Company overview
Integrated model is a force multiplier

GLOBAL ASSET MANAGEMENT

RETIREMENT

U.S. BENEFITS & PROTECTION
Our diversified and integrated business model 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

**Asset Management**
- Principal Global Investors
  - Fixed income
  - Equities
  - Real estate
  - Alternatives
  - Asset allocation
  - General Account
- Principal International
  - Latin America
  - Asia

**Benefits and Protection**
- Specialty Benefits
  - Group benefits
    - Dental
    - Life
    - Disability
  - Supplemental health products
  - Individual disability
- Life Insurance
  - COLI (NQDC)
  - Business owner solutions
    - Term Life
    - VUL
    - Other UL
PRINCIPAL FINANCIAL GROUP

- $1.5 trillion in AUA\(^1\), includes $674 billion in AUM\(^1\) managed by Principal
- Top 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 customers\(^1\) in more than 80 countries

NON-GAAP PRE-TAX OPERATING EARNINGS\(^2\)

Benefits and Protection (22%)
- Specialty Benefits
- Life Insurance

Retirement and Income Solutions (41%)

Principal Asset Management (37%)
- Principal Global Investors
- Principal International

\(^1\) As of 6/30/2023. \(^2\) Trailing twelve months as of 6/30/2023; excludes Corporate and impacts from actuarial assumption reviews.
Experienced management team

Averages over **25 years of industry experience**

<table>
<thead>
<tr>
<th>NAME</th>
<th>AGE</th>
<th>TITLE</th>
<th>EXPERIENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daniel J. Houston</td>
<td>62</td>
<td>Chairman, President &amp; Chief Executive Officer</td>
<td>39/39</td>
</tr>
<tr>
<td>Amy C. Friedrich</td>
<td>53</td>
<td>President – Benefits and Protection</td>
<td>27/23</td>
</tr>
<tr>
<td>Patrick G. Halter</td>
<td>64</td>
<td>President &amp; CEO- Principal Asset Management</td>
<td>39/39</td>
</tr>
<tr>
<td>Christopher J. Littlefield</td>
<td>57</td>
<td>President – Retirement &amp; Income Solutions</td>
<td>17/4</td>
</tr>
<tr>
<td>Vivek Agrawal</td>
<td>55</td>
<td>Executive VP &amp; Chief Growth Officer</td>
<td>25/1</td>
</tr>
<tr>
<td>Thomas Cheong</td>
<td>55</td>
<td>Executive VP- Principal Asia</td>
<td>22/8</td>
</tr>
<tr>
<td>Jon N. Couture</td>
<td>58</td>
<td>Executive VP &amp; Chief Human Resources Officer</td>
<td>19/6</td>
</tr>
<tr>
<td>Kathleen B. Kay</td>
<td>61</td>
<td>Executive VP &amp; Chief Information Officer</td>
<td>11/4</td>
</tr>
<tr>
<td>Natalie Lamarque</td>
<td>47</td>
<td>Executive VP &amp; General Counsel &amp; Secretary</td>
<td>16/2</td>
</tr>
<tr>
<td>Kenneth A. McCullum</td>
<td>59</td>
<td>Executive VP &amp; Chief Risk Officer</td>
<td>37/8</td>
</tr>
<tr>
<td>Deanna D. Strable</td>
<td>55</td>
<td>Executive VP &amp; Chief Financial Officer</td>
<td>34/34</td>
</tr>
<tr>
<td>Bethany A. Wood</td>
<td>60</td>
<td>Executive VP &amp; Chief Marketing Officer</td>
<td>16/4</td>
</tr>
<tr>
<td>Kamal Bhatia</td>
<td>51</td>
<td>Senior Executive Director &amp; Chief Operating Officer – Principal Asset Management</td>
<td>26/4</td>
</tr>
</tbody>
</table>
# Current Financial Strength Ratings

As of September 2023

<table>
<thead>
<tr>
<th>Moody’s Investor Services</th>
<th>Fitch Ratings</th>
<th>Standard &amp; Poor’s</th>
<th>A.M. Best</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A1</strong></td>
<td><strong>AA-</strong></td>
<td><strong>A+</strong></td>
<td><strong>A+</strong></td>
</tr>
<tr>
<td>Good</td>
<td>Very Strong</td>
<td>Strong</td>
<td>Superior</td>
</tr>
<tr>
<td>Fifth highest of 21 rating levels</td>
<td>Fourth highest of 19 rating levels</td>
<td>Fifth highest of 20 rating levels</td>
<td>Second highest of 13 rating levels</td>
</tr>
<tr>
<td>Outlook: Stable</td>
<td>Outlook: Stable</td>
<td>Outlook: Stable</td>
<td>Outlook: Stable</td>
</tr>
</tbody>
</table>

