Principal Financial Group Announces First Quarter 2026 Results

April 23, 2026

Raises second quarter 2026 common stock dividend

DES MOINES, Iowa--(BUSINESS WIRE)--Apr. 23, 2026-- Principal Financial Group® (Nasdaq: PFG) announced results for first quarter 2026.

Diluted earnings per common share	1Q26
Net income attributable to PFG	$1.93
Non-GAAP net income attributable to PFG, excluding exited business[1]	$1.45
Non-GAAP operating earnings[1]	$2.07
Non-GAAP operating earnings excluding significant variances[2]	$2.17

Earnings (in millions)	1Q26
Net income attributable to PFG	$425
Non-GAAP net income attributable to PFG, excluding exited business[1]	$321
Non-GAAP operating earnings[1]	$456
Non-GAAP operating earnings excluding significant variances[2]	$479

First Quarter 2026 Highlights

- Non-GAAP operating earnings per diluted share, excluding significant variances[2] of $2.17 increased 13% over prior year quarter; reported non-GAAP operating earnings per diluted share increased 14%
- Returned $374 million of capital to shareholders, including $200 million of share repurchases and $174 million of common stock dividends
- Announced common stock dividend increase of $0.02 to $0.82 per share in the second quarter 2026; representing an 8% increase over the second quarter 2025 dividend and on a trailing twelve-month basis
- Assets under management (AUM) of $770 billion, which is included in assets under administration (AUA) of $1.8 trillion
- Strong financial position with $1.45 billion of excess and available capital

Deanna Strable, Chair, President and CEO of Principal®

“Driven by fundamentals and a sharp focus on higher growth markets, we delivered strong revenue growth, EPS growth and ROE expansion in the quarter. We continue to execute on our commitment to return excess capital to shareholders while maintaining a robust capital position.

Entering 2Q26, we are confident in the strength of our diversified, integrated portfolio. Disciplined risk management and focused growth investments further enable the delivery of long-term value for shareholders and customers.”

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[1] Use of non-GAAP financial measures and their reconciliations to the most directly comparable GAAP measures are included in this release. Non-GAAP operating earnings for total company is after tax.

[2] The total company impacts of significant variances is after tax. See Exhibit 1 for details on the impact of 1Q 2026 and 1Q 2025 significant variances on net income attributable to PFG; non-GAAP net income attributable to PFG, excluding exited business; and non-GAAP operating earnings.

First Quarter Enterprise Results
In millions except percentages, earnings per share, or otherwise noted

	Three Months Ended,			Trailing Twelve Months,		
	1Q26	1Q25	Change	1Q26	1Q25	Change
Net income (loss) attributable to PFG	$424.6	$48.1	783%	$1,561.6	$1,086.6	44%
Non-GAAP net income attributable to PFG, excluding exited business	$320.5	$299.4	7%	$1,708.3	$1,428.2	20%
Non-GAAP operating earnings	$456.1	$414.5	10%	$1,907.1	$1,660.7	15%
Non-GAAP operating earnings, excluding significant variances[2]	$478.8	$439.2	9%	$1,969.3	$1,819.1	8%
Diluted earnings per common share						
Net income (loss) attributable to PFG	$1.93	$0.21	819%			

Non-GAAP net income attributable to PFG, excluding exited business	$1.45	$1.31	11%			
Non-GAAP operating earnings	$2.07	$1.81	14%			
Non-GAAP operating earnings, excluding significant variances[2]	$2.17	$1.92	13%			
Assets under administration (billions)	$1,788.5	$1,661.6	8%			
Assets under management (billions)	$770.2	$717.9	7%			
AUM net cash flow (billions)	$(1.5)	$(4.4)	$2.9	$(5.9)	$(8.8)	$2.9

First Quarter Segment Highlights (compared to 1Q25)

- RIS transfer deposits of $12 billion, up 35%
- Investment Management gross sales of $37 billion increased 21%
- International Pension record AUM of $160 billion increased 20%
- Specialty Benefits record sales of $213 million increased 24%
- Life Insurance business market premium and fees increased 15%

