



Fourth Quarter 2022 Earnings Call Presentation

PRINCIPAL FINANCIAL GROUP

January 30, 2023

RETIREMENT

ASSET MANAGEMENT

BENEFITS & PROTECTION

Full year 2022 financial highlights

FY 2022 OPERATING RESULTS

Reported non-GAAP operating earnings¹

\$1,701M

(-8% vs. FY 2021)

Impact of significant variances to non-GAAP operating earnings²

~\$(28)M after-tax

(\$20)M pre-tax)

Non-GAAP operating earnings, excluding significant variances (xSV)

\$1,728M

(-5% vs. FY 2021)

Return on equity³

13.3% reported

(13.5% xSV)

Reported non-GAAP operating earnings per diluted share¹ (EPS)

\$6.66

(-2% vs. FY 2021)

Impact of significant variances to non-GAAP EPS²

\$(0.11)

Non-GAAP EPS, xSV

\$6.77

(+2% vs. FY 2021)

Total company net cash flow managed by PFG

+\$3.9B

+\$4.4B PGI Managed net cash flow

CAPITAL & LIQUIDITY

Excess and available capital

\$1.5B

\$1B at Hold Co

\$425M excess subsidiary capital

\$80M in excess of 400% RBC

Debt to capital ratio⁴

22.2%

Estimated PLIC RBC ratio

~406%

CAPITAL DEPLOYMENTS

FY 2022 capital deployments

\$2.8B

including \$2.3 billion returned to shareholders:

\$1.7B of share repurchases

\$0.6B of common stock dividends (\$2.56 per share)

1 This is a non-GAAP financial measure; see reconciliation in appendix. 2 See slide 14 for details. 3 Non-GAAP return on equity, excluding cumulative change in fair value of funds withheld embedded derivative and AOCI, other than foreign currency translation adjustment. 4 This is a non-GAAP financial measure. Debt to capital ratio excludes cumulative change in fair value of funds withheld embedded derivative and AOCI.

4Q 2022 financial highlights

4Q 2022 OPERATING RESULTS

Reported non-GAAP operating earnings¹

\$422M

(-15% vs. 4Q 2021)

Impact of significant variances to non-GAAP operating earnings²

\$2M after-tax

(\$5M pre-tax)

Non-GAAP operating earnings, excluding significant variances (xSV)

\$420M

(-11% vs. 4Q 2021)

Reported non-GAAP operating earnings per diluted share¹ (EPS)

\$1.70

(-8% vs. 4Q 2021)

Impact of significant variances to non-GAAP EPS²

\$0.01

Non-GAAP EPS, xSV

\$1.69

(-3% vs. 4Q 2021)

CAPITAL DEPLOYMENTS

4Q 2022 capital deployments

\$600M+

Including \$400M+ returned to shareholders:

