVR)</b>	<b>297,638</b>	<b>276,448</b>
Asset valuation reserve (AVR)	7,733	7,362
Surplus	29,283	24,957
<b>Surplus and AVR</b>	<b>37,016</b>	<b>32,319</b>
<b>Total liabilities and surplus</b>	<b>\$334,654</b>	<b>\$308,767</b>

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SOURCE Northwestern Mutual

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<https://news.northwesternmutual.com/2022-02-17-Northwestern-Mutual-2021-Financial-Results-Shatter-Records-Again>