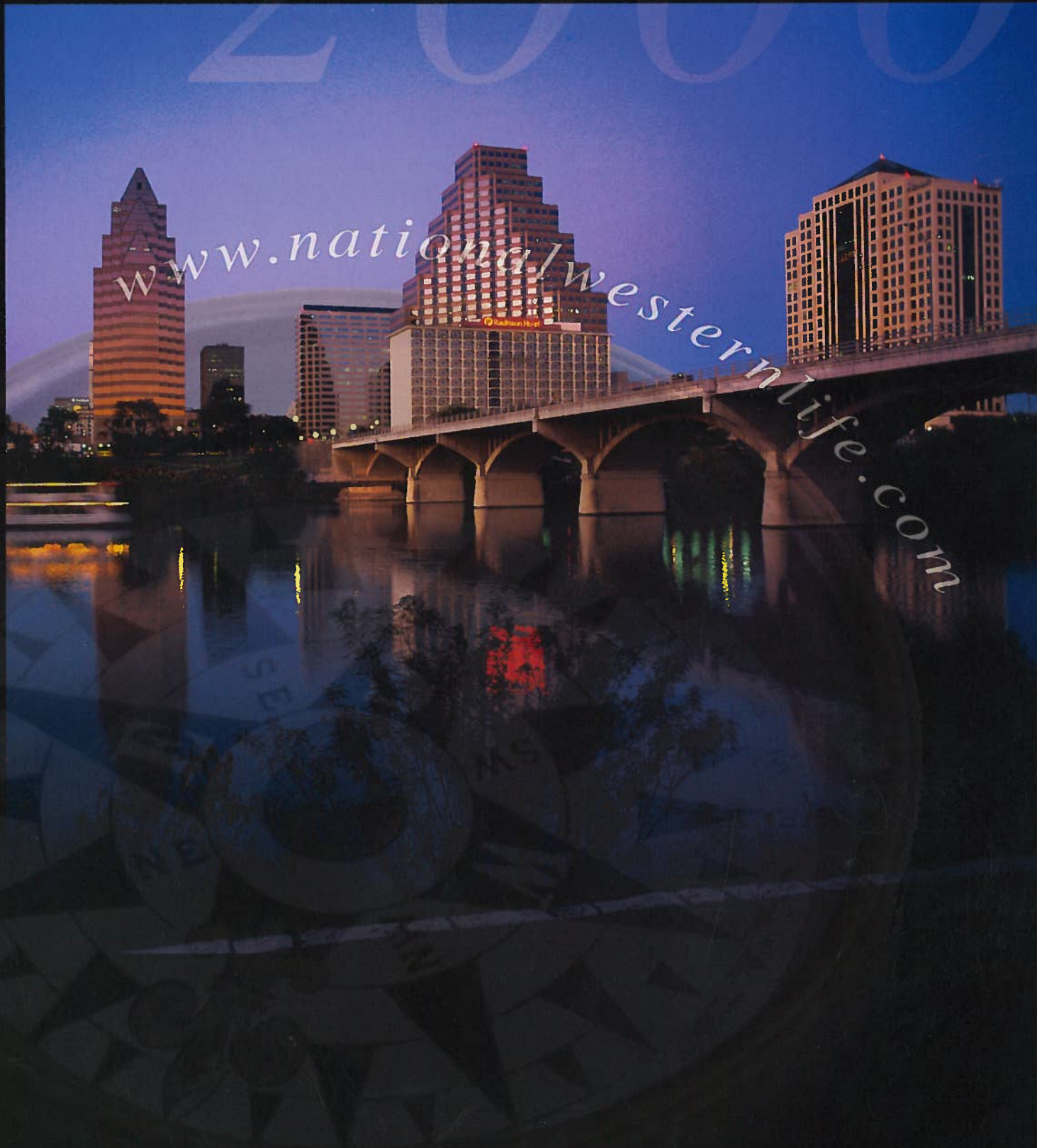


2000 Annual Report



National Western Life Insurance Company
Austin, Texas

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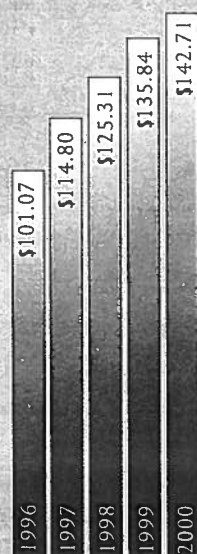
- 1 Form 10-K, including audited financial statements and Independent Auditors' Report.