Segment Results
In millions except percentages, or otherwise noted except percentages or otherwise noted)

Retirement and Income Solutions

	Three Months Ended,			Trailing Twelve Months,		
	1Q26	1Q25	Change	1Q26	1Q25	Change
Pre-tax operating earnings[3]	$302.1	$283.7	6%	$1,204.0	$1,077.7	12%
Net revenue[4]	$750.8	$724.2	4%	$2,970.5	$2,833.7	5%
Operating margin[5]	40.2%	39.2%		40.5%	38.0%	

- **Pre-tax operating earnings** increased $18.4 million primarily due to higher net revenue and disciplined expense management.
- **Net revenue** increased $26.6 million due to favorable market performance and growth in the business.

Investment Management

	Three Months Ended,			Trailing Twelve Months,		
	1Q26	1Q25	Change	1Q26	1Q25	Change
Pre-tax operating earnings	$125.1	$116.3	8%	$623.2	$572.9	9%
Operating revenues less pass-through expenses[6]	$426.0	$416.0	2%	$1,740.8	$1,686.0	3%
Operating margin[7]	30.0%	29.0%		36.5%	34.9%	
Assets under management (billions)	$578.0	$555.8	4%			

- **Pre-tax operating earnings** increased $8.8 million primarily due to higher operating revenues less pass-through expenses and disciplined expense management.
- **Operating revenues less pass-through expenses** increased $10.0 million primarily due to higher management fees, resulting from higher AUM.

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[3] Pre-tax operating earnings = operating earnings before income taxes and after noncontrolling interest.

[4] 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.

[5] Operating margin for Retirement and Income Solutions = pre-tax operating earnings divided by net revenue.

[6] The company has provided reconciliations of the non-GAAP measures to the most directly comparable U.S. GAAP measures at the end of the release. The company has determined this measure is more representative of underlying operating revenues growth for Investment Management 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.

[7] Operating margin for Investment Management = pre-tax operating earnings adjusted for noncontrolling interest divided by operating revenues less pass-through expenses.

International Pension

	Three Months Ended,			Trailing Twelve Months,		
	1Q26	1Q25	Change	1Q26	1Q25	Change
Pre-tax operating earnings	$83.4	$71.2	17%	$328.0	$288.7	14%
Net revenue	$169.3	$146.7	15%	$668.5	$620.3	8%
Operating margin[8]	49.3%	48.5%		49.1%	46.5%	
Assets under management (billions)	$159.6	$133.5	20%			

- **Pre-tax operating earnings** increased $12.2 million due to higher net revenue.
- **Net revenue** increased $22.6 million primarily due to foreign currency tailwinds, performance fees, and growth in the business.

Specialty Benefits

	Three Months Ended,			Trailing Twelve Months,		
	1Q26	1Q25	Change	1Q26	1Q25	Change
Pre-tax operating earnings	$136.8	$106.2	29%	$562.0	$463.8	21%
Premium and fees	$861.4	$831.5	4%	$3,392.6	$3,287.4	3%
Operating margin[9]	15.9%	12.8%		16.6%	14.1%	
Incurred loss ratio	58.5%	60.7%		58.1%	60.4%	

- **Pre-tax operating earnings** increased $30.6 million primarily due to more favorable underwriting.
- **Premium and fees** increased $29.9 million driven by growth in the business, supported in part by record sales.
- **Incurred loss ratio** improved to 58.5% and was below targeted range driven by improved group life and group dental results along with continued strong group disability experience.

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[8] Operating margin for International Pension = pre-tax operating earnings divided by net revenue.

[9] Operating margin for Benefits and Protection = pre-tax operating earnings divided by premium and fees.

Life Insurance

	Three Months Ended,			Trailing Twelve Months,		
	1Q26	1Q25	Change	1Q26	1Q25	Change
Pre-tax operating earnings	$33.2	$13.3	150%	$11.7	$7.1	65%
Premium and fees	$238.6	$235.1	1%	$961.7	$928.6	4%
Operating margin	13.9%	5.7%		1.2%	0.8%	

- **Pre-tax operating earnings** increased $19.9 million driven by improved mortality experience.
- **Premium and fees** increased $3.5 million as strong business market growth outpaced the run-off of the legacy life business.

