



Principal Financial Group®

March 2023

RETIREMENT

ASSET MANAGEMENT

INSURANCE

Company overview

Integrated model is a force multiplier

GLOBAL ASSET MANAGEMENT

RETIREMENT

U.S. BENEFITS & PROTECTION



Our diversified approach supports higher growth, with greater resilience to macro pressures

PRINCIPAL FINANCIAL GROUP

Retirement and Income Solutions

- Defined contribution
- Defined benefit
- ESOP
- Trust & custody
- Retail variable annuities
- Pension Risk Transfer
- Investment only
- Bank

Principal Global Investors

- Fixed income
- Equities
- Real estate
- Alternatives
- Asset allocation
- General Account

Principal International

- Latin America
- Asia

Specialty Benefits

- Group benefits
 - Dental
 - Life
 - Disability
- Supplemental health products
- Individual disability

Life Insurance

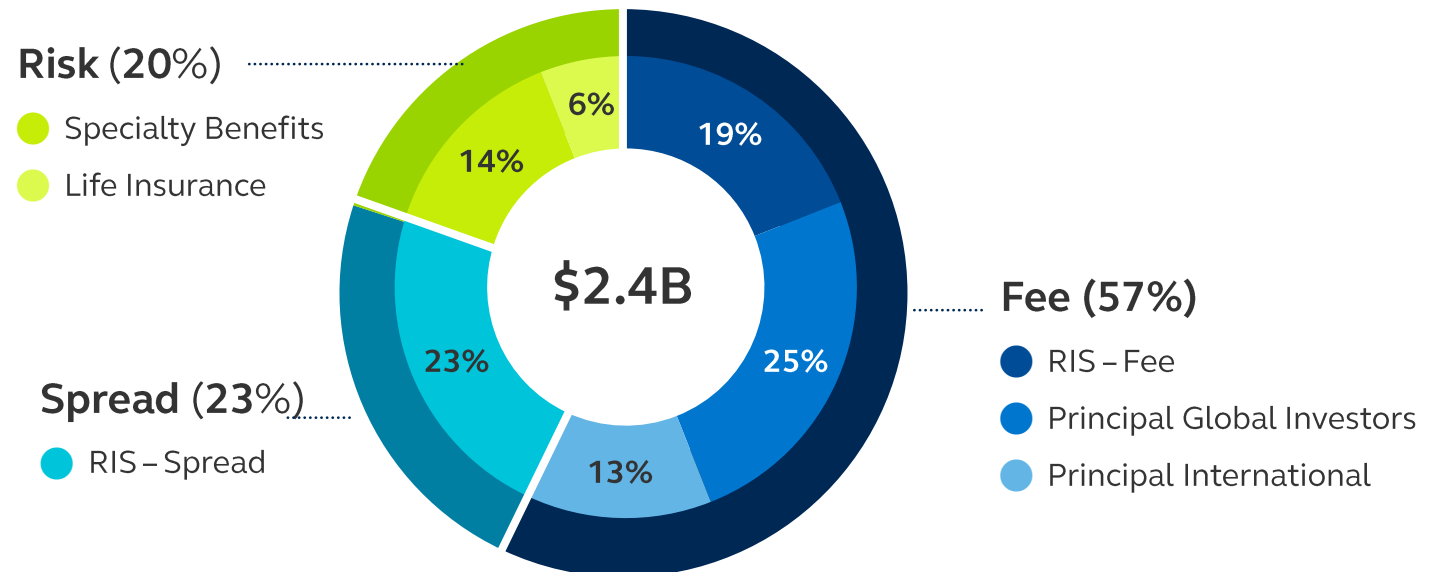
- COLI (NQDC)
- Business owner solutions
 - Term Life
 - VUL
 - Other UL

Into a leading financial services company

PRINCIPAL FINANCIAL GROUP

- **\$1.5 trillion** in AUA¹, includes **\$635 billion** in AUM¹ managed by Principal
- **Top 3** U.S. retirement provider
- **Leader in benefits and protection** to U.S. small to medium-sized businesses
- Launching **in-demand specialist capabilities**
- **Modernizing** our tech stack, bringing **new digital solutions** to market
- Helping more than **62 million** customers¹ in more than **80 countries**

NON-GAAP PRE-TAX OPERATING EARNINGS²



¹ As of 12/31/2022. ² Trailing twelve months as of 12/31/2022; excludes Corporate and impacts from actuarial assumption reviews.

Experienced management team

Averages nearly **26 years**
of industry experience

NAME	AGE ¹	TITLE	EXPERIENCE (Industry/PFG) ¹
Daniel J. Houston	62	Chairman, President & Chief Executive Officer	39/39
Amy C. Friedrich	53	President - U.S. Insurance Solutions	27/23
Patrick G. Halter	64	President & CEO- Principal Asset Management	39/39
Christopher J. Littlefield	57	President – Retirement & Income Solutions	17/4
Thomas Cheong	55	Executive VP - Principal Asia	22/8
Jon N. Couture	58	Executive VP & Chief Human Resources Officer	19/6
Kathleen B. Kay	61	Executive VP & Chief Information Officer	11/4
Natalie Lamarque	47	Executive VP & General Counsel & Secretary	16/2
Deanna D. Strable	55	Executive VP & Chief Financial Officer	34/34
Roberto A. Walker	58	Executive VP – Principal Latin America	34/27
Bethany A. Wood	60	Executive VP & Chief Marketing Officer	16/4
Kenneth A. McCullum	59	Senior VP & Chief Risk Officer	37/8
Kamal Bhatia	51	Senior Executive Director & Chief Operating Officer – Principal Asset Management	26/4

Current Financial Strength Ratings

As of February 2023

Moody's Investor Services	Fitch Ratings	Standard & Poor's	A.M. Best
A1	AA-	A+	A+
Good	Very Strong	Strong	Superior
Fifth highest of 21 rating levels	Fourth highest of 19 rating levels	Fifth highest of 20 rating levels	Second highest of 13 rating levels
Outlook: Stable	Outlook: Stable	Outlook: Stable	Outlook: Stable

Proven leadership positions

U.S. retirement

- #1** DB plans, ESOP plans
- #1** Non-qualified deferred compensation
- #3** Defined contribution
- #4** Pension risk transfer provider

Emerging markets

- #1** Chile voluntary pension
- #1** Brazil voluntary pension
- #7** Mexico mandatory pension
- #3** Malaysia unit trust
- #6** Hong Kong mandatory pension
- #13** China retail mutual funds

U.S. benefits and protection

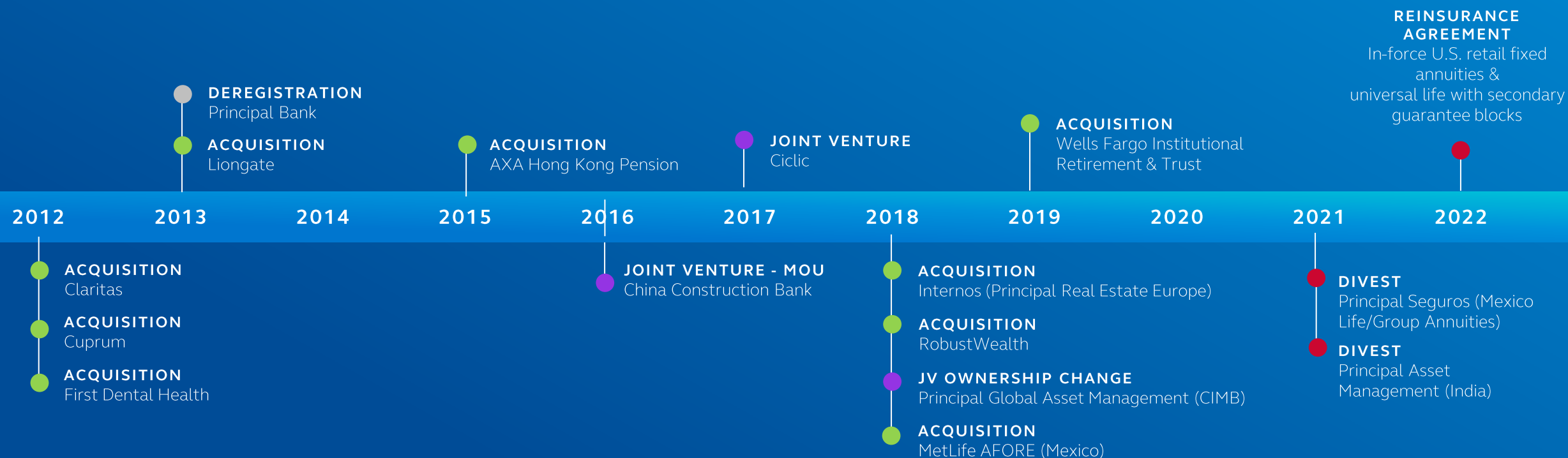
- #1** Group Life
- #2** Total Group Benefits
- #1** Overhead expense disability solution
- #1** Disability buyout
- #4** Total individual disability sales
- #1** Small-case business life insurance
- #3** Corporate-sponsored individually owned life insurance

Global asset management

- #1** Manager of target date CITs

An intentional transformation

2012-2022



Our strategy
puts the customer
at the center...

Which positions us to
win, grow, and create
shareholder value.



2021 Sustainability highlights



Environment

Create sustainable pathways through long-term responsible actions.

6.5%* emissions reduced

Net reduction in our U.S. scope 1 and market-based scope 2 greenhouse gas (GHG) emissions of 6.5% from 2020 to 2021

61%* renewable energy

Approximate percentage of energy consumed in the U.S. from renewable sources

4-star global ESG benchmark

The global ESG benchmark rating for real estate, awarded to Principal Real Estate Investors for the 6th consecutive year



Social

Advocate for security and inclusion among our employees, customers and community.

\$30 million for economic mobility

The amount the Principal® Foundation has committed over the next two years to support economic mobility and financial empowerment

79% employee engagement

Employee engagement due to flexible workplace arrangements and overall job satisfaction

31,554 microloans

The number of microloans provided to female entrepreneurs in 35 countries, together with the 501(c)(3) [Kiva](#), increasing access to capital



Governance

Be a good steward of the resources entrusted to us.

New human rights statement

Publicly demonstrating our commitment to respect and support human rights principles

U.N. Global Compact CFO Task Force

Joined to support companies transitioning to sustainable development and to leverage corporate finance and investments toward the U.N. SDGs

8 out of 13 (62%)

Board of Directors members who are either women or people of color



Investment approach

Drive impact through our investments.

Sustainability bond

Issued our first in the amount of \$600M as part of our commitment to integrate and advance ESG practices and initiatives

ESG integration

Principal Global Investors formalized the ESG Integration strategy and began mapping assets under management (AUM) to the U.N. SDGs

Four Article 8 status products

The number of products converted to Article 8 status, a regulatory process in Europe that labels products that promote social and environmental characteristics

*2021 greenhouse gas emissions and energy consumption values will be verified in Q2 2022, and final figures will be disclosed in the CDP. Data represents U.S. figures only.

Information within this report is related to Principal Financial Group® unless noted otherwise. The Principal Financial Group Foundation, Inc. (the "Principal® Foundation") is a duly recognized 501(c)(3) entity focused on providing philanthropic support to programs that build financial security in the communities where Principal Financial Group, Inc. ("Principal") operates.