\$250M of share repurchases

\$156M of common stock dividends

Announced 1Q 2023 common stock dividend

\$0.64

AUM & NCF

Total company AUM managed by PFG

\$635B

\$465B PGI Managed AUM

Total company net cash flow

-\$3.0B

-\$2.5B PGI Managed net cash flow

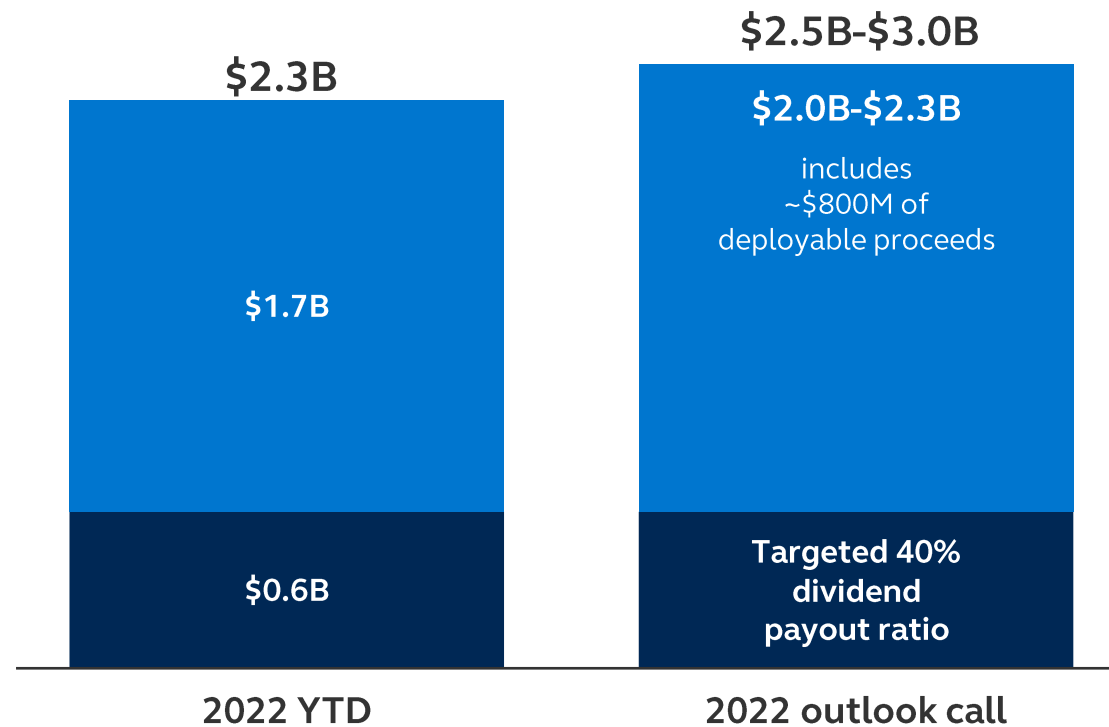
3 1 This is a non-GAAP financial measure; see reconciliation in appendix. 2 See slide 15 for details.

2022 capital deployments

- Deployed **\$2.8B**, including **\$2.3B** returned to shareholders, **\$0.3B** in debt reduction and **\$0.2B** of M&A
- Repurchased **\$250M** of shares in 4Q22, **\$1.7B** full year 2022
- **\$1B** remaining on current repurchase authorizations