Corporate

	Three Months Ended,			Trailing Twelve Months,		
	1Q26	1Q25	Change	1Q26	1Q25	Change
Pre-tax operating losses	$(122.1)	$(105.6)	(16)%	$(397.7)	$(392.3)	(1)%

- **Pre-tax operating losses** increased $16.5 million due to timing of expenses.

Common Stock Dividend

- Announced a second quarter cash dividend of $0.82 per share to holders on common shares. This represents a 2-cent

increase over first quarter of 2026 and an 8% increase over the prior year quarter.
- The second quarter dividend will be payable on June 26, 2026, to shareholders of record as of June 1, 2026.

Exhibit 1
Principal Financial Group
Impact of Significant Variances[10] on Net Income Attributable to PFG; Non-GAAP Net Income Attributable to PFG, Excluding Exited Business; and Non-GAAP Operating Earnings
In millions except per share data

	Three Months Ended,		Trailing Twelve Months,	
	1Q26	1Q25	1Q26	1Q25
Net income (loss) attributable to PFG	**$ (22.7)**	**$ (24.7)**	**$ (68.5)**	**$ (175.3)**
(Income) loss from exited business	-	-	6.1	20.6
Non-GAAP net income (loss) attributable to PFG, excluding exited business	(22.7)	(24.7)	(62.4)	(154.7)
Net realized capital (gains) losses, as adjusted	-	-	0.2	(3.7)
Non-GAAP operating earnings	**(22.7)**	**(24.7)**	**(62.2)**	**(158.4)**
Income taxes	(3.2)	(5.6)	(13.1)	(36.2)
Non-GAAP pre-tax operating earnings	**$ (25.9)**	**$ (30.3)**	**$ (75.3)**	**$ (194.6)**
Per diluted share:				
Net income (loss) attributable to PFG	**$ (0.10)**	**$ (0.11)**		
(Income) loss from exited business	-	-		
Non-GAAP net income (loss) attributable to PFG, excluding exited business	(0.10)	(0.11)		
Net realized capital (gains) losses, as adjusted	-	-		
Non-GAAP operating earnings	**$ (0.10)**	**$ (0.11)**		
Weighted average diluted common shares outstanding	220.3	228.8		
Segment pre-tax operating earnings (losses):				
Retirement and Income Solutions	$ (16.0)	$ (21.0)	$ (31.1)	$ (96.2)
Investment Management	-	-	4.8	-
International Pension	2.4	-	38.7	11.1
Principal Asset Management	2.4	-	43.5	11.1
Specialty Benefits	(3.0)	(5.0)	3.4	(17.9)
Life Insurance	(4.0)	(0.6)	(109.0)	(92.9)
Benefits and Protection	(7.0)	(5.6)	(105.6)	(110.8)
Corporate	(5.3)	(3.7)	17.9	1.3
Total segment pre-tax operating earnings (losses)	**$ (25.9)**	**$ (30.3)**	**$ (75.3)**	**$ (194.6)**

Income statement line item details of significant variances are available in our earnings conference call presentation on our website.

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[10] Significant variances (SVs) in 1Q26 include 1) lower than expected variable investment income in RIS, Specialty Benefits, Life Insurance and Corporate, partially offset by higher than expected variable investment income in International Pension; 2) lower than expected encaje performance in International Pension; 3) higher than expected Latin American inflation in International Pension. SVs in 1Q25 include 1) lower than expected variable investment income in RIS, Specialty Benefits, Life Insurance and Corporate; 2) impact of GAAP-only regulatory closed block adjustment in Life Insurance. SVs on a trailing twelve months in 1Q26 include 1) lower than expected variable investment income in RIS, International Pension, Specialty Benefits, and Life Insurance, partially offset by higher than expected variable investment income in Corporate; 2) impacts of 2025 actuarial assumption review; 3) higher than expected encaje performance and Latin American inflation in International Pension; 4) impact from a one-time expense accrual release in RIS, Investment Management, Specialty Benefits, Life Insurance, and Corporate. SVs on a trailing

twelve months in 1Q25 include 1) lower than expected variable investment income in RIS, International Pension, Specialty Benefits, and Life Insurance, partially offset by higher than expected variable investment income in Corporate; 2) impacts of 2024 actuarial assumption review; 3) impact of model refinement in Specialty Benefits 4) lower than expected encaje performance; 5) higher than expected Latin American inflation in International Pension; 6) impact of GAAP-only regulatory closed block adjustment in Life Insurance.

