Company Profile: Principal®

Principal® helps people and companies in Asia, Australia, Europe, Latin America, and North America build and protect their financial well-being. They’ve been doing it for 140 years.

A member of the FORTUNE 500®, Principal® is known for their innovative ideas and real-life solutions that help customers make financial progress, no matter their income or portfolio size. They have $696.2 billion in assets under management and serve 24 million customers, with offices in 25 nations and territories. Principal is traded on the Nasdaq under the ticker symbol PFG.

Financial Data
- Total assets under management: $696.2 billion
- Total GAAP revenues: $15.8 billion
- Net income available to Principal: $1.5 billion
- Non-GAAP Operating earnings: $1.6 billion
- Non-GAAP Operating ROE: 13.6%

People
- More than 16,000 employees worldwide
- More than 10,000 employees in the United States

Clientele
- 24 million customers
Financial Strength Ratings for Principal Life Insurance Company

- **A.M. Best Company: A+ (Superior)**
  Second highest of 13 rating levels
- **S&P Global: A+ (Strong)**
  Fifth highest of 20 rating levels
- **Fitch: AA– (Very Strong)**
  Fourth highest of 19 rating levels
- **Moody’s Investors Service: A1 (Good)**
  Fifth highest of 21 rating levels

Ratings current as of July 2019. Third-party ratings relate only to Principal Life Insurance Company, the largest member company of the Principal Financial Group and Principal National Life Insurance Company, and do not reflect any ratings actions or notices relating to the U.S. life insurance sector generally.

Our ratings reflect each rating agency’s opinion of our financial strength, operating performance, and ability to meet our obligations to policyholders and are not evaluations directed toward the protection of investors. Such ratings are neither a rating of securities nor a recommendation to buy, hold, or sell any security, including our common stock.

1 Data for the trailing twelve months ended June 30, 2019, unless otherwise noted. For the latest and additional information, visit www.principal.com.

2 The company uses a number of non-GAAP financial measures that management believes are important in understanding and evaluating the normal, recurring operations of our businesses. These measures are not a substitute for GAAP financial measures. Therefore, we provide a reconciliation of the non-GAAP measures to the comparable GAAP financial measures as follows:

- Net income attributable to Principal Financial Group of $1,509.0 million adjusted for net realized (gains) losses of $115.7 million equals non-GAAP operating earnings of $1,624.7 million.
- Net income return on average equity including accumulated other comprehensive income of 11.8% adjusted for net unrealized capital (gains) losses of 1.4%, net unrecognized post-retirement benefit obligation of (0.5)%, and net realized capital (gains) losses of 0.9% equals non-GAAP operating ROE of 13.6%.

3 Non-GAAP operating earnings return on equity (ROE) equals trailing twelve months non-GAAP operating earnings divided by average stockholders’ equity available to common stockholders excluding accumulated other comprehensive income (loss) other than foreign currency translation adjustment.

4 Information as of July 2019. Our ratings reflect each rating agency’s opinion of our financial strength, operating performance and ability to meet our obligations to policyholders and are not evaluations directed toward the protection of investors. Such ratings are neither a rating of securities nor a recommendation to buy, hold or sell any security, including our common stock.

Insurance products issued by Principal National Life Insurance Co. (except in NY) and Principal Life Insurance Co. Plan administrative services offered by Principal Life. Securities offered through Principal Securities, Inc., 800-247-1737, Member SIPC and/or independent broker/dealers. Principal National, Principal Life, and Principal Securities are members of the Principal Financial Group, Des Moines, IA 50392.

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