



NEWS RELEASE

A.M. BEST COMPANY, INC., OLDWICK, NJ • A.M. BEST EUROPE – RATING SERVICES LIMITED, LONDON
A.M. BEST EUROPE – INFORMATION SERVICES LIMITED, LONDON • A.M. BEST ASIA-PACIFIC, LTD., HONG KONG

FOR IMMEDIATE RELEASE

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CONTACTS: Tom Zitelli
Senior Financial Analyst
(908) 439-2200, ext. 5412
tom.zitelli@ambest.com

Rachelle Morrow
Senior Manager, Public Relations
(908) 439-2200, ext. 5378
rachelle.morrow@ambest.com

Thomas Rosendale
Assistant Vice President
(908) 439-2200, ext. 5201
thomas.rosendale@ambest.com

Jim Peavy
Assistant Vice President, Public Relations
(908) 439-2200, ext. 5644
james.peavy@ambest.com

A.M. Best Affirms Ratings of Principal Financial Group, Inc. and Its Subsidiaries

Rating Supplement

The FSR of A+ (Superior) and ICRs of “aa-” have been affirmed with a stable outlook for **Principal Life Insurance Company** and **Principal National Life Insurance Company**.

The ICR of “a-” has been affirmed with a stable outlook for **Principal Financial Group, Inc.**

The following debt ratings have been affirmed:

Principal Financial Services, Inc.—
-- AMB-1 commercial paper rating

Principal Life Insurance Company—
-- AMB-1+ commercial paper rating

The following debt ratings have been affirmed with a stable outlook:

Principal Financial Group, Inc.—
-- “a-” on \$300 million 1.85% senior unsecured notes, due 2017
-- “a-” on \$350 million 8.875% senior unsecured notes, due 2019
-- “a-” on \$300 million 3.30% senior unsecured notes, due 2022
-- “a-” on \$300 million 3.125% senior unsecured notes, due 2023
-- “a-” on \$600 million 6.05% senior unsecured notes, due 2036
-- “a-” on \$300 million 4.625% senior unsecured notes, due 2042
-- “a-” on \$300 million 4.35% senior unsecured notes, due 2043
-- “bbb” on \$300 million 5.563% non-cumulative perpetual preferred stock
-- “bbb” on \$250 million 6.518% non-cumulative perpetual preferred stock

Principal Life Insurance Company—
-- “a” on \$100 million 8.00% surplus notes, due 2044

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Principal Financial Global Funding, LLC—“aa-” program rating
-- “aa-” on all outstanding notes issued under the program

Principal Life Global Funding I—“aa-” program rating
-- “aa-” on all outstanding notes issued under the program

Principal Life Global Funding II—“aa-” program rating
-- “aa-” on all outstanding notes issued under the program

Principal Life Income Fundings Trusts—“aa-” program rating
-- “aa-” on all outstanding notes issued under the program

Principal Financial Global Funding II, LLC—“aa-” program rating
-- “aa-” on all outstanding notes issued under the program

The following indicative ratings on securities available under universal shelf registration have been affirmed with a stable outlook:

Principal Financial Group, Inc.—
-- “a-” on senior unsecured debt
-- “bbb+” on subordinated debt
-- “bbb” on preferred stock

Principal Capital I, II and III—
-- “bbb” on preferred securities

The methodology used in determining these ratings is Best’s Credit Rating Methodology, which provides a comprehensive explanation of A.M. Best’s rating process and contains the different rating criteria employed in the rating process. Best’s Credit Rating Methodology can be found at www.ambest.com/ratings/methodology.

A.M. Best Company is the world's oldest and most authoritative insurance rating and information source. For more information, visit www.ambest.com.

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