

# 2018 Company Profile<sup>1</sup>

Principal helps people and companies around the world to build, protect and advance their financial well-being with our retirement, insurance and asset management expertise. With innovative ideas and real-life solutions, we make financial progress possible for clients of all income and portfolio sizes. A member of the FORTUNE 500<sup>®</sup>, Principal has \$667.8 billion in assets under management and serves 22 million customers with offices in 19 countries throughout Asia, Australia, Europe, Latin America and North America. Principal Financial Group, Inc. common stock is traded on Nasdaq under the ticker symbol PFG.

## Financial Data<sup>1</sup>

\$667.8 billion	Total assets under management
\$13.7 billion	Total GAAP revenues
\$2.2 billion	Net income available to Principal Financial Group, Inc.
\$1.6 billion	Non-GAAP operating earnings <sup>2</sup>
14.3%	Non-GAAP operating return on average equity available to common stockholders, excluding AOCI, other than foreign currency translation adjustment

## People



More than 14,000 employees worldwide



More than 10,000 employees in the U.S.

## Financial Strength Ratings<sup>3</sup> for Principal Life Insurance Company and Principal National Life Insurance Company

“A+” Superior	A.M. Best Company: second highest of 13 rating levels
“AA-” Very strong	Fitch: fourth highest of 19 rating levels
“A1” Good	Moody’s Investors Service: fifth highest of 21 rating levels
“A+” Strong	S&P Global: fifth highest of 20 rating levels

## Industry leadership

# Recognition

### Overall

- **Ranked 227th on Fortune magazine's list of the Largest 500 Corporations** based on revenues. (June 2017)
- **Ranked 341st on the Forbes Global 2000** list, which recognizes the world's biggest and most powerful companies, as measured by a composite ranking for sales, profits, assets and market value. (May 2017)
- A member of the Standard & Poor's (S&P) 500® since July 2002.

### Retirement and Income Solutions

- Principal again received a **"Best in Class" ranking for our service team and a 95 percent overall satisfaction score** in the 2017 Chatham Partners Client Satisfaction Survey of defined benefit and defined contribution plans with more than \$50 million in assets. (January 2018)
- Principal received strong industry ratings in the 2017 Retirement Plan Advisor Survey conducted by PLANADVISER. We ranked as a **top 10 provider for service** to micro, small, mid, large, and mega plans, fee structure for advisors and participant educational services. (October 2017)

### Principal Global Investors

- Principal, a global investment management leader, earned a spot among the top 7 companies with 1,000 or more employees in Pensions & Investments' annual list of the **Best Places to Work in Money Management**. (December 2017)
- **Top 20 manager of U.S. institutional tax-exempt assets managed internally**, out of 554 managers profiled. Assets as of Dec. 31, 2016. "Largest Money Managers," Pensions & Investments. (May 30, 2017)

- The **4th largest manager of REIT assets**, out of 50 managers profiled. Managers ranked by U.S. institutional, tax-exempt assets as of Dec. 31, 2016 for the "Largest Money Managers," Pensions & Investments. (May 2017)
- Principal Global Investors received strong scores in environmental, social and governance (ESG) based on the 2017 Principles for Responsible Investment (PRI) Pilot Assessment Report. **The score for Overall Approach was an A+ (on a scale of A+ to E) and was well above the median score of A.** (September 2016).
- Principal Funds named the **No. 6 fund family** by Barron's magazine based on five-year performance in 2015. (February 2016)
- Principal Funds was **No. 14 on the list of top advisor-sold mutual fund companies in the United States**, based on assets under management, according to Strategic Insights, April Flow Watch Report 2016.

### Principal International

- Brasilprev **ranked No. 1** in net deposit and market share. (Fenaprevi March 2016)
- Principal Chile recognized as **best small Mutual Fund company** in equities and 2nd best in fixed income by El Mercurio. (July 2017)
- Principal Mexico recognized by Morningstar for 2nd year in a row for **Best Fund of Mexico**. (February 2017)
- Asian Investor named CIMB-PAM the **Malaysia Fund House of the Year** at the Asset Management Awards. (May 2017)
- Principal Hong Kong received a **Gold rating** for the Mandatory Provident Funds (MPF) Scheme Series 600 as well as a 5 year consecutive Gold for the fund. (March 2017)

## U.S. Insurance Solutions

- Recognized by PlanSponsor magazine as the **No. 1 non-qualified deferred compensation provider** based on number of plans. (July 2015)
- **Ranked as the No. 5 provider of group benefit** (dental, life and disability) insurance based on 2015 LIMRA data on fully insured employer contracts in force. (May 2016)
- **Ranked as the No. 3 provider of non-cancelable individual disability income** insurance based on 2015 LIMRA data of annualized new sale premium. (February 2016)
- Ranked as the **No. 19 provider of life insurance** based on 2014 LIMRA data on total life new sales premium. (September 2015)

## Workplace Excellence

- One of 100 companies to be named one of the **World's Most Ethical Companies** by the Ethisphere Institute, which recognizes organizations that have had a material impact on the way business is conducted by fostering a culture of ethics and transparency at every level of the company. This is the eighth year Principal has been recognized by Ethisphere. (March 2017)
- Recognized by Forbes as **one of America's Best Employers**. (March 2017)
- Recognized by Working Mother as **one of the 2017 Working Mother 100 Best Companies** (September 2017)

- Recognized by IDG's Computerworld as one of its **100 Best Places to Work in IT** for 15 consecutive years, ranking 16th for 2016. (June 2017)
- Scored 100 out of 100 on the **Human Rights Campaign Foundation Corporate Equality Index** for support of lesbian, gay, bisexual equality in the workplace. (November 2017)
- Brasilprev was ranked on the the **top 150 companies to work for in Brazil** by Você SIA Magazine. (October 2017)
- Named to Forbes **Top 50 Best Places to Work for Giving Back**. (February 2018)
- Recognized as a **Platinum Well Workplace** by the Wellness Councils of America.

## Community Leadership

- The 19th company to receive United Way of America's **Spirit of America Award** for corporate community involvement.
- Named a CDP Climate Performance leader and a **CDP Climate Disclosure leader** for our commitment to improving our impact on the environment. (January 2016)

## Technology Innovation

- Ranked 59th on the **InformationWeek Elite 100** recognizing the top business technology innovators for the 19th year (formerly the InformationWeek 500). (April 2016)



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<sup>1</sup> Data for the trailing twelve months ended September 30, 2018, unless otherwise noted. For the latest and additional information, visit [www.principal.com](http://www.principal.com).

<sup>2</sup> 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:

- Operating earnings of \$1,632.2 million adjusted for net realized gains (losses) of \$4.9 million and other after-tax adjustments of \$524.5 million equals net income attributable to Principal Financial Group of \$2,151.8 million.
- Net income return on average equity including accumulated other comprehensive income of 18.2 percent adjusted for net unrealized capital (gains) losses of 1.3 percent, other after-tax adjustments of (4.6) percent, net realized capital (gains) losses of (0.1) percent, and net unrecognized post-retirement benefit obligation of (0.7) percent equals operating ROE of 14.3%.

<sup>3</sup> Information as of September 2018.

Insurance products and services from the Principal Financial Group® (Principal®) are issued by Principal National Life Insurance Company (except in New York) and Principal Life Insurance Company, Des Moines, Iowa 50392. Securities offered through Principal Securities, Inc., 800-247-1737, member SIPC. Banking products offered through Principal Bank, member FDIC. Principal National, Principal Life, Principal Securities and Principal Bank are members of the Principal Financial Group, Des Moines, Iowa 50392.

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