Financial Strength ratings related to Principal Life Insurance Company and Principal National Life Insurance Company.
Proven leadership positions

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

**ASSET MANAGEMENT**
#1 Multi-manager target date provider
Top 3 Largest provider of hybrid target date
Top 10 Largest manager of target date portfolios

**EMERGING MARKETS**
#2 Chile voluntary pension
#1 Brazil voluntary pension
#7 Mexico mandatory pension
#3 Malaysia unit trust
#6 Hong Kong mandatory pension
#12 China retail mutual funds

**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
An intentional transformation

2012-2023

- **DEREGISTRATION**
  - Principal Bank

- **ACQUISITION**
  - Liongate

- **ACQUISITION**
  - AXA Hong Kong Pension

- **JOINT VENTURE**
  - Ciclic

- **ACQUISITION**
  - Wells Fargo Institutional Retirement & Trust

- **REINSURANCE AGREEMENT**
  - In-force U.S. retail fixed annuities & universal life with secondary guarantee blocks

- **ACQUISITION**
  - Claritas

- **ACQUISITION**
  - Cuprum

- **ACQUISITION**
  - First Dental Health

- **JOINT VENTURE - MOU**
  - China Construction Bank

- **ACQUISITION**
  - Internos (Principal Real Estate Europe)

- **ACQUISITION**
  - RobustWealth

- **JV OWNERSHIP CHANGE**
  - Principal Global Asset Management (CIMB)

- **ACQUISITION**
  - MetLife AFORE (Mexico)

- **DIVEST**
  - Principal Seguros (Mexico Life/Group Annuities)

- **DIVEST**
  - Principal Asset Management (India)

- **JOINT VENTURE**
  - China Construction Bank Pension Management
Our strategy puts the customer at the center...

Which positions us to win, grow, and create shareholder value.
Financials
2Q 2023 key takeaways

**Earnings**
- Second quarter results demonstrate the value of our diversified business model
- Financial results consistent with 2023 outlook; beginning to benefit from market tailwinds

**Growth**
- Strength and resilience of our small to mid-sized customer segments contributing to growth across both retirement and benefits and protection
- AUM outflows across asset management industry: a rebound in investor activity, recovering market sentiment, and improved investment performance are expected to drive momentum in net cash flow in 2H23
- Positive retirement net cash flow for small to mid-sized plans; AV net outflows driven by timing of large plan activity

**Balance Sheet**
- High quality investment portfolio, including real estate, aligns well with our liabilities and is well positioned to weather different economic cycles
- Year-to-date\(^1\), 100% of 2023 office commercial mortgage loan maturities have been paid off

**Capital**
- Strong capital position; remain focused on deploying capital to attractive organic opportunities and to shareholders
- Generated strong free capital flow and remain on track for our full year capital flow conversion target of 75-85%

\(^1\) As of July 27, 2023.
# 2Q 2023 financial highlights

## 2Q 2023 OPERATING EARNINGS AND EPS

<table>
<thead>
<tr>
<th>Reported non-GAAP operating earnings&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Impact of significant variances to non-GAAP operating earnings&lt;sup&gt;2&lt;/sup&gt;</th>
<th>Non-GAAP operating earnings, excluding significant variances (xSV)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$376M (-11% vs. 2Q 2022)</td>
<td>$39M after-tax ($53M pre-tax)</td>
<td>$415M (flat vs. 2Q 2022)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reported non-GAAP operating earnings per diluted share&lt;sup&gt;1&lt;/sup&gt; (EPS)</th>
<th>Impact of significant variances to non-GAAP EPS&lt;sup&gt;2&lt;/sup&gt;</th>
<th>Non-GAAP EPS, xSV</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1.53 (-7% vs. 2Q 2022)</td>
<td>$0.16</td>
<td>$1.69 (+4% vs. 2Q 2022)</td>
</tr>
</tbody>
</table>

## RETURN ON EQUITY<sup>5</sup>

- 12.3% (13.0% xSV)

## CAPITAL & LIQUIDITY

- Excess and available capital: $1.2B, with approximately:
  - $800M at Hold Co
  - $340M excess subsidiary capital
  - $100M in excess of 400% RBC
- Debt to capital ratio<sup>3</sup>:
  - 22.2% (25.1% in 1Q23)<sup>4</sup>
  - Estimated PLIC RBC ratio: 407%

## CAPITAL RETURNED

- $255M
- $155M of common stock dividends
- $100M of share repurchases

- Announced 3Q 2023 common stock dividend: $0.65 (+2% from 3Q 2022)

## AUM & NCF

- Total company AUM managed by PFG: $674B
- Total company net cash flow: -$3.9B

---

1 This is a non-GAAP financial measure; see reconciliation in appendix. 2 See appendix for details. 3 This is a non-GAAP financial measure. Debt to capital ratio excludes cumulative change in fair value of funds withheld embedded derivative and AOCI. 4 Includes $700M of proceeds from debt issuance used for debt maturity and redemption in 2Q23. 5 Non-GAAP return on equity, excluding cumulative change in fair value of funds withheld embedded derivative and AOCI, other than foreign currency translation adjustment.
Committed to a 40% dividend payout ratio

Future growth in dividends will track growth in net income

- 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.

