

STRONG, STABLE AND FINANCIALLY SOUND.

JUST WHAT YOU'D EXPECT FROM A COMPANY THAT'S *ON YOUR SIDE*[®]

3rd Quarter 2009

The Nationwide logo consists of a blue square with a white border, containing a white square. Below the square, the word "Nationwide" is written in white, sans-serif font, with a registered trademark symbol (®) to its upper right.

Nationwide[®] has been in business for over 80 years and our Midwestern roots and conservative heritage have helped us to successfully navigate through a number of market and economic disruptions. Despite ongoing market volatility, Nationwide remains a strong, stable and financially sound company that is well positioned to navigate the current downturn.

As a result of the current challenges, we know there is a lot of interest in assessing the strength of life insurance companies' balance sheets, risk-based capital ratios and investment portfolios. At Nationwide, we welcome that discussion because we know that the more scrutiny you put us under, the more confidence you can have in us. The market may waver, but our long-term commitment to you and to our policy holders will not.

YOU CAN CONTINUE TO HAVE CONFIDENCE IN NATIONWIDE. HERE'S WHY.

Nationwide is one of the largest providers of financial services in the United States. We're ranked No. 124 on the Fortune 500, based on 2008 revenue of \$20 billion¹. The wide range of our businesses and breadth of our distribution network help us to naturally diversify and mitigate risk. The businesses we're in — from annuities, life insurance and retirement plans to banking, mutual funds and property & casualty insurance — provide us with numerous sources of earnings and cash flows without being overly exposed to any single business or risk.

OUR CAPITAL ADEQUACY DEMONSTRATES OUR RESILIENCE.

The life insurance companies within Nationwide Financial Services, Inc. (NFS) are highly regulated and subject to strict capital requirements designed to help ensure that we are financially sound. A key measure of our strength and stability is our consolidated risk-based capital (or RBC) ratio², which is estimated to be over 400% as of September 30, 2009 and compares favorably to peers. This number means we are holding more than four times the amount of capital that insurance regulators deem necessary to meet our obligations to policy holders.

RISK MANAGEMENT IS ONE OF OUR CORE COMPETENCIES.

Managing risk is a key competency for our business, and it's something we've dedicated resources toward for many years. In fact, our risk management capabilities have been rated as "Strong" by third-party rating agency Standard & Poor's — a rating only 14% of insurance companies share with us.³

We also take pride in our in-house hedging program. Building this infrastructure was costly and, not surprisingly, some of our competitors have chosen to outsource these functions. For Nationwide, having this infrastructure internally allows us to finely tune our hedging strategies to specific policies and to respond nimbly in volatile market conditions. This infrastructure is a competitive advantage and an added protection for our policyholders.

¹ Fortune magazine, May 4, 2009.

² The consolidated risk-based capital ratio includes capital at the NFS holding company and all life company subsidiaries.

³ RatingsDirect report, "Nationwide Mutual Insurance Co. Intercompany Pool," Standard & Poor's, October 8, 2008.

QUALITY AND DIVERSITY: TWO FEATURES OF OUR GENERAL ACCOUNT INVESTMENT PORTFOLIO.

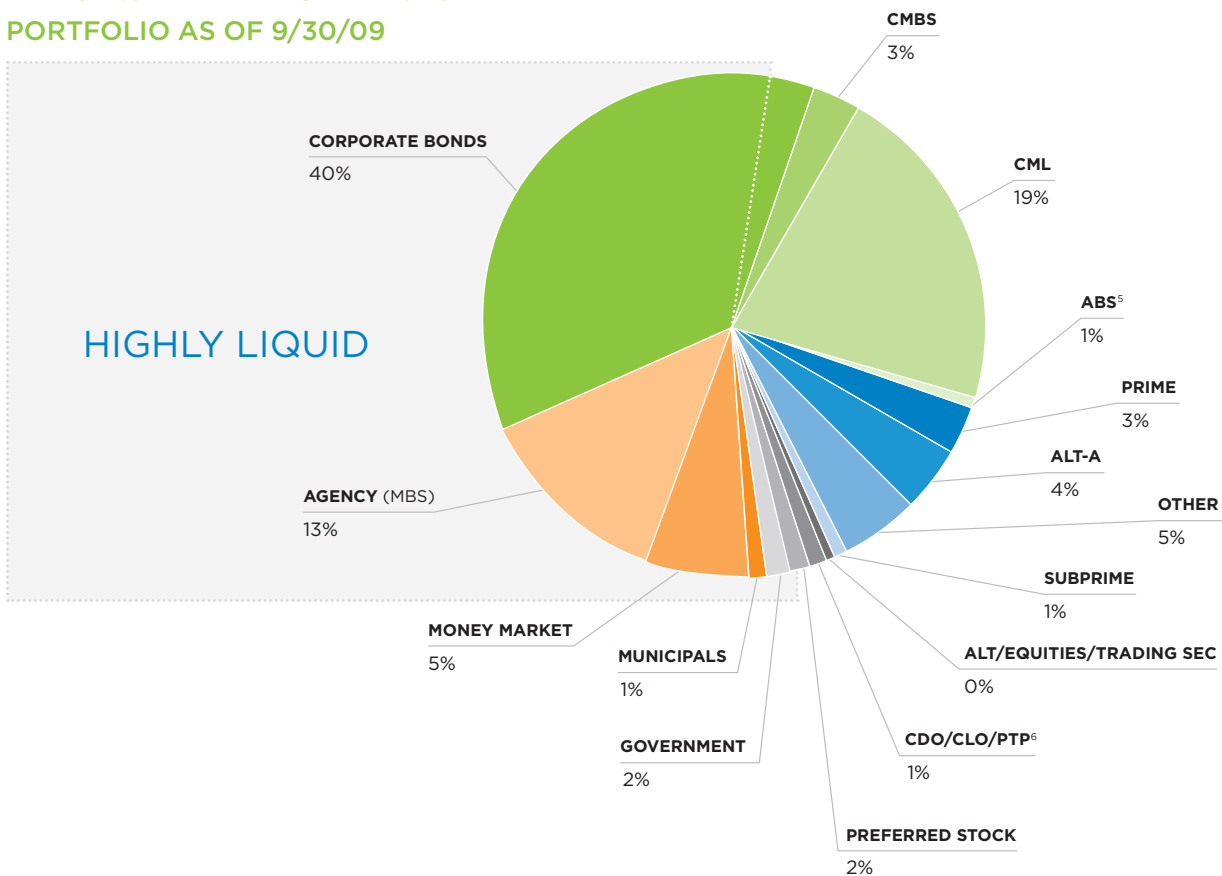
Because of our success and discipline over the years, we are fortunate to have a strong balance sheet and a long history of maintaining a quality investment portfolio, governed by a sound and disciplined investment policy.

NFS' investment portfolio consists of a broad array of quality investments in various types of securities that are spread across industries, geographies and markets. The goal of our investment strategy is to ensure that we have the capital and liquidity to fulfill our financial obligations and pay claims across all business lines, in both the short and long term.

To meet this goal, we employ a disciplined investment approach that focuses on ensuring that our investments are closely linked to the liabilities they support. Our product development group and investment group work as a team to develop investment strategies that meet our financial objectives and stay within our risk tolerance as well as identify specific investments that are believed to best support the guarantees we make on every insurance policy we issue.

As of September 30, 2009, the NFS' general account investment assets totaled \$38 billion⁴. The following chart summarizes the investment portfolio by asset category:

NATIONWIDE[®] FINANCIAL INVESTMENT PORTFOLIO AS OF 9/30/09



⁴ Nationwide Financial Statistical Supplement, 9/30/09.

⁵ ABS — Examples of collateral include credit cards and auto receivables.

⁶ CDO/CLO/PTP — Collateralized Debt and Loan Obligations, PTP — Pooled Trust Preferreds.

Fixed maturity securities (public and private bonds) comprise 71% of the portfolio and 90% of these securities are rated as investment grade ('Baa' rating or better). The following table summarizes the credit quality of the fixed maturity securities as determined by the National Association of Insurance Commissioners (NAIC) and the equivalent ratings by nationally recognized rating agencies:

NAIC DESIGNATION ⁷	RATING AGENCY EQUIVALENT DESIGNATION ⁸	% OF TOTAL
1	Aaa/Aa/A	64%
2	Baa	26%
3	Ba	4%
4	B	3%
5	Caa and lower	2%
6	In or near default	1%

⁷ NAIC Designations are assigned at least annually. Some designations for securities shown have been assigned to securities not yet assigned an NAIC Designation in a manner approximating equivalent public rating categories.

⁸ Comparisons between NAIC and Moody's designations are published by the NAIC. If no Moody's rating is available, the Company assigns internal ratings corresponding to public ratings.

WE CONTINUE TO MAINTAIN STRONG FINANCIAL STRENGTH RATINGS.

Nationwide® continues to enjoy strong ratings in the top quartile of all the major ratings agencies, as indicated below:

FINANCIAL STRENGTH RATINGS				
AGENCY	RATING	RANK	RECEIVED	AFFIRMED
A.M. Best	A+ "Superior"	2nd strongest of 16	10/17/02	1/27/09
Moody's	A1 "Good"	5th strongest of 21	3/10/09	7/29/09
Standard & Poor's	A+ "Strong"	5th strongest of 22	12/22/08	6/26/09

These ratings and rankings reflect rating agency assessment of the financial strength and claims-paying ability of Nationwide Life Insurance Company and Nationwide Life and Annuity Insurance Company. They are not intended to reflect the investment experience or financial strength of any variable account, which is subject to market risk. Because the dates are only updated when there's a change in the rating, the dates above reflect the most recent ratings we have received. They are subject to change at any time.

BUILDING AN EVEN STRONGER COMPANY

Of course, we don't know if the worst is behind us. But we do know that Nationwide has clearly demonstrated its ability to successfully navigate one of the worst financial and economic storms since the great depression, better than many others in the industry — and this was no accident. We've been in business for over 80 years and our Midwestern values and conservative heritage have created a culture of prudent risk management that has helped us successfully navigate through a number of market and economic disruptions. Now more than ever, Nationwide is On Your Side®.



Nationwide®
On Your Side

Nationwide Investment Services Corporation, member FINRA. In MI only: Nationwide Investment Svcs. Corporation. Home Office: One Nationwide Plaza, Columbus, OH 43215-2220.

Nationwide, Nationwide Financial, the Nationwide framemark, Nationwide Is On Your Side and On Your Side are service marks of Nationwide Mutual Insurance Company, Columbus, Ohio.

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