

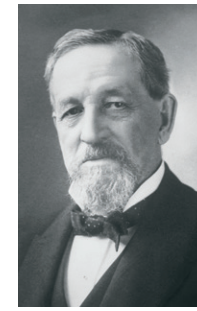
KEEPING OUR PROMISES

YESTERDAY, TODAY AND TOMORROW



FRONTIER UPSTART

PROVES ITSELF EARLY ON



"We know that it is not our fund we are handling, and that we are bound to the exercise of the highest degree of diligence in every investment we make of it ... in everything we do with it."

- President **Henry Palmer**, who guides Northwestern Mutual from 1874 to 1908 and codifies four principles - simple products, low expenses, high risk standards and cautious investments - which establish the company's character.

The year is 1857, and the state of Wisconsin is just nine years old. Here, an idea is born - for a life insurance company that will become known for safety, stability and performance and grow into one of the nation's largest and one of the world's most admired life insurance companies* in its field. Yet its early years are like many great enterprises: humble and, at times, uncertain.

This company - which would become Northwestern Mutual - is tested early. Just two years after its founding, a train accident near Johnson's Creek, Wisconsin, kills 14 people - two of whom hold Northwestern Mutual policies totaling \$3,500 in benefit payments. But the company has only \$2,000 on hand.

Instead of panicking, company President **Samuel Daggett** and his fellow trustees see an opportunity to benefit both the policyowners' families and their firm's reputation. Waiving the usual 90-day settlement period, **they borrow the needed funds personally and pay the claims immediately.** In so doing, they keep the company's promises, and issue a leaflet reminding the public about the "importance of timely life insurance."

FORTUNE MAGAZINE, February 2017

1857



Company opens in modest quarters above a dry goods store in Janesville, Wisconsin.



First life insurance policy is issued to founder **John Johnston**.



Company pays its first claims. Trustees move headquarters to Milwaukee.

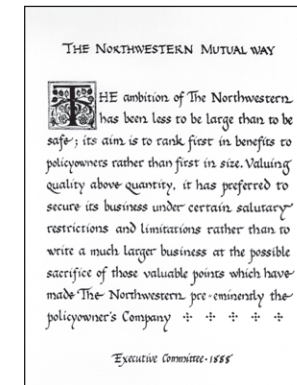


Company pays dividends to policyowners for the first time. It will pay dividends again three years later, and although future dividends are not guaranteed, Northwestern Mutual has paid a dividend every year since 1872.

1865



It's clear the firm has outgrown its original name, The Mutual Life Insurance Company of the State of Wisconsin, so the Board renames it "**The Northwestern Mutual Life Insurance Company**" - referring to the region defined by the Northwest Ordinance of 1787.



A **new credo** declares that Northwestern Mutual's ambition is "less to be large than to be safe ... to rank first in benefits to policyowners rather than first in size ... valuing quality above quantity."



Recognizing the value of the relationships between agents and policyowners, Northwestern Mutual announces it will sell insurance only through members of its **exclusive field force.**

\$18 million in assets!



EMERGING STRONG

THROUGH NATIONAL TURMOIL

During the early years of the 20th century, Northwestern Mutual finds its commitment to its promises repeatedly tested, but the company consistently proves itself worthy of its policyowners' trust.

Then, as the Great Depression forces millions out of work, Northwestern Mutual is one of the few companies to maintain its full work force. In fact, the payroll actually grows - from roughly 1,000 people in 1929 to more than 1,600 in 1939.

One reason is the need to keep up with an escalating demand for policy loans. After the federal government declares a "bank holiday" to keep panic-stricken depositors from emptying their accounts, insurance policies are one of the few sources of cash, and **policyowners turn to the unfailingly strong Northwestern Mutual for a financial lifeline.**

The field force also grows as the unemployed turn to new professions to survive. The

company increasingly focuses on recruitment and training, as Northwestern Mutual agents continue to lead the "selling to needs" movement begun in the 1920s.