Earnings Conference Call

On Friday, Apr. 24, 2026, at 10:00 a.m. (ET), Chair, President and Chief Executive Officer Deanna Strable and Executive Vice President and Chief Financial Officer Joel Pitz will lead a discussion of results during a live conference call, which can be accessed as follows:

- Via live Internet webcast. Please go to investors.principal.com at least 10-15 minutes prior to the start of the call to register, and to download and install any necessary audio software.
- Analysts who will be asking questions will be sent a dial in number and authorization code in advance of the call.
- Replay of the earnings call via webcast as well as a transcript of the call will be available after the call at investors.principal.com.

The company's financial supplement and slide presentation is currently available at investors.principal.com, and may be referred to during the call.

Forward Looking Statements

This release contains statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements relating to share repurchases and planned dividends, the realization of our growth and business strategies and results from ongoing operations. Forward-looking statements are made based upon our current expectations and beliefs concerning future developments and their potential effects on us. Such forward-looking statements are not guarantees of future performance and actual results may differ materially from the results anticipated in the forward-looking statements. We describe risks, uncertainties and factors that could cause or contribute to such material differences in our filings with the Securities and Exchange Commission, including in the "Risk Factors" and "Note Concerning Forward-Looking Statements" sections in our annual report on Form 10-K for the year ended Dec. 31, 2025, as updated or supplemented from time to time in subsequent filings. We assume no obligation to update any forward-looking statement for any reason, which speaks as of its date.

Use of Non-GAAP Financial Measures

The company uses a number of non-GAAP financial measures that management believes are useful to investors because they illustrate the performance of normal, ongoing operations, which is important in understanding and evaluating the company's financial condition and results of operations. They are not, however, a substitute for U.S. GAAP financial measures. Therefore, the company has provided reconciliations of the non-GAAP measures to the most directly comparable U.S. GAAP measure at the end of the release. The company adjusts U.S. GAAP 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 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.

About Principal®[11]

Principal Financial Group® (Nasdaq: PFG) is a global financial company with approximately 19,000 employees[12] passionate about improving the wealth and well-being of people and businesses. In business for 146 years, we're helping over 82 million customers[12] plan, insure, invest, and retire, while working to support the communities where we do business, and building an inclusive workforce. Principal is proud to be recognized as one of the 2026 World's Most Ethical Companies [13] and named as a "Best Place to Work in Money Management [14]." Learn more about Principal and our commitment to building a better future at principal.com.

Summary of Principal Financial Group® and Segment Results

Principal Financial Group, Inc. Results	(in millions) Three Months Ended,		Trailing Twelve Months,	
	1Q26	1Q25	1Q26	1Q25
Net income (loss) attributable to PFG*	**$ 424.6**	**$ 48.1**	**$ 1,561.6**	**$ 1,086.6**
(Income) loss from exited business	(104.1)	251.3	146.7	341.6
Non-GAAP net income (loss) attributable to PFG excluding exited business	**$ 320.5**	**$ 299.4**	**$ 1,708.3**	**$ 1,428.2**
Net realized capital (gains) losses, as adjusted	135.6	115.1	198.8	232.5

Non-GAAP Operating Earnings*	**$ 456.1**	**$ 414.5**	**$ 1,907.1**	**$ 1,660.7**
Income taxes	102.4	70.6	424.1	357.2
Non-GAAP Pre-Tax Operating Earnings	**$ 558.5**	**$ 485.1**	**$ 2,331.2**	**$ 2,017.9**
Segment Pre-Tax Operating Earnings (Losses):				
Retirement and Income Solutions	$ 302.1	$ 283.7	$ 1,204.0	$ 1,077.7
Principal Asset Management	208.5	187.5	951.2	861.6
Benefits and Protection	170.0	119.5	573.7	470.9
Corporate	(122.1)	(105.6)	(397.7)	(392.3)
Total Segment Pre-Tax Operating Earnings	**$ 558.5**	**$ 485.1**	**$ 2,331.2**	**$ 2,017.9**

[11] Principal, Principal and symbol design and Principal Financial Group are trademarks and service marks of Principal Financial Services, Inc., a member of the Principal Financial Group.