Financials

Full year 2022 financial highlights

FY 2022 OPERATING RESULTS

Reported non-GAAP operating earnings¹

\$1,701M

(-8% vs. FY 2021)

Impact of significant variances to non-GAAP operating earnings²

~\$(28)M after-tax

(\$20M pre-tax)

Non-GAAP operating earnings, excluding significant variances (xSV)

\$1,728M

(-5% vs. FY 2021)

Return on equity³

13.3% reported

(13.5% xSV)

Reported non-GAAP operating earnings per diluted share¹ (EPS)

\$6.66

(-2% vs. FY 2021)

Impact of significant variances to non-GAAP EPS²

\$(0.11)

Non-GAAP EPS, xSV

\$6.77

(+2% vs. FY 2021)

Total company net cash flow managed by PFG

+\$3.9B

+\$4.4B PGI Managed net cash flow

CAPITAL & LIQUIDITY

Excess and available capital

\$1.5B

\$1B at Hold Co

\$425M excess subsidiary capital

\$80M in excess of 400% RBC

Debt to capital ratio⁴

22.2%

Estimated PLIC RBC ratio

~406%

CAPITAL DEPLOYMENTS

FY 2022 capital deployments

\$2.8B

including \$2.3 billion returned to shareholders:

\$1.7B of share repurchases

\$0.6B of common stock dividends (\$2.56 per share)

AUM

Total company AUM managed by PFG

\$635B

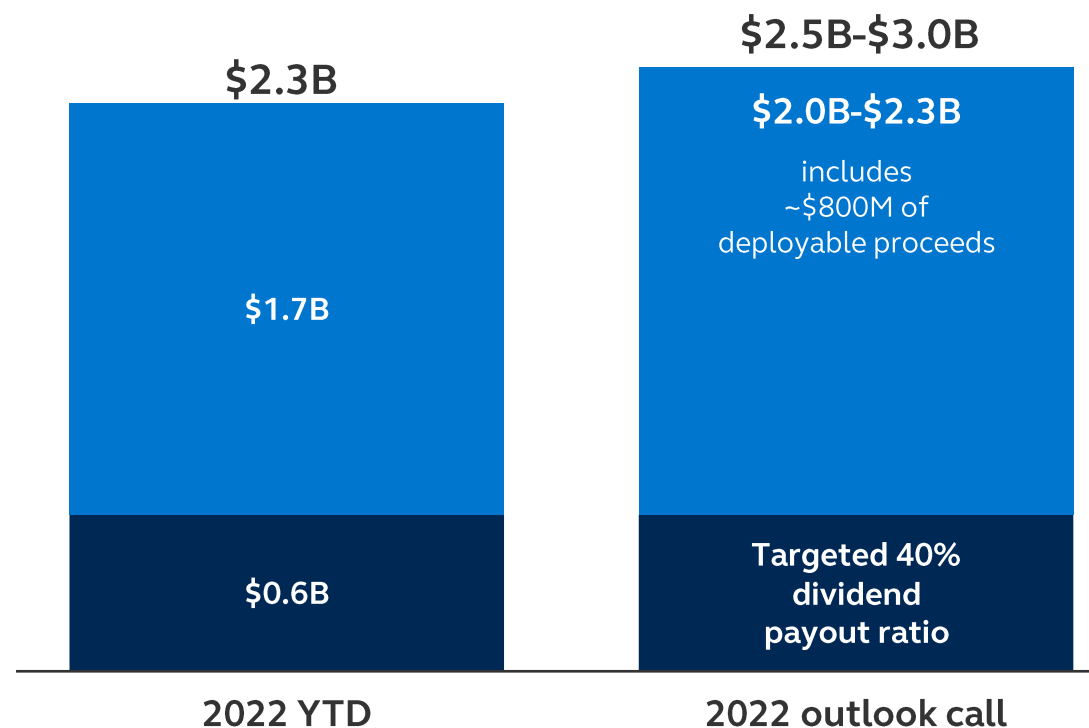
\$465B PGI Managed AUM

2022 capital deployments

- Deployed **\$2.8B**, including **\$2.3B** returned to shareholders, **\$0.3B** in debt reduction and **\$0.2B** of M&A
- Repurchased **\$250M** of shares in 4Q22, **\$1.7B** full year 2022
- **\$1B** remaining on current repurchase authorizations

Returned **\$2.3B** of capital to shareholders YTD

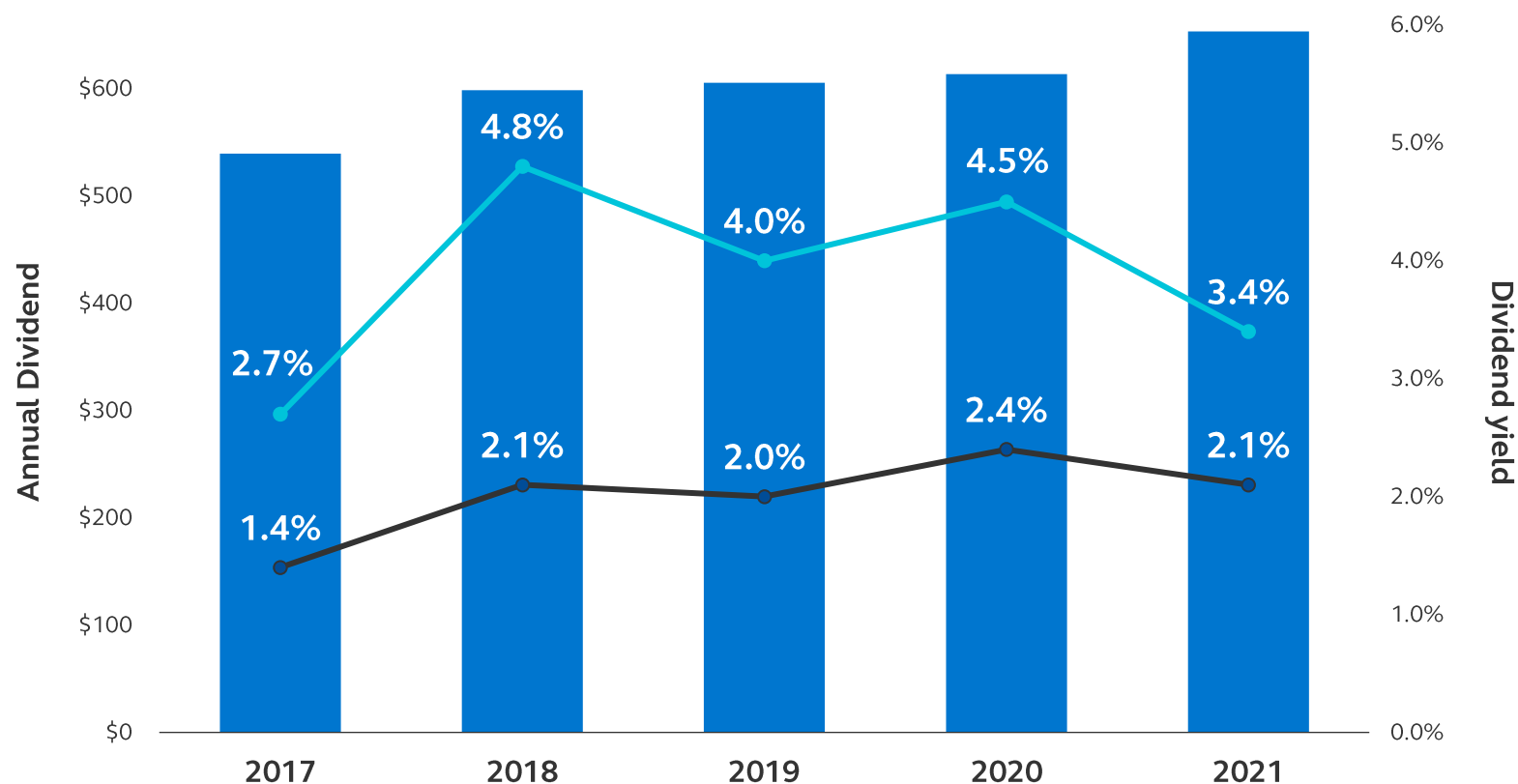
● Share repurchases ● Common stock dividends



Committed to a 40% dividend payout ratio

Future growth in dividends will track growth in net income

● Dividends paid — Principal dividend yield — Peer median dividend yield



- Principal has consistently paid and grown its dividend.
- Dividend and payout ratio target reflect Principal's confidence and conviction around net income.
- Delivered on the 40% targeted payout ratio the past 3 years.
- Attractive dividend yield.

Disciplined capital management strategy

With emphasis on actively returning excess capital to shareholders

	Targeted range as a percentage of net income ¹ :	
Organic capital deployment	15-25%	Capital efficient business mix
Consistent dividend payout ratio	40%	Growth of dividend will track growth in net income ¹
Share repurchases	35-45%	Active return of excess capital to shareholders through share repurchases
M&A	0-10%	Enhancement of capabilities and support of organic growth through strategic M&A

Long-term enterprise financial targets

EPS¹ annual growth:

9-12%

ROE² target:

14-16%

Free capital flow conversion³:

75-85%

1 Non-GAAP operating earnings per diluted share.

2 Non-GAAP return on equity, excluding cumulative change in fair value of funds withheld embedded derivative and AOCI other than foreign currency translation adjustment.

3 Based on net income attributable to PFG excluding income or loss from exited business.

2023 and long-term guidance

Ranges exclude anticipated significant variances from lower than expected variable investment income

		2022 EPS ¹ x-SV	2023	Long-term guidance	
Total Company	EPS growth	\$6.52	3 - 6%	9 - 12%	
		2022 revenue, x-SV ² (in millions)	2023 revenue growth & margin guidance, x-SV	Long-term guidance	Impact from LDTI
Retirement and Income Solutions					
Retirement and Income Solutions	Net revenue	\$2,598	1 - 4%	2 - 5%	-
	Operating margin		35 - 39%	36 - 40%	(1)%
Principal Asset Management					
Principal Global Investors	Operating revenues less pass-through expenses ³	\$1,578	(5) - (1)%	4 - 7%	-
	Operating margin		34 - 37%	34 - 38%	-
Principal International	Combined net revenue (at PFG share) ³	\$902	7 - 11%	7 - 11%	-
	Operating margin		30 - 34%	34 - 38%	-
Benefits & Protection					
Specialty Benefits	Premium and fees	\$2,805	8 - 10%	7 - 10%	-
	Operating margin		12 - 16%	12 - 16%	-
	Incurred loss ratio		60 - 65%	60 - 65%	1%
Life Insurance	Premium and fees	\$914	0 - 3%	1 - 4%	-
	Operating margin		14 - 18%	15 - 19%	(4) - (2)%
Corporate	Pre-tax operating losses		\$(375)M - \$(425)M	\$(375)M - \$(425)M	-

¹ Non-GAAP operating earnings per diluted share. ² 2022 revenue amounts reflect LDTI and exclude the impacts from the significant variances; see appendix for details.

³ This is a non-GAAP financial measure. See reconciliation in appendix. See appendix for definitions of measures.

U.S. retirement

U.S. retirement business

We are a top tier retirement provider that drives enterprise value.

OUR LEADERSHIP POSITION ACROSS MANY PLAN TYPES

- #3 Defined Contribution
- #1 Defined Benefit
- #1 Employee Stock Ownership Plans
- #1 Non-Qualified Deferred Compensation
- #4 Pension Risk Transfer

DRIVING VALUE FOR PRINCIPAL

Workplace retirement solutions drives revenue throughout the organization

High value business with low capital needs

Our U.S. retirement footprint

48,000 employers and **12 million** plan participants¹

2021 Net revenue related to retirement and reported in business lines outside of Full Service Accumulation (FSA)



¹ As of 9/30/2022
See Appendix for sources of rankings.

Key growth drivers



**Leveraging
Institutional
Retirement and
Trust** acquisition
momentum

Harnessing the
power of **Total
Retirement
Solutions**

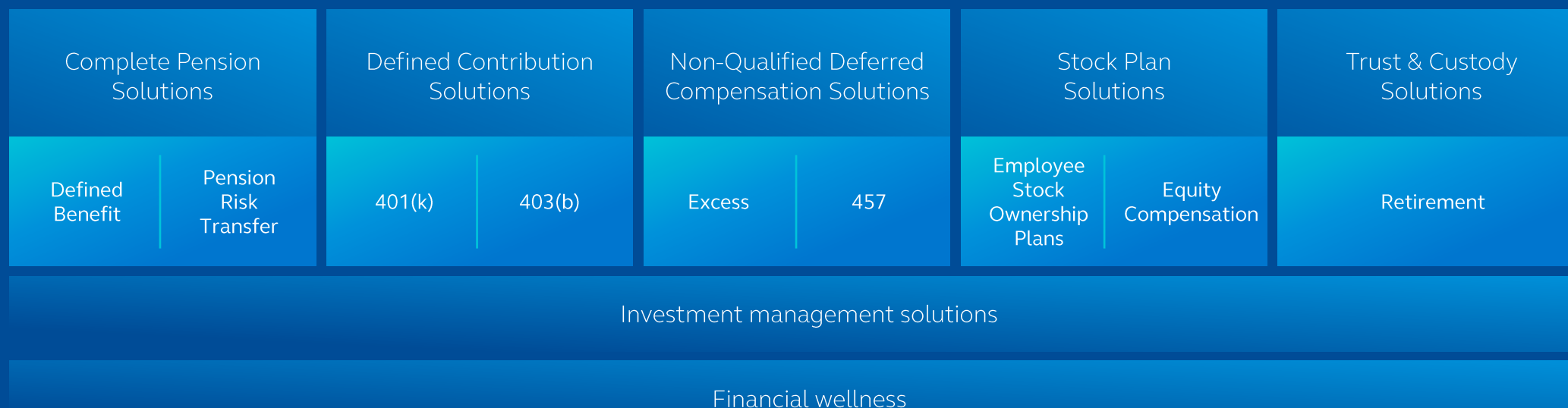
Delivering an
**engaging
participant
experience**

Leveraging
**world class asset
management**
capabilities

Provider of multiple retirement solutions

Total Retirement Solutions is a key differentiator for Principal and valued by our clients.

TOTAL RETIREMENT SOLUTIONS (TRS)



TRS drives meaningful results

Represents approximately **50% of FSA sales** and 42% of FSA assets under administration

Better client retention: **40% lower lapse rate** compared to our non-TRS business

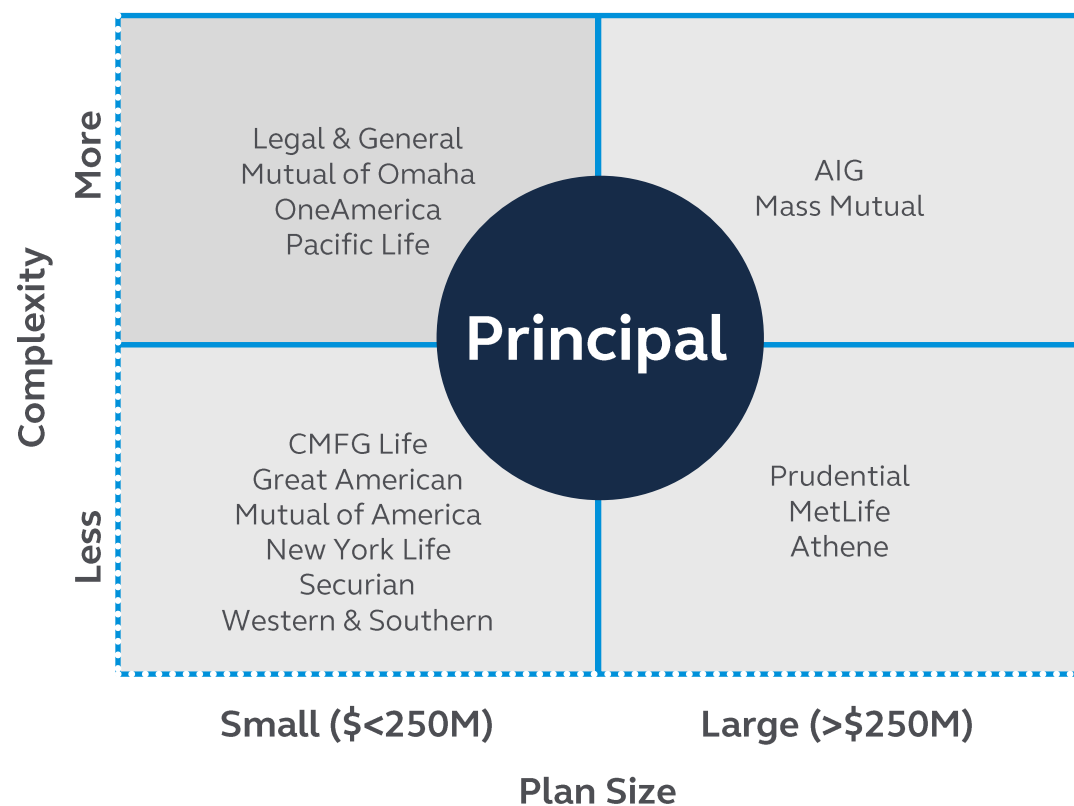
The depth and breadth of our TRS offering is unmatched in the industry

Wide array of proprietary solutions.

Integrated plan sponsor and participant tools, services, and customer experience

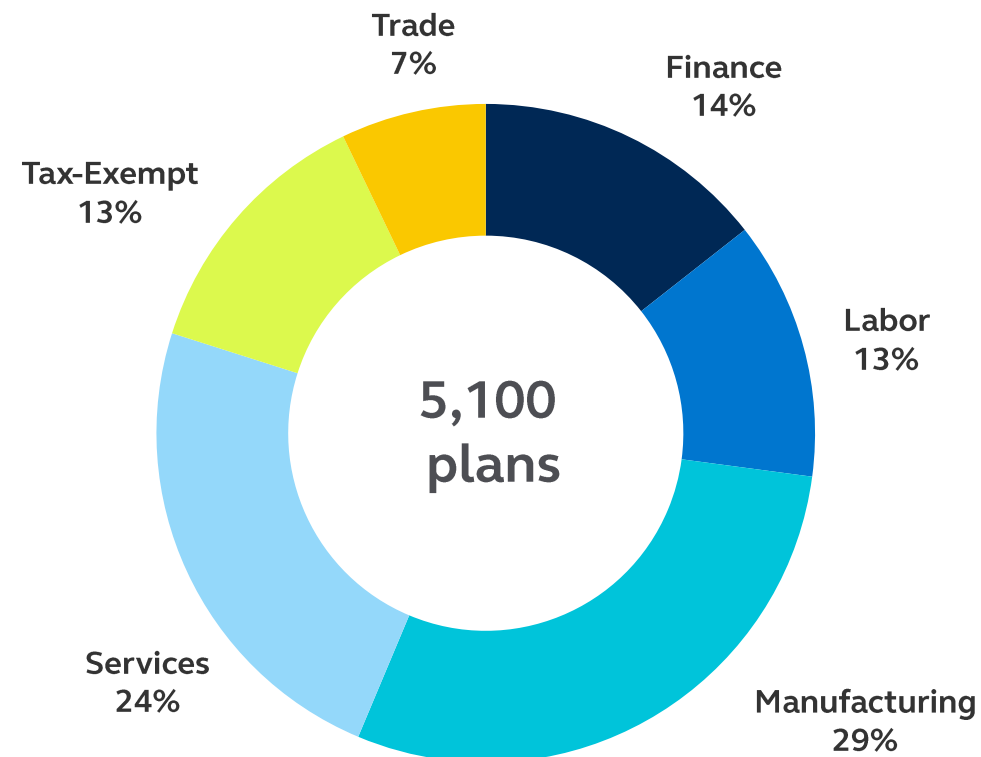
Uniquely positioned to provide Pension Risk Transfer, Equity Compensation, and Private ESOPs

Pension Risk Transfer



Principal's PRT plans by industry¹

Over 90% of plans have under 100 lives



U.S. Retirement

Additional solutions and strategic connections

Pension Risk Transfer

- #4 Pension Risk Transfer provider
- Meets employer needs to manage liabilities and de-risk their balance sheets
- 30% of total plans sourced from Defined Benefit recordkeeping business
- Will selectively choose opportunities that deliver strong returns

Variable Annuities

- Solutions for IRA rollovers and retirement planning
- Offers tax advantaged asset accumulation and income guarantees
- 85% of sales generated through Principal Financial Network
- 25% of block comprised of former plan participants

Principal Bank

- Offers Federal Deposit Insurance Corporation (FDIC) insured products to former plan participants; IRAs and auto-IRAs
- Offers deposit sweep products for Trust & Custody customers
- 100% of sales sourced through U.S. retirement business

Trust & Custody

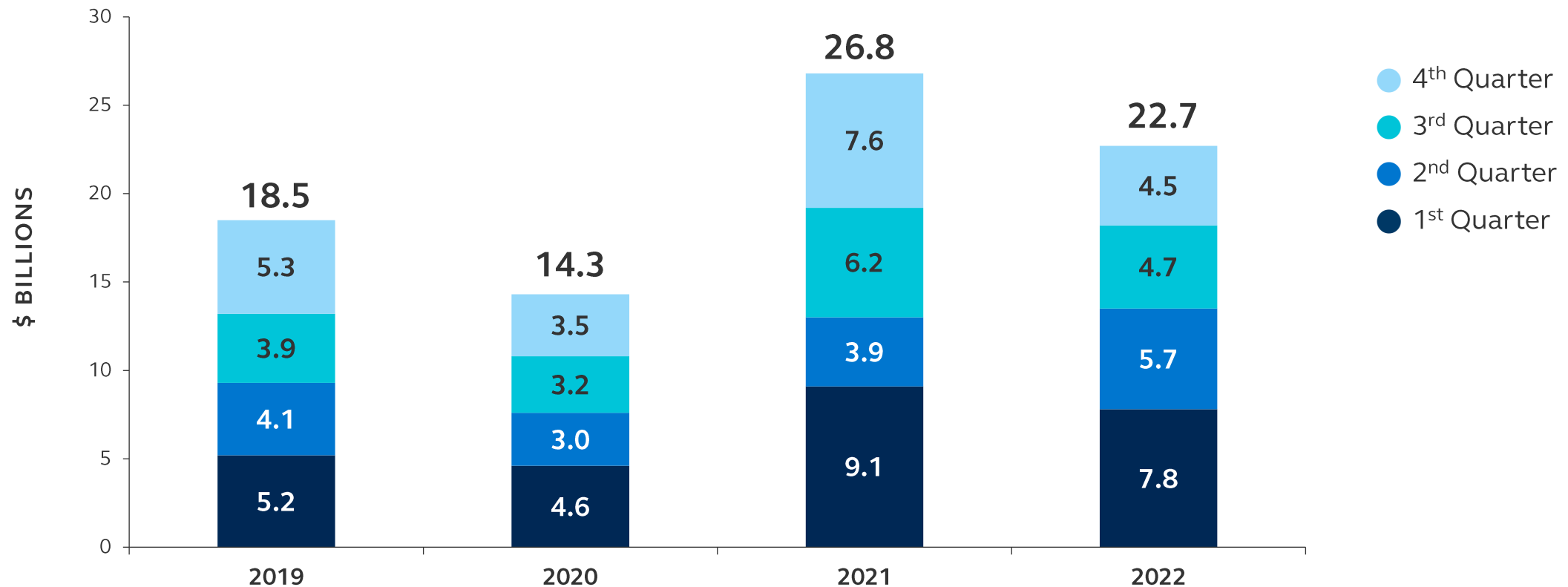
- Provides predictable fee income with attractive margins
- Advances TRS offering and will drive additional enterprise value

Investment Only

- Offers ability to leverage our balance sheet to grow shareholder value
- Includes Funding Agreements (medium term notes), Federal Home Loan Bank (FHLB) lending, and traditional guaranteed investment contracts
- Will opportunistically pursue when returns meet our minimum rate of return

Balanced sales approach

RIS-Fee transfer deposits



The power of payroll deduction

RIS-Fee recurring deposits

People making
a deferral

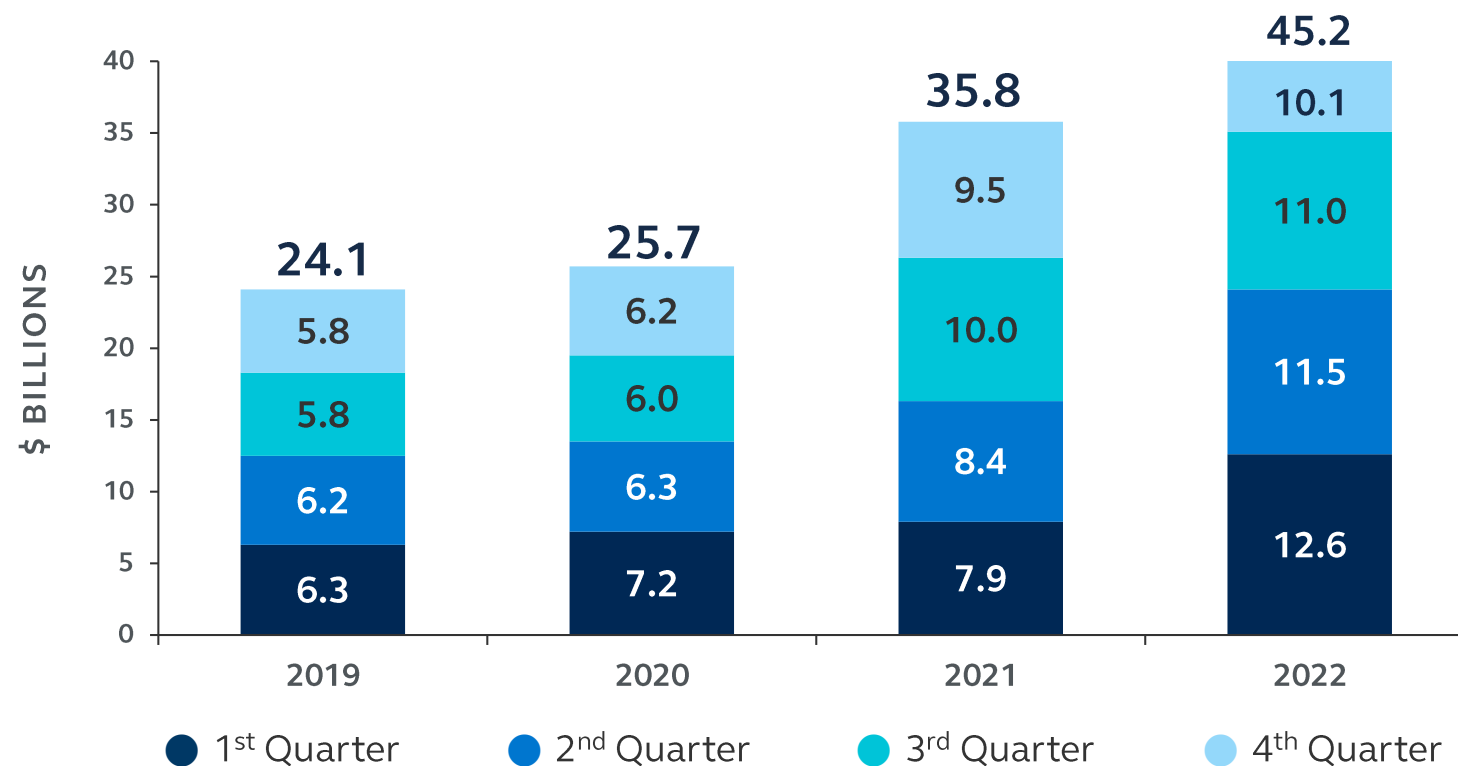
+65%¹

Avg deferral
per member

+8%¹

People receiving
a match

+72%¹



Emerging markets

Providing retirement and long-term financial security for 39 million individuals¹

Total Principal International reported AUM of **\$157B; \$338B** including China

PRINCIPAL FINANCIAL GROUP

MEXICO (1993)

- **2.7M** customers
- AUM of **\$18B**
- Mandatory and Voluntary Pensions, Mutual Funds, Asset Management

CHILE (1995)

- **2.0M** customers
- AUM of **\$41B**
- Mandatory and Voluntary Pensions, Mutual Funds, Asset Management, Annuities, Universal Life Insurance

BRAZIL (1999)

- **3.1M** customers
- AUM of **\$66B**
- Voluntary Pensions and Annuities

CHINA (2005)

- **33.4M** customers
- AUM of **\$181B**
- Asset Management, Mutual Funds

MALAYSIA (2003)⁸

- **3M** customers
- AUM of **\$17B**
- Conventional & Islamic Asset Management, Unit Trusts, Voluntary Pensions

HONG KONG SAR (1996)

- **0.7M** customers
- AUM of **\$11B**
- Mandatory Pensions, Mutual Funds, Asset Management

THAILAND (2010)

- **83K** customers
- AUM of **\$4B**
- Voluntary Pensions, Asset Management, Unit Trusts

INDONESIA (2007)

- **23K** customers
- AUM of **\$0.3B**
- Asset Management, Unit Trusts

Divestitures

- Principal Spain (2001)
- Principal Argentina (2004)
- ING-Principal Pensiones Japan (2005)
- Principal Pensiones Mexico (2020)
- Principal Asset Mgmt India (2021)
- Principal Seguros Mexico (2021)

Strong leadership position

LATIN AMERICA

Chile: #1 voluntary pension

Brazil: #1 voluntary pension

Mexico: #7 mandatory pension

ASIA

Malaysia: #3 unit trust

Hong Kong: #6 mandatory pension

China: #13 retail mutual funds

Driving value for Principal

- High growth
- Meaningful source of capital
- Diversification

Strong financial profile

Well-positioned for continued **growth**

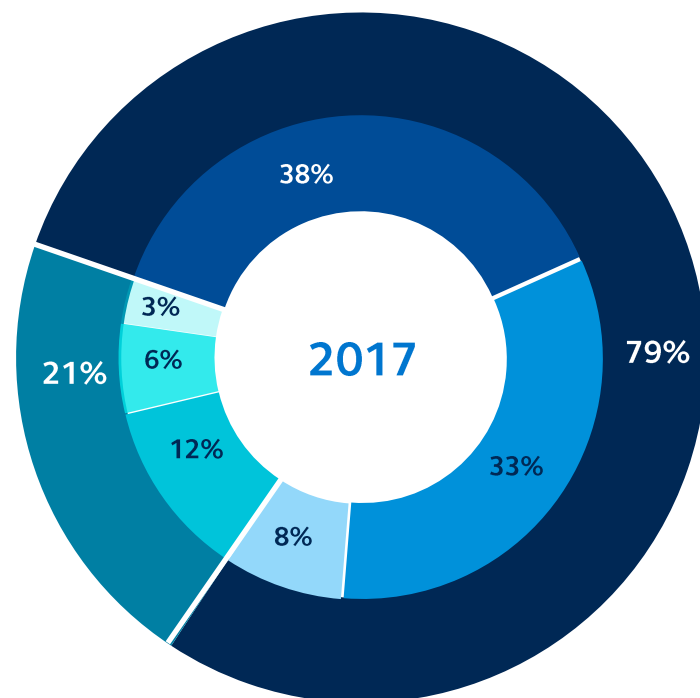
- FX headwinds materially impacted USD growth, PTOE CAGR of -2.3% in USD from 2017-2022
- 0% CAGR in PTOE² from 2017-2022, 4% adjusted for Mexico regulatory fee reduction

Meaningful source of **capital**

- \$841 million in dividends and 72% payout ratio, since year-end 2017
- Fee business with strong margins

Increasing **diversification** for Principal International and Principal

- Product of **4% annual growth** in Asia¹
- Strategic and disciplined in where and how we choose to compete



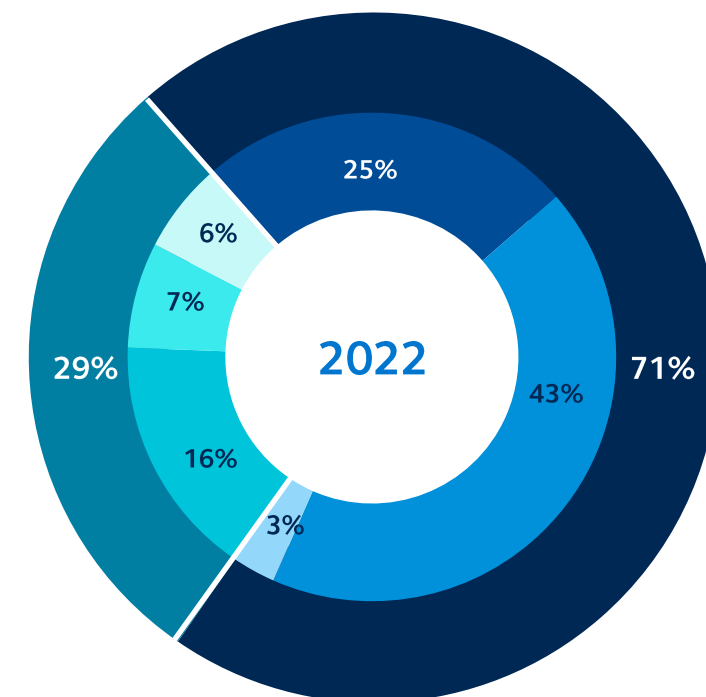
Attribution of pre-tax operating earnings²

LATIN AMERICA

- Brazil
- Chile
- Mexico

ASIA

- China
- Hong Kong
- Southeast Asia

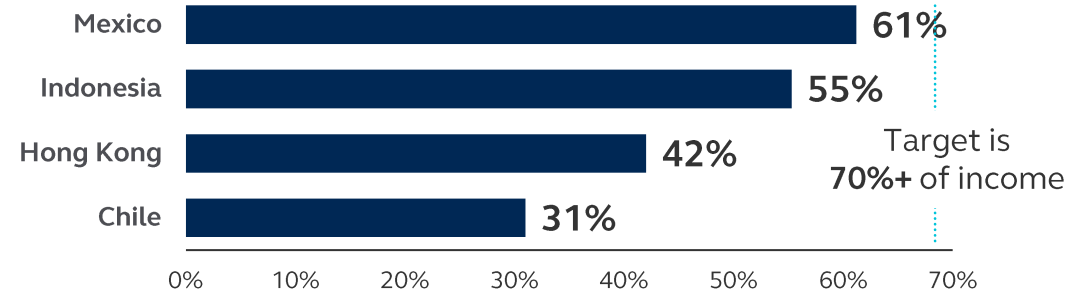


¹ 2017-2022.

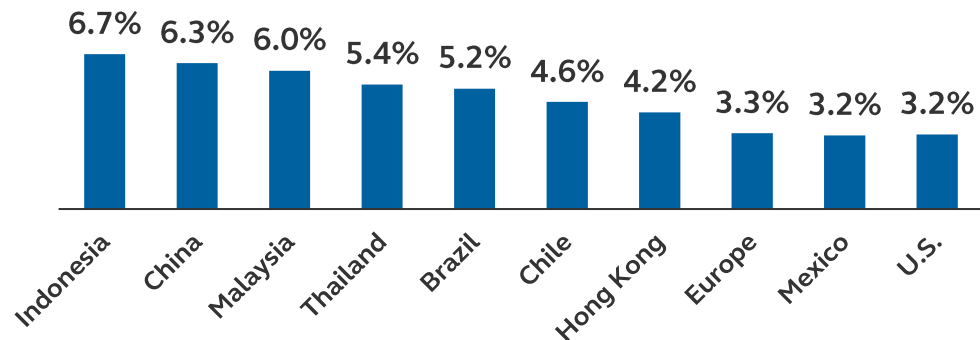
² Adjusted for significant variances.