As the United States overcomes the economic collapse and goes on to win its second global armed conflict within three decades, Northwestern Mutual not only survives, but leaves the period with its principles and prosperity intact.



"There never was a time in all these trying months that Northwestern Mutual could not have met every demand that was made upon it with business promptness, in full, and without the sacrifice of a dollar of its securities."

- President **Michael Cleary**, who leads Northwestern Mutual from 1932 to 1947, one of the most tumultuous periods in American history, commenting on the company's strength during the darkest days of the Depression.



When 13 policyowners perish in the **tragedy of the R.M.S. Titanic**, Northwestern Mutual pays more in benefits than any other life insurance company.



"**The War to End All Wars**" sees 537 company agents and employees serving in the armed forces and costs 759 Northwestern Mutual policyowners their lives (with survivors receiving \$1.2 million in benefits).



By the end of the **Spanish Influenza epidemic**, Northwestern Mutual has lost 2,161 policyowners and paid benefits totaling \$6.9 million.



Having convened annually since 1877, the company's field force suspends its meetings for the first time due to **World War II**, during which more than 600 company agents and employees serve in the armed forces.



When the company's agents convene once again for an Annual Meeting in 1946, it is with the goal of "**Saluting the Past - Planning the Future.**"

\$1.7 billion in life insurance in force.²



EMBRACING THE FUTURE

WHILE REMAINING TRUE TO OUR IDEALS

As the post-war period brings newfound affluence to the nation, and rapid growth and diversification become industry norms, Northwestern Mutual holds fast to its founding principles.

Even as the company transforms itself in the 1970s and 1980s – launching a new product line, making corporate planning and development a priority, and driving for productivity and efficiency as well as growth – it stresses quality and mutuality as its abiding goals.

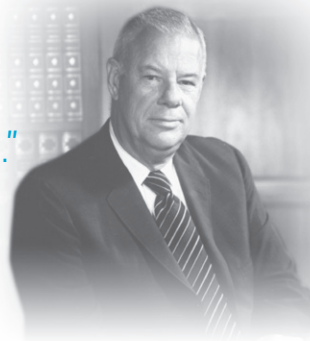
Such values are especially evident when Northwestern Mutual introduces a new series of life insurance policies offering more options and flexibility for their owners. **The company could choose the more common path: aggressively pursuing new clients by offering new features only to them. But that's not the Northwestern Mutual way.** Instead the company introduces "Get More Out of Life," also known as Update '80. This industry-first gives policyowners the opportunity to amend their older policies to

receive the benefits of a new life insurance series. In a time of rampant inflation, it provides more than \$3 billion of additional protection to policyowners at no additional expense.

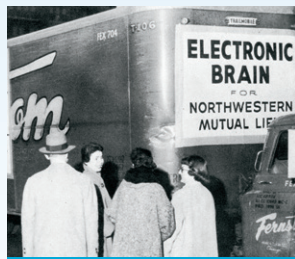
While costly and time-consuming, the program is a basic application of a venerable Northwestern Mutual tradition: treating all policyowners fairly. The company continues this tradition by extending new product enhancements retroactively to existing policyowners whenever possible.

"We adapt to changing conditions by careful planning and by decisions that do not compromise our basic foundations."

– Francis Ferguson, who brings an entrepreneurial spirit to Northwestern Mutual in his years at the helm from 1967 to 1980.



1957



The company becomes the first U.S. business to own a large-scale IBM when its new "electronic brain" arrives – requiring a semitrailer for its transport.

1966



Northwestern Mutual begins its **College Agent Program** to offer business experience and career opportunities to students.



1969

The company introduces a **disability income insurance** product that pays benefits for job loss due to injury or illness.



