

## Nationwide Financial posts large 3Q loss

by Business-First-of-Columbu

Drubbed by turmoil in the nation's financial markets, Nationwide Financial Services Inc. logged a nearly \$350 million third-quarter loss on a steep drop in revenue.

The Columbus-based company said after the markets closed Wednesday that it lost \$346.4 million, or \$2.51 a share, in the quarter, versus profit of \$147 million, or \$1.03 a share, in the same period last year. That includes non-operating investment losses totaling \$315.4 million.

Similar losses a year ago, the company said, totaled \$8.4 million.

"We, along with others in the industry, experienced large losses in our investment portfolio during the third quarter due to the unprecedented market conditions caused by the disruptions in the financial system," CEO Jerry Jurgensen said in a release. "While these losses had a significant impact on our quarterly profitability, given the environment, we do not see these results as surprising or as negatively impacting our long-term financial stability."

Nationwide's third-quarter revenue was off 57 percent at \$484.6 million, versus \$1.13 billion a year ago.

The heavy third-quarter loss pushed the company into the red for the first nine months. Nationwide through September lost \$216.5 million, or \$1.57 a share, versus profit of \$552.6 million, or \$3.82 a share, in the same period last year.

Year-to-date revenue is down 28 percent at \$2.48 billion, versus \$3.46 billion last year.

The company said it isn't providing future projections as it moves closer to a deal to have its remaining stock acquired by privately held parent Nationwide Mutual Insurance Co. The company, which has two-thirds equity ownership in Nationwide Financial, is set to close the \$2.4 billion deal late this year or early in 2009.

Nationwide Financial sells annuities and private- and public-sector retirement plans as well as banking products through Nationwide Bank and mutual funds through Nationwide Funds Group. The company in 2007 earned \$626.8 million on \$4.53 billion in revenue.

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