Well-positioned for continued growth

Retirement gaps across all our markets highlight need and demand for voluntary savings¹



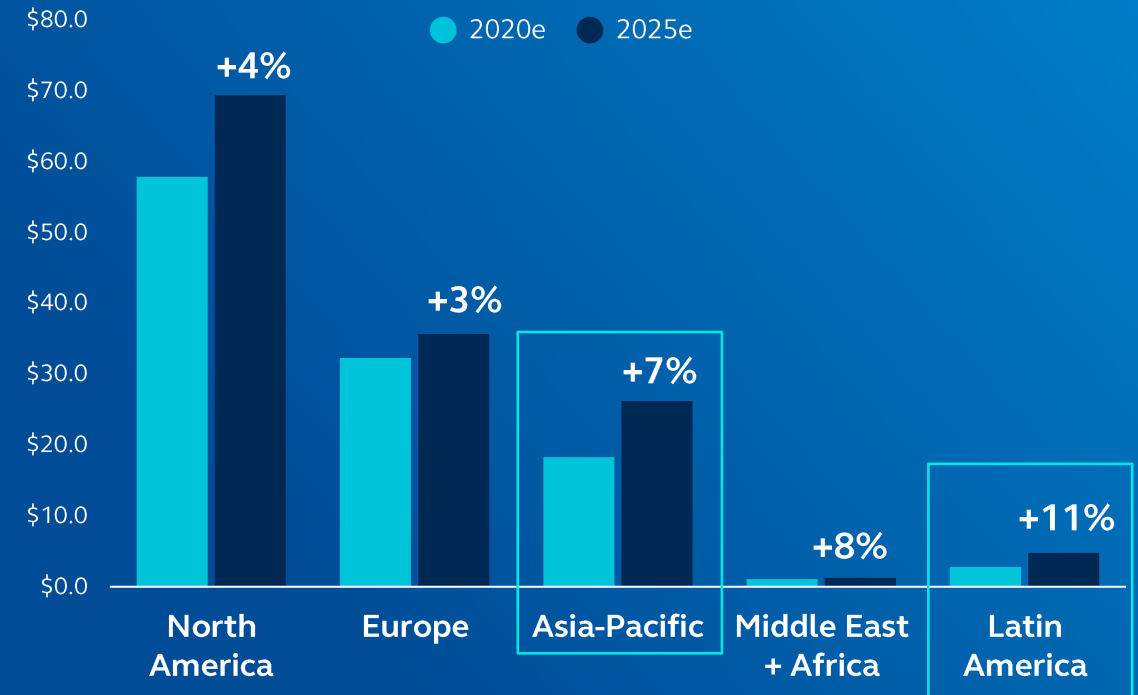
GDP growth rate in our markets up to more than 2x higher than developed markets²



¹ For mandatory/pillar 1 pension solutions. Indonesia, Chile, Mexico – Pensions at a Glance, 2021; For Hong Kong – Pensions at a Glance, Asia/Pacific 2018; ² IMF World Economic Outlook, October 2022. Growth rates shown are for 2022-2027.; ³ PwC Asset and Wealth Management Centre, January 2021.

Industry growth in Asia and Latin America provides a healthy runway

Global AUM by region³
(USD trillions)



Strong joint venture partnerships

China Construction Bank (CCB)

- **2nd largest** bank in the world
- **726 million** retail customers¹
- **37% annual growth in AUM** since 2014

Commerce International Merchant Bankers (CIMB)

- **5th largest** ASEAN bank; 2nd largest bank in Malaysia
- **18 million** retail customers²
- **9% annual growth in AUM** since 2014

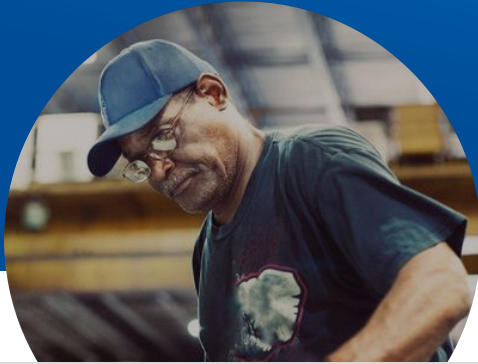
Banco do Brasil

- **2nd largest** bank in Latin America with 78 million retail customers³
- **Leading provider** of voluntary pension in Brazil with 29% market share⁴
- **22% annual growth in AUM** since 1999

U.S. benefits and protection

Principal is uniquely positioned to help businesses

Through our broad set of solutions, our expertise, and the experiences we offer



1) Protect their employees

by offering a comprehensive set of employee benefits that helps recruit and retain talent

- Nonqualified Deferred Compensation
- Group Benefits:
 - Dental / Vision
 - Group Life
 - Group Disability
 - Supplemental Health Products
- Guaranteed Standard Issue for IDI and Life
- Employer-sponsored retirement plans:
 - Defined contribution
 - Defined benefit
 - Employee stock ownership plans
- Pension Risk Transfer
- Trust & Custody Solutions



2) Protect their business

in the event of a death, disability, or resignation of a key employee or a future change in management

- Business owner products for IDI and Life:
 - Term Life
 - VUL
 - Other UL
 - Overhead Expense
 - Key Person Replacement
 - Disability Buy-out



3) Protect business owner and personal needs

by helping maintain their lifestyle through insurance, and building and protecting their retirement savings

- Individual disability insurance
- Life insurance business solutions
 - Term Life
 - Variable Universal Life
 - Other Universal Life
- Variable Annuities and Individual Retirement Accounts (IRAs)
- Advice Solutions

We have a market-leading position across our segments

The combination of the solutions we offer, the expertise we provide, and the experiences we deliver to customers has resulted in a leadership position in the business market.

Group Benefits

- #1 Group Life
- #2 Total Group Benefits
- #4 Group Disability
- #4 Group Dental

Individual Disability

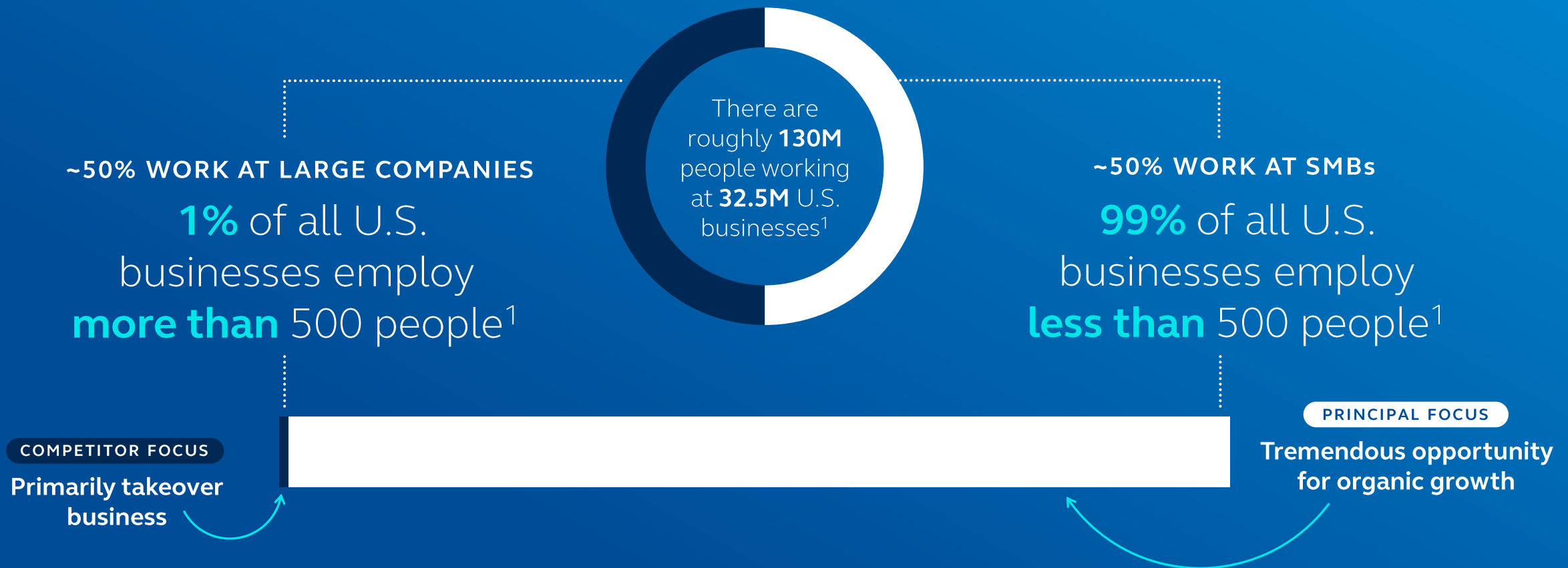
- #1 Overhead expense disability solution
- #1 Disability buyout
- #4 Total individual disability sales
- #4 In-force premium

Life Insurance Business Solutions

- #1 Small-case business life insurance
- #1 Nonqualified deferred compensation
- #3 Corporate-sponsored individually owned life insurance
- #1 Corporate owned life insurance

Where we play in the marketplace

Competitors primarily battle over the same 1% of employers, **Principal focuses on the other 99%**

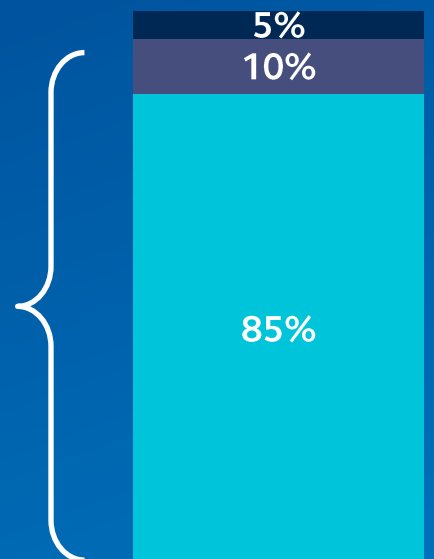


Our SMB focus is a key differentiator

Principal partners with more than 177,000 U.S. businesses; more than 131,000 of those partnerships originate in U.S. Insurance Solutions.

GROUP BENEFITS solutions

95% of the employers we partner with have fewer than 100 employees

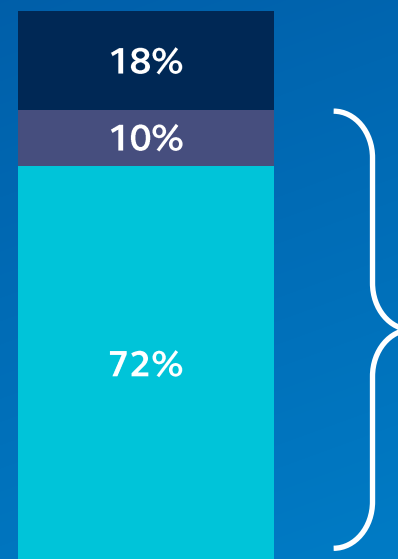


■ <50 ■ 50-99 ■ 100+

(by # of employees)

LIFE INSURANCE business solutions

Over 80% of the employers we partner with have fewer than 100 employees



■ <50 ■ 50-99 ■ 100+

(by # of NQDC/BOES employees)

Year-end 2022

Specialty Benefits

A high growth business that partners with **108,000 employers** and helps **3.4 million people**

SBD PREMIUM & FEE MIX

17% INDIVIDUAL DISABILITY / 83% GROUP BENEFITS

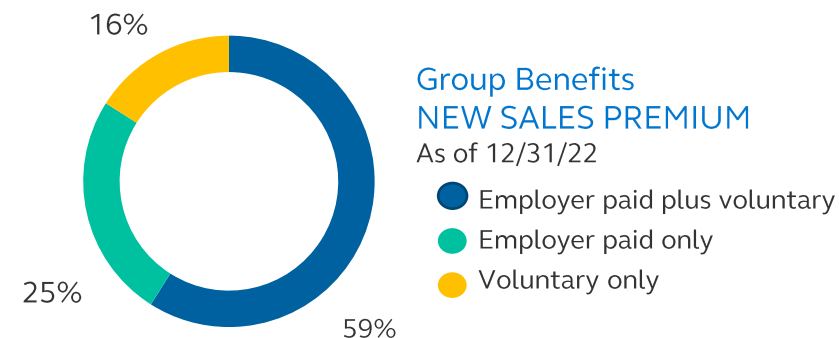
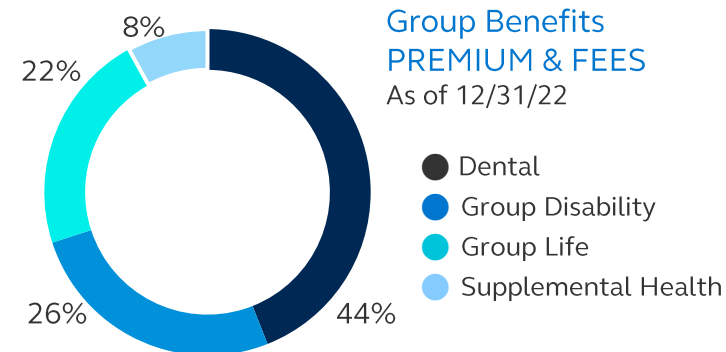
GROUP BENEFITS: DRIVING VALUE FOR PRINCIPAL

Significant SMB footprint, a customer segment that's critical to our strategy

Low capital needs business with future growth potential

Track record of driving revenue through consistent above-industry growth

We are a leading provider of comprehensive benefits packages with strong diversification.