Note: Peers include MET, PRIU, AEL, EQH, CNO, VOYA, AMP, LNC and RGA.
Disciplined capital management strategy
With emphasis on actively returning excess capital to shareholders

<table>
<thead>
<tr>
<th>Targeted range as a percentage of net income¹:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organic capital deployment</strong></td>
<td>15-25%</td>
</tr>
<tr>
<td><strong>Consistent dividend payout ratio</strong></td>
<td>40%</td>
</tr>
<tr>
<td><strong>Share repurchases</strong></td>
<td>35-45%</td>
</tr>
<tr>
<td><strong>M&amp;A</strong></td>
<td>0-10%</td>
</tr>
</tbody>
</table>

¹ Based on net income attributable to PFG excluding income or loss from exited business.
Long-term enterprise financial targets

EPS\(^1\) annual growth: 9-12%  
ROE\(^2\) target: 14-16%  
Free capital flow conversion\(^3\): 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 PF, excluding income or loss from exited business.
## 2023 and long-term guidance

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

<table>
<thead>
<tr>
<th></th>
<th>2022 EPS(^1) x-SV</th>
<th>2023</th>
<th>Long-term guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Company</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EPS growth</td>
<td>$6.52</td>
<td>3 – 6%</td>
<td>9 - 12%</td>
</tr>
<tr>
<td><strong>Retirement and Income Solutions</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net revenue</td>
<td>$2,598</td>
<td>1 - 4%</td>
<td>2 - 5%</td>
</tr>
<tr>
<td>Operating margin</td>
<td>35 - 39%</td>
<td>36 – 40%</td>
<td></td>
</tr>
<tr>
<td><strong>Principal Asset Management</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating revenues less pass-through expenses(^2)</td>
<td>$1,578</td>
<td>(5) – (1)%</td>
<td>4 – 7%</td>
</tr>
<tr>
<td>Operating margin</td>
<td>34 - 37%</td>
<td>34 – 38%</td>
<td></td>
</tr>
<tr>
<td><strong>Principal International</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Combined net revenue (at PFG share)(^3)</td>
<td>$902</td>
<td>7 - 11%</td>
<td>7 – 11%</td>
</tr>
<tr>
<td>Operating margin</td>
<td>30 - 34%</td>
<td>34 – 38%</td>
<td></td>
</tr>
<tr>
<td><strong>Benefits &amp; Protection</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Premium and fees</td>
<td>$2,805</td>
<td>8 - 10%</td>
<td>7 – 10%</td>
</tr>
<tr>
<td>Operating margin</td>
<td>12 - 16%</td>
<td>12 – 16%</td>
<td></td>
</tr>
<tr>
<td>Incurred loss ratio</td>
<td>60 – 65%</td>
<td>60 – 65%</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Life Insurance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Premium and fees</td>
<td>$914</td>
<td>0 – 3%</td>
<td>1 – 4%</td>
</tr>
<tr>
<td>Operating margin</td>
<td>14 – 18%</td>
<td>15 – 19%</td>
<td>(4) – (2)%</td>
</tr>
<tr>
<td><strong>Corporate</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pre-tax operating losses</td>
<td>$(375)M - $(425)M</td>
<td>$(375)M - $(425)M</td>
<td>-</td>
</tr>
</tbody>
</table>

---

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

• Includes relationships in Workplace Saving and Retirement Solutions (WSRS), Pension Risk Transfer (PRT), Principal Custody Solutions (PCS) and Investment Only (IO)
• Opportunities to expand these relationships across other retirement solutions (TRS) and to other areas of Principal (Asset Management and Benefits & Protection)

48,000 employers

13 Million Individuals

1 As of 6/30/2023
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)

<table>
<thead>
<tr>
<th>Complete Pension Solutions</th>
<th>Defined Contribution Solutions</th>
<th>Non-Qualified Deferred Compensation Solutions</th>
<th>Stock Plan Solutions</th>
<th>Trust &amp; Custody Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined Benefit</td>
<td>Defined Benefit</td>
<td>Non-Qualified Deferred Compensation Solutions</td>
<td>Stock Plan Solutions</td>
<td>Trust &amp; Custody Solutions</td>
</tr>
<tr>
<td>Pension Risk Transfer</td>
<td>Pension Risk Transfer</td>
<td>Excess</td>
<td>Employee Stock Ownership Plans</td>
<td>Retirement</td>
</tr>
<tr>
<td>401(k)</td>
<td>403(b)</td>
<td>457</td>
<td>Equity Compensation</td>
<td>Retirement</td>
</tr>
</tbody>
</table>

