

2017 Company Profile¹

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®, the Principal Financial Group has \$629.4 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. is traded on the Nasdaq under the ticker symbol PFG.

Financial Data¹

\$655.5 billion	Total assets under management
\$10.9 billion	Total GAAP revenues
\$1.5 billion	Net income available to Principal Financial Group, Inc.
\$1.1 billion	Operating earnings ²
14.5%	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 Ratings³ 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 236th on Fortune magazine's list of the Largest 500 Corporations** based on revenues. (June 2016)
- **Ranked 380th 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 2016)
- A member of the Standard & Poor's (S&P) 500® since July 2002.

Retirement and Income Solutions

- PLANADVISER, a leading retirement industry magazine for financial professionals, has recognized Principal as a **top-rated defined contribution provider for advisor support post-sale** in its Advisers' Choice Awards. (March 2015)
- Principal again received a **"Best in Class" ranking for our service team and a 95 percent overall satisfaction score** in the 2015 Chatham Partners Client Satisfaction Survey of defined benefit and defined contribution plans with more than \$5 million in assets. (January 2016)
- Principal received strong industry ratings in the 2015 Retirement Plan Advisor Survey conducted by PLANADVISER. We ranked as a **top 10 provider for service** to micro, small, mid and large plans and No. 3 in best overall service to micro plans, value-added advisor services and plan participant support. (October 2015)

Principal Global Investors

- Principal, a global investment management leader, earned the top spot among companies with 1,000 or more employees in Pensions & Investments' annual survey of the Best Places to Work in Money Management. Pensions & Investments, **"The Best Places to Work in Money Management"** December 14, 2015.

- **The 19th largest manager of U.S. institutional tax-exempt assets managed internally**, out of 573 managers profiled. Assets as of Dec. 31, 2015. "Largest Money Managers," Pensions & Investments. (May 30, 2016)
- **The 11th largest manager of REIT assets**, out of 51 managers profiled. Managers ranked by U.S. institutional, tax-exempt assets as of Dec. 31, 2015. "Largest Money Managers," Pensions & Investments. (May 30, 2016)
- Principal Global Investors received strong scores in environmental, social and governance (ESG) based on the 2015 Principles for Responsible Investment (PRI) Pilot Assessment Report. Principal Global Investors scored at or above the median in four different modules. **The score for Overall Approach was an A+ (on a scale of A+ to E) and was well above the median score of B.** PRI Pilot Assessment Report, September 2015.
- 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:** Ranked **first in the APV** according to the Asociación de Administradoras de Fondos Mutuos de Chile. APV is a voluntary pension product that complements the mandatory pension system in Chile. (March 2016)
- Cuprum recognized as the **leader in customer experience** in the mandatory pension market according to the Praxis Xperience Index (PXI). (October 2015)

- CIMB-Principal Asset Management was named **the Best Asset Manager in Southeast Asia** for the fifth year in a row by Alpha Southeast Asia in its “Best Financial Institutions Awards” (Marquee Awards). (June 2015)
- CIMB-Principal Islamic Asset Management recognized **as Most Outstanding Islamic Financial Institution** at the 2015 KLIFF Islamic Finance Awards. (December 2015)
- Principal Hong Kong received **2016 MPF Scheme of the Year** for one of its Mandatory Provident Funds, in addition to **Gold Ratings for two Mandatory Provident Funds** at the 2016 MPF Awards. (March 2016)

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 sixth year Principal has been recognized by Ethisphere. (March 2016)
- Recognized by Forbes as **one of America’s Best Employers**. (March 2016)

- Recognized by Working Mother as **one of the 2015 Working Mother 100 Best Companies** (September 2015)
- 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 2016)
- 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 2015)
- Enterprise Engagement Alliance (EEA) selected Principal as **one of the Top 25 Most People-Centric publicly held companies in the United States**. EEA is an outreach and education organization that supports the emerging engagement profession. (April 2015)
- Earned the **WorldatWork Alliance for Work-Life Progress – 2015 Seal of Distinction Award**, which recognizes employers that demonstrate leadership in workplace strategies and practices to help employees achieve success in work-life effectiveness. (April 2015)
- Named one of the **25 Most Influential Companies for Veteran Hiring** by Diversity Journal. (April 2015)
- 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. (November 2015)

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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¹Data for the nine months ended September 30, 2017, unless otherwise noted. For the latest and additional information, visit www.principal.com.

²The 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 \$1,127.8 million equals net income available to common stockholders of \$1,468.6 million adjusted for net realized (gains) losses of \$(340.8) million and other after-tax adjustments of \$0 million.
- Operating ROE of 14.5 percent equals net income return on average equity including accumulated other comprehensive income of 15.7 percent, adjusted for net unrealized capital (gains) losses of 2.2 percent, other after-tax adjustments of 0.5 percent, net realized capital (gains) losses of (3.3) percent, and net unrecognized post-retirement benefit obligation of (0.6) percent.

³Information as of October 2017.

⁴RIS-Fee = Retirement and Income Solutions Fee, which includes Full Services Accumulation and Individual Variable Annuities.

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