60% of new business comes from another carrier

25% of new business comes from existing customers adding new product

15% of new business are new customers offering group for the first time

Annually renewable business with **90%** retention

Average # of employees per employer customer: **33**

#1 in company competitiveness based on service for Group Life and Group Disability²

¹ Average retention for the period 1/1/2020 – 12/31/2022

² Credit Suisse U.S. Life Insurance 1Q21 Insurance Producer Survey

Driving growth through a SMB focus

A leader in serving SMBs

- Sold coverage counts from existing cases has grown annually by 18% since 2017.

Engineering a complete and seamless smaller employer experience

COMPETITOR FOCUS

Onboarding

COMPETITOR FOCUS

Claims experience

OUR UNIQUE FOCUS

Simplifying every step of the journey,
not just the beginning and the end

Differentiated SMB experience

Engineering a complete and seamless smaller employer experience

SMALL EMPLOYER INSIGHT

They typically don't have an HR department

They value cashflow predictability

They value knowing what other employers are doing

OUR UNIQUE APPROACH

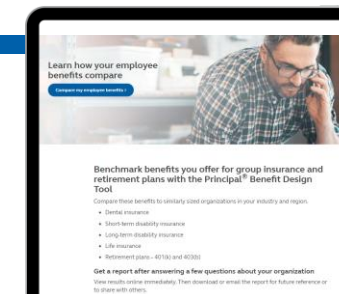
Processes that reduce the administrative burden – make it easy to exchange data

Broad product set and product bundles so they work with fewer carriers

Renewal strategy: smaller, more predictable rate increases

Tools to help them easily research and benchmark benefits

- Currently, we have more than 21,000 employers leveraging connectivity, representing more than \$930 million in premium
- Increased the number of protection solutions per employer by nearly 20% over the last five years
- Gives SMBs confidence they can handle the costs, as they're not as equipped to handle significant swings in expenses



Life Insurance Business Solutions Division

We are a leading provider of comprehensive and innovative solutions that help owners protect their business and keep it running when the unexpected occurs.

Our life insurance suite of business solutions

NQDC

Business owner solutions

Term Life

Universal Life

Variable Universal Life

We use these common life insurance business solutions to create specialized protection options for business owners.

Some examples of how we use life insurance business solutions to help business owners.

Buy-sell business and transfer strategies

Helps keep a business going by outlining how and to who shares or interest in the business will be transferred or sold in the event of a death, disability or retirement.

Key employee benefits

Helps recruit, reward, retain and retire key employees whose performance most affects the success of the organization. These plans can provide additional benefits and/or help them make up for benefits lost due to government restrictions placed on qualified retirement plans.

Key person protection

Protects the integrity, cash flow and ongoing success of a business from the loss of a key employee due to death, disability or termination of employment. Key person insurance helps the business overcome additional expenses associated with recruiting and training a replacement.

Global asset management

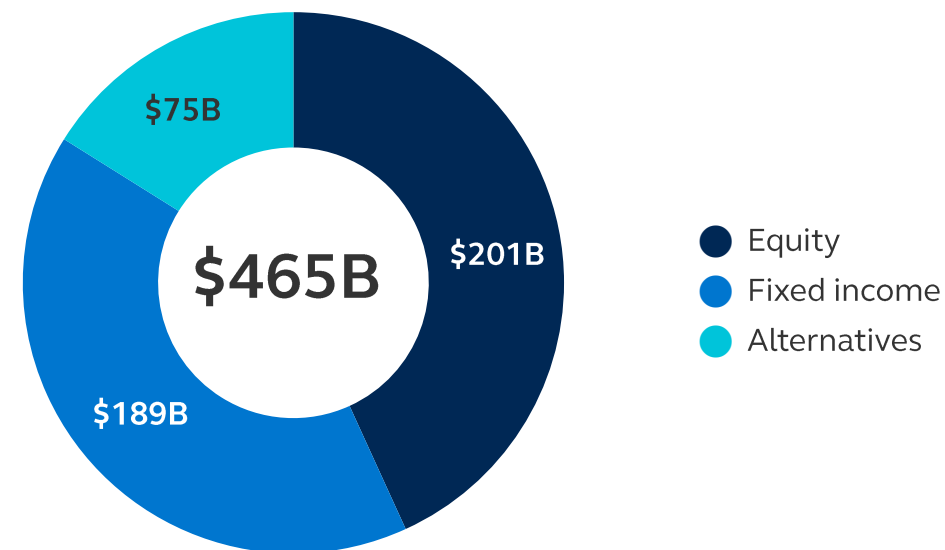
Global asset management

Serving institutional, retirement, and retail investors; fueling growth of all Principal businesses

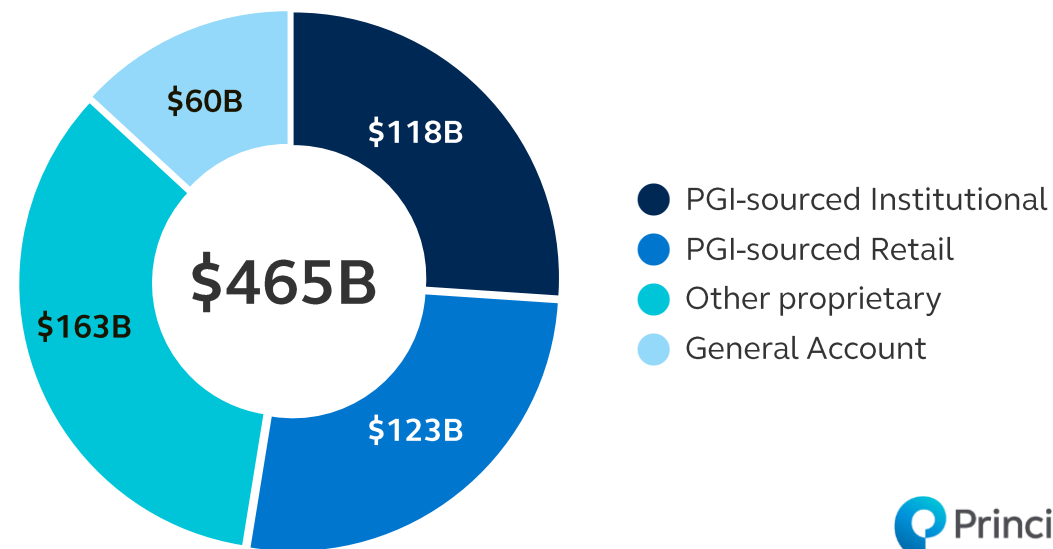
Why we are confident we will capitalize on the asset management opportunity set going forward

- Proven strength in high-growth private and specialty public market investment capabilities, and in multi-asset solutions
- Ability to leverage our global, multi-channel distribution to build deep customer relationships
- Highly efficient, globally-integrated operating model
- Ability to attract and retain top talent

PGI managed AUM¹ by asset class



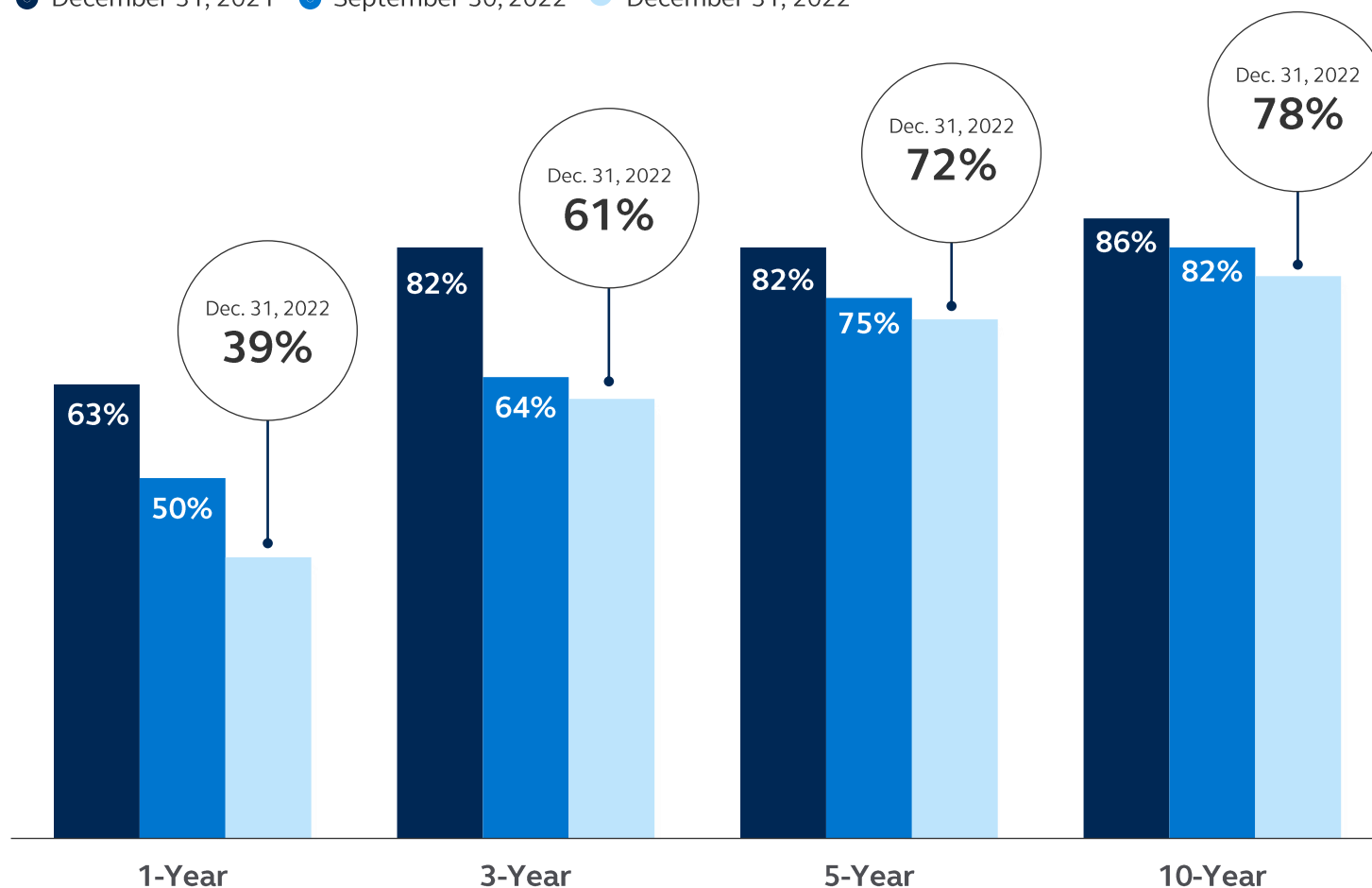
PGI managed AUM¹ by source



Investment performance

Equal weighted¹

● December 31, 2021 ● September 30, 2022 ● December 31, 2022



¹ Percentage of Principal actively managed mutual funds, exchange traded funds (ETFs), insurance separate accounts, and collective investment trusts (CITs) in the top two Morningstar quartiles. Excludes Money Market, Stable Value, Liability Driven Investment (Short, Intermediate and Extended Duration), Hedge Fund Separate Account, & U.S. Property Separate Account.

43 ² Includes only funds with ratings assigned by Morningstar; non-rated funds excluded (89 total, 82 are ranked).

ASSET WEIGHTED²

53%

of rated fund AUM
has a 4 or 5 star rating
from Morningstar

Private real estate delivered
strong absolute 3-, 5-, and
10-year returns

(not reflected in funds relative investment performance)

Global Asset Management adds significant value

ECONOMIC

Asset management delivers strong margins and is capital efficient

	5-year average
Pre-tax Margin	38%
Free capital flow (% of net income)	>100%

We made investments for growth throughout this period, and will continue to invest in the business going forward.

STRATEGIC

Asset management drives value through other Principal businesses

Supports U.S. and International asset accumulation distribution

- Engagement by our investment professionals
- Investment thought leadership

Delivers innovative products and solutions

- Top 10 Target Date manager; #1 manager of Hybrid Target Date CITs
- Global products for local market investors, local products for global investors

General account (GA) management enables competitive pricing in the other businesses

- Real estate, private debt, other strategies provide Principal with a competitive advantage

Focused on private and specialty public market capabilities

Committed to active management; deep expertise in capabilities with pricing power

Flagship

- **Real Estate**
Private Debt, Private Equity, CMBS, REITs, Global Property Securities
- **Quality Domestic Equity**
Large Cap, Mid Cap, Small Cap, Blue Chip, Equity Income
- **Specialty Income**
IG Credit, High Yield, Preferred Securities, Securitized Debt, Muni Bonds, Stable Value
- **Asset Allocation Solutions**
Target Date, Target Risk, Dynamic Outcome

Scaling today

- **Real Estate**
European Real Estate, Green Property
- **Global Equity**
- **Emerging Market Equity**
- **Emerging Market Debt**
- **Global Listed Infrastructure**
- **Liability-Driven Investment Solutions**

Building for the future

- **Real Estate**
Asian Real Estate, Specialty Sectors
- **Regional Equity & Debt**
Asian Bonds, China A-Shares, Brazil Strategies, Islamic Strategies
- **Private Debt**
Expanded Middle-Market Origination, Specialty Debt Markets
- **Asset Allocation Solutions**
OCIO, Model Portfolios, Managed Accounts, Factor Based Strategies

Our teams have integrated ESG into their investment philosophies and processes.
We deliver our capabilities in a range of vehicles to meet investor needs.

Significant opportunities from exploiting current strengths

Market
2020-2023
AUM CAGR¹

1 Expand relationships with global institutional and wealth investors

- Highly effective distribution model based on close alignment between sales, marketing, product, and investment teams
- Experienced sale professionals with skills to engage with sophisticated clients
- Broad and deep relationships with institutional clients and wealth platforms

~ 5-7%

2 Increase market share in U.S. retirement asset management

- Partner with RIS to leverage our asset allocation expertise
- Target date leadership drives FSA and DCIO growth with sophisticated clients
- Innovation around managed accounts, QDIA solutions, income solutions
- Uniquely positioned to deliver OCIO services

~ 5-7%

3 Capitalize on the growth in Emerging Market investing

- Further developing our EM capabilities and partner with PI to capture retail growth in Asia and Latin America
- Aligning investment teams to blend global and local expertise
- Executing against joint go-to-market strategies
- Delivering global products and investment marketing for PI retail markets

~ 6-8%
for EM capabilities

Foundational to these efforts is our proven ability to attract and retain top talent

Distribution

U.S. distribution overview

Affiliated

PRINCIPAL FINANCIAL NETWORK

- 1,100 advisors
- Sell all products
- Financial Planning Focused

INVESTMENT-ORIENTED

- Wirehouses
- Regional Broker/Dealers
- Institutional
- Planners
- Consultants
- Advisor Aggregators

Third party

INSURANCE-ORIENTED

- Brokerage General Agents
- Independent Marketing Organizations
- Financial Advisors/
Broker/Dealers

BANKS

- Banks
- Broker/Dealers
- Marketers

GLOBAL FIRM RELATIONS

Select 3rd party distributors with dedicated support
Strengthens relationships and fuels sales growth

WHOLESALE CHANNELS

Retirement

Investment
SolutionsVariable
Annuities

ESOP

Business
Solutions

NQDC

Disability
Insurance

Group Benefits

All supported by **dedicated service teams** providing education, training, counseling and retention.

Broad and deep distribution

Proprietary provides foundation; 3rd party provides accelerated growth

Product Line New Sales	1 st	2 nd	3 rd	Top 3 represent
NQ Life	Create Planning	Bank of America	Morgan Stanley	39%
Individual Disability	Plus Group	Principal Advisor Network	TRUIST	29%
Group Benefits	OneDigital	Rogers Benefit Group	True Network of Advisors	11%
Variable Annuities	Principal Advisor Network	Advisor Group	Cetera	94%
Mutual Funds	Fidelity	Edward Jones	Bank of America	27%
Retirement – New Sales Assets	Bank of America	Creative Planning	Kestra	22%
Retirement - New Plan Counts	Edward Jones	Principal Advisor Network	Bank of America	29%

Appendix

Non-GAAP operating earnings sensitivities

Estimated impacts of changes in key macroeconomic conditions on annual non-GAAP pre-tax operating earnings relative to the next 12 months, prior to management expense actions

If macroeconomics change by...	Equity market return ¹ +/- 10%	Interest rates ² +/- 100 bps	FX: U.S. dollar ³ +/- 2%	Certain alternative investment valuation ⁴ +/- 10%
Then Principal's annual non-GAAP pre-tax operating earnings will change by...	+/- 5-8%	+/- (1)-1%	-/+ < 1%	+/- < 8%
And the primary businesses impacted are...	RIS PGI	All	PI	RIS Life Insurance SBD

Short-term interest rates: Our exposure to short-term interest rates (i.e., IOER/IOERB) has declined as we moved a majority of the related cash balances onto our balance sheet. Fluctuations in short-term rates are expected to have a relatively immaterial impact going forward.

¹ Assumes an immediate 10% change in the S&P 500 followed by 2% growth per quarter thereafter. ² Excludes the impact of actuarial unlockings. ³ Principal is primarily impacted by changes in Latin American and Asian currencies. Inverse relationship between movement of the U.S. dollar and impact to non-GAAP pre-tax operating earnings. ⁴ Includes hedge funds, private equity, infrastructure, and direct lending assets. Separate and distinct from our equity risk associated with a decline in the S&P 500 index, assumes an immediate 10% decline in the value of these assets, followed by a 2% per quarter increase. Note: The impact to income before income taxes is materially consistent with the impact to non-GAAP pre-tax operating earnings.

2023 Outlook modeling considerations

Anticipated significant variances (excluded from guidance ranges)

- **Variable Investment Income:** Expected to lag 2022 levels and long-term run rates driven by lower performance of alternative investments, real estate sales and prepayment fees

Full year base case credit drift and losses: ~ \$125M

Assumptions

- **Non-GAAP operating earnings effective tax rate:** 16%-19%
- **Equity markets:** 8% annual total return (6% price appreciation) as of 12/31/2022
- **Interest rates:** follow forward curve as of 12/31/2022
- **FX rates:** follow external consensus¹ as of Jan 2023

Full year 2022 significant variances

Business unit impacts of significant variances (in millions)

Business unit	Actuarial assumption review	Variable investment income ¹	COVID-19 claims ¹	IRT integration	DAC amortization	Encaje & inflation ³	Total significant variances
RIS-Fee	\$12.6	\$(2.0)	-	\$(9.4)	\$(7.2)	-	\$(6.0)
RIS-Spread	\$54.7	\$10.6	\$25.2	-	-	-	\$90.5
Principal International	-	\$20.7	-	-	-	\$1.0	\$21.7
Specialty Benefits	\$9.5	\$5.0	\$(33.6)	-	-	-	\$(19.1)
Life Insurance	\$9.3	\$(9.2)	\$(33.7)	-	-	-	\$(33.6)
Corporate	-	\$(73.3)	-	-	-	-	\$(73.3)
Total pre-tax impact	\$86.1	\$(48.2)	\$(42.1)	\$(9.4)	\$(7.2)	\$1.0	\$(19.8)
Total after-tax impact	\$68.0	\$(48.0)²	\$(33.3)	\$(6.9)	\$(5.6)	\$(1.9)³	\$(27.7)
EPS impact							\$(0.11)

1 1Q22 adjusted for impacts from the 2022 reinsurance transaction. 2 Certain mark-to-market investments in the Corporate segment are not subject to taxes. 3 Encaje and inflation impacts are subject to the tax rates of the local jurisdictions.

Full year 2022 significant variances under LDTI

Business unit impacts of significant variances (in millions)

	Actuarial assumption review	Variable investment income ¹	COVID-19 claims	IRT integration	Encaje & inflation ²	Other	Total significant variances
Retirement and Income Solutions	\$7.8	\$8.6	\$2.8	\$(9.4)	-	-	\$9.8
Principal International	-	\$20.8	-	-	\$3.1	\$(5.2)	\$18.7
Specialty Benefits	\$55.6	\$5.0	\$(29.8)	-	-	-	\$30.8
Life Insurance	\$5.6	\$(9.2)	\$(23.6)	-	-	-	\$(27.2)
Corporate	-	\$(73.3)	-	-	-	-	\$(73.3)
Total pre-tax impact	\$69.0	\$(48.1)	\$(50.6)	\$(9.4)	\$3.1	\$(5.2)	\$(41.2)
Total after-tax impact	\$54.5	\$(47.9)	\$(40.0)	\$(6.9)	\$(0.4)	\$(4.1)	\$(44.8)
EPS impact							\$(0.18)

Non-GAAP financial measure reconciliations

	Twelve months ended (in millions)	
Non-GAAP operating earnings (Losses)	12/31/22	12/31/21
Net income attributable to PFG	\$4,811.6	\$1,710.6
Net realized capital (gains) losses, as adjusted	193.3	137.0
(Income) loss from exited business	(3,304.0)	-
Non-GAAP operating earnings	\$1,700.9	\$1,847.6

	Twelve months ended	
Diluted earnings per common share	12/31/22	12/31/21
Net income	\$18.85	\$6.27
Net realized capital (gains) losses, as adjusted	0.76	0.50
(Income) loss from exited business	(12.95)	-
Non-GAAP operating earnings	\$6.66	\$6.77
Weighted-average diluted common shares outstanding (in millions)	255.3	272.9

	Twelve months ended (in millions)	
Income taxes	12/31/22	12/31/21
Total GAAP income taxes	\$1,207.9	\$326.2
Net realized capital gains (losses) tax adjustments	64.2	56.2
Income taxes attributable to noncontrolling interest	(0.3)	(0.1)
Income taxes related to equity method investments	49.1	31.5
Income taxes related to exited business	(956.5)	-
Income taxes	\$364.4	\$413.8

Non-GAAP financial measure reconciliations

	Period ended (in millions)
Stockholders' equity x- cumulative change in fair value of funds withheld embedded derivative and AOCI other than foreign currency translation adjustment, available to common stockholders	12/31/22
Stockholders' equity	\$10,042.8
Net unrealized capital (gains) losses	5,357.6
Net unrecognized postretirement benefit obligation	254.1
Cumulative change in fair value of funds withheld embedded derivative	(2,885.7)
Noncontrolling interest	(41.1)
Stockholders' equity x- cumulative change in fair value of funds withheld embedded derivative and AOCI other than foreign currency translation adjustment, available to common stockholders	\$12,727.7

	hree months ended (in millions)	
Income taxes	12/31/22	12/31/21
Total GAAP income taxes	\$(10.6)	\$103.8
Net realized capital gains (losses) tax adjustments	(25.0)	17.9
Income taxes attributable to noncontrolling interest	(0.2)	(0.1)
Income taxes related to equity method investments and noncontrolling interest	10.9	10.8
Income taxes related to exited business	112.7	-
Income taxes	\$87.8	\$132.4

	Period ended
Non-GAAP operating earnings ROE (x- cumulative change in fair value of funds withheld embedded derivative and AOCI, other than foreign currency translation adjustment) available to common stockholders	12/31/22
Net Income ROE available to common stockholders (including AOCI)	36.9%
Cumulative change in fair value of funds withheld embedded derivate and AOCI, other than foreign currency translation adjustment	0.7%
Net realized capital (gains) losses	1.5%
(Income) loss from exited business	(25.8)%
Non-GAAP operating earnings ROE (x- cumulative change in fair value of funds withheld embedded derivative and AOCI, other than foreign currency translation adjustment) available to common stockholders	13.3%

Measure definitions & non-GAAP financial measure reconciliations

Measure definitions

Net revenue: operating revenues less benefits, claims and settlement expenses; liability for future policy benefits remeasurement (gain) loss; market risk benefit remeasurement (gain) loss; and dividends to policyholders.

Pre-tax operating earnings: operating earnings before income taxes and after noncontrolling interest.

Operating revenues less pass-through expenses: the company has determined this measure is more representative of underlying operating revenues growth for Principal Global Investors as it removes commissions and other expenses that are collected through fee revenue and passed through expenses with no impact to pre-tax operating earnings.

Combined net revenue (at PFG share): reflects our share of net revenue less pass-through commissions for all Principal International companies. The company has determined combined net revenue (at PFG share) is more representative of underlying net revenue growth for Principal International as it reflects our proportionate share of consolidated and equity method subsidiaries. In addition, using this net revenue metric provides a more meaningful representation of our profit margins.

Premium and fees: premiums and other considerations plus fees and other revenues.

Operating margin: is calculated as follows for each operating segment:

Retirement and Income Solutions: pre-tax operating earnings divided by net revenue

Principal Global Investors: pre-tax operating earnings, adjusted for noncontrolling interest, divided by operating revenues less pass through expenses

Principal International: pre-tax operating earnings divided by combined net revenue (at PFG share)

Benefits and Protection: pre-tax operating earnings divided by premium and fees

Non-GAAP financial measure reconciliations

(in millions)

	Twelve months ended
Principal Global Investors operating revenues less pass-through expenses	12/31/22

Principal Global Investors operating revenues	\$1,715
---	---------

Principal Global Investors commissions and other expenses	(137)
---	-------

Principal Global Investors operating revenues less pass-through expenses	\$1,578
---	----------------

	Twelve months ended
Principal International combined net revenue (at PFG Share)	12/31/22

Principal International pre-tax operating earnings	\$299
--	-------

Principal International combined operating expenses other than pass-through commissions (at PFG share)	622
--	-----

Principal International combined net revenue (at PFG share)	\$921
--	--------------

Definition of abbreviations

ASEAN – Association of Southeast Asian Nations

AUA – assets under administration

AUM – assets under management

AVG – average

BPS – basis points

CCB – China Construction Bank

CIMB – Commerce International Merchant Bankers

CIT – collective investment trust

CMBS – commercial mortgage-backed security

COLI – company-owned life insurance

DB – defined benefit

DC – defined contribution

DCIO – defined contribution investment only

EM – emerging markets

EPS – earnings per share

ESG – environmental, social, and governance

ESOP – employee stock ownership plan

ETF – exchange traded fund

FCF – free capital flow

FDIC – Federal Deposit Insurance Corporation

FSA – full service accumulation

FX – foreign exchange

GAAP – generally accepted accounting principles

GDP – gross domestic product

HoldCo – holding company

HR – human resources

IG – investment grade

IRT – institutional retirement and trust

IRA – individual retirement account

JV – joint venture

LDI – liability driven investment

LIMRA – Life Insurance and Market Research Association

M&A – mergers and acquisitions

MOU – memorandum of understanding

NAIC – National Association of Insurance Commissioners

NQ – non-qualified

NQDC – non-qualified deferred compensation

OCIO – outsourced chief investment officer

OE – operating earnings

PGI – Principal Global Investors

PTOE – pre-tax operating earnings

QDIA – qualified default investment alternative

RBC – risk-based capital

REIT – real estate investment trust

RIS – Retirement and Income Solutions

ROE – return on equity

SMB – small to medium-sized business

TRS – Total Retirement Solutions

TSA – transition services agreement

UL – universal life

ULSG – universal life with secondary guarantee

VUL – variable universal life

xSV – excluding significant variances

Sources of Rankings

Business	Market Position	Source
U.S. retirement	#3 Defined contribution	Based on number of DC plan participants, 2021 PLANSPONSOR Recordkeeping Survey, July 2021.
	#1 ESOP Plans	Based on number of plans, 2021 PLANSPONSOR Recordkeeping Survey, July 2021.
	#1 Non-qualified deferred compensation	Based on number of Section 409A plans, PLANSPONSOR Recordkeeping Survey, July 2021.
	#1 DB Plans	PLANSPONSOR Defined Benefit Administration Survey, May 2021. Ranking is based on total number of DB plans.
	#4 Pension risk transfer provider	LIMRA Secure Retirement Institute, as of 12/31/2020.
Emerging markets	#1 Chile voluntary pension	CMF, November 2022
	#1 Brazil voluntary pension	Fenaprevi, November 2022
	#7 Mexico mandatory pension	CONSAR, November 2022
	#3 Malaysia unit trust	Lipper, November 2022
	#6 Hong Kong mandatory pension	Mercer, September 2022
	#13 China retail mutual funds	WIND, September 2022

Sources of Rankings

Business	Market Position	Source
U.S. benefits and protection	#1 Overhead expense disability solution	Based on participants in the LIMRA Third Quarter 2022 Individual Disability Income Insurance Sales.
	#1 Disability buyout	
	#4 Total individual disability sales	
	#4 Individual disability in-force premium	Based on participants in the LIMRA 2021 Annual Individual Disability Income Sales and In-force Survey.
	#1 small-case business life insurance	Based on 2021 corporate-owned life insurance (COLI) and corporate-sponsored individually owned (CSIO) life insurance total premium and case count for case sizes up to \$5 million of total premium per case. Source: 2022 COLI/CSIO survey of participating life insurance carriers, IBIS Associates, Hamilton, VA.
	#3 Corporate-sponsored individually owned life insurance	
	#1 Corporate owned life insurance	
	#1 Group Life	Determined by fully-insured employer groups in-force. Based on participants in LIMRA's Fourth Quarter 2021 U.S. Workplace Benefits Life Insurance, Disability Insurance, Dental and Vision Plans, and Supplemental In-force surveys. (April 2022).
	#2 Total Group Benefits	
	#4 Group disability	
	#4 Group Dental	#1 provider of nonqualified deferred compensation; 2022 PLANSPONSOR Defined Contribution Plan Recordkeeping Survey, July 2022
	#1 Nonqualified deferred compensation	
Global asset management	Top 10 target case manager	The State of the Target-Date Market: 2021," Sway Research, 2021
	#1 Manager of target date CITs	

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Use of non-GAAP financial measures

A non-GAAP financial measure is a numerical measure of performance, financial position, or cash flow that includes adjustments from a comparable financial measure presented in accordance with U.S. GAAP.

The company uses a number of non-GAAP financial measures management believes are useful to investors because they illustrate the performance of the company's normal, ongoing operations which is important in understanding and evaluating the company's financial condition and results of operations. While such measures are also consistent with measures utilized by investors to evaluate performance, they are not, however, a substitute for U.S. GAAP financial measures. Therefore, the company has provided reconciliations of the non-GAAP financial measures to the most directly comparable U.S. GAAP financial measure within the slides. The company adjusts U.S. GAAP financial measures for items not directly related to ongoing operations. However, it is possible these adjusting items have occurred in the past and could recur in future reporting periods. Management also uses non-GAAP financial measures for goal setting, as a basis for determining employee and senior management awards and compensation and evaluating performance on a basis comparable to that used by investors and securities analysts.

The company also uses a variety of other operational measures that do not have U.S. GAAP counterparts, and therefore do not fit the definition of non-GAAP financial measures. Assets under management is an example of an operational measure that is not considered a non-GAAP financial measure.

Forward looking statements

Certain statements made by the company which are not historical facts may be considered forward-looking statements, including, without limitation, statements as to non-GAAP operating earnings, net income attributable to PFG, net cash flow, realized and unrealized gains and losses, capital and liquidity positions, sales and earnings trends, and management's beliefs, expectations, goals and opinions. The company does not undertake to update these statements, which are based on a number of assumptions concerning future conditions that may ultimately prove to be inaccurate. Future events and their effects on the company may not be those anticipated, and actual results may differ materially from the results anticipated in these forward-looking statements. The risks, uncertainties and factors that could cause or contribute to such material differences are discussed in the company's annual report on Form 10-K for the year ended Dec. 31, 2022, filed by the company with the U.S. Securities and Exchange Commission, as updated or supplemented from time to time in subsequent filings. These risks and uncertainties include, without limitation: adverse capital and credit market conditions may significantly affect the company's ability to meet liquidity needs, access to capital and cost of capital; conditions in the global capital markets and the economy generally; volatility or declines in the equity, bond or real estate markets; changes in interest rates or credit spreads or a prolonged low interest rate environment; the elimination of the London Inter-Bank Offered Rate ("LIBOR"); the company's investment portfolio is subject to several risks that may diminish the value of its invested assets and the investment returns credited to customers; the company's valuation of investments and the determination of the amount of allowances and impairments taken on such investments may include methodologies, estimations and assumptions that are subject to differing interpretations; any impairments of or valuation allowances against the company's deferred tax assets; the company's actual experience for insurance and annuity products could differ significantly from its pricing and reserving assumptions; the pattern of amortizing the company's DAC asset and other actuarial balances on its universal life-type insurance contracts, participating life insurance policies and certain investment contracts may change; changes in laws, regulations or accounting standards; the company may not be able to protect its intellectual property and may be subject to infringement claims; the company's ability to pay stockholder dividends, make share repurchases and meet its obligations may be constrained by the limitations on dividends or other distributions Iowa insurance laws impose on Principal Life; litigation and regulatory investigations; from time to time the company may become subject to tax audits, tax litigation or similar proceedings, and as a result it may owe additional taxes, interest and penalties in amounts that may be material; applicable laws and the company's certificate of incorporation and by-laws may discourage takeovers and business combinations that some stockholders might consider in their best interests; competition, including from companies that may have greater financial resources, broader arrays of products, higher ratings and stronger financial performance; technological and societal changes may disrupt the company's business model and impair its ability to retain existing customers, attract new customers and maintain its profitability; damage to the company's reputation; a downgrade in the company's financial strength or credit ratings; client terminations, withdrawals or changes in investor preferences; the company's hedging or risk management strategies prove ineffective or insufficient; inability to attract, develop and retain qualified employees and sales representatives and develop new distribution sources; an interruption in information technology, infrastructure or other internal or external systems used for business operations, or a failure to maintain the confidentiality, integrity or availability of data residing on such systems; international business risks including changes to mandatory pension schemes; risks arising from fraudulent activities; risks arising from participation in joint ventures; the company may need to fund deficiencies in its "Closed Block" assets; a pandemic, terrorist attack, military action or other catastrophic event; the company's reinsurers could default on their obligations or increase their rates; risks arising from acquisitions of businesses; risks in completing the company's announced reinsurance transaction for its in-force U.S. retail fixed annuity and universal life with secondary guarantee blocks of business within the terms or timing contemplated; loss of key vendor relationships or failure of a vendor to protect information of our customers or employees; the company's enterprise risk management framework may not be fully effective in identifying or mitigating all of the risks to which the company is exposed; and global climate change.