**Investment management solutions**

**Financial wellness**

---

**TRS drives meaningful results**
- Represents approximately 40% of WSRS assets under administration
- Better client retention: 20% lower lapse rate compared to block average

**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

1 Business line and results reside in Benefits and Protection
Pension Risk Transfer

Principal

More
Legal & General
Mutual of Omaha
OneAmerica
Pacific Life

AIG
Mass Mutual

CMFG Life
Great American
Mutual of America
New York Life
Securian
Western & Southern

Prudential
MetLife
Athene

Less
Small (<$250M)

Large (>=$250M)

Principal’s PRT plans by industry
Over 90% of plans have under 100 lives

Trade
7%

Finance
14%

Tax-Exempt
13%

Labor
13%

Services
24%

Manufacturing
29%

5,100 plans
Emerging markets
Providing retirement and long-term financial security for 45 million individuals\(^1\)

Total Principal International reported AUM of $174B; $417B including China

**Strong leadership position**

**LATIN AMERICA**
- Chile: #2 voluntary pension
- Brazil: #1 voluntary pension
- Mexico: #7 mandatory pension

**ASIA**
- Malaysia: #3 unit trust
- Hong Kong: #6 mandatory pension
- China: #12 retail mutual funds

**Driving value for Principal**
- High growth
- Meaningful source of capital
- Diversification

---

1 Includes Singapore. As of Q4 2023. See appendix for sources of ratings.
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 PTOE \(^2\) 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 Asia\(^1\)
- Strategic and disciplined in where and how we choose to compete

\(^1\) 2017-2022
\(^2\) Adjusted for significant variances
Well-positioned for continued growth

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

- Mexico: 61%
- Indonesia: 55%
- Hong Kong: 42%
- Chile: 31%

Target is 70%+ of income

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

- Indonesia: 6.7%
- China: 6.3%
- Malaysia: 6.0%
- Thailand: 5.4%
- Brazil: 5.2%
- Chile: 4.6%
- Hong Kong: 4.2%
- Europe: 3.3%
- Mexico: 3.2%
- U.S.: 3.2%

Industry growth in Asia and Latin America provides a healthy runway

Global AUM by region

- North America: +4%
- Europe: +3%
- Asia-Pacific: +7%
- Middle East + Africa: +8%
- Latin America: +11%

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.
## Strong joint venture partnerships

### China Construction Bank (CCB)

- **2nd largest** bank in the world
- **739 million** retail customers
- **32% annual growth in AUM** since 2014

### Commerce International Merchant Bankers (CIMB)

- **5th largest** ASEAN bank; 2nd largest bank in Malaysia
- **20 million** retail customers
- **6% annual growth in AUM** since 2014

### Banco do Brasil

- **2nd largest** bank in Latin America with 82 million retail customers
- **Leading provider** of voluntary pension in Brazil with 29% market share
- **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

2) Protect their business
in the event of a death, disability, or resignation of a key employee or a future change in management

- Employer-sponsored retirement plans:
  - Defined contribution
  - Defined benefit
  - Employee stock ownership plans
- Pension Risk Transfer
- Trust & Custody Solutions
- 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
- #1 Corporate-sponsored individually owned life insurance
- #3 Corporate owned life insurance

See Appendix for sources of rankings.
Where we play in the marketplace

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

~50% WORK AT LARGE COMPANIES

1% of all U.S. businesses employ **more than** 500 people

~50% WORK AT SMBs

99% of all U.S. businesses employ **less than** 500 people

**COMPETITOR FOCUS**

Primarily takeover business

**PRINCIPAL FOCUS**

Tremendous opportunity for organic growth

---

1 Small Business Profile, SBA Office of Advocacy, 2021
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

**LIFE INSURANCE business solutions**

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

- By # of employees:
  - <50
  - 50-99
  - 100+

- By # of NQDC/BOES employees:
  - <50
  - 50-99
  - 100+

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

Group Benefits PREMIUM & FEES
As of 12/31/22

- Dental: 22%
- Group Disability: 8%
- Group Life: 26%
- Supplemental Health: 44%

Group Benefits NEW SALES PREMIUM
As of 12/31/22

- Employer paid plus voluntary: 16%
- Employer paid only: 25%
- Voluntary only: 59%

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 Disability

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

<table>
<thead>
<tr>
<th>NQDC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business owner solutions</td>
</tr>
<tr>
<td>Term Life</td>
</tr>
<tr>
<td>Universal Life</td>
</tr>
<tr>
<td>Variable Universal Life</td>
</tr>
</tbody>
</table>

