# Northwestern Mutual - As Strong As Ever

Standard & Poor's recently downgraded the U.S. sovereign credit rating by one notch from AAA to AA+, expressing disappointment in the scope of, and the process used in, the recently passed debt ceiling legislation. As a direct result, S&P also lowered to AA+ the insurance financial strength (IFS) ratings of its highest rated life insurers, including Northwestern Mutual, New York Life, Teachers Insurance & Annuity Assoc. (TIAA), United Services Automobile Assoc. (USAA) and Knights of Columbus.

Given S&P's action on U.S. credit, the change to Northwestern Mutual's IFS rating was not unexpected. The change is entirely due to S&P's belief that financial firms like Northwestern Mutual can't have better strength ratings than the U. S. government. There has been no change in the company's financial fundamentals and there still is no life insurance company that the agencies rate more highly than Northwestern Mutual. It is the same exceptionally strong company today as it was prior to S&P's action on the U.S. credit rating.

Northwestern Mutual continues to enjoy the best-possible AAA IFS ratings from A.M. Best (A++), Feb. 2011; Fitch Ratings (AAA), Jan. 2011; and Moody's Investors Service (Aaa), June 2011. All three agencies recently reaffirmed these best-possible ratings.

**General account is well positioned**

In terms of S&P's action on the U.S. credit rating and possible impact on Northwestern Mutual's $158 billion general account investment portfolio, the company does not foresee any meaningful long-term effects on the liquidity or prices in the credit markets.

Treasury securities have been one of the best performing asset classes over the past month. That's a sign that foreign and other investors continue to buy Treasurys and still consider them the safest and most liquid bond investments in the world.

Northwestern Mutual remains very comfortable with its well-diversified and high-quality investment portfolios during this period of uncertainty. No significant changes are contemplated for the general account.

**Times are right for Northwestern Mutual**

Uncertain economic conditions continue to play to Northwestern Mutual's greatest strengths. Consumers continue to be focused on managing risk, dealing with financially strong companies and working with trusted advisors who can guide them through the emotion and uncertainty of the times. In short, it is times like these when the value that Northwestern Mutual delivers is, for many people, easiest to see.

Northwestern Mutual was named the "World's Most Admired" life insurance company in 2011 according to FORTUNE® magazine. Information about the company's financial results and corporate investments is available at northwesternmutual.com.

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