Financial Highlights

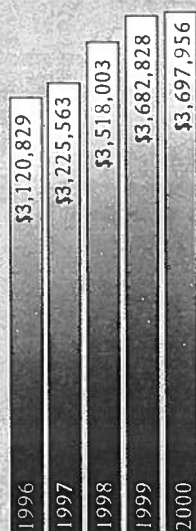
(In thousands except per share data)

	2000	1999	1998	1997	1996
Income Statement					
Insurance revenues	\$ 344,225	336,283	323,173	313,844	309,597
Index options	(32,268)	10,719	8,057	18	—
Realized gains (losses) on investments	(19,242)	4,481	2,384	(1,588)	1,612
Total revenues	292,715	351,483	333,614	312,274	311,209
Earnings from continuing operations	28,540	59,225	49,018	42,572	46,215
Losses from discontinued operations	—	—	(14,125)	(1,000)	—
Net earnings	28,540	59,225	34,893	41,572	46,215
Balance Sheet					
Total assets	\$ 3,697,956	3,682,828	3,180,003	3,225,563	3,120,829
Total liabilities	3,197,850	3,207,306	3,079,638	2,824,700	2,767,969
Total stockholders' equity	500,106	475,522	438,365	400,863	352,860
Diluted Earnings Per Share					
Earnings from continuing operations:					
Continuing operations	\$ 11.66	15.96	13.43	12.38	12.87
Net realized gains (losses) on investments	(3.55)	0.82	0.44	(0.29)	0.30
Earnings from continuing operations	8.11	16.78	13.87	12.09	13.17
Losses from discontinued operations	—	—	(4.00)	(0.28)	—
Net earnings	8.11	16.78	9.87	11.81	13.17
Stock Values Per Share					
Book value	\$ 142.71	135.84	125.31	114.80	101.07
Market price of Class A common stock	103.06	68.63	117.50	101.50	87.00

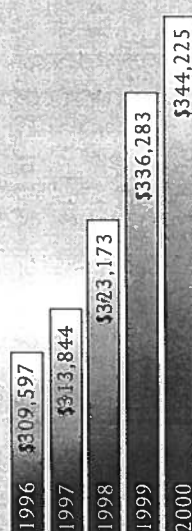
Book Value Per Share



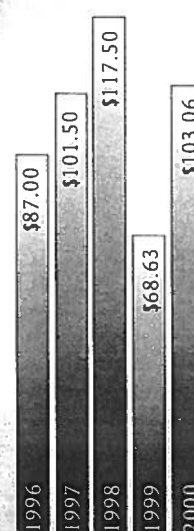
Total Assets



Insurance Revenues



Market Price of Class A Common Stock



To Our Stockholders

"Once again we look forward to a new year with a continued drive to create a stronger, more valuable Company, as we bridge challenging economic times by providing quality products and services to our customers."

The year 2000 began with much excitement at the beginning of a new millennium, supported by a strong economy and soaring stock market conditions. Unfortunately, these favorable conditions disappeared steadily throughout the year along with a severe deterioration of the stock market. These events affected both businesses and individuals as concerns of recession, layoffs, and bankruptcies emerged. Like most other industries and companies, National Western was affected by the turn in economic and market conditions. However, unlike many others, National Western still had a very successful year with significant stock price appreciation and, although lower, continued strong earnings and premium production, particularly given the economic environment during 2000. Also, the Company once again improved its already strong capital position. Producing positive results for our stockholders and policyholders during a tough economic environment is a testament to the team approach and effort at National Western among our management, employees, and agents.

Operating Results

For the year ended December 31, 2000, the Company recorded net earnings of \$28,540,000 compared to net earnings of \$59,225,000 and \$34,893,000 for 1999 and 1998, respectively. Consolidated net earnings for 2000 were significantly lower than 1999 and 1998 due to realized investment losses and the Company's equity-indexed annuity business, largely related to the poor economic and stock market conditions during 2000. The Company recorded realized losses on investments, net of taxes, totaling \$12,508,000 for the year ended December 31, 2000. Of the total realized investment losses, \$9,536,000 of the losses were due to other than temporary impairment

writedowns for debt securities. The majority of the remaining losses were from sales of investments in debt securities. The losses on the sales were realized primarily for tax planning purposes.

The decline in the Company's 2000 net earnings was also a result of deteriorating stock market conditions during the year, which impacted the Company's equity-indexed annuity business. Because of the declines in the S&P 500 Index® during 2000, the Company recorded significant decreases in investment income resulting from realized and unrealized losses on index options, which are used to hedge the equity return component of equity-indexed annuities. The S&P 500 Index® decline also resulted in lower interest credited to equity-indexed annuity contracts. However, primarily because of policy liabilities related to minimum guaranteed interest rates, the reduction in annuity contract interest expense was much less than the decline in investment income. In addition to the above items, the Company also experienced higher life insurance benefit claims during 2000 than in the previous two years. Benefit claims were approximately 20% higher in 2000 than 1999. The combination of these results contributed to the lower earnings for 2000.

