2012 ANNUAL REPORT

UNMATCHED PORTFOLIO.

UNRIVALED SOLUTIONS.

LIFETIME RELATIONSHIPS.

Nationwide®
On Your Side



AT NATIONWIDE, **WE PUT OUR MEMBERS FIRST.**

We've always promised to protect the things that are the most important to them: their assets, their peace of mind and even their dreams, no matter how simple or grand they may be.

We deliver that protection with an unmatched range of solutions—but we do so much more.

We give them more confidence through the stability of our increasingly diverse business portfolio. We enhance their experience by providing more ways to access our products and services. We provide more support in the communities where we live and work because we know we can do more together than we ever could alone.

And every year, we find more ways to deliver on our promise and build strong, lasting relationships with the people we serve.

2012 WAS AN EXCELLENT YEAR FOR NATIONWIDE. We grew all parts of our business and continued to find new and better ways to serve our members, including welcoming Harleysville Insurance to the Nationwide family. Nationwide's members-first philosophy results in an undivided interest to serve our customers' needs as we deliver our *On Your Side*® promise. No matter what the challenge — whether it was Superstorm Sandy or wildfires in the western United States — we were there to support our customers and help them rebuild their lives. We accomplished all of this while maintaining our strength and stability, positioning us to emerge from the current period of economic uncertainty as one of the strongest companies in our industry.



STRENGTH AND STABILITY

For 2012, Nationwide reported total operating revenue of $22.4 billion. This is an increase of $1.7 billion from 2011, and one of the largest single-year increases in recent history. Even in a challenging environment, Nationwide reported net operating income of $741 million, an increase of more than 43 percent from 2011.

As a mutual, Nationwide exists to serve our members. True to our mission, we paid more than $13.7 billion in property and casualty, life insurance and other benefits to customers in 2012. This included more than $1.5 billion in weather-related claims throughout the year.

Managing risk and capital is one of our core competencies. Nationwide continues to manage our capital conservatively so we can honor our promises and meet the needs of our members far into the future. Total policyholders' equity increased to $19.3 billion in 2012, up from $16.2 billion at the end of 2011.

Nationwide's ability to execute and to deliver on our long-term strategy is key to our competitive advantage. In its simplest form, our strategy includes these elements:

- Our diverse portfolio of businesses helps keep our earnings stable and our capital strong, so we can honor our promises to customers for generations.
- As a mutual, we focus on our customers and the solutions they desire, not returns to shareholders.
- We build lifelong, trusted relationships through superior customer service.

UNMATCHED PORTFOLIO

Nationwide has one of the most diverse product portfolios in the insurance and financial services industry. Our property and casualty businesses provide a comprehensive suite of insurance products for consumers and businesses, while our financial services businesses provide a broad set of products to help our clients prepare for and live in retirement:

PROPERTY AND CASUALTY — Auto and homeowners insurance, farm coverage, agribusiness and commercial insurance, excess and surplus lines, specialty health and pet insurance

FINANCIAL SERVICES — Traditional life insurance, fixed and variable annuities, variable and universal life insurance, banking, mutual funds, public- and private-sector retirement plans

UNRIVALED SOLUTIONS

Nationwide has an impressive depth and breadth of solutions for every stage of life. And, as a mutual, we focus on our members and their needs, not returns to shareholders.

Our broad distribution network is made up of exclusive and independent agents and investment professionals, all of whom play an important role in our success, delivering solutions to customers through our retail and wholesale businesses.

In May 2012, we created a national independent agency footprint as Harleysville Insurance formally joined Nationwide. Harleysville's strong presence in the Northeast and its deep commercial insurance experience complements Allied Insurance, Nationwide's independent agency business with a strong historic presence in the Midwest and West.

LIFETIME RELATIONSHIPS

Our diverse product and business portfolio, our multiple distribution and contact channels, and our people are the catalysts for building lifetime relationships with our members, business partners and communities. This also means delivering on our promise of being more than a business through our long-standing charitable support of the communities where our associates live, work and volunteer.

At Nationwide, we're proud of the enduring partnerships we've built, some of which span the generations since our founding by a group of farmers who came together to build a different kind of member-driven insurance company.

We believe in the power of relationships and want to thank all our members and partners who were part of our success in 2012. We look forward to strengthening our current relationships and building new ones as we explore new ways to serve our members' needs long into the future.



STEVE RASMUSSEN
Chief Executive Officer
Nationwide

STRENGTHENING OUR BUSINESS AND **THE CONFIDENCE OF OUR MEMBERS.**

In 2012, we expanded our geographic reach, served our members when they needed us most and added more businesses to our portfolio — including Harleysville Insurance, which helped us create an even greater national footprint. These impressive statistics reflect our company's standing, but they serve an even greater purpose: they all add up to better solutions for our members, business partners and communities.

PROPERTY AND CASUALTY

Nationwide® Insurance

Allied Insurance
a Nationwide Insurance® company

Nationwide® Agribusiness

Harleysville®
a Nationwide Insurance® company

SCOTTSDALE INSURANCE COMPANY®
a Nationwide Insurance® company



Nationwide has more than **33,000 associates** serving customers in nearly every state.

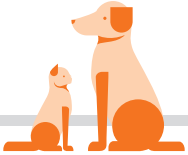
Titan Insurance®
a Nationwide Insurance® company

VPI PET insurance®
a Nationwide Insurance® company

#1
writer of farmowner insurance[1]

3rd
largest domestic excess and surplus lines insurer[2]

Largest
PET INSURER[3]
in the U.S.



