

2013 FINANCIAL RESULTS

SUMMARY OF OPERATIONS

(CONSOLIDATED STATUTORY BASIS, IN MILLIONS)

Year ended Dec. 31:	2013	2012
Premiums	\$16,599	\$15,394
Net investment income	8,744	8,677
Other income	566	550
Total revenue	25,909	24,621
Policyowner benefits paid	7,949	7,302
Increase in benefit reserves	9,560	9,053
Commissions and expenses	2,680	2,609
Total benefits and expenses	20,189	18,964
Gain before dividends and taxes	5,720	5,657
Policyowner dividends	5,212	5,045
Gain before taxes	508	612
Income tax expense (benefit)	(18)	37
Net gain from operations	526	575
Net realized capital gains	276	208
Net income	\$802	\$783

These summary financial statements are derived from the company's audited consolidated financial statements, which are prepared on the statutory basis of accounting. Insurance regulators require financial statements prepared on a statutory basis of accounting, which differ materially from financial statements prepared in accordance with generally accepted accounting principles (GAAP). PricewaterhouseCoopers LLP is the company's independent auditor. The company's audited consolidated financial statements are available at northwesternmutual.com or by written request to:

Northwestern Mutual
Corporate Communications
Room NO4
720 E. Wisconsin Ave.
Milwaukee, WI 53202

SUMMARY OF FINANCIAL POSITION

(CONSOLIDATED STATUTORY BASIS, IN MILLIONS)

Dec. 31:	2013	2012
Bonds	\$122,331	\$114,524
Mortgage loans	26,845	24,346
Policy loans	16,306	15,789
Common and preferred stocks	2,965	4,266
Real estate	1,506	1,304
Other investments	12,184	11,353
Cash and temporary investments	2,262	2,393
Total investments	184,399	173,975
Other assets	7,364	7,099
Separate account assets	25,343	21,376
Total assets	\$217,106	\$202,450
Policy benefit reserves	\$158,751	\$149,599
Policyowner dividends payable	5,210	5,041
Other liabilities	7,245	7,042
Separate account liabilities	25,343	21,376
Liabilities (excluding AVR)	196,549	183,058
Asset valuation reserve (AVR)	3,358	3,216
Surplus	17,199	16,176
Surplus and AVR	20,557	19,392
Total liabilities and surplus	\$217,106	\$202,450

Northwestern Mutual's principal financial goal remains the same in any economic environment: to pay a level of dividends that delivers the highest product value to policyowners without compromising the company's superior financial strength and stability.

MUTUALITY AND POLICYOWNER VALUE

Northwestern Mutual is managed for the long-term benefit of our policyowners. This mutual philosophy leads us to pay participating policyowners the highest possible dividends deemed consistent with preserving the long-term strength and security of the company. Dividends reflect our underlying claims experience, investment performance and expense management.

In total, dividends to policyowners are estimated to be \$5.2 billion in 2014 and are expected to be the highest amount of dividends paid in company history. This includes approximately:

\$4.6 BILLION

in dividends on permanent life insurance policies

\$145 MILLION

in dividends on term life insurance policies

\$300 MILLION

in dividends on individual disability insurance policies

\$37 MILLION

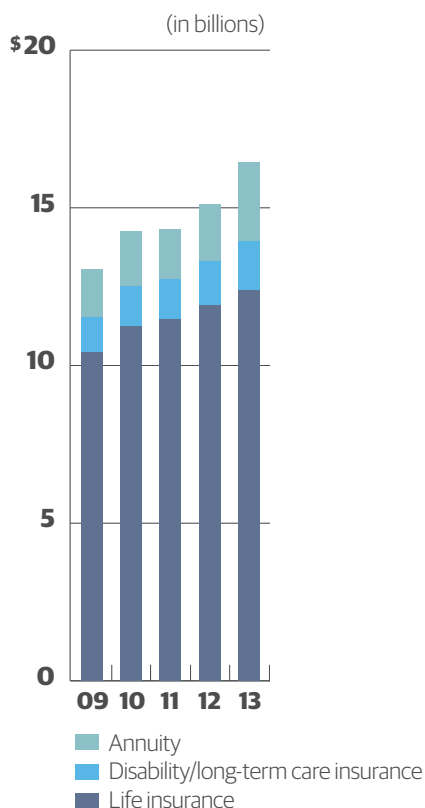
in dividends on annuity contracts

Despite downward pressure on investment earnings due to low interest rates, the dividend scale interest rate on most unborrowed permanent life insurance funds with direct recognition will remain at 5.60 percent for 2014. While important, investment performance is only a part of permanent life insurance policyowner value. Our favorable claims experience and rigorous approach to expense management also contribute to the dividend payout.