Financial Condition

During periods of uncertainty and unfavorable economic conditions, the stability and reliability of National Western's capital position is reassuring to both our customers and stockholders. Because of our unending commitment to superior capitalization and conservative investments, we are able to provide reliable protection for our policyholders, while also enhancing value for our stockholders. National Western's stockholders' equity reached a milestone, as it now exceeds \$500 million,

reflecting a compound growth rate of 17.9% over the past ten years. Additionally, while other companies experienced significant declines in their stock prices during 2000, National Western's stability and conservative philosophy was rewarded, as the market price of our Class A common stock increased to \$103.06 at year-end 2000, reflecting appreciation of over 50% for the year. The operating success and financial strength of National Western also continues to be reflected in high ratings from independent rating agencies. Standard and Poor's has rated National Western "A+ (Strong)," while A.M. Best Company's rating is "A- (Excellent)."

National Western's conservative, yet proactive, investment philosophy coupled with strong asset liability management strategies are central to the success and financial strength of the Company. While the Company did experience some impairment losses in debt securities during the year, exposure to such losses were minimized due to strong credit risk management and commitment to a high quality investment portfolio. National Western continues to concentrate its investments in lower risk debt securities, with smaller holdings of mortgage loans, real estate, and equities, which typically are higher risk investments. As of December 31, 2000, 88.0% of the Company's investments were in debt securities. Of this high quality debt securities portfolio, less than 3% were rated below investment grade.

Marketing and Products

National Western's operations are organized along product types and geographic areas, which are international life insurance, domestic life insurance, and annuities. This segmentation helps us serve our target markets more effectively and efficiently, while also providing diversi-

fication of our business. This diversification can help balance operating results during volatile periods as was experienced during 2000. Largely due to the economic and stock market conditions during the year, premium production from the annuities segment was lower than the previous year. However, international life insurance continues to show modest but steady growth. International life insurance premiums and deposits collected totaled \$61.5 million in 2000, which represents 69% of total life insurance premiums collected for the year.

Annuity production, which is almost entirely from the United States domestic market, was lower in 2000 as premiums and deposits collected declined from \$390 million in 1999 to \$329 million in 2000.

Substantially all of this decline was in the Company's equity-indexed annuities, primarily due to volatility in the stock market. Depressed stock market conditions made the equity-indexed annuities less appealing, as the potential for higher credited interest for policyholders was significantly diminished. In response to the market environment, National Western was able to promote the sale of its other more traditional fixed annuity products which helped to minimize the lower equity-indexed annuity production. In fact, the Company is strongly committed to continue to develop fixed deferred annuity products to provide the diversification required in today's marketplace and changing economic environments.

Looking Forward

While some would view the Company's lower earnings and premium production for the year as disappointing, management views the past year as a solid success. Given the unfavorable economic and market conditions under which National

Western operated during 2000, the Company was still able to record solid earnings, increase its capital position, and report an increase in stock price of over 50% for the year. These results reflect the strength and operating ability of National Western and serves as an affirmation of the Company's conservative, yet proactive management philosophy. Once again we look forward to a new year with a continued drive to create a stronger, more valuable Company, as we bridge challenging economic times by providing quality products and services to our customers.

A Nuestros Accionistas

"Nuevamente, esperamos este año con el ímpetu de crear una Compañía más sólida y valiosa, mientras atravesamos momentos de retos económicos, según proveamos productos y servicios de calidad a nuestros clientes."

La carta de este año es traducida para nuestros accionistas, asegurados, agentes y empleados de habla hispana como un servicio especial.

El año 2000 inició con mucho entusiasmo al comienzo de un nuevo milenio, apoyados por una economía fuerte y condiciones del mercado de valores excesivamente elevadas. Desafortunadamente, estas condiciones favorables disminuyeron consistentemente durante el año al par de un severo deterioro del mercado de valores. Estos eventos afectaron tanto a las empresas como a individuos en lo que respecta a preocupaciones de una recesión, despidos, surgimiento de declaraciones de banca rota. Al igual que muchas otras industrias y compañías, a National Western le afectó el cambio de las condiciones económicas y de mercado. No obstante, a diferencia de otras empresas, National Western aún así tuvo un año muy exitoso con un reconocido precio en el mercado de valores y, aunque en menor escala, continuó con fuertes ganancias y producción de prima, tomando en cuenta el ambiente económico que se dio durante el 2000. Asimismo, una vez más, la Compañía mejoró su ya fuerte posición de capital. La obtención de resultados positivos para nuestros accionistas y asegurados durante una etapa económicamente difícil es el testimonio de la labor en equipo y el esfuerzo de National Western entre nuestros directivos, empleados y agentes.