$25 MILLION
CONTRIBUTED

to nonprofits in communities where our members and associates live and work

#1
provider of public-sector retirement plans[4]

FINANCIAL SERVICES

Nationwide® Financial

Nationwide® Retirement Solutions

Nationwide® Bank

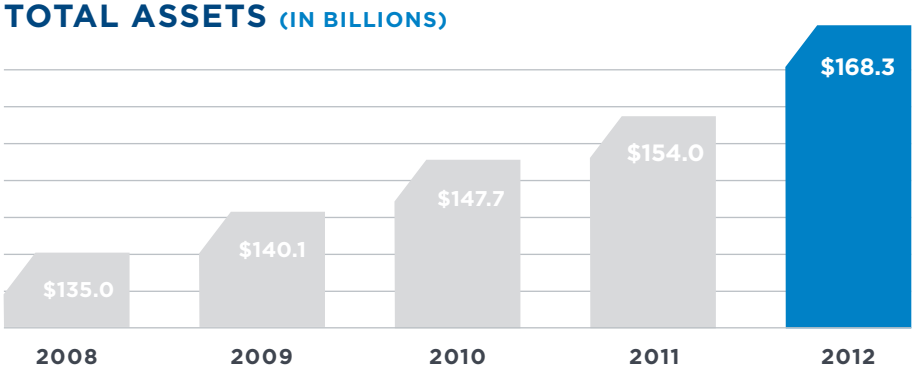
NEARLY $14 BILLION PAID TO OUR CUSTOMERS

OVER

$168 billion

IN ASSETS

TOTAL ASSETS (IN BILLIONS)



2012, 2011 and 2010 results reflect the adoption of new accounting guidance, which modified the types of acquisition costs incurred by insurance entities that can be capitalized.

3rd

in overall customer satisfaction for homeowners' claims by J.D. Power and Associates[5]

Founded in 1926 by members of the **Ohio Farm Bureau**

1. A.M. Best, 2011 DWP. Based on premiums written; 2. A.M. Best, 2011 DWP. Based on premiums written; 3. Based on policies in force, 2008-2010; 4. Plan Sponsor, 2011; 5. J.D. Power 2012 Property Claims Study

FINANCIAL **HIGHLIGHTS**

MAKING THE NUMBERS MEAN EVEN MORE

We're proud of the strong results we've achieved in the last year. But while these numbers mean something to us, they mean even more to our members — because when we grow stronger, our members can grow even more confident in our ability to meet their needs.

NATIONWIDE AND SUBSIDIARIES

(IN MILLIONS)	YEAR ENDED DECEMBER 31 2012	2011
INCOME STATEMENT		
Premiums and policy charges	$ 18,048	$ 16,503
Net investment income	3,132	3,080
Net realized investment gains (losses)	541	(1,809)
Net other-than-temporary impairment losses	(46)	(127)
Other revenues	975	989
TOTAL REVENUE	**$ 22,650**	**$ 18,636**
Property and casualty losses and loss expense	11,304	10,942
Life, accident and health benefits	2,413	2,279
Amortization of deferred policy acquisition costs	3,091	2,345
Other operating expenses	5,013	4,708
Taxes and other	(111)	(961)
NET INCOME (LOSS)	**$ 940**	**$ (677)**
KEY PERFORMANCE INDICATORS (UNAUDITED)		
Operating revenue	$ 22,400	$ 20,720
Net operating income (loss)		
Property and Casualty	$ 117	$ (213)
Financial Services	606	681
Corporate and Other	18	49
TOTAL NET OPERATING INCOME	**$ 741**	**$ 517**
Financial Services		
New and renewal production premiums and deposits	$ 18,177	$ 19,577
Net flows	$ 2,406	$ 4,007
Property and Casualty direct written premium	$ 16,242	$ 14,734
BALANCE SHEET	DECEMBER 31 2012	DECEMBER 31 2011
Total investments	$ 75,426	$ 68,203
Separate account assets	$ 70,866	$ 64,674
Total assets	$ 168,344	$ 154,016
Property and casualty loss and loss expense reserves	$ 17,238	$ 14,574
Future policy benefits and claims	$ 35,848	$ 34,589
Long-term debt	$ 4,464	$ 4,931
Total policyholders' equity	$ 19,279	$ 16,225
Statutory surplus	$ 13,826	$ 12,828

Results reflect the adoption of new accounting guidance, which modified the types of acquisition costs incurred by insurance entities that can be capitalized.

Nationwide's financial results from May through December 2012 include the impact of the merger and the eight months of Harleysville's operations following the close of the transaction. The 2011 results exclude any impact from the Harleysville merger.

OPERATING **PERFORMANCE**

OPERATING REVENUE: $22.4 BILLION

Nationwide's 2012 total operating revenue was $22.4 billion, an increase of $1.7 billion from 2011 and one of the largest single-year increases in recent history.

Direct written premium grew from $14.7 billion in 2011 to $16.2 billion in 2012, reflecting growth in all major product lines and businesses. Improvements in retention, as well as a combination of growth in insured values and rate adjustments, also contributed to premium growth. Nationwide experienced particularly strong growth in its main street commercial, agribusiness and specialty commercial lines, as well as in its direct personal lines.

In 2012 total customer assets were $165.8 billion, compared to $160.4 billion in 2011. Asset fees and other policy charges were higher as equity market performance and net flows drove higher customer asset values.