Returned **\$2.3B** of capital to shareholders YTD

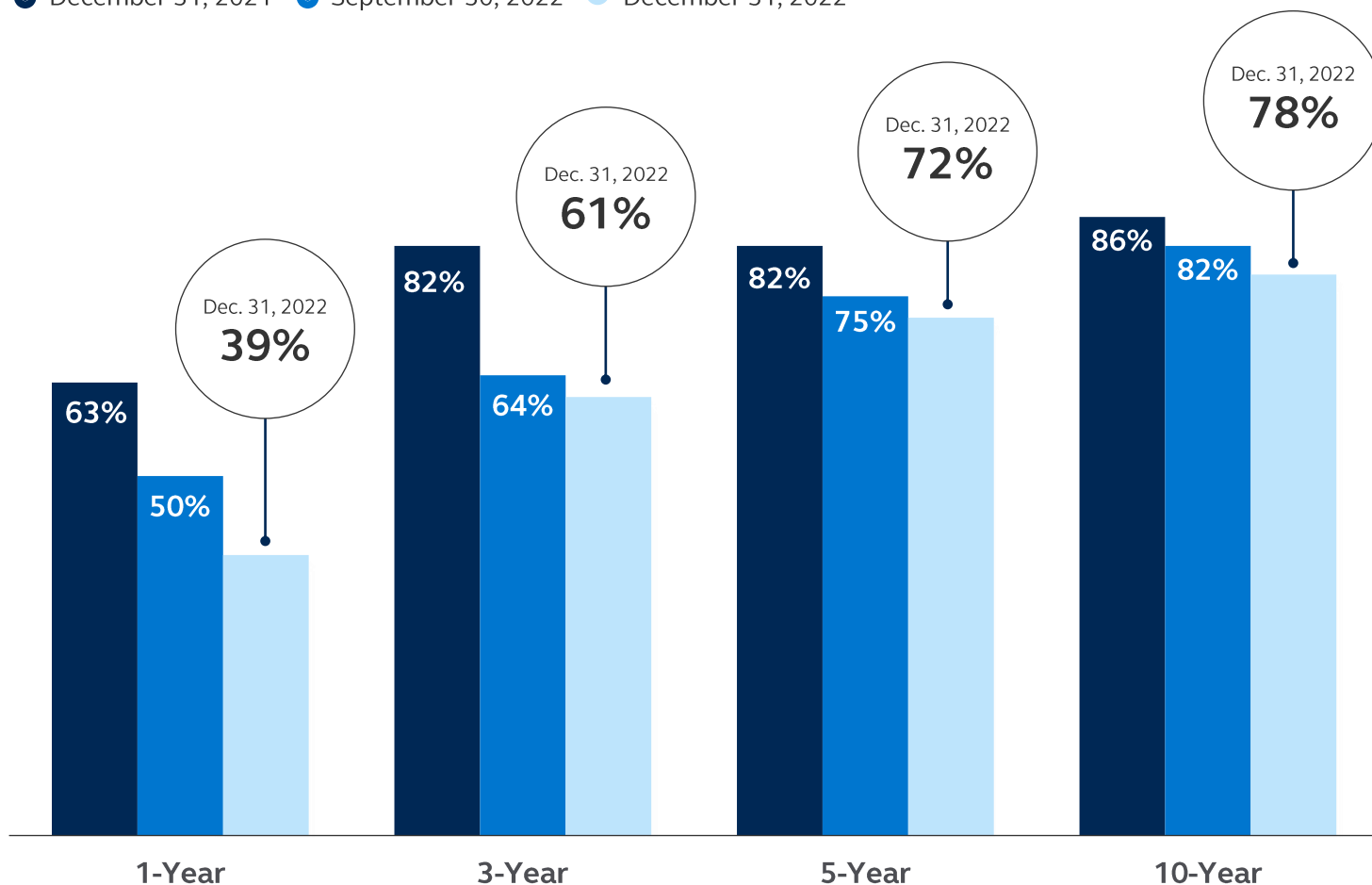
● Share repurchases ● Common stock dividends



Investment performance

Equal weighted¹

● December 31, 2021 ● September 30, 2022 ● December 31, 2022



ASSET WEIGHTED²

53%

of rated fund AUM
has a 4 or 5 star rating
from Morningstar

Private real estate delivered
strong absolute 3-, 5-, and
10-year returns

(not reflected in funds relative investment performance)

1 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.

2 Includes only funds with ratings assigned by Morningstar; non-rated funds excluded (89 total, 82 are ranked).

LDTI update

- **Plan to release a recast 4Q22 financial supplement on 3/1/2023**, including impacts of the long-duration targeted improvements accounting guidance (LDTI)
- LDTI does not impact our underlying economics, free cash flow generation, or capital position
- The most notable impact to total company non-GAAP operating earnings is a change in the geography of some variable annuities fees, moving the hedging-related fees below the line; **non-GAAP operating earnings is expected to decrease approximately \$60M on an annual basis, with no corresponding impact to net income, free cash flow generation, or capital position**
- Transition impact from adoption of LDTI will decrease total stockholders' equity approximately \$5.3B as of 1/1/2021; nearly all of the impact will be in AOCI
 - As of 4Q22, we expect the stockholders' equity impact to be slightly positive as interest rates have increased from 1/1/2021

Retirement and Income Solutions – Fee (RIS – Fee)

HIGHLIGHTS

- Pre-tax operating earnings excluding significant variances¹ decreased primarily due to impacts from unfavorable equity and fixed income markets, which were partially offset by lower operating expenses
- Recurring deposits increased 6% from 4Q21 driven by healthy underlying fundamentals of the business