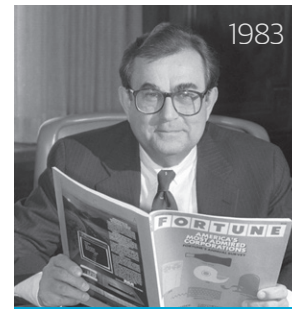
Northwestern Mutual begins **television advertising** during the Munich Olympic Games with its "Quiet Company" campaign and starts publishing Creative Living magazine for policyowners.

1976



The Life Information Network begins providing field offices with remote access to **company computers**. Northwestern Mutual will introduce employees to "do-it-yourself" computing in 1982.

1983

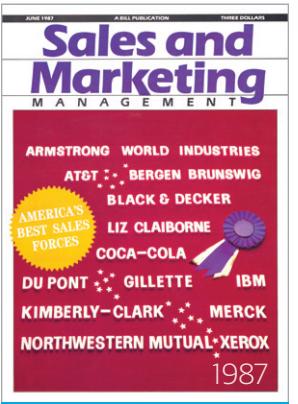


FORTUNE® names Northwestern Mutual "**America's Most Admired**" in the life/health insurance industry category for the first time. It's a position the company will maintain for 25 years until FORTUNE® retires the survey.

1986



Northwestern Mutual pays more than **\$1 billion in dividends** to policyowners for the first time.



Sales & Marketing Management rates company agents **first in the country** in a new "Best Sales Force Survey."

.....
\$76 million in policyowner dividends.³

Northwestern Mutual to honor all attack claims

Insurer won't cite 'acts of war' exclusion

By LEE BERQUIST of the Journal Sentinel staff
Northwestern Mutual Life Insurance Co. said Friday it will honor all life and disability policies from Tuesday's terrorist attacks and will not invoke a so-called war exclusion that could lead to rejecting such claims.

NML's announcement follows comments made by Chubb Corp. earlier this week in which the big property-casualty insurer said it might not pay claims if it is determined that the attacks are acts of war.

Insurers in some cases can limit payments through such an exclusion, although Milwaukee-based NML on Friday stressed it would not.

"We have decided that we will consider the events of Sept. 11 to be 'acts of terrorism,' not 'acts of war,' declared or undeclared," said Peter Bruce, NML senior executive vice president.

DOING THE RIGHT THING,

ALWAYS

Northwestern Mutual Life paid \$125 million in Sept. 11 claims

Insurer reports 2001 revenue of \$15.3 billion, unchanged from 2000

By PAUL GORES of the Journal Sentinel staff
Northwestern Mutual Life Insurance Co. said Monday that it paid about \$125 million in death benefits on Sept. 11, the business toll of the terrorist attacks.

That figure, part of the Milwaukee-based life insurer's first annual financial statement, was initially reported in the Journal Sentinel.

Northwestern Mutual reported total revenue of \$15.3 billion last year, virtually the same as in 2000. But the company said that figure was skewed in part by accounting changes that regulators required insurers to put in place last year. Without the accounting change, total revenue was \$15.1 billion in 2001, the company said.

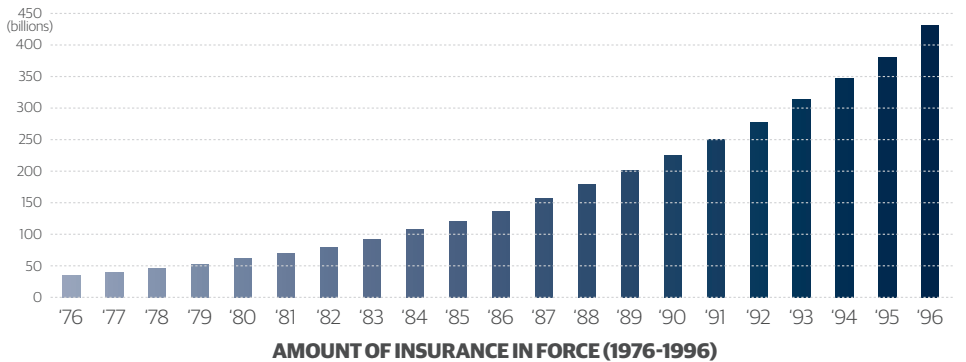
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The market downturn was a drag on the sales of mutual funds and other securities, which, but for investment losses, were about \$500 million higher than last year. The investment losses were about \$500 million higher than last year. The investment losses were about \$500 million higher than last year.



1995

When the **FORTUNE 500**® listing begins including financial services companies, Northwestern Mutual ranks 114, with \$9.58 billion in revenues.



New premium sales pass the \$1 billion mark for the first time, and a 34 percent increase in life insurance face amount helps the company solidify its **No. 1 ranking** as the largest direct provider of ordinary life insurance in the United States.

1996

As the marketplace evolves in the latter years of the 20th century, policyowners bring to Northwestern Mutual more diverse financial security needs. While upholding its focus on world-class insurance, the company answers with select investment products and other solutions; and emphasizes a comprehensive and dynamic planning approach.

And then 9/11 strikes, reinforcing the reason Northwestern Mutual exists.

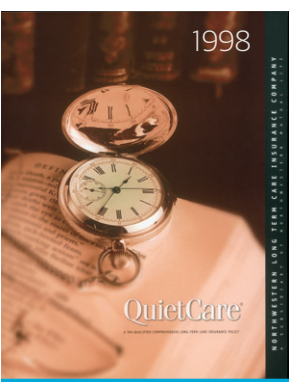
In the tragic events of September 11, 2001, in New York, Pennsylvania and the Washington, D.C., area, 157 Northwestern Mutual policyowners lose their lives. **The company follows through on its promises and pays death benefits of about \$125 million.** What's more, 90 percent of the claims are settled without a death certificate and are paid in an average of five days each, with much of the process in motion well before the actual claims are made.

"Our actions told the world, 'This is why we're in business — to help our policyowners and their families when they need us.' We can all be proud of our values. We promised to do the right thing — and we did."



- Ed Zore, who leads the company from 2000 to 2009, including the difficult days following the terrorist attacks of September 11, 2001.

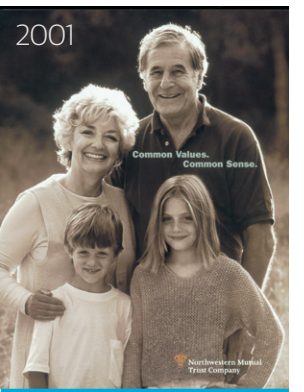
2000



Company subsidiary Northwestern Long Term Care Insurance Company begins offering **QuietCare**® long-term care insurance.



Northwestern Mutual **ranks first** in the American Customer Satisfaction Index. To reflect the full range of products and services offered, the company launches the Northwestern Mutual Financial Network and modifies its corporate identity from Northwestern Mutual Life to Northwestern Mutual.



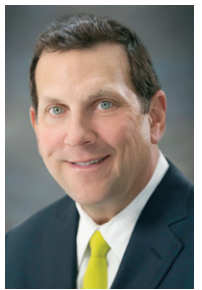
Company subsidiary **Northwestern Mutual Trust Company** (later Northwestern Mutual Wealth Management Company) opens.

.....
\$633 billion of life insurance in force.⁴



FULFILLING THE PROMISE

THROUGH COMPREHENSIVE FINANCIAL PLANNING



"We're more interested in building lifelong relationships with clients than in making short-term sales. Our financial advisors work hard to get to know you and your financial goals. Only then can they create personalized plans to address your goals and determine the best products to meet your needs."

- John Schlifske, who begins his company presidency in 2009, and becomes Chairman and CEO in 2010, after serving as a key figure in the evolution of the company's financial security strategy - focusing on solving clients' needs with integrated solutions.

As Americans emerge from the effects of the "Great Recession," many seek the peace of mind that comes with addressing the fundamentals of financial security - and **Northwestern Mutual delivers with its comprehensive planning approach.** The enduring power of the company's business model continues to earn the highest financial strength ratings* awarded to any life insurer by all four of the major credit rating agencies. And it evolves to meet the needs of a highly competitive financial services marketplace, addressing the preferences of changing demographics, and adapting to rapid technological change.

Clients like **Blanca Palomo** continue to put their trust in that strength. With a financial plan that involves living within her means and meeting aggressive savings goals, Blanca has been able to pursue her passions and embark on extraordinary adventures with her daughter **Sol**. One adventure included a trip to Cuba during which the two stayed in a village with their relatives and no hot water. "We were humbled by how everyone lived," Blanca says. "It inspired me to make even better financial choices and live less extravagantly - but more richly."

their rich heritage (Blanca is Mexican-Cuban-American, and Sol's father is African-American), Blanca took a year off work to make an award-winning film, *Children of Color*. During that time, she continued funding education and retirement accounts. Now that she has gone back to her regular career, she has stepped up her budgeting and savings efforts. "Financial security is empowerment," she explains. "It's thinking about more than just 'the now,' yet having the freedom to live the lifestyle you choose ... It requires discipline and sacrifice, but those are your choices - and they have great power."

After returning, to help her daughter and others understand



For the second year in a row, Northwestern Mutual is named as one of the **"50 Best Companies to Sell For"** by Selling Power magazine.



During the year it celebrates its 150th anniversary, Northwestern Mutual becomes the first direct provider of life insurance to reach **\$1 trillion** of individual life insurance in force.

\$157 billion in assets.⁵



For the fifteenth consecutive year, Northwestern Mutual's financial representative internship program is one of the country's **top 10**, according to the 2011 Vault Guide to Internships within the financial services industry.



As part of its **first-ever signature philanthropic program**, Northwestern Mutual teams up with Alex's Lemonade Stand to fund efforts to find a cure for pediatric cancer and support families fighting the disease.



Northwestern Mutual breaks ground on its **new Tower and Commons**, scheduled to open in late 2017.



Building on its successful relationship with the NCAA®, Northwestern Mutual becomes the **presenting sponsor of the Rose Bowl Game®**.



Acquired LearnVest™ to elevate Northwestern Mutual's client experience capabilities and deliver comprehensive planning through an experience that blends human advice and rich digital solutions.

*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. Northwestern Mutual's ratings: A.M. Best Company A++ (highest), April 2017; Fitch Ratings AAA (highest), July 2017; Moody's Investors Service Aaa (highest), July 2017; S&P Global Ratings AA+ (second highest), June 2017. Ratings are subject to change.

The ambition of the Northwestern has been less to be large than to be safe; its aim is to rank first in benefits to policyowners rather than first in size. Valuing quality above quantity, it has preferred to secure its business under certain salutary restrictions and limitations rather than to write a much larger business at the possible sacrifice of those valuable points which have made the Northwestern pre-eminently the policyowner's Company.

EXECUTIVE COMMITTEE - 1888

¹ Figures as of December 31, 1879, unless otherwise noted.

² Figures as of December 31, 1918, unless otherwise noted.

³ Figures as of December 31, 1957, unless otherwise noted. The dividend scale and the underlying interest rates are reviewed annually and are subject to change. Future dividends are not guaranteed.

⁴ Figures as of December 31, 2000, unless otherwise noted.

⁵ Figures as of December 31, 2007, unless otherwise noted.

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. Northwestern Long Term Care Insurance Company (NLTC), Milwaukee, WI, (long-term care insurance) subsidiary of NM.

Northwestern Mutual Investment Services, LLC, (securities) subsidiary of NM, broker-dealer, registered investment adviser, member FINRA and SIPC. Northwestern Mutual Wealth Management Company® (NMWMC), Milwaukee, WI, (fiduciary and fee-based financial planning services) subsidiary of NM and federal savings bank.