NET OPERATING INCOME: $741 MILLION

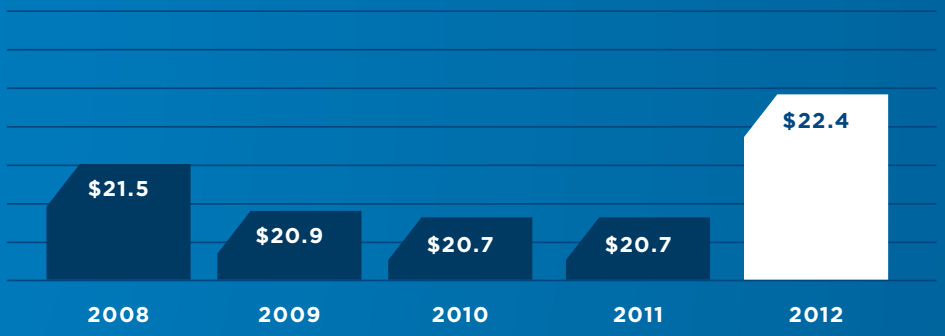
Net operating income increased more than 43 percent in 2012, to $741 million, compared to $517 million in 2011. Improved operating results reflect a strong rebound in property and casualty business performance, which is attributed to a combination of fewer weather-related claims and higher operating revenue. The financial services business continued to be a major contributor to operating results as customer assets rose in 2012.

TOTAL ASSETS: $168.3 BILLION

Total assets increased to $168.3 billion, up from $154.0 billion in 2011. General account investments increased to $75.4 billion, up from $68.2 billion in 2011. These results include $4.1 billion acquired in the Harleysville Insurance transaction.

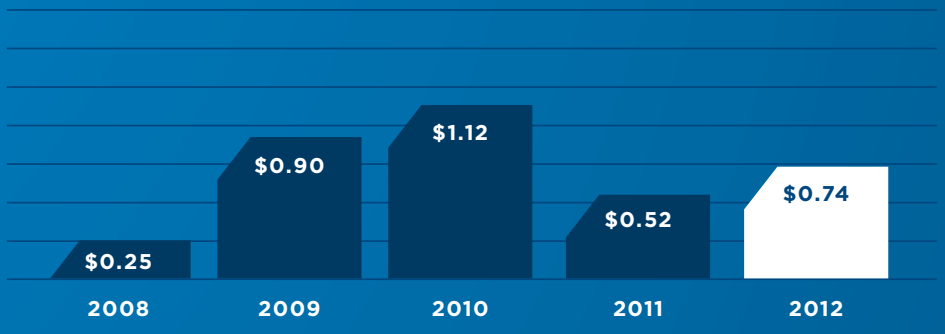
OPERATING **REVENUE**

(IN BILLIONS)



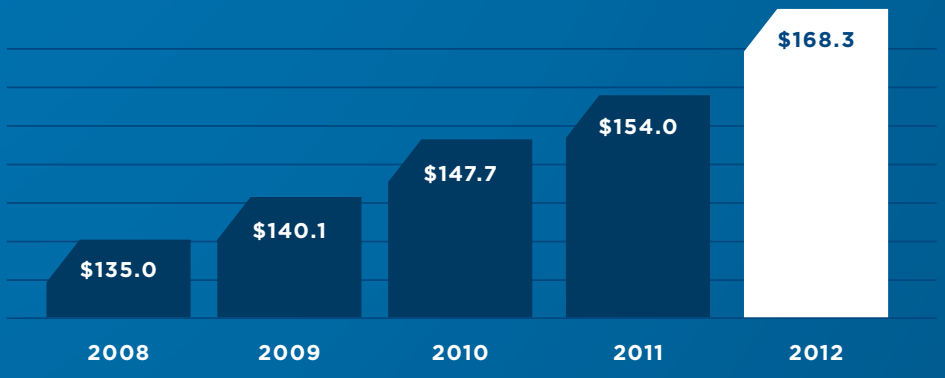
NET **OPERATING INCOME**

(IN BILLIONS)



TOTAL **ASSETS**

(IN BILLIONS)



2012, 2011 and 2010 results reflect the adoption of new accounting guidance, which modified the types of acquisition costs incurred by insurance entities that can be capitalized.

CAPITAL **STRENGTH**

Nationwide takes a conservative approach to managing capital, allowing the company to remain strong and stable, even in times of economic uncertainty. Policyholders' equity increased to $19.3 billion at year's end, up from $16.2 billion in 2011. Statutory surplus — the primary measure of financial strength and claims-paying ability evaluated by regulators and rating agencies — grew to $13.8 billion, up from $12.8 billion in 2011. Nationwide's statutory surplus is more than three times the amount required by regulators to cover Nationwide's obligations to its customers.

Rating agencies continue to validate our financial strength, including affirming their ratings following the acquisition of Harleysville Insurance on May 1, 2012. Factors cited to support these ratings include:

- Strong capital position
- Excellent risk management capabilities
- Product and distribution breadth
- Diversified businesses with market leadership

POLICYHOLDERS' EQUITY (IN BILLIONS)



Results reflect the adoption of new accounting guidance, which modified the types of acquisition costs incurred by insurance entities that can be capitalized.

Policyholders' equity is a measure of financial strength in the insurance industry. It represents the amount remaining after a mutual insurance company's liabilities are subtracted from its assets.

RISK **MANAGEMENT**

Nationwide has built a robust risk management program that is a competitive advantage for our company. In fact, Standard and Poor's affirmed a rating of "Strong" (Aug. 31, 2012) for our risk management program, placing it in the top 15 percent of insurance company programs.

We've developed a rigorous process for identifying, evaluating and managing the risks across our business. Our risk-appetite framework sets clear and comprehensive targets, tolerances and limits to better manage risk and protect capital.

Nationwide uses reinsurance and catastrophe bonds to help manage risk within specified tolerances and to mitigate the impact of large catastrophes. Investment risk is controlled using strong management oversight processes and rigorous modeling and monitoring tools.

INVESTMENT **APPROACH**

Nationwide follows a disciplined investment management process, developing strategies that achieve desired financial objectives and risk tolerances. We focus on clearly linking investments to the product liabilities they support.

The goal of our investment strategy is to ensure that Nationwide has the capital and liquidity to fulfill our financial obligations and pay claims across all businesses over the short and long term.