Resultados Operativos

Al final del 31 de diciembre de 2000, la Compañía registró utilidades netas de \$28,540,000 comparado con las utilidades netas de \$59,225,000 y \$34,893,000 en 1999 y 1998 respectivamente.

Las utilidades netas consolidadas obtenidas en el 2000 fueron significativamente más bajas que las de 1999 y 1998 debido a pérdidas sobre inversiones realizadas y negocios de la Compañía en contratos de inversión, en gran medida debido a las malas condiciones del mercado de valores y económicas durante el 2000. La Compañía registró pérdidas sobre inversiones realizadas, netas

después de impuestos, que totalizaron \$12,508,000 para el año concluido el 31 de diciembre de 2000. Del total de las pérdidas sobre inversiones, \$9,536,000 de esas pérdidas se debieron al deterioro temporal de reducciones en la cartera de bonos. La mayoría de las pérdidas restantes surgieron de la venta de inversiones en la cartera de bonos. Las pérdidas sobre las ventas fueron realizadas principalmente para propósitos de planeación de impuestos.

La baja de las utilidades netas de la Compañía durante el 2000 también fueron el resultado del deterioro de las condiciones en el mercado de valores durante el año, lo cual impactó los negocios de la Compañía en los contratos de inversión indexados a valores. Debido a las bajas en S&P 500 Index® durante el 2000, la Compañía registró disminuciones significativas en ingresos de inversión, resultado de pérdidas obtenidas en las opciones indexadas, las cuales son utilizadas para respaldar las acciones de los contratos de inversión indexados a valores. La baja de S&P 500 Index® también resultó en un interés menor acreditado a los contratos de inversión indexados a valores. No obstante, debido principalmente a las responsabilidades de póliza relacionadas con tasas de interés mínimas garantizadas, la reducción de costos en intereses en los contratos de inversión fue mucho menor que la baja en ingresos sobre inversiones. Adicionalmente, la Compañía también sufrió una alza en los reclamos de beneficios de seguros de vida durante el año 2000 en comparación con los dos años anteriores. Los reclamos de beneficios subieron aproximadamente un 20% en el 2000 comparado con 1999. La combinación de estos factores contribuyeron a ganancias más bajas para el 2000.

Condición Financiera

Durante tiempos inciertos y condiciones económicas desfavorables, la estabilidad y confiabilidad de la postura capital de National Western es reconfortante para ambos, nuestros clientes y accionistas. Gracias a nues-

tro continuo compromiso a una capitalización superior e inversiones conservadoras, podemos brindar a nuestros asegurados una protección confiable, y por igual, aumentar el valor para nuestros accionistas. El capital de accionista de National Western alcanzó la cifra histórica que ahora sobrepasa los \$500 millones, reflejando una tasa de crecimiento anual compuesto de 17.9% en los últimos 10 años. Adicionalmente, mientras otras compañías sufrieron disminuciones importantes en el precio de sus acciones durante el 2000, la estabilidad de National Western y su filosofía conservadora fue recompensada por el aumento en el precio de mercado de nuestras acciones comunes tipo "A" a \$103.06 al cierre del año 2000, reflejando una apreciación de sobre el 50% durante el año. El éxito operacional y la fuerza financiera de National Western también se refleja en las altas clasificaciones de las agencias clasificadoras independientes. Standard and Poor's clasificó a National Western "A+(Fuerte)", mientras que la clasificación de la compañía por A.M. Best es "A-(Excelente)".

La filosofía de inversión conservadora, y a la vez pro activa, aunado a una intensa estrategia del manejo de los activos pasivos, son puntos centrales para el éxito y la fuerza financiera de la Compañía. Mientras que la Compañía durante el año si sufrió pérdidas poco usuales en su cartera de bonos, la exposición a estas pérdidas fueron reducidas por una intensa supervisión sobre el riesgo crediticio y el compromiso a una cartera de inversiones de alta calidad. National Western continúa concretando sus inversiones en inversiones con menores valores en préstamos hipotecarios, bienes raíces y acciones, las cuales son típicamente de alto riesgo. Al 31 de diciembre de 2000, el 88% de las inversiones de la Compañía estaban en la cartera de bonos. De esta cartera de bonos de alta calidad, menos del 3% fueron tasados por debajo del grado de inversión.

