



## Financial and Investment Strength Profile

Now, more than ever, consumers have every right to demand the best from financial services companies. Any organization entrusted with the financial goals and dreams of its customers should exhibit consistently good financial performance and integrity of operations. Founded in 1909, Ohio National has met that challenge – and the high expectations of its customers and distribution professionals – throughout its first 100 years.

### Key Facts

- **High financial strength ratings.** The three major independent analysts of the life insurance industry each have assigned, and recently reaffirmed, a high rating to Ohio National<sup>1</sup> for financial strength and claims-paying ability. In fact, our ratings haven't changed since 1991. The ratings are summarized below.

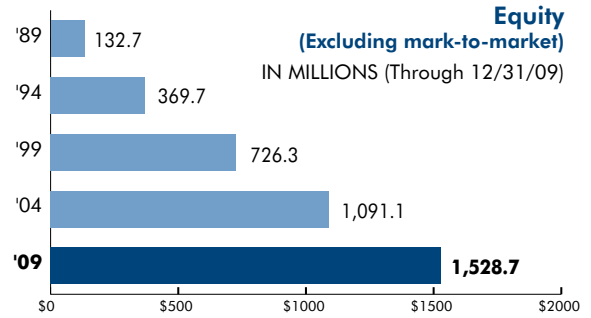
A. M. Best "A+" (Superior)	Based on balance sheet strength, operating performance and business profile; second-highest rating of 16 categories. <b>Reaffirmed June 2009</b>
Moody's "A1"	Financial strength rating is fifth-highest on a 21-part scale. <b>Reaffirmed July 2009</b>
Standard & Poor's "AA" (Very Strong)	Rating based on financial security characteristics; third-highest on a 21-part scale. <b>Reaffirmed April 2010</b>

- **Strong balance sheet.** Total revenue (on a statutory basis) and total assets under management grew by healthy margins in 2009. Revenue increased 10.1 percent, from \$3.8 billion to \$4.2 billion. Assets under management climbed from \$21.6 billion to \$26.5 billion, a 22.9 percent jump. And statutory surplus ended the year at \$816.7 million, 7.9 percent ahead of the 2008 year-end figure of \$757.2 million.
- **Strong capitalization.** Total equity, an important measure of a company's financial strength, stood at \$1.5 billion, almost 20 percent ahead of the previous year (\$1.3 billion).
- **Conservative investment and risk management.** Ohio National's investment portfolio is characterized by conservative holdings (primarily investment-grade bonds and high-quality commercial mortgage loans) and prudent management principles. Of the company's \$8.5 billion in general account assets at year-end 2009, nearly 72 percent was invested in bonds. (See General Account Invested Assets chart on reverse side.) Our commercial mortgage portfolio (15 percent of general account assets) is highly diversified, with locations in 43 states and across a wide variety of property types. Only four-tenths of 1 percent of the mortgage portfolio was delinquent at the end of 2009.

The company has very limited investments in publicly-traded common stocks.

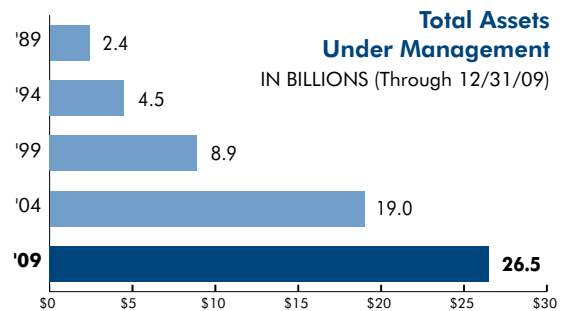
Ohio National views risk management from an overall enterprise perspective, encompassing insurance underwriting and product pricing as well as careful investment selection.

### A History of Growth



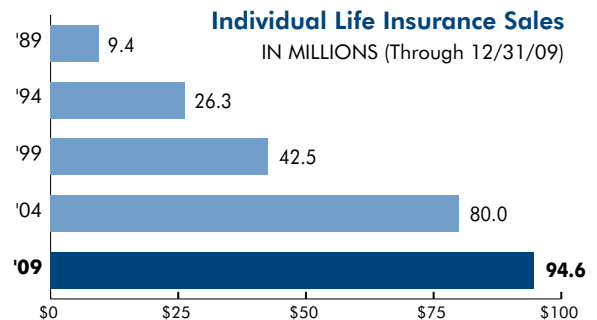
This provides protection for policy benefit payments even if Ohio National experiences an unexpected level of claims or adverse fluctuations in investment results or in other product pricing assumptions.

Excluding mark-to-market shows the effect of our bonds designated as available-for-sale at amortized cost. Prior to 1994, equity (management surplus) included statutory surplus as well as the asset valuation reserve and interest maintenance reserve.



Ohio National and our affiliated companies manage assets to help meet the insurance and financial objectives of our policyholders.

Amounts prior to 1994 are on a statutory accounting basis.



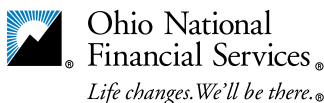
Individual life sales are measured as first-year premiums on newly purchased policies scheduled to be paid by policyholders, reported as annualized premiums, according to LIMRA International industry standards.