To accomplish these goals, our investment team uses the following tools:

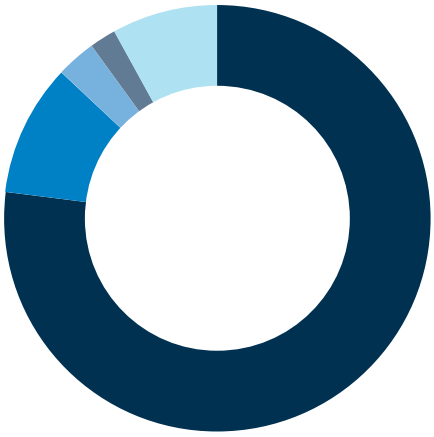
- Macroeconomic analysis
- Credit analysis
- Portfolio diversification
- Ongoing portfolio monitoring

It's our philosophy that we use both top-down and bottom-up approaches to maximize our opportunity to make value-added investment decisions across economic and market cycles.

INVESTMENT **PORTFOLIO**

$75.4 BILLION

77%	FIXED-MATURITY SECURITIES
10%	MORTGAGE LOANS
3%	SHORT-TERM INVESTMENTS
2%	REAL ESTATE
8%	OTHER INVESTMENTS



ENTERPRISE FINANCIAL STRENGTH RATINGS

A.M. BEST

A+

RECEIVED 10/17/02
AFFIRMED 3/27/12

MOODY'S

A1

RECEIVED 12/19/08
AFFIRMED 5/10/12

STANDARD & POOR'S

A+

RECEIVED 12/22/08
AFFIRMED 8/31/12

PROPERTY AND CASUALTY

NATIONWIDE INSURANCE
ALLIED INSURANCE
HARLEYSVILLE INSURANCE
SCOTTSDALE INSURANCE
NATIONWIDE AGRIBUSINESS
TITAN INSURANCE

DIRECT WRITTEN PREMIUMS: $16.2 BILLION

Direct written premiums grew to $16.2 billion in 2012, up from $14.7 billion in 2011. These results are due to growth in all major product lines and businesses, as well as nearly $800 million in premiums from the Harleysville Insurance acquisition. Improvements in retention, as well as a combination of growth in insured values and rate adjustments, also contributed to premium growth. Nationwide experienced particularly strong growth in the following lines:

- Main street commercial
- Agribusiness
- Specialty commercial
- Direct personal lines

NET OPERATING INCOME: $117 MILLION

For the property and casualty business, 2012 net operating income was $117 million, compared to a net operating loss of $213 million in 2011. Strong premium growth and fewer weather-related claims drove the improved results. Weather-related claims were more than $1.5 billion for 2012, including about $400 million in claims in the fourth quarter due to Superstorm Sandy. While weather claims were more than expected, they were less than the record $2.3 billion reported in 2011.

DIRECT WRITTEN PREMIUMS

$16.2 BILLION

47%	NATIONWIDE INSURANCE
22%	ALLIED INSURANCE
15%	SCOTTSDALE INSURANCE
6%	NATIONWIDE AGRIBUSINESS
5%	HARLEYSVILLE INSURANCE
5%	TITAN INSURANCE



FINANCIAL **SERVICES**

NATIONWIDE FINANCIAL
- **NATIONWIDE RETIREMENT SOLUTIONS — GROUP RETIREMENT PLANS**
- **INDIVIDUAL PRODUCTS AND SOLUTIONS — LIFE INSURANCE AND ANNUITIES**
- **NATIONWIDE BUSINESS SOLUTIONS GROUP — CORPORATE PROTECTION PRODUCTS**
- **NATIONWIDE INVESTMENT MANAGEMENT GROUP — MUTUAL FUNDS**
- **NATIONWIDE BANK**

CUSTOMER ASSETS MANAGED: $165.8 BILLION

Financial services customer assets were $165.8 billion in 2012, compared to $160.4 billion in 2011, an increase driven by strong business growth across all key financial services segments. This includes $45.0 billion managed by the Investment Management Group, the company's mutual funds division. Retirement plan assets totaled $80.4 billion, life and annuities assets totaled $68.1 billion, and corporate life product assets totaled $11.1 billion. Nationwide Bank continued its positive momentum, with customer deposits reaching $3.8 billion, up from $3.4 billion in 2011.

NET OPERATING INCOME: $606 MILLION

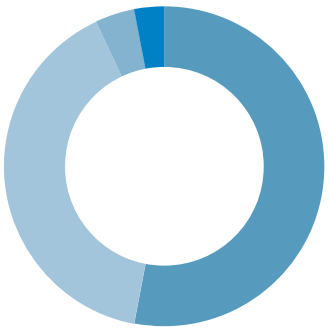
Net operating income for the financial services businesses was $606 million in 2012, down from $681 million in 2011. The modest decline is largely attributed to a net benefit related to customer acquisition costs and other one-time items that increased prior-year earnings. Excluding one-time items, net operating income was 7 percent above prior year, driven by increased asset fees and other policy charges, as business growth drove account values higher in 2012.

Total financial services sales were $18.2 billion in 2012, down 7 percent from 2011. This decline was anticipated, as Nationwide intentionally targeted lower variable annuity sales in 2012 and improved the risk profile of its variable annuity product in response to historically low interest rates. Excluding this product, the company saw broad growth of 14 percent across its other product lines, including fixed and immediate annuities, life insurance, retirement plans and mutual funds.

SALES

$18.2 BILLION

53%	RETIREMENT SOLUTIONS
40%	INDIVIDUAL PRODUCTS AND SOLUTIONS
4%	BUSINESS SOLUTIONS GROUP
3%	MUTUAL FUNDS





ON YOUR SIDE®
WHEN YOU NEED IT MOST.

All over the country, we serve diverse members who have many different needs. But whether they're looking for protection for their home, their retirement plans or even their St. Bernard, our broad spectrum of products can provide solutions at any stage of their life.

ON YOUR SIDE® FOR A LIFETIME.





HER FIRST APARTMENT

It may be small, but it's home, and it's full of the things she loves. We can't save her from noisy neighbors, but we can promise to protect her precious belongings.

RENTERS INSURANCE

THEIR GROWING FAMILY

She's a tiny, happy bundle of joy, and she depends on mom and dad to take care of her. They want to make sure she'll be taken care of even if they're not able to, so they depend on Nationwide.

LIFE INSURANCE
INVESTMENTS



HIS FIRST CAR

He'll never forget the feeling of the first time he put the key in the ignition. But before he even gets behind the wheel, Nationwide can give him the products and tools to make his ride even smoother.

AUTO INSURANCE
AUTO LOANS



THEIR FIRST HOUSE

With a little elbow grease and a lot of love, they'll turn four walls and a roof into the home they've always dreamed of. And from securing the loan to repairing a roof after a storm, Nationwide will be there for them every step of the way.

HOMEOWNERS INSURANCE
HOME EQUITY LOANS AND LINES OF CREDIT
MORTGAGE LOANS
PERSONAL LIABILITY COVERAGE
PERSONAL PROPERTY COVERAGE



THEIR FURRY FRIENDS

He's more than just a dog. He's a big, lovable, slobbery member of the family, and Nationwide can help him get the care he deserves.

PET INSURANCE



THEIR DREAM VACATION

They've planned this trip for years, and it's finally becoming a reality. But before they take off for the airport, they can take comfort in knowing that Nationwide can protect them throughout their entire journey.

TRAVEL INSURANCE



THEIR FAMILY LEGACY

Their farm has been passed down through generations, and harvesting the fields is a time-honored tradition. Another tradition? Trusting Nationwide to provide the protection and support they need to thrive.

COMMERCIAL AGRIBUSINESS INSURANCE
FARM AND RANCH INSURANCE
SURETY AND FIDELITY BONDS



THEIR RETIREMENT PLANS

Their retirement has been decades in the making. Now they can both spend more time together doing the things they love, and they can rest assured that Nationwide has helped them save for it.

ROTH IRAS
MUTUAL FUNDS
ANNUITIES
RETIREMENT PLANS: 401(k), 457 AND 403(b)



HER FIRST BUSINESS

She hired her first employee in May. She made her first sale two days later. But before she put the "Open" sign on the door, she put together a plan with the help of her trusted Nationwide agent.

BUSINESS INSURANCE
BUSINESS BANKING
COMMERCIAL INSURANCE
RETIREMENT PLANS



THEIR WEEKEND ESCAPE

After a long week at work, they love to head to the lake for a little fun in the sun. What could be better? Knowing that Nationwide can help them navigate the rough waters they may face along the way.

BOAT INSURANCE
PERSONAL WATERCRAFT INSURANCE
BOAT LOANS
MOTORCYCLE INSURANCE



THEIR CHILDREN'S FUTURE

They grow up so fast. Soon they'll be ready for college, and Nationwide can provide the financial support they'll need to get there.

ANNUITIES
MUTUAL FUNDS
CD ACCOUNTS
MONEY MARKET ACCOUNTS
SAVINGS ACCOUNTS

DISTRIBUTION

MAKING OUR PRODUCTS **MORE ACCESSIBLE THAN EVER.**

Nationwide's diverse portfolio is balanced among our exclusive agency business through Nationwide Insurance, our independent agency business through Allied Insurance and Harleysville Insurance, and our financial services businesses. Together, we provide a comprehensive approach to people across the country. And through our broad range of distribution channels, agents and producers can sell our products—and customers can buy them—in a way that works best for them.



WE OFFER PROPERTY AND CASUALTY INSURANCE IN

50 STATES

THROUGH

personal lines,
commercial

AND

specialty insurance

24/7

CLAIMS SERVICE

ONLINE & OVER THE PHONE

NATIONWIDE FINANCIAL

DISTRIBUTES ITS PRODUCTS

ACROSS —THE— COUNTRY

PROPERTY AND CASUALTY

Our property and casualty businesses protect the things that are most important to our members — and that's why it's especially important that they are able to access that protection when, where and how they want.

- Nationwide Insurance is offered by more than **3,200 exclusive Nationwide agents**.
- More than **5,200 independent agents** partner with Allied Insurance and Harleysville Insurance.
- Agents sell farm and ranch and commercial **agriculture** insurance products to customers and businesses across the country.
- Scottsdale Insurance's general agents and brokers sell **specialty product lines** via insurance professionals throughout the country.
- Nationwide Sales Solutions agents are available to help customers **24/7 over the phone or online.**
- **Nationwide.com** provides self-service options online for property and casualty products.
- **16 *On Your Side*® Centers** give members in-person assistance for all of their insurance needs.

FINANCIAL SERVICES

Our financial services help advisors and agents build their business by delivering meaningful strategies that help clients prepare for and live in retirement. With our consultative, team-based approach, we bring a full range of products and knowledge to advisors, firms and agents. And we can guide them through the resources, tools and solutions we offer. That helps them provide more value to their clients and ensures deeper, longer-lasting relationships with Nationwide.

- Nationwide Financial distributes its **products in all 50 states,** partnering with banks, brokerage firms, independent broker dealers, plan sponsors and agents.
- Nationwide Bank provides **online access to customers in all 50 states.**
- Nationwide is the country's **largest provider of retirement plans** to the public sector.

SPONSOR PARTNERS

In 1926, Nationwide was founded through the sponsorship of the Ohio Farm Bureau Federation. Today, we carry on that heritage through sponsor relationships with agricultural and cooperative organizations that have been approved by Nationwide's board of directors.

Our sponsor relationships represent more than **1 million families** through 11 organizations:

- California Farm Bureau Federation
- CHS Inc.
- Connecticut Farm Bureau Association
- Delaware Farm Bureau
- Maryland Farm Bureau
- New York Farm Bureau
- Ohio Farm Bureau Federation
- Pennsylvania Farm Bureau
- Southern States Cooperative, Inc.
- Vermont Farm Bureau
- West Virginia Farm Bureau

NATIONWIDE FINANCIAL PARTNERS

At Nationwide Financial, we work to build strong partnerships with the targeted advisors and firms we support, as well as other business partners. We've enjoyed **long-standing relationships** with national organizations like these:

- The National Association of Counties
- The International Association of Fire Fighters—Financial Corporation
- National Association of Police Organizations

AFFINITY

Our members are passionate about many different causes, organizations and activities. Through our affinity partnerships, we're able to **share their interests** and connect with them on an even deeper level. Through these mutually beneficial relationships, we're able to provide discounts, special offers and other valuable benefits to our members and affinity partners. As of this year, more than **5 million group members** have been introduced to our products and services through affinity partnerships in the following key group segments:

- Sports organizations
- University and alumni organizations
- Professional associations
- Financial institutions

SPONSORSHIPS

This same passion and shared interest is why Nationwide engages in sponsorships. We are proud to have partners who share the passion of our ***On Your Side***® **promise.** Some of our sponsorships include:

- The Memorial Tournament presented by Nationwide Insurance, which raised more than $1.3 million for Nationwide Children's Hospital in 2012
- The National Urban League, including serving as a sponsor of its annual national conference
- The National Society of Hispanic MBAs (NSHMBA)
- The Black Enterprise Entrepreneurs Conference, which is coming to Columbus, Ohio, in 2013
- The Central Intercollegiate Athletic Association basketball tournament in Charlotte, North Carolina
- The NASCAR Nationwide Series

REINFORCING OUR MISSION THROUGH **LONG-STANDING RELATIONSHIPS.**

At Nationwide, we're proud of the deep relationships that we've developed with our valuable business partners. They allow us to spread our mutual mission, gain new members and share our vision with organizations that hold similar values and outlooks.



Nationwide Children's
When your child needs a hospital, everything matters.℠

$50 MILLION

multi-year commitment to **Nationwide Children's Hospital**, which helped fund the 2.4-million-square-foot expansion in 2012

More than **$17 million pledged** to United Way by associates, agents and retirees, including matching funds from Nationwide Insurance Foundation

$25 MILLION

CONTRIBUTED TO NONPROFITS IN COMMUNITIES WHERE OUR MEMBERS AND ASSOCIATES LIVE AND WORK

$1.25 million to Feeding America to fight hunger

2.8 MILLION

MEALS DONATED BY ASSOCIATES TO FAMILIES IN NEED

$1.5 million

TO THE AMERICAN RED CROSS FOR DISASTER RELIEF

ASSOCIATES VOLUNTEERED FOR

1,600

NONPROFIT ORGANIZATIONS

115,000

VOLUNTEER HOURS through the *On Your Side*℠ Volunteer Network

300

NATIONWIDE ASSOCIATES currently serve on the boards of 380 nonprofit organizations

OUR ASSOCIATES DONATED NEARLY

16,000

UNITS OF BLOOD IN 2012

SINCE 2000, THE NATIONWIDE INSURANCE FOUNDATION HAS COMMITTED MORE THAN

$310 MILLION

TO 3,000 NONPROFIT ORGANIZATIONS

FINDING MORE WAYS TO SUPPORT WHAT'S **MOST IMPORTANT TO OUR MEMBERS.**

We take great pride in giving our members the solutions they need throughout their lives. But we're just as proud to give our time, money and support to the causes they care about and the communities where they live and work. In 2012, we found even more ways to give back.

THROUGH OUR VALUED LONG-TERM PARTNERSHIPS

- Our long-standing partnership with **Nationwide Children's Hospital** has spanned more than 60 years. In 2006, we made a multi-year commitment of $50 million, which helped fund the hospital's 2.4 million-square-foot expansion in 2012. The grant also provides program support for Child Safety and Injury Prevention and the Neonatal Intensive Care Unit and Heart Center, as well as funding five endowed chairs. In 2012, Nationwide used our sports sponsorships to raise nearly $3 million for the hospital.
- Our company created the first full-time, on-site corporate blood donor center for the **American Red Cross** in 1995—and in 2012, our associates donated 16,000 units of blood.
- Through a partnership with **Feeding America,** our associates raised 2.8 million meals for families in need, and the Nationwide Insurance Foundation contributed $1.25 million to fight hunger through Feeding America.
- Nationwide is a long-time supporter of **United Way,** and began matching associate donations dollar for dollar in the 1960s. Nationwide is one of only three companies to receive the United Way Spirit of America award twice. Our associate pledges and the Nationwide Insurance Foundation benefit approximately 800 local United Way agencies.

THROUGH PHILANTHROPY

- The Nationwide Insurance Foundation contributed **$25 million to nonprofit organizations** in the communities where our members and associates live and work, including matching **associate, agent and retiree donations** to the United Way.
- The Nationwide Insurance Foundation donated **$1.5 million** to the American Red Cross for disaster relief in 2012, including a $300,000 donation to aid families in the Northeast who needed help in the aftermath of Superstorm Sandy.

THROUGH ASSOCIATE SERVICE

- Our associates logged **115,000 volunteer hours** through the *On Your Side*® Volunteer Network.
- They volunteered for more than **1,600 nonprofit organizations** in their communities.
- Currently, **300 Nationwide associates and leaders** serve on the boards of **380 nonprofit organizations.**

THANKING THE PEOPLE **WHO MAKE IT ALL POSSIBLE.**

As a mutual, we put our members at the forefront of everything we do. But we couldn't do any of it without our associates, agents, executive leadership and board of directors. They come from many different backgrounds and possess many different strengths, but they all work together for a singular purpose: making life a little bit easier for our members, every single day.