Mercadeo y Productos

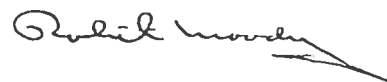
Las operaciones de National Western Life son organizadas de acuerdo a sus productos y por áreas geográficas, los cuales son seguros de vida internacionales, seguros de vida nacionales y contratos de inversión. Este tipo de segmentación nos ayuda a servir nuestros mercados específicos con más efectividad y eficiencia siempre manteniendo diversificación en nuestros negocios. Esta diversificación nos ayuda a mantener un balance en los resultados operativos durante períodos de volatilidad como fue el caso durante el año 2000. Debido en gran parte a las condiciones económicas y al mercado de valores durante el año, la producción de prima por concepto de contratos de inversión fue menor al año anterior. Sin embargo, el seguro de vida internacional continúa mostrando un crecimiento moderado pero constante. La prima de vida internacional y los depósitos de contratos de inversión recaudados totalizaron \$61.5 millones en el año 2000, lo cual representa un 69% del total de prima recaudada durante el año.

La producción por concepto de contratos de inversión, la cual proviene casi exclusivamente del mercado nacional de los Estados Unidos fue menor en el año 2000 ya que las primas y depósitos recaudados declinaron de \$390 millones en 1999 a \$329 millones en el año 2000. Una gran parte de esta baja fue en los contratos de inversión indexados a valores y se debió principalmente a la volatilidad del mercado de valores. La depresión en las condiciones del mercado de valores hizo que los contratos de inversión indexados a valores aparecieran menos atractivos cuando fueron disminuyendo las probabilidades de que intereses más altos fueran acreditados a las cuentas de los asegurados. Respondiendo a las condiciones del mercado económico, National Western logró promover la venta de sus productos de anualidades más tradicionales y esto contribuyó a reducir la producción de los contratos de inversión

indexados a valores. De hecho, la Compañía está altamente comprometida a continuar el desarrollo de productos de contratos de inversión diferidos y de esta manera proporcionar la diversificación que es necesaria en el mercado actual y en las condiciones económicas cambiantes de hoy en día.

Mirando hacia el Futuro

Mientras que algunos observarían decepcionados las menores ganancias y producción de prima durante este año, los directivos observan el pasado año como un éxito sólido. Dadas las desfavorables condiciones económicas y de mercado bajo las cuales National Western operó durante el 2000, la Compañía aún pudo lograr ganancias sólidas, incrementar su posición de capital y, reportar un incremento en el precio del mercado de valores de más del 50% durante el año. Estos resultados reflejan la fuerza y habilidad operativa de National Western y sirve para reafirmar la filosofía conservadora y pro activa de los directivos de la Compañía. Nuevamente, esperamos este año con el ímpetu de crear una Compañía más sólida y valiosa, mientras atravesamos momentos de retos económicos, según proveamos productos y servicios de calidad a nuestros clientes.



Robert L. Moody

**Chairman of the Board and
Chief Executive Officer**

Presidente de la Junta Directiva y
Director Ejecutivo



Ross R. Moody

**President and
Chief Operating Officer**

Presidente y Funcionario
Ejecutivo de Operaciones

Investments

National Western's conservative investment strategy focuses primarily on supporting policyholder liabilities and achieving the Company's earnings goals. The primary objectives are maximizing yield while also protecting principal and providing adequate liquidity for the cash flow needs of the Company. These objectives are attained through the maintenance of a diversified, high quality, and liquid investment portfolio. In accordance with this strategy, National Western's debt securities portfolio consists primarily of liquid, investment grade debt securities. In addition to its debt securities portfolio, the Company has lower, conservative holdings of mortgage loans, policy loans, real estate, and other investments.

Debt Securities

National Western maintains a diversified fixed income securities portfolio consisting primarily of corporate, mortgage-backed securities, asset-backed securities, and public utilities. Investments in mortgage-backed securities include U.S. government agency pass-through securities and collateralized mortgage obligations (CMOs). Further diversification of the portfolio is achieved through investments in AAA-rated tranches of asset-backed securities. Management continually monitors the asset mix of the portfolio, and the Investment Committee regularly reviews the asset diversification as well as the Company's investment guidelines.

In keeping with its conservative investment philosophy, the Company closely manages the credit quality of its investments in debt securities. Thorough credit analysis is performed on existing and potential corporate investments including examination of a company's credit and industry outlook, financial strength, effectiveness of management, and event risks. Due to the changing corporate credit environment, credit analysis has become one of the most critical activities of the Investment Department. A growing number of companies have become more leveraged due to an

