

Securian Financial Group produced excellent sales and financial results in 2007, underscoring our relevance in the markets we serve and our ability to thrive in a challenging environment. Total sales, capital growth and earnings all exceeded goal. We maintained our highly rated status, capital strength and excellent asset quality. Our results *demonstrate our ability to provide long-term financial security for our customers.*

In 2007:

- Sales of all products exceeded \$6 billion, up 19 percent.
- The assets we manage and safeguard for our clients increased nine percent to surpass \$30 billion.
- Insurance in force, the protection we provide, exceeded \$634 billion, up 10 percent.
- Reported operating earnings were \$171 million, up 18 percent, and total equity increased six percent to nearly \$2.8 billion.

Ultimately our purpose is fulfilled through the benefits we provide. In 2007, we paid more than \$3.6 billion in statutory benefits. We sell a promise to pay, and our 2007 performance clearly demonstrates our ability to keep all of the promises we make.

MESSAGE FROM MANAGEMENT

From a financial perspective, 2007 was an excellent year for Securian. Despite the challenging economic environment – primarily due to subprime mortgage market losses which created turmoil in fixed income markets – we exceeded our goals. Earnings set an all-time record, well ahead of goal, and total equity increased six percent.

We remained strongly capitalized on both an absolute basis and compared to our peers. Our capital grew significantly due to our long-term equity strategy, very positive returns from our alternative investments and the high quality of our assets. Despite the deterioration of the credit markets, the quality of our bonds remained excellent and well above historical industry averages. We have no significant asset quality concerns.

Our 2007 results reflect the strength of the Securian brand. We use the power of ingenuity and the spirit of mutuality to create financial security and long-term value for our customers. That vision defines the experience people can expect when doing business with us. Our spirit of mutuality is based on the fundamental values that support our promise to pay, and in 2007 we continued to use our ingenuity to deliver the best possible solutions for our customers.

We continued to aggressively invest in our core businesses to accelerate revenue and to ensure that we remain relevant to our customers. As a result, we enjoyed strong growth in all of our market segments. Our strategic initiatives drove top-line growth, achieving a 12 percent increase in product revenue led by our group insurance business. We expanded our presence in the retirement market through wholesaling and increased the number of our career financial advisors in the individual market by eight percent. We broadened the appeal of our individual insurance portfolio, added more property-casualty loan protection products for financial institutions and introduced new retirement planning tools for our customers.

In addition to expanding distribution and product offerings, we continued to invest in technology to make it easy for customers and distribution channels to do business with us. Delivering around-the-clock services via the internet, we implemented new technology to increase productivity, improve service and enhance security. We maintained our web-based technology advantage in the large employer group life insurance market, added a variety of new web services for financial advisors and enhanced our online services for retirement plan participants.



Robert L. Senkler, *chairman and chief executive officer*, and Randy F. Wallake, *president and vice chairman*, Securian Financial Group, Inc.

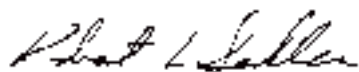
In 2007, we also continued our evolution to a new generation of enterprise risk management capabilities, including new tools for product development and asset-liability management. We began developing new “measuring sticks” for risk and value that will enable us to measure our enterprise risks in total, not just on a product line or single risk basis, improving our ability to select risks that produce optimal value.

We vigilantly protect our reputation for integrity, and we continued to maintain high ethical standards in all aspects of our business. As regulatory investigations and class-action lawsuits continued unabated in the insurance industry, our excellent business practices gave us a competitive advantage, enhancing our opportunities for growth. Our long-standing reputation for transparency and full disclosure served us well, particularly in the group insurance and retirement markets.

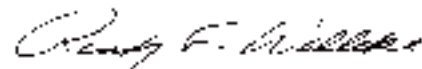
Service excellence is a hallmark of our reputation, and we continued to achieve a high level of service in 2007. Our high rate of client retention reflects the caliber of our service and the overall financial value we deliver. Overall retention was excellent, and our group life insurance business achieved a remarkable 99 percent client retention rate. Client surveys reflected high levels of satisfaction, and complaints were minimal.

Our results are derived from our ability to attract – and retain – high-quality associates. Our people invest the money we safeguard, develop innovative product solutions and deliver the service that sustains our long-term success. During 2007, we retained 94 percent of our headquarters associates, and we continued to receive recognition as an employer of choice both locally and nationally. Our constituents are well served by the high caliber of our people.

Securian Financial Group is strongly positioned for future growth and success. As we enter what appears to be a more turbulent environment in 2008, we enjoy numerous strengths to meet the challenges we face. We are strongly capitalized, our assets and our businesses are well diversified, and we have strong franchises in our markets. Our goal is to provide consumer value with a long-term financial perspective while seeking greater discipline with respect to short-term financial results and overall efficiencies. We believe this approach is clearly in the best long-term interest of our customers and positions us very well regardless of what happens in our environment.



Robert L. Senkler
Chairman and Chief Executive Officer



Randy F. Wallake
President and Vice Chairman