[12] As of March 31, 2026

[13] Ethisphere, 2026

[14] Pensions & Investments, 2025

	Per Diluted Share	
	Three Months Ended,	
	1Q26	1Q25
Net income (loss) attributable to PFG	**$ 1.93**	**$ 0.21**
(Income) loss from exited business	(0.48)	1.10
Non-GAAP net income (loss) excluding exited business	**$ 1.45**	**$ 1.31**
Net realized capital (gains) losses, as adjusted	0.62	0.50
Non-GAAP Operating Earnings	**$ 2.07**	**$ 1.81**
Impact of significant variances[15]	0.10	0.11
Non-GAAP Operating Earnings, excluding significant variances	**$ 2.17**	**$ 1.92**
Weighted-average diluted common shares outstanding (in millions)	**220.3**	**228.8**

***U.S. GAAP (GAAP) net income attributable to PFG versus non-GAAP operating earnings**

Management uses non-GAAP operating earnings, which is a financial measure that excludes the effect of net realized capital gains and losses, as adjusted, income (loss) from exited business and other after-tax adjustments the company believes are not indicative of overall operating trends, 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. Note: it is possible these adjusting items have occurred in the past and could recur in future reporting periods. While these items may be significant components in understanding and assessing our consolidated financial performance, management believes the presentation of non-GAAP operating earnings enhances the understanding of results of operations by highlighting earnings attributable to the normal, ongoing operations of the company's businesses.

Selected Balance Sheet Statistics

	Period Ended,	
	1Q26	4Q25
Total assets (in billions)	$ 332.7	$ 341.4
Stockholders' equity (in millions)	$ 11,848.7	$ 11,917.0
Stockholders' equity available to common stockholders (in millions)	$ 11,815.3	$ 11,883.9
Stockholders' equity, excluding cumulative change in fair value of funds withheld embedded derivative and accumulated other comprehensive income (AOCI) other than foreign currency translation adjustment, available to common stockholders (in millions)	$ 12,368.7	$ 12,445.5
End of period common shares outstanding (in millions)	216.4	217.4
Book value per common share	$ 54.60	$ 54.66
Book value per common share excluding cumulative change in fair value of funds withheld embedded derivative and AOCI other than foreign currency translation adjustment	$ 57.16	$ 57.25

[15] See Exhibit 1 for details on the impact of 1Q 2026 and 1Q 2025 significant variances on net income attributable to PFG; non-GAAP net income attributable to PFG, excluding exited business; and non-GAAP operating earnings.

Principal Financial Group, Inc.
Reconciliation of U.S. GAAP to Non-GAAP Financial Measures
(in millions, except as indicated)

	Period Ended, 1Q26	4Q25
Stockholders' Equity, Excluding Cumulative Change in Fair Value of Funds Withheld Embedded Derivative and AOCI Other Than Foreign Currency Translation Adjustment, Available to Common Stockholders:		
Stockholders' equity	$ 11,848.7	$ 11,917.0
Noncontrolling interest	(33.4)	(33.1)
Stockholders' equity available to common stockholders	11,815.3	11,883.9
Cumulative change in fair value of funds withheld embedded derivative	(2,220.4)	(2,080.2)
AOCI, other than foreign currency translation adjustment	2,773.8	2,641.8
Stockholders' equity, excluding cumulative change in fair value of funds withheld embedded derivative and AOCI other than foreign currency translation adjustment, available to common stockholders	$ 12,368.7	$ 12,445.5
Book Value Per Common Share, Excluding Cumulative Change in Fair Value of Funds Withheld Embedded Derivative and AOCI Other Than Foreign Currency Translation Adjustment:		
Book value per common share	$ 54.60	$ 54.66
Cumulative change in fair value of funds withheld embedded derivative and AOCI, other than foreign currency translation adjustment	2.56	2.59
Book value per common share, excluding change in fair value of funds withheld embedded derivative and AOCI other than foreign currency translation adjustment	$ 57.16	$ 57.25