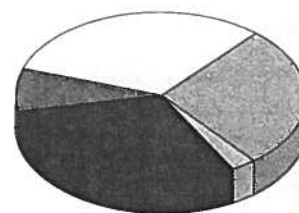
environment of heightened acquisition activity and large share repurchase programs. As a result of these activities, the rating agencies have been quick to downgrade the bonds of companies who assume too much debt. Therefore, continued monitoring of credit quality after the purchase of a company's debt securities is crucial in order for National Western to maintain a high quality portfolio with a low percentage of below investment grade debt securities. Although the Company has experienced increased impairment losses during 2000 as a result of market and other conditions as previously described, strong credit risk management and commitment to quality has resulted in minimal defaults in the debt securities portfolio in recent years. Indicative of National Western's conservative, high quality investment portfolio, as of December 31, 2000, approximately 70% of debt securities were rated "A" or better by a nationally recognized statistical rating organization, and less than 3% of the portfolio were below investment grade quality. In addition to the portfolio's high quality, it continues to maintain high liquidity with less than 6% in privately placed securities.

An important aspect of the Company's investment philosophy is managing interest rate risk and cash flow stability of the portfolio. Because expected maturities of securities may differ from contractual maturities due to prepayments, extensions, and calls, the Company takes steps to manage and minimize these risks. The Company reduces its exposure to prepayment and extension risks by maintaining lower holdings of mortgage-backed securities and by consistently adding noncallable corporate securities.

Other Investments

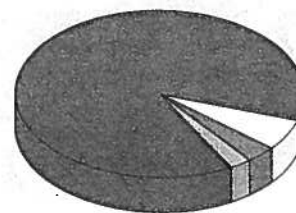
While the debt securities portfolio comprises 88.0% of the Company's investments, mortgage loans and policy loans are the primary holdings in the remainder of the portfolio. Investments in real estate and equity securities remain small. Mortgage

loans help provide enhanced portfolio returns while still minimizing credit and default risks, as National Western applies strict underwriting guidelines to its mortgage loan investments. The Company invests in loans on high quality, income producing properties, including diversification of property types and geographic locations, to both enhance yields and spread risks. In addition to traditional investments such as debt securities and mortgage loans, the Company also invests in index options. However, these financial instruments are used solely to hedge the equity return component of the Company's equity-indexed annuities. Any increases or decreases in investment returns from these options are substantially offset by corresponding increases or decreases in amounts paid to equity-indexed annuity policyholders, subject to minimum guaranteed policy interest rates.



Securities Credit Quality

- 30.0% AAA ratings and U.S. Government
- 8.4% AA ratings
- 31.4% A ratings
- 27.3% BBB ratings
- 2.9% BB ratings and below



Allocation of Investments

- 88.0% Debt Securities
- 6.1% Mortgage Loans
- 3.4% Policy Loans
- 2.5% Other

National Western's operations are primarily organized along product types and geographic marketing areas into three segments, which are domestic life insurance, international life insurance, and annuities.

Marketing efforts for the segments are directed by domestic and international divisions within National Western, which enables the Company to more effectively target market niches and service policyholders and agents.

Although premium production does fluctuate from year to year, National Western has experienced strong premium production again during 2000, particularly given the declining economic and stock market conditions. Total premiums and deposits collected during 2000 totaled over \$417 million.

Domestic Operations

The Company's domestic operations concentrate on marketing annuities, universal life insurance, and traditional life insurance, which includes both term and whole life products, through individual sales. A segment of the individual sales includes federal employees, seniors, and specific employee groups in private industry. The majority of products sold are the Company's annuities, which include single and flexible premium deferred annuities, single premium immediate annuities, and equity-indexed annuities. Most of these annuities can be sold as tax qualified or nonqualified products.

National Western markets and distributes its domestic products primarily through independent marketing organizations (IMOs). These IMOs assist the Company in recruiting, contracting, and supervising agents. The Company currently has over 65 IMOs contracted for sales of life and annuity products. Through the efforts of these IMOs, domestic annuity sales have been responsible for over 75% of the Company's premium production. Although sales were lower in 2000 due to economic and stock market conditions, a sig-

nificant portion of premiums are still attributable to equity-indexed annuities. While this product continues to be a key component of the Company's existing annuity portfolio, National Western has continued to develop fixed deferred annuity products to provide the diversification required in today's marketplace. The marketing organizations, with their extensive experience, financial resources, and success in marketing annuities and life products, play a key part in providing valuable insight to the diversification we strive to keep in our product portfolio.

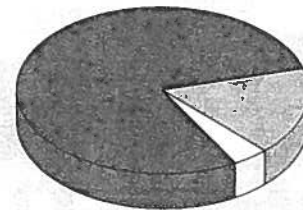
International Operations

Through a group of carefully selected broker-agents, National Western has accepted applications from foreign nationals throughout the world for over 33 years. Many of these broker-agents have been associated with the Company for 20 or more years. The marketing strategy for international operations includes specifically designed and developed traditional and universal life products which are accepted from foreign nationals who have substantial financial resources. By marketing to this group, sales typically produce a higher average policy size. Claims experience, due to natural causes, is similar to that in the United States. Additionally, the Company minimizes exposure to foreign currency risks, as almost all foreign policies require payment of premiums and policy benefits in United States dollars.

New production comes not only from the primary market in Latin America, but also from the Caribbean and the Pacific Rim. Due to its long experience in the international market, the Company benefits from a wide diversification of sales in many countries, coupled with seasoned blocks of business. This diversification helps to minimize large fluctuations in sales that occur due to various economic, political, and competitive pressures from one country to another. Products in the international market

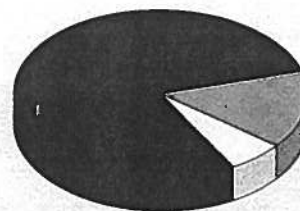
are primarily universal life and traditional life insurance products. A single premium and two equity-indexed investment products are also available as part of the international portfolio of products.

National Western's international marketing strategy has produced dependable growth in life insurance production. Over the past five years, international life insurance premiums and deposits collected have increased from \$56.9 million in 1995 to \$61.5 million in 2000. Currently, marketing plans include continued expansion of production from specifically targeted South American and Pacific Rim countries, which have higher growth potential than other countries.



2000 Premiums and Deposits by Product

- 78.8% Annuities
- ▒ 16.9% Universal Life Insurance
- 4.3% Traditional Life and Other



2000 Premiums and Deposits by Segment

- 78.8% Annuities
- ▒ 14.7% International Life Insurance
- 6.5% Domestic Life Insurance

Summary of Selected Financial Data

(In thousands except per share data)

2000

1999

1998

1997

1996

Income Statement

Revenues

Life and annuity premiums	\$ 9,717	11,310	13,165	15,812	16,611
Universal life and investment annuity contract revenues	90,640	83,768	83,169	80,250	75,966
Net investment income	210,654	242,980	233,844	217,446	214,302
Other income	946	8,944	1,052	354	2,718
Realized gains (losses) on investments	(19,242)	4,481	2,384	(1,588)	1,612
Total Revenues	292,715	351,483	333,614	312,274	311,209

Expenses

Policyholder benefits	35,078	32,456	32,441	35,285	33,313
Amortization of deferred policy acquisition costs	47,948	39,148	40,415	39,934	30,361
Universal life and investment annuity contract interest	137,711	162,302	158,889	145,200	151,475
Other operating expenses	29,427	27,764	35,504	27,560	25,722
Total Expenses	250,164	261,670	267,249	247,979	240,871

Earnings before Federal income taxes and discontinued operations

	42,551	89,813	66,365	64,295	70,338
Federal income taxes	14,011	30,588	17,347	21,723	24,123

Earnings from continuing operations

	28,540	59,225	49,018	42,572	46,215
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Losses from discontinued operations

	—	—	(14,125)	(1,000)	—
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Net Earnings	\$ 28,540	59,225	34,893	41,572	46,215
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Diluted Earnings Per Share

Earnings from continuing operations	\$ 8.11	16.78	13.87	12.09	13.17
Losses from discontinued operations	—	—	(4.00)	(0.28)	—
Net Earnings	\$ 8.11	16.78	9.87	11.81	13.17

Balance Sheet

Total assets	\$ 3,697,956	3,682,828	3,518,003	3,225,563	3,120,829
Total liabilities	3,197,850	3,207,306	3,079,638	2,824,700	2,767,969
Stockholders' equity	500,106	475,522	438,365	400,863	352,860

Directors

Robert L. Moody

Chairman of the Board, Chief
Executive Officer, National Western
Life Insurance Company
Galveston, Texas
NWL Director
1963 to present

Ross R. Moody

President, Chief Operating Officer,
National Western Life Insurance
Company
Austin, Texas
NWL Director
1981 to present

Arthur O. Dummer

President, The Donner Company
Salt Lake City, Utah
NWL Director
1980 to present

Harry L. Edwards

Retired, Former President and Chief
Operating Officer, National Western
Life Insurance Company
Austin, Texas
NWL Director
1969 to present

E. Douglas McLeod

Director of Development,
The Moody Foundation
Galveston, Texas
NWL Director
1979 to present

Charles D. Milos

Senior Vice President –
Investment Analyst,
National Western Life Insurance
Company
Galveston, Texas
NWL Director
1981 to present

Frances A. Moody

Executive Director,
The Moody Foundation
Dallas, Texas
NWL Director
1990 to present

Russell S. Moody

Investments
Austin, Texas
NWL Director
1988 to present

Louis E. Pauls, Jr.

President, Louis Pauls & Company
Galveston, Texas
NWL Director
1971 to present

E.J. Pederson

Executive Vice President,
The University of Texas
Medical Branch
Galveston, Texas
NWL Director
1992 to present

Officers

Robert L. Moody

Chairman of the Board and
Chief Executive Officer

Ross R. Moody

President and Chief
Operating Officer

**Robert L. Busby, III, CPA, FLMI,
CLU, ChFC**

Senior Vice President – Chief
Administrative Officer, Chief
Financial Officer and Treasurer

Charles P. Baley, FLMI, CLU

Senior Vice President –
Information Services

Richard M. Edwards

Senior Vice President –
International Marketing

Paul D. Facey, FSA, MAAA, FCIA, FLMI

Senior Vice President – Chief Actuary

Charles D. Milos

Senior Vice President –
Investment Analyst

James P. Payne, JD

Senior Vice President – Secretary

Patricia L. Scheuer, CFA

Senior Vice President –
Chief Investment Officer

Scott E. Arendale

Vice President –
International Sales Development

Mark K. Fisher

Vice President – Marketing

Mark D. Gulas, FSA, MAAA

Vice President – Associate Actuary

Carol Jackson

Vice President – Human Resources

Vincent L. Kasch, CPA

Vice President –
Controller and Assistant Treasurer

Doris Kruse, FLHC, ACS, UND

Vice President – Policy Benefits

Jo Nell Morris, FLMI, ACS

Vice President –
Policyowner Services

James R. Naiser, FLMI

Vice President –
Systems Development

**Al R. Steger, FLMI, CLU, ChFC, FALU,
FLHC, ACS**

Vice President – Risk Selection

B. Ben Taylor, ASA, MAAA

Vice President – Actuarial Services

Larry D. White, FLMI

Vice President –
Policyowner Services

Larry E. Carson, CPA, FLMI, ACS

Assistant Vice President –
Assistant Controller

Linda J. Diliplane, FLMI, ACS, CLU

Assistant Vice President –
Risk Selection Administrative
Manager

Robin R. Hulsey, FLMI, ACS

Assistant Vice President –
Administrative Services

**Miguel A. Laborde, FLMI, ACS,
CLU, UND**

Assistant Vice President –
International Sales Development

Ellen C. Otte

Assistant Secretary

**Donna L. Richardson, FLMI, AIAA,
ACS, SILAF**

Assistant Vice President –
Agent Contracting & Licensing

Lura L. Rogers, ACS

Assistant Vice President –
Domestic Marketing

Margaret M. Simpson, ACS

Assistant Secretary

Corporate Information

Executive Offices

National Western Life Insurance Company,
850 East Anderson Lane,
Austin, Texas 78752-1602,
Telephone: (512) 836-1010.

Accountants

KPMG LLP, 111 Congress Avenue,
Suite 1100, Austin, Texas 78701.

General Counsel

Will D. Davis,
Heath Davis & McCalla,
Attorneys at Law,
Austin, Texas.

Subsidiaries

NWL 806 Main, Inc., Austin, Texas,
principal activity: investments.
NWL Investments, Inc., Austin,
Texas, principal activity: investments.
NWL Properties, Inc., Austin, Texas,
principal activity: investments.
NWL Services, Inc., Reno, Nevada,
principal activity: investments.
NWL Financial, Inc., Austin, Texas,
principal activity: investments.
The Westcap Corporation,
Austin, Texas,
principal activity: real estate
management.

Stock Transfer Agent

Continental Stock Transfer & Trust
Company, 2 Broadway – 19th Floor,
New York, NY 10004
Telephone: (212) 509-4000.
Communications regarding stock
transfer requirements, lost certi-
ficates, and change of address should
be directed to the Transfer Agent or
to the Office of the Corporate
Secretary of National Western Life
Insurance Company.

Stock Information

Shares of National Western Life
Insurance Company are traded on
The Nasdaq Stock Market under the
symbol NWLIA.

Annual Stockholders' Meeting

The annual meeting of stockholders
will be at 9:30 a.m. (CDT) on June
22, 2001, at National Western Life
Insurance Company's executive
offices.

Form 10-K

National Western Life Insurance
Company's 2000 Annual Report on
Form 10-K, as filed with the Securities
and Exchange Commission, is included
in this annual report. Additional
copies are available upon request
without charge.

Investor Relations

Direct inquiries to Chief Financial
Officer, 850 East Anderson Lane,
Austin, Texas 78752-1602,
Telephone: (512) 719-2230.

Mission Statement

National Western provides high quality insurance products on a global basis to meet the financial security needs of well-defined market segments. We provide professional, friendly service to our policyholders and agents and are responsive to the needs of our employees, shareholders and the community.