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

1 AUM as of 6/30/2023.
### Investment performance

#### % of funds outperforming Morningstar median\(^1,2\)

<table>
<thead>
<tr>
<th>As of 6/30/2023</th>
<th>1-Year</th>
<th>3-Year</th>
<th>5-Year</th>
<th>10-Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>53%</td>
<td>48%</td>
<td>68%</td>
<td>89%</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>81%</td>
<td>63%</td>
<td>73%</td>
<td>82%</td>
</tr>
<tr>
<td>Asset Allocation</td>
<td>85%</td>
<td>73%</td>
<td>84%</td>
<td>83%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>71%</td>
<td>62%</td>
<td>76%</td>
<td>85%</td>
</tr>
</tbody>
</table>

#### % of composites outperforming benchmarks\(^1,3\)

<table>
<thead>
<tr>
<th>As of 6/30/2023</th>
<th>1-Year</th>
<th>3-Year</th>
<th>5-Year</th>
<th>10-Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>62%</td>
<td>45%</td>
<td>70%</td>
<td>90%</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>80%</td>
<td>87%</td>
<td>93%</td>
<td>100%</td>
</tr>
<tr>
<td>Asset Allocation</td>
<td>40%</td>
<td>50%</td>
<td>18%</td>
<td>43%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>67%</td>
<td>63%</td>
<td>75%</td>
<td>91%</td>
</tr>
</tbody>
</table>

---

1. Equal weighted.
2. 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.
3. Composite returns are calculated on a gross basis. All composites compared to official Global Investment Performance Standards (GIPS) composite benchmark. Excludes passive composites and doesn’t include certain strategies or mandates for which GIPS composites are not calculated (e.g., Lifetime/Target Date strategies). Lifetime/Target Date funds are covered under separate peer-relative calculations. “Total” percentages include equities, fixed income and other asset classes and mandates with GIPS composites (e.g., asset allocation).
4. Includes only funds with ratings assigned by Morningstar; nonrated funds excluded (89 total, 81 are ranked).
Global Asset Management adds significant value

**ECONOMIC**
Asset management delivers strong margins and is capital efficient

<table>
<thead>
<tr>
<th>5-year average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-tax Margin</td>
</tr>
<tr>
<td>Free capital flow (% of net income)</td>
</tr>
</tbody>
</table>

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

See Appendix for sources of rankings.
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

<table>
<thead>
<tr>
<th></th>
<th>Market 2020-2023 AUM CAGR&lt;sup&gt;1&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Expand relationships with global institutional and wealth investors</td>
</tr>
</tbody>
</table>
|   |   - 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 | |
| 2 | Increase market share in U.S. retirement asset management | ~ 5-7% |
|   |   - 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 | |
| 3 | Capitalize on the growth in Emerging Market investing | ~ 6-8% for EM capabilities |
|   |   - 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 | |

---

1. Estimated 2020-2023 CAGRs used to size market opportunity are based on AUM projections from McKinsey
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

W H O S E A L E CH A N N E LS

Retirement
Investment Solutions
Variable 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

<table>
<thead>
<tr>
<th>Product Line New Sales</th>
<th>1st</th>
<th>2nd</th>
<th>3rd</th>
<th>Top 3 represent</th>
</tr>
</thead>
<tbody>
<tr>
<td>NQ Life</td>
<td>Creative Planning</td>
<td>LIBRA</td>
<td>Principal Advisor Network</td>
<td>38%</td>
</tr>
<tr>
<td>Life</td>
<td>LIBRA</td>
<td>Principal Advisor Network</td>
<td>AIN</td>
<td>62%</td>
</tr>
<tr>
<td>Individual Disability</td>
<td>Plus Group</td>
<td>Principal Advisor Network</td>
<td>LIBRA</td>
<td>29%</td>
</tr>
<tr>
<td>Group Benefits</td>
<td>HUB International</td>
<td>OneDigital</td>
<td>Acrisure</td>
<td>11%</td>
</tr>
<tr>
<td>Variable Annuities</td>
<td>Principal Advisor Network</td>
<td>Osaic</td>
<td>Cetera</td>
<td>95%</td>
</tr>
<tr>
<td>Mutual Funds</td>
<td>Fidelity</td>
<td>Schwab</td>
<td>LBP Financial</td>
<td>26%</td>
</tr>
<tr>
<td>Retirement–New Sales Assets</td>
<td>Creative Planning</td>
<td>LPL Financial</td>
<td>MML Investors Services</td>
<td>30%</td>
</tr>
<tr>
<td>Retirement-New Plan Counts</td>
<td>Edward Jones</td>
<td>Principal Advisor Network</td>
<td>LPL Financial</td>
<td>33%</td>
</tr>
</tbody>
</table>

Rankings and percentages as of 6/30/2023
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