BOARD **OF DIRECTORS**

LEWIS J. ALPHIN

JAMES B. BACHMANN

A. I. BELL

TIMOTHY J. CORCORAN

YVONNE M. CURL

KENNETH D. DAVIS

KEITH W. ECKEL

FRED C. FINNEY

DANIEL T. KELLEY

M. DIANE KOKEN

LYDIA M. MARSHALL

TERRY W. MCCLURE

BARRY J. NALEBUFF

BRENT R. PORTEUS

STEPHEN S. RASMUSSEN

JEFFREY W. ZELLERS

EXECUTIVE **LEADERSHIP**

W. KIM AUSTEN
President and Chief Operating Officer, Allied Group*

MARK A. BERVEN
Chief Strategy and Product Officer

PATRICIA R. HATLER
Chief Legal and Governance Officer

MATTHEW JAUCHIUS
Chief Marketing Officer

MICHAEL C. KELLER
Chief Information Officer

GALE V. KING
Chief Administrative Officer

MARK A. PIZZI
President and Chief Operating Officer, Nationwide Insurance

STEPHEN S. RASMUSSEN
Chief Executive Officer

MARK R. THRESHER
Chief Financial Officer

KIRT A. WALKER
President and Chief Operating Officer, Nationwide Financial

*Allied Group includes Allied Insurance, Harleysville Insurance, Nationwide Agribusiness, Scottsdale Insurance and Titan Insurance.

COMBINED **BALANCE SHEETS**

(IN MILLIONS)	DECEMBER 31 2012	2011 (AS ADJUSTED)
ASSETS		
INVESTMENTS:		
Fixed maturity securities, available-for-sale	$ 57,975	$ 51,286
Mortgage loans, net of allowance	7,734	7,445
Policy loans	987	1,008
Real estate, net of accumulated depreciation	1,133	1,335
Short-term investments	2,156	2,280
Other investments	5,441	4,849
TOTAL INVESTMENTS	**$ 75,426**	**$ 68,203**
Cash and cash equivalents	442	344
Accrued investment income	841	804
Premiums in course of collection, net of allowance	3,469	3,018
Deferred policy acquisition costs	4,324	4,417
Reinsurance recoverables, net of allowance	4,622	3,968
Goodwill	1,839	1,536
Other assets	6,515	7,052
Separate account assets	70,866	64,674
TOTAL ASSETS	**$ 168,344**	**$ 154,016**
LIABILITIES AND EQUITY		
LIABILITIES		
Property and casualty loss and loss expense reserves	$ 17,238	$ 14,574
Future policy benefits and claims	35,848	34,589
Unearned premiums	6,871	5,928
Short-term debt	763	648
Long-term debt	4,464	4,931
Customer bank deposits	3,739	3,290
Other liabilities	8,734	8,583
Separate account liabilities	70,866	64,674
TOTAL LIABILITIES	**$ 148,523**	**$ 137,217**
EQUITY		
POLICYHOLDERS' EQUITY		
Retained earnings	$ 16,501	$ 14,567
Accumulated other comprehensive income	2,778	1,658
TOTAL POLICYHOLDERS' EQUITY	**$ 19,279**	**$ 16,225**
Noncontrolling interests	542	574
TOTAL EQUITY	**$ 19,821**	**$ 16,799**
TOTAL LIABILITIES AND EQUITY	**$ 168,344**	**$ 154,016**

Results reflect the adoption of new accounting guidance, which modified the types of acquisition costs incurred by insurance entities that can be capitalized.

COMBINED **STATEMENTS OF OPERATIONS**

(IN MILLIONS)	YEAR ENDED DECEMBER 31 2012	2011 (AS ADJUSTED)
REVENUES		
Property and casualty insurance premiums	$ 15,522	$ 14,224
Policy charges	1,660	1,496
Life and accident and health insurance premiums	866	783
Net investment income	3,132	3,080
Net realized investment gains (losses)	541	(1,809)
Other-than-temporary impairment losses	(46)	(127)
Other revenues	975	989
TOTAL REVENUES	**$ 22,650**	**$ 18,636**
BENEFITS AND EXPENSES		
Incurred property and casualty losses and loss expense	$ 11,304	$ 10,942
Life and accident and health insurance benefits		
Interest credited to policyholder account values	1,035	1,039
Other benefits and claims	1,378	1,240
Amortization of deferred policy acquisition costs	3,091	2,345
Interest expense	340	346
Other expenses, net of deferrals	4,673	4,362
TOTAL BENEFITS AND EXPENSES	**$ 21,821**	**$ 20,274**
INCOME (LOSS) BEFORE FEDERAL INCOME TAXES AND NONCONTROLLING INTERESTS	**$ 829**	**$ (1,638)**
Federal income tax benefit	(23)	(894)
NET INCOME (LOSS)	**$ 852**	**$ (744)**
Less: Loss attributable to noncontrolling interests, net of tax	(88)	(67)
NET INCOME (LOSS) ATTRIBUTABLE TO NATIONWIDE	**$ 940**	**$ (677)**

Results reflect the adoption of new accounting guidance, which modified the types of acquisition costs incurred by insurance entities that can be capitalized.