- **Mutual company heritage.** As a mutual insurance holding company, Ohio National has no stockholders and is not publicly traded. Our owners are our policyholders. This frees our senior management team to pursue long-term strategic objectives, for the benefit of policyholders and other customers, rather than chase short-term gains under pressure from quarterly stock market expectations.
- **Tradition of industry-leading products.** Ohio National's core product lines, life insurance and individual annuities, perennially rank high in comparison with competitors' offerings. This is one reason our sales have enjoyed steady increases even as the life insurance industry as a whole has experienced flat or declining sales.

## Highlights of 2009

- **Management operating earnings** for 2009 were \$135.0 million, 20.5 percent ahead of the goal for the year. Earnings were planned to be lower than in 2008 because of defensive moves the company made, starting in mid-2008, to preserve capital and enhance liquidity during the late-2008 market upheaval. The reaffirmation of our ratings in 2009 effectively validated our risk management strategy during a difficult period in the economy and financial markets.
- **Individual life sales** grew for the 20th consecutive year, a record unparalleled in the life insurance industry. The \$94.6 million in new life premium set a record for the company. Individual variable annuity sales increased a remarkable 33.9 percent in 2009, with a record-breaking \$2.4 billion of new sales.
- **The company's dividend payout** to policyholders with participating policies was \$38.3 million in 2009, the 86th consecutive year Ohio National has paid dividends.

For more information, please refer to  
[www.ohionational.com](http://www.ohionational.com)>About Ohio National>  
 Financials and Ratings>Financial News

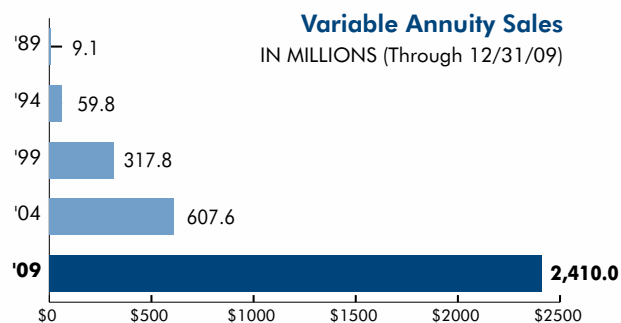


Ohio National Mutual Holdings, Inc.  
 Ohio National Financial Services, Inc.  
 The Ohio National Life Insurance Company  
 Ohio National Life Assurance Corporation  
 National Security Life and Annuity Company  
 The O.N. Equity Sales Company  
 Ohio National Equities, Inc.  
 Fiduciary Capital Management, Inc.  
 Ohio National Seguros de Vida, S.A.  
 Suffolk Capital Management, LLC

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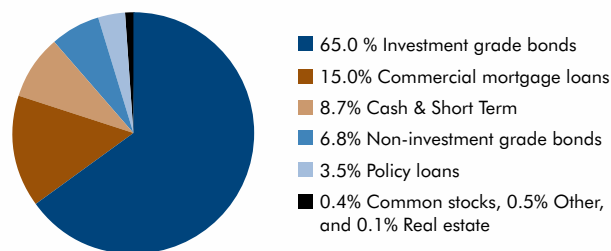
NOT A DEPOSIT	NOT FDIC INSURED
NOT GUARANTEED BY ANY BANK	MAY LOSE VALUE
NOT INSURED BY ANY GOVERNMENT AGENCY	



Ohio National's variable annuity sales include premiums/purchase payments.

## General Account Invested Assets Through 12/31/09

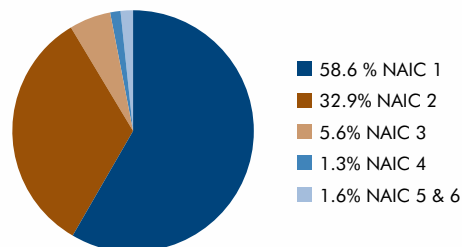
Total \$8.5 billion for The Ohio National Life Insurance Company and Ohio National Life Assurance Corporation combined.



## Investment Portfolio Bond Quality

The quality of our investment portfolio is important to our strength and stability.

At year-end 2009, 91.5 percent of the bonds and notes held by Ohio National were in the top grades (1 and 2) as rated by the National Association of Insurance Commissioners (NAIC).



<sup>1</sup>All three financial strength ratings apply to The Ohio National Life Insurance Company and Ohio National Life Assurance Corporation.

Product, product features and rider availability vary by state.

Issuers not licensed to conduct business and products not distributed in Alaska, Hawaii or New York.

Insurance and annuity products issued by The Ohio National Life Insurance Company and Ohio National Life Assurance Corporation. Registered products distributed by Ohio National Equities, Inc., Member FINRA, One Financial Way, Cincinnati, OH 45242, 513.794.6100, www.ohionational.com.

Guarantees are based upon the claims-paying ability of The Ohio National Life Insurance Company and Ohio National Life Assurance Corporation. Guarantees do not apply to the investment performance or account value of the underlying variable portfolios.

Note: All graphs in this report show Ohio National's consolidated financial results.

Ohio National has received high marks for financial strength and claims-paying ability from major rating agencies; however, such ratings do not refer to the performance of our variable accounts nor imply approval of our variable contracts or their portfolios.