<table>
<thead>
<tr>
<th>If macroeconomics change by...</th>
<th>Equity market return ¹ +/- 10%</th>
<th>Interest rates +/- 100 bps</th>
<th>FX: U.S. dollar ² +/- 2%</th>
<th>Certain alternative investment valuation ³ +/- 10%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Then Principal’s annual non-GAAP pre-tax operating earnings will change by...</td>
<td>+/- 5-8%</td>
<td>+/- (1)-1%</td>
<td>-/+ &lt; 1%</td>
<td>+/- &lt; 8%</td>
</tr>
</tbody>
</table>
| And the primary businesses impacted are... | RIS | All | PI | RIS  
Life Insurance  
Specialty Benefits |

**Short-term interest rates:** Our exposure to short-term interest rates (i.e., IOER/IORB) 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 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. 3 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 consensus\(^1\) as of Jan 2023

\(^1\) Latin America uses local Central Bank estimates; Asia uses Bloomberg.
## 2022 significant variances

**Business unit impacts of significant variances (in millions)**

<table>
<thead>
<tr>
<th>Retirement and Income Solutions</th>
<th>1Q22</th>
<th>2Q22</th>
<th>3Q22</th>
<th>4Q22</th>
<th>Full year 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>VII</td>
<td>(28.4)</td>
<td>(25.0)</td>
<td>24.3</td>
<td>25.3</td>
<td>(3.8)</td>
</tr>
<tr>
<td>IRT integration</td>
<td>(36.0)</td>
<td>(25.0)</td>
<td>27.1</td>
<td>25.3</td>
<td>(8.6)</td>
</tr>
<tr>
<td>Actuarial assumption review</td>
<td>9.4</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>9.4</td>
</tr>
<tr>
<td>COVID-19 claims</td>
<td>(1.8)</td>
<td>-</td>
<td>(1.8)</td>
<td>-</td>
<td>(1.8)</td>
</tr>
<tr>
<td>Principal International</td>
<td>3.5</td>
<td>(16.3)</td>
<td>9.4</td>
<td>(15.3)</td>
<td>(18.7)</td>
</tr>
<tr>
<td>Encage &amp; inflation</td>
<td>15.8</td>
<td>(12.4)</td>
<td>14.8</td>
<td>(21.4)</td>
<td>(3.2)</td>
</tr>
<tr>
<td>VII</td>
<td>(3.8)</td>
<td>(7.6)</td>
<td>(9.3)</td>
<td>-</td>
<td>(20.7)</td>
</tr>
<tr>
<td>Other</td>
<td>(8.5)</td>
<td>3.7</td>
<td>3.9</td>
<td>6.1</td>
<td>5.2</td>
</tr>
<tr>
<td>Specialty Benefits</td>
<td>25.9</td>
<td>(7.1)</td>
<td>(49.6)</td>
<td>-</td>
<td>(30.8)</td>
</tr>
<tr>
<td>VII</td>
<td>-</td>
<td>(11.0)</td>
<td>6.0</td>
<td>-</td>
<td>(5.0)</td>
</tr>
<tr>
<td>Actuarial assumption review</td>
<td>-</td>
<td>-</td>
<td>(55.6)</td>
<td>-</td>
<td>(55.6)</td>
</tr>
<tr>
<td>COVID-19 claims</td>
<td>25.9</td>
<td>3.9</td>
<td>-</td>
<td>-</td>
<td>29.8</td>
</tr>
<tr>
<td>Life Insurance</td>
<td>16.4</td>
<td>(8.5)</td>
<td>7.8</td>
<td>11.5</td>
<td>27.2</td>
</tr>
<tr>
<td>VII</td>
<td>(7.0)</td>
<td>(7.0)</td>
<td>11.7</td>
<td>11.5</td>
<td>9.2</td>
</tr>
<tr>
<td>Actuarial assumption review</td>
<td>-</td>
<td>-</td>
<td>(5.6)</td>
<td>-</td>
<td>(5.6)</td>
</tr>
<tr>
<td>COVID-19 claims</td>
<td>23.4</td>
<td>(1.5)</td>
<td>1.7</td>
<td>-</td>
<td>23.6</td>
</tr>
<tr>
<td>Corporate</td>
<td>32.0</td>
<td>41.0</td>
<td>7.5</td>
<td>(7.2)</td>
<td>73.3</td>
</tr>
<tr>
<td>VII</td>
<td>32.0</td>
<td>41.0</td>
<td>7.5</td>
<td>(7.2)</td>
<td>73.3</td>
</tr>
<tr>
<td>Total pre-tax impact</td>
<td>49.4</td>
<td>(15.9)</td>
<td>(0.6)</td>
<td>14.3</td>
<td>47.2</td>
</tr>
<tr>
<td>Total after-tax impact</td>
<td>40.2</td>
<td>(2.7)</td>
<td>0.4</td>
<td>11.6</td>
<td>49.5</td>
</tr>
<tr>
<td>EPS impact</td>
<td>$0.15</td>
<td>$(0.01)</td>
<td>$0.00</td>
<td>$0.05</td>
<td>$0.19</td>
</tr>
</tbody>
</table>
### Non-GAAP financial measure reconciliations