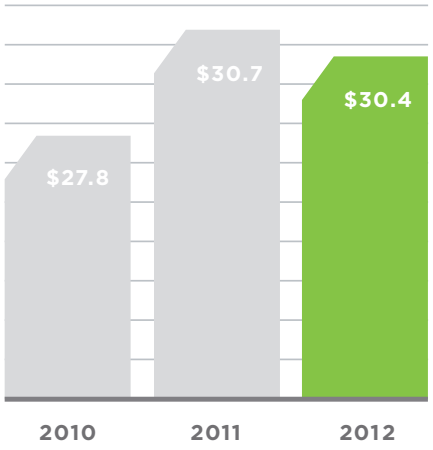
STATUTORY
FINANCIAL HIGHLIGHTS

Nationwide prepares financial statements using generally accepted accounting principles (GAAP), which are a common set of accounting principles, standards and procedures that companies across different industries use to compile their financial statements. This basis of accounting provides for consistency and comparability in reporting financial results across businesses in different industries.

As an insurance company, Nationwide also prepares financial statements following statutory accounting principles, which are a set of accounting rules for insurance companies set forth by the National Association of Insurance Commissioners. Statutory accounting principles are generally regarded as more conservative than GAAP. Statutory financial information is the basis for state regulation of insurance companies' solvency throughout the United States. Additionally, rating agencies use statutory financial information in their evaluation of an insurance company's financial strength.

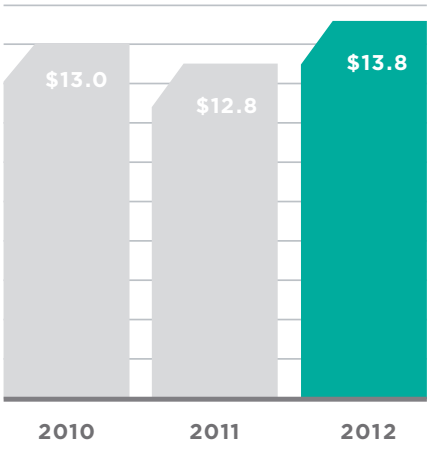
These charts highlight Nationwide's financial results under statutory accounting principles.

(IN BILLIONS)



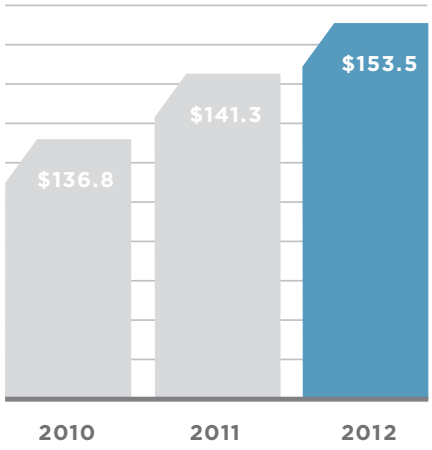
COMBINED STATUTORY REVENUE

Combined statutory revenue is a financial measure that is calculated primarily by combining the statutory revenues of Nationwide's property and casualty insurance and financial services subsidiaries.



STATUTORY SURPLUS

Statutory surplus is a financial measure of Nationwide's ability to meet future obligations that is calculated based on accounting practices prescribed or permitted by the department of insurance of the state of domicile. Each of the states in which Nationwide's insurance companies are domiciled has adopted the National Association of Insurance Commissioners statutory accounting principles as the basis of its statutory accounting practices.



COMBINED STATUTORY ASSETS

Combined statutory assets is a financial measure that is calculated primarily by combining the net admitted statutory assets of Nationwide's property and casualty insurance and financial services subsidiaries.

GLOSSARY

CORPORATE AND OTHER OPERATIONS
The Corporate business consists of real estate development operations, real estate and other investments, medical insurance for companion animals and run-off asbestos and environmental claims.

CUSTOMER FUNDS MANAGED AND ADMINISTERED
The value of assets that Nationwide manages on behalf of its customers.

FINANCIAL SERVICES
The financial services segment includes operating results from Nationwide Financial Services, Inc., which includes Nationwide Bank. The businesses within the financial services segment, through a diverse distribution network, develop and sell a wide range of products, including individual annuities, private- and public-sector group retirement plans, life insurance, investment advisory services, banking products and services, mutual funds and other investment products.

NET FLOWS
Customer deposits, net of withdrawals, affiliated with products offered by the financial services segment, which include retirement plans, individual annuities, life insurance products and bank deposits.

NET OPERATING INCOME
Nationwide analyzes operating performance using a non-GAAP financial measure called net operating income, which Nationwide believes enhances the understanding and comparability of its performance by highlighting its results from continuing operations and their underlying profitability drivers. Net operating income excludes the impact of realized gains (losses) on sales of investments and hedging instruments, certain hedged items, other-than-temporary impairments, discontinued operations and extraordinary items, all net of taxes.

NEW AND RENEWAL PREMIUMS AND DEPOSITS
A financial measure of the volume of new and renewal business generated by Nationwide in a period. New and renewal premiums and deposits (sales) are not derived from any specific GAAP income statement accounts or line items, and should not be viewed as a substitute for any financial measure determined in accordance with GAAP, including sales as it relates to non-insurance companies. Nationwide believes that the presentation of new and renewal premiums and deposits enhances the understanding of its business and helps depict longer-term trends that may not be apparent in the results of operations due to differences between the timing of sales and revenue recognition.

PROPERTY AND CASUALTY
The Property and Casualty business includes operating results from six operating brands: Nationwide Insurance, Allied Insurance, Harleysville Insurance, Titan Insurance, Nationwide Agribusiness and Scottsdale Insurance. The Property and Casualty business underwrites personal automobile, personal property and commercial insurance products and services, primarily through exclusive and independent agents, as well as excess and surplus insurance through general agents and brokers.

PROPERTY AND CASUALTY DIRECT WRITTEN PREMIUM
The total premiums received by the Property and Casualty business without any adjustments for the ceding or assumption of any portion of premiums with reinsurers.

Nationwide®
On Your Side

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