Principal Financial Group, Inc.
Reconciliation of U.S. GAAP to Non-GAAP Financial Measures
(in millions)

	Three Months Ended, 1Q26	1Q25	Trailing Twelve Months, 1Q26	1Q25
Income Taxes:				
Total GAAP income taxes (benefit)	$ 68.9	$ (34.0)	$ 263.4	$ 162.6
Net realized capital gains (losses) tax adjustments	37.6	25.2	45.9	30.2
Exited business tax adjustments	(27.6)	63.0	39.2	86.9
Income taxes related to equity method investments and noncontrolling interest	23.5	16.4	75.6	77.5
Income taxes	$ 102.4	$ 70.6	$ 424.1	$ 357.2
Net Realized Capital Gains (Losses):				
GAAP net realized capital gains (losses)	$ (122.1)	$ (117.1)	$ 22.7	$ (143.5)
Market value adjustments to fee revenues	0.1	(0.1)	0.1	-
Net realized capital gains (losses) related to equity method investments	0.9	4.6	1.6	(2.4)
Derivative and hedging-related revenue adjustments	(27.4)	(13.2)	(115.6)	14.7
Certain variable annuity fees	17.1	17.0	68.1	70.1
Certain real estate-related depreciation and amortization	(14.9)	-	(14.9)	-
Sponsored investment funds and other adjustments	9.5	7.1	43.9	31.1
Capital gains distributed – operating expenses	25.4	33.4	(39.4)	(41.5)
Amortization of actuarial balances	(5.9)	(1.9)	(18.5)	(3.5)
Derivative and hedging-related expense adjustments	(0.6)	0.5	0.5	(1.7)

Market value adjustments of embedded derivatives	(20.1)	(22.0)	(22.1)	(42.6)
Market value adjustments of market risk benefits	(47.8)	(43.9)	(104.0)	(91.1)
Capital gains distributed – cost of interest credited	0.4	6.1	(28.3)	(29.8)
Net realized capital gains (losses) tax adjustments	37.6	25.2	45.9	30.2
Net realized capital gains (losses) attributable to noncontrolling interest, after-tax	12.2	(10.8)	(38.8)	(22.5)
Total net realized capital gains (losses) after-tax adjustments	(13.5)	2.0	(221.5)	(89.0)
Net realized capital gains (losses), as adjusted	$ (135.6)	$ (115.1)	$ (198.8)	$ (232.5)
Income (Loss) from Exited Business:				
Pre-tax impacts of exited business:				
Amortization of reinsurance gains (losses)	$ (19.7)	$ (26.4)	$ (77.4)	$ (605.9)
Other impacts of reinsured business	(35.4)	(106.2)	(139.1)	68.5
Net realized capital gains (losses) on funds withheld assets	9.4	28.0	24.6	68.2
Change in fair value of funds withheld embedded derivative	177.4	(209.7)	6.0	40.7
Tax impacts of exited business	(27.6)	63.0	39.2	86.9
Total income (loss) from exited business	$ 104.1	$ (251.3)	$ (146.7)	$ (341.6)

Principal Financial Group, Inc.
Reconciliation of U.S. GAAP to Non-GAAP Financial Measures
(in millions)

	Three Months Ended,		Trailing Twelve Months,	
	1Q26	1Q25	1Q26	1Q25
Investment Management Operating Revenues Less Pass-Through Expenses:				
Operating revenues	$ 466.1	$ 453.7	$ 1,899.9	$ 1,838.9
Commissions and other expenses	(40.1)	(37.7)	(159.1)	(152.9)
Operating revenues less pass-through expenses	$ 426.0	$ 416.0	$ 1,740.8	$ 1,686.0

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