<table>
<thead>
<tr>
<th>Principal Global Investors operating revenues less pass-through expenses</th>
<th>Three months ended (in millions)</th>
<th>6/30/23</th>
<th>6/30/22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal Global Investors operating revenues</td>
<td>$390.1</td>
<td>$463.6</td>
<td></td>
</tr>
<tr>
<td>Principal Global Investors commissions and other expenses</td>
<td>(30.5)</td>
<td>(34.9)</td>
<td></td>
</tr>
<tr>
<td><strong>Principal Global Investors operating revenues less pass-through expenses</strong></td>
<td><strong>$359.6</strong></td>
<td><strong>$428.7</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Principal International combined net revenue (at PFG Share)</th>
<th>Three months ended (in millions)</th>
<th>6/30/23</th>
<th>6/30/22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal International pretax operating earnings</td>
<td>$63.2</td>
<td>$89.4</td>
<td></td>
</tr>
<tr>
<td>Principal International combined operating expenses other than pass-through commissions (at PFG share)</td>
<td>166.2</td>
<td>155.4</td>
<td></td>
</tr>
<tr>
<td><strong>Principal International combined net revenue (at PFG share)</strong></td>
<td><strong>$229.4</strong></td>
<td><strong>$244.8</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Non-GAAP operating earnings (losses)</th>
<th>Three months ended (in millions)</th>
<th>6/30/23</th>
<th>6/30/22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income attributable to PFG</td>
<td>$388.8</td>
<td>$3,118.7</td>
<td></td>
</tr>
<tr>
<td>Net realized capital (gains) losses, as adjusted</td>
<td>51.3</td>
<td>216.3</td>
<td></td>
</tr>
<tr>
<td>(Income) loss from exited business</td>
<td>(64.3)</td>
<td>(2,911.0)</td>
<td></td>
</tr>
<tr>
<td><strong>Non-GAAP operating earnings</strong></td>
<td><strong>$375.8</strong></td>
<td><strong>$424.0</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Diluted earnings per common share</th>
<th>Three months ended</th>
<th>6/30/23</th>
<th>6/30/22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>$1.58</td>
<td>$12.17</td>
<td></td>
</tr>
<tr>
<td>Net realized capital (gains) losses, as adjusted</td>
<td>0.21</td>
<td>0.84</td>
<td></td>
</tr>
<tr>
<td>(Income) loss from exited business</td>
<td>(0.26)</td>
<td>(11.36)</td>
<td></td>
</tr>
<tr>
<td><strong>Non-GAAP operating earnings</strong></td>
<td><strong>$1.53</strong></td>
<td><strong>$1.65</strong></td>
<td></td>
</tr>
</tbody>
</table>

| Weighted-average diluted common shares outstanding (in millions) | 245.5 | 256.3 |
## Non-GAAP financial measure reconciliations

<table>
<thead>
<tr>
<th>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</th>
<th>Period ended (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stockholders’ equity</td>
<td>$10,389.5</td>
</tr>
<tr>
<td>AOCI, other than foreign currency translation adjustment</td>
<td>4,814.1</td>
</tr>
<tr>
<td>Cumulative change in fair value of funds withheld embedded derivative</td>
<td>(2,464.8)</td>
</tr>
<tr>
<td>Noncontrolling interest</td>
<td>(45.0)</td>
</tr>
<tr>
<td><strong>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</strong></td>
<td><strong>$12,693.8</strong></td>
</tr>
</tbody>
</table>

### Three months ended (in millions)

<table>
<thead>
<tr>
<th>Income taxes</th>
<th>6/30/23</th>
<th>6/30/22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total GAAP income taxes</td>
<td>$59.9</td>
<td>$836.7</td>
</tr>
<tr>
<td>Net realized capital gains (losses) tax adjustments</td>
<td>12.7</td>
<td>69.3</td>
</tr>
<tr>
<td>Income taxes attributable to noncontrolling interest</td>
<td>(0.1)</td>
<td>(0.1)</td>
</tr>
<tr>
<td>Income taxes related to equity method investments</td>
<td>16.8</td>
<td>12.3</td>
</tr>
<tr>
<td>Income taxes related to exited business</td>
<td>(17.1)</td>
<td>(813.5)</td>
</tr>
<tr>
<td><strong>Income taxes</strong></td>
<td><strong>$72.2</strong></td>
<td><strong>$104.7</strong></td>
</tr>
</tbody>
</table>