Superior product value contributes to policyowner satisfaction and loyalty, demonstrated by our persistency rate for life insurance in force, which was greater than 96 percent again during 2013. Life insurance policyowners used approximately 75 percent of dividends available during 2013 to purchase additional insurance protection, contributing to a 6 percent increase in total life insurance in force, which reached \$1.5 trillion at year-end 2013.

2013 FINANCIAL RESULTS

Premium Revenue



OPERATING RESULTS

Total premium revenue was \$16.6 billion for 2013, an increase of 8 percent from 2012. Premium revenue from life insurance increased 4 percent during 2013 and included a 4 percent increase in renewal premiums from in-force policies. Annuity premium increased 41 percent from 2012, while premium revenue for disability and long-term care insurance increased 5 percent and 18 percent, respectively.

Net investment income increased 1 percent during 2013 to \$8.7 billion. This included 2 percent growth in interest income from fixed-income investments as an increased allocation to these investments was partially offset by continued low market interest rates.

Benefits paid to policyowners or their beneficiaries totaled \$7.9 billion during 2013, a 9 percent increase from 2012. Insurance claims experience remained favorable during 2013, in part a reflection of the company's careful assessment of insurance risk. Reserves for future policy benefits increased by \$9.6 billion during 2013 and totaled \$158.8 billion at the end of the year. Operating results for 2013 also reflected the productivity of our field force and our continued commitment to rigorous management of operating expenses.

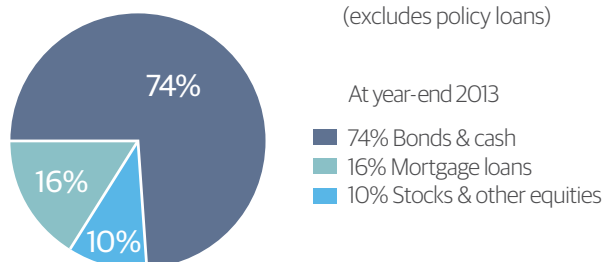
Net income was \$802 million for 2013, an increase from \$783 million in 2012. Net realized capital gains added \$276 million to 2013 net income and reflected both capital gains from the sale of common stock and low investment impairments.

The Power of Our Portfolio

A well-balanced and diversified portfolio contributes to the company's exemplary dividend record.

General Account Managed Investments

(excludes policy loans)



PROVEN INVESTMENT STRATEGY

The company's **\$122 billion** bond portfolio remains the cornerstone of our general account investment strategy.

INVESTMENT RESULTS

The company's general account investment portfolio is well diversified and is primarily allocated to high-quality bonds and commercial mortgage loans. Our investment strategy provides superior returns over the long term while limiting overall credit, market and interest-rate risk. Our investment guidelines limit exposure to any single asset class or issuer.

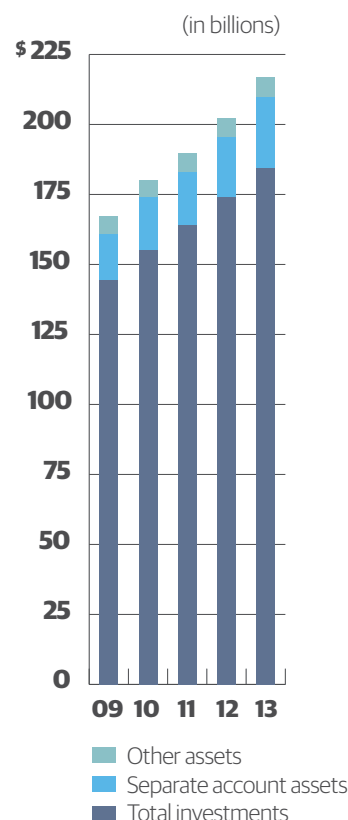
The \$122 billion bond portfolio includes both public and private bonds, with 91 percent of the total rated as investment grade at year-end 2013. The company's \$27 billion commercial mortgage loan portfolio is originated and underwritten by our own real estate professionals. It had a conservative overall loan-to-value ratio of 55 percent at year-end 2013, reflecting our disciplined approach to mortgage lending.

