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PRINCIPAL FINANCIAL BECOMES NEWEST MEMBER OF GROUP OF NORTH AMERICAN INSURANCE ENTERPRISES

NEW YORK, August 23, 2007 — The Group of North American Insurance Enterprises, Inc. (GNAIE) announced today that Principal Financial Group has joined the organization. GNAIE is an insurance trade association that focuses exclusively on financial reporting, accounting and solvency issues.

"I am very pleased that Principal Financial Group has become a member of Group of North American Insurance Enterprises (GNAIE). We have followed international accounting standards and solvency developments for some time. We have also followed GNAIE's input to these processes and have considerable respect for the good work that GNAIE has done on these issues," said Mike Gersie, Executive Vice President and Chief Financial Officer of Principal Financial.

"GNAIE is proud that Principal Financial has joined us in our work with policy leaders in the development of international standards that reflect the unique features of insurance contracts," said Jerry de St. Paer, chairman of GNAIE, who is Senior Vice President – Finance of American International Group (AIG).

The Principal Financial Group offers a wide range of financial products and services, including retirement and investment services, life and health insurance, and banking through its family of financial services companies and national network of financial professionals. A member of the Fortune 500, the Principal Financial Group has \$282.1 billion in assets under management and serves some 18.1 million customers worldwide from offices in Asia, Australia, Europe, Latin America and the United States.

GNAIE assists North American and global standard setters and regulators, in cooperation with the global insurance industry and with insurance and other financial services industry trade associations, to ensure the development of high quality accounting and solvency standards. GNAIE members include North American insurance companies doing business internationally.

More information on GNAIE can be found at www.gnaie.net.

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To influence the development of international accounting and solvency standards to ensure that they result in robust, high quality standards for insurance enterprises.