### 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

<table>
<thead>
<tr>
<th></th>
<th>Period ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income ROE available to common stockholders (including AOCI)</td>
<td>15.0%</td>
</tr>
<tr>
<td>Cumulative change in fair value of funds withheld embedded derivative and AOCI, other than foreign currency translation adjustment</td>
<td>(2.6)%</td>
</tr>
<tr>
<td>Net realized capital (gains) losses</td>
<td>(0.3)%</td>
</tr>
<tr>
<td>(Income) loss from exited business</td>
<td>0.2%</td>
</tr>
<tr>
<td>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</td>
<td>12.3%</td>
</tr>
</tbody>
</table>
## Sources of Rankings

<table>
<thead>
<tr>
<th>Business</th>
<th>Market Position</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. retirement</td>
<td>#3 Defined contribution</td>
<td>Based on the number of DC plan participants, Source: 2022 PLANSPONSOR Recordkeeping Survey, July 2022.</td>
</tr>
<tr>
<td></td>
<td>#1 Employee stock ownership plans</td>
<td>Based on number of plans. Source: 2022 PLANSPONSOR Recordkeeping Survey, July 2022.</td>
</tr>
<tr>
<td></td>
<td>#1 DB Plans</td>
<td>Based on number of plans. Source: PLANSPONSOR Defined Benefit Administration Survey, May 2021.</td>
</tr>
<tr>
<td></td>
<td>#4 Pension risk transfer provider</td>
<td>Based on total PRT assets, LIMRA Secure Retirement Institute, as of 12/31/2022.</td>
</tr>
<tr>
<td>Emerging markets</td>
<td>#2 Chile voluntary pension</td>
<td>CMF, May 2023</td>
</tr>
<tr>
<td></td>
<td>#1 Brazil voluntary pension</td>
<td>Fenaprevi, May 2023</td>
</tr>
<tr>
<td></td>
<td>#7 Mexico mandatory pension</td>
<td>CONSAR, May 2023</td>
</tr>
<tr>
<td></td>
<td>#3 Malaysia unit trust</td>
<td>Lipper, May 2023</td>
</tr>
<tr>
<td></td>
<td>#6 Hong Kong mandatory pension</td>
<td>Mercer, March 2023</td>
</tr>
<tr>
<td></td>
<td>#12 China retail mutual funds</td>
<td>WIND, March 2023</td>
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<tr>
<td><strong>U.S. benefits and protection</strong></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>#1 Overhead expense disability solution</td>
<td>Based on participants in the LIMRA Third Quarter 2022 Individual Disability Income Insurance Sales.</td>
</tr>
<tr>
<td></td>
<td>#1 Disability buyout</td>
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<tr>
<td></td>
<td>#4 Total individual disability sales</td>
<td></td>
</tr>
<tr>
<td></td>
<td>#4 Individual disability in-force premium</td>
<td>Based on participants in the LIMRA 2021 Annual Individual Disability Income Sales and In-force Survey.</td>
</tr>
<tr>
<td></td>
<td>#1 small-case business life insurance</td>
<td></td>
</tr>
<tr>
<td></td>
<td>#1 Corporate-sponsored individually owned life insurance</td>
<td>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.</td>
</tr>
<tr>
<td></td>
<td>#3 Corporate owned life insurance</td>
<td></td>
</tr>
<tr>
<td></td>
<td>#2 Total Group Benefits</td>
<td></td>
</tr>
<tr>
<td></td>
<td>#4 Group disability</td>
<td></td>
</tr>
<tr>
<td></td>
<td>#4 Group Dental</td>
<td></td>
</tr>
<tr>
<td></td>
<td>#1 Nonqualified deferred compensation</td>
<td>#1 provider of nonqualified deferred compensation; 2022 PLANSPONSOR Defined Contribution Plan Recordkeeping Survey, July 2022</td>
</tr>
<tr>
<td><strong>Global asset management</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Top 10 target case manager</td>
<td>The State of the Target-Date Market: 2021,” Sway Research, 2021</td>
</tr>
<tr>
<td></td>
<td>#1 Manager of target date CITs</td>
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</tbody>
</table>
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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, and in the company’s quarterly report on Form 10-Q for the quarter ended Mar. 31, 2023, 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 may change; changes in laws, regulations or accounting standards; 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; 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; international business risks; risks arising from participation in joint ventures; the company may need to fund deficiencies in its “Closed Block” assets; the company’s reinsurers could default on their obligations or increase their rates; risks arising from acquisitions of businesses; risks related to administering reinsurance transactions; a pandemic, terrorist attack, military action or other catastrophic event; global climate change; 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; the company may not be able to protect its intellectual property and may be subject to infringement claims; 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; loss of key vendor relationships or failure of a vendor to protect information of our customers or employees; and 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.