Equity investments include public and private common stocks, real estate and other holdings. The market value of these investments can be volatile, but they enhance total portfolio returns over the long term. In 2013, the company continued to follow this diversified investment strategy and maintained a consistent level of exposure to equity investments.⁴

In total, net realized and unrealized capital gains, after taxes and required deferrals of interest rate-related gains, increased total surplus (including asset valuation reserve) by \$622 million during 2013. This result reflected realized gains on the sale of common stock and unrealized gains from equity market appreciation during 2013.

Northwestern Mutual maintains a very strong liquidity position. At year-end 2013, the company held \$2.3 billion in cash and short-term investments. The company enjoys substantial positive operating cash flows, primarily from the large and stable block of participating life insurance business.

Total Assets



⁴The vast majority of the company's general account managed assets back the company's surplus and most of the life, disability and portfolio income annuity liabilities. The investment strategies described here apply to the investment of those assets. A portion of managed assets backs the remaining liabilities (including liabilities for fixed rate annuities and deferred annuities issued prior to 1986) and has different investment exposure than described above. Long-term care insurance is issued by Northwestern Long Term Care Insurance Co., Milwaukee, WI, a subsidiary of Northwestern Mutual.

2013 FINANCIAL RESULTS

FINANCIAL STRENGTH

Total surplus (including asset valuation reserve) increased \$1.2 billion during 2013 to \$20.6 billion. In addition to policy benefit reserves, surplus provides the company with protection against the unexpected. The asset valuation reserve supports our long-term investment strategy by absorbing credit losses and short-term market volatility.

At year-end 2013, surplus and asset valuation reserve represented 13 percent of general account insurance reserves, consistent with the surplus ratio one year earlier. This level of capitalization remains very strong compared to the company's historical surplus levels and the standards set by insurance regulators and the major rating agencies.

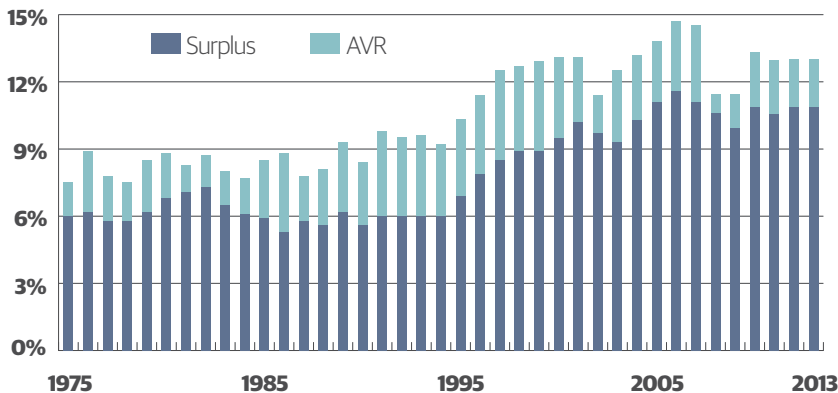
Our financial position remains strong with a surplus ratio of

13%

assuring that we can keep our promises to policyowners.

Surplus Ratio

(surplus and AVR as a percentage of general account insurance reserves)



LOOKING AHEAD

Northwestern Mutual will continue to focus on the fundamentals, including prudent management of insurance product risk; a balanced, diversified general account investment portfolio; and careful attention to operating expenses. This focus, along with our commitment to mutuality and the financial flexibility provided by participating dividends, will help the company weather even extreme financial stress. In good and bad times, you can count on Northwestern Mutual's commitment to long-term financial security.