4Q22 OTHER CONSIDERATIONS

- Elevated severance and restructuring expenses

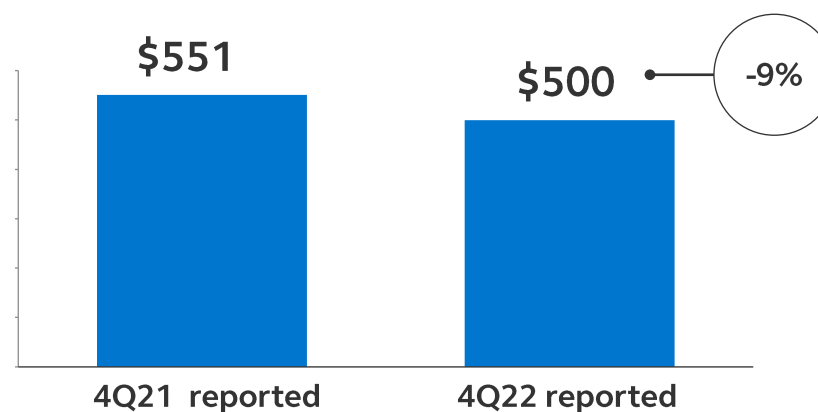
| | Reported pre-tax operating earnings (\$M) | Significant variances ¹ (\$M) | Pre-tax operating earnings ex significant variances (\$M) |
|--------|---|--|---|
| 4Q22 | \$128.7 | -\$8.1 | \$120.6 |
| 4Q21 | \$125.9 | +\$10.1 | \$136.0 |
| Change | +\$2.8 (+2%) | | -\$15.4 (-11%) |

¹ Impact of lower DAC amortization and lower than expected VII in 4Q22; impact of IRT integration costs and lower DAC amortization in 4Q21.

² Excludes impacts of actuarial assumption reviews and other significant variances.

Net revenue (\$M)

Quarterly basis



Trailing twelve month basis²

-4%

change in net revenue

23%

pre-tax return on net revenue

Retirement and Income Solutions – Spread (RIS – Spread)

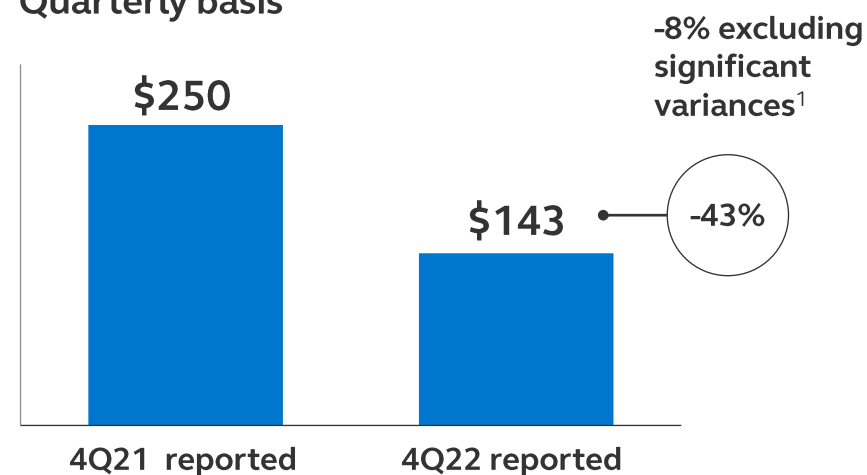
HIGHLIGHTS

- Pre-tax operating earnings excluding significant variances¹ decreased slightly due to impacts from the 2022 reinsurance transaction and lower experience gains, which were partially offset by growth in the retained business
- \$1.3B of sales, including \$0.8B of PRT sales

| | Reported pre-tax operating earnings (\$M) | Significant variances ¹ (\$M) | Pre-tax operating earnings ex significant variances (\$M) |
|--------|---|--|---|
| 4Q22 | \$109.3 | +\$22.8 | \$132.1 |
| 4Q21 | \$203.9 | -\$69.7 | \$134.2 |
| Change | -\$94.6 (-46%) | | -\$2.1 (-2%) |

Net revenue (\$M)

Quarterly basis



Trailing twelve month basis²

-4%

change in net revenue

81%

pre-tax return on net revenue

¹ Impact of lower than expected VII in 4Q22; impact of higher than expected VII and favorable COVID-19 related claims in 4Q21.

² Excludes impacts of actuarial assumption reviews, and other significant variances.

Principal Global Investors (PGI)

HIGHLIGHTS

- Pre-tax operating earnings decreased primarily due to lower management fees from unfavorable equity and fixed income markets as well as lower performance fees
- Management fee rate remained stable at 29 basis points
- PGI managed AUM of \$465B and sourced AUM of \$242B

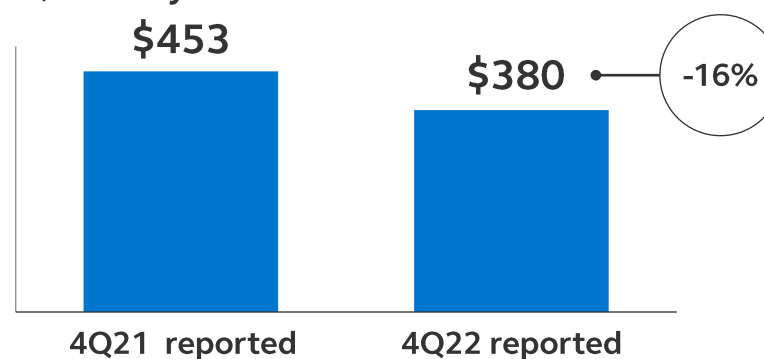
4Q22 OTHER CONSIDERATIONS

- Elevated severance expenses

| | Reported pre-tax operating earnings (\$M) |
|--------|---|
| 4Q22 | \$138.6 |
| 4Q21 | \$192.8 |
| Change | -\$54.2 (-28%) |

Operating revenues less pass-through expenses¹ (\$M)

Quarterly basis



Trailing twelve month basis

-5%

change in operating
revenues less
pass-through expenses

39%

pre-tax return on
operating revenues less
pass-through expenses

Principal International

HIGHLIGHTS

- Pre-tax operating earnings excluding significant variances¹ decreased due to lower combined net revenue as a result of foreign currency headwinds and the impact of the regulatory fee reduction in Mexico
- On a constant currency basis, pre-tax operating earnings excluding significant variances¹ increased 4% over 4Q21
- Full year 2022 margin excluding significant variances⁴ of 32%, within guidance of 30%-34%

4Q22 OTHER CONSIDERATIONS

- Elevated severance expenses

| | Reported pre-tax operating earnings (\$M) | Significant variances ¹ (\$M) | Pre-tax operating earnings ex significant variances (\$M) |
|---------------|---|--|---|
| 4Q22 | \$91.7 | -\$24.0 | \$67.7 |
| 4Q21 | \$105.2 | -\$34.9 | \$70.3 |
| Change | -\$13.5 (-13%) | | -\$2.6 (-4%) |

¹ Impact from higher than expected encaje performance and impact of Brazil inflation in 4Q22; impact of higher than expected encaje performance, impact of Brazil inflation and higher than expected VII in Latin America in 4Q21.

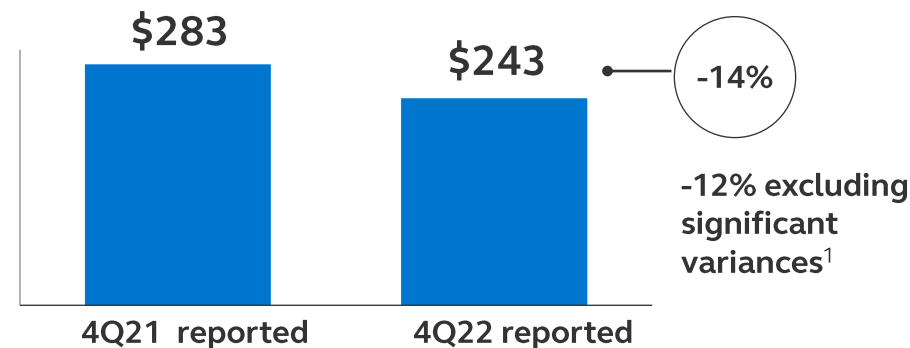
² Combined basis includes all Principal International companies at 100%.

³ This is a non-GAAP financial measure; see reconciliation in appendix.

⁴ Excludes impacts of actuarial assumption reviews and other significant variances.

Combined² net revenue (at PFG share)³ (\$M)

Quarterly basis



Trailing twelve month basis (at PFG share)⁴

-6%
change in
net revenue

32%
pre-tax return
on net revenue

Specialty Benefits

HIGHLIGHTS

- Pre-tax operating earnings excluding significant variances¹ decreased slightly as growth in the business and disciplined expense management was offset by less favorable claims experience
- Premium and fees increased 11% driven by record full-year sales, strong retention and employment growth

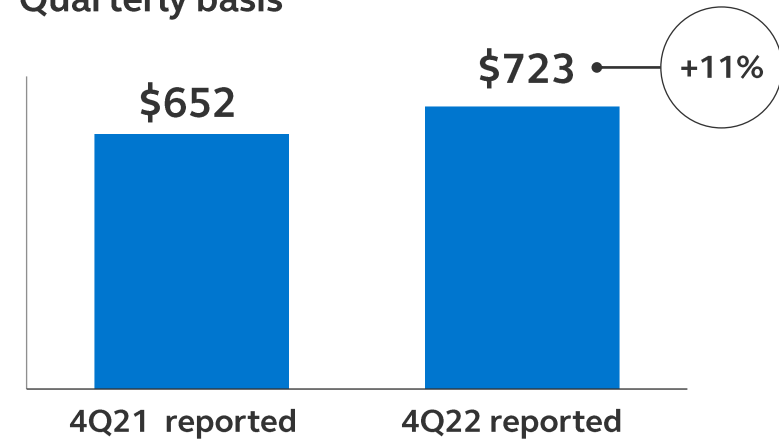
| | Reported pre-tax operating earnings (\$M) | Significant variances ¹ (\$M) | Pre-tax operating earnings ex significant variances (\$M) |
|--------|---|--|---|
| 4Q22 | \$99.4 | - | \$99.4 |
| 4Q21 | \$65.5 | +\$35.4 | \$100.9 |
| Change | +\$33.9 (+52%) | | -\$1.5 (-1%) |

¹ Impact of COVID-19 related claims in 4Q21.

² Excludes impacts of actuarial assumption reviews and other significant variances.

Premium and fees (\$M)

Quarterly basis



Trailing twelve month basis

+11%

change in premium and fees

14%

pre-tax return on premium and fees²

62%

incurred loss ratio²

Individual Life

HIGHLIGHTS

- Pre-tax operating earnings excluding significant variances¹ decreased as lower investment income was partially offset by improved claims experience
- Premium and fees decrease driven by the reinsurance transaction
- Record full year business market sales increased 73% from 2021 demonstrating success and focus in the business market

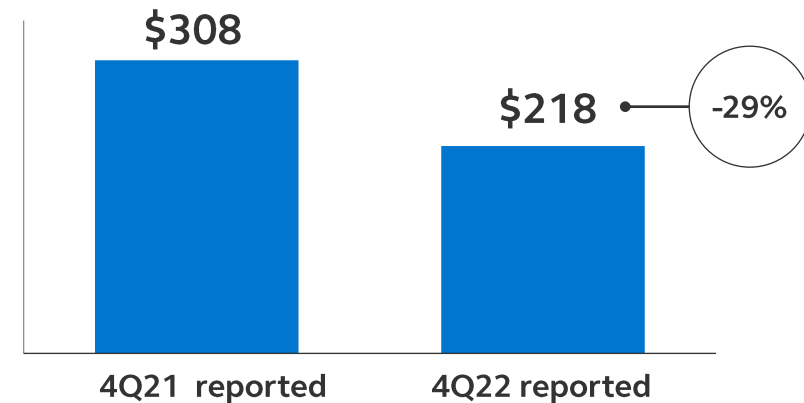
| | Reported pre-tax operating earnings (\$M) | Significant variances ¹ (\$M) | Pre-tax operating earnings ex significant variances (\$M) |
|--------|---|--|---|
| 4Q22 | \$29.1 | +\$11.5 | \$40.6 |
| 4Q21 | \$31.9 | +\$17.8 | \$49.7 |
| Change | -\$2.8 (-9%) | | -\$9.1(-18%) |

¹ Impact of lower than expected VII in 4Q22; impact of COVID-19 related claims and higher than expected VII in 4Q21.

² Excludes impacts of actuarial assumption reviews and other significant variances.

Premium and fees (\$M)

Quarterly basis



Trailing twelve month basis²

-27%

change in premium and fees

22%

pre-tax return on premium and fees

Appendix

Full year 2022 significant variances

Business unit impacts of significant variances (in millions)

| Business unit | Actuarial assumption review | Variable investment income ¹ | COVID-19 claims ¹ | IRT integration | DAC amortization | Encaje & inflation ³ | Total significant variances |
|-------------------------------|-----------------------------|---|------------------------------|-----------------|------------------|---------------------------------|-----------------------------|
| RIS-Fee | \$12.6 | \$(2.0) | - | \$(9.4) | \$(7.2) | - | \$(6.0) |
| RIS-Spread | \$54.7 | \$10.6 | \$25.2 | - | - | - | \$90.5 |
| Principal International | - | \$20.7 | - | - | - | \$1.0 | \$21.7 |
| Specialty Benefits | \$9.5 | \$5.0 | \$(33.6) | - | - | - | \$(19.1) |
| Individual Life | \$9.3 | \$(9.2) | \$(33.7) | - | - | - | \$(33.6) |
| Corporate | - | \$(73.3) | - | - | - | - | \$(73.3) |
| Total pre-tax impact | \$86.1 | \$(48.2) | \$(42.1) | \$(9.4) | \$(7.2) | \$1.0 | \$(19.8) |
| Total after-tax impact | \$68.0 | \$(48.0)² | \$(33.3) | \$(6.9) | \$(5.6) | \$(1.9)³ | \$(27.7) |
| EPS impact | | | | | | | \$(0.11) |

4Q 2022 significant variances

Business unit impacts of significant variances (in millions)

| Business unit | Variable investment income | Encaje & inflation | DAC amortization | Total significant variances |
|-------------------------------|----------------------------|--------------------|------------------|-----------------------------|
| RIS-Fee | \$(2.5) | - | \$10.6 | \$8.1 |
| RIS-Spread | \$(22.8) | - | - | \$(22.8) |
| Principal International | - | \$24.0 | - | \$24.0 |
| Individual Life | \$(11.5) | - | - | \$(11.5) |
| Corporate | \$7.2 | - | - | \$7.2 |
| Total pre-tax impact | \$(29.6) | \$24.0 | \$10.6 | \$5.0 |
| Total after-tax impact | \$(21.9) | \$15.5 | \$8.4 | \$2.0 |
| EPS impact | | | | \$0.01 |

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

| If macroeconomics change by... | Equity market return ¹ +/- 10% | Interest rates ² +/- 100 bps | FX: U.S. dollar ³ +/- 2% | Certain alternative investment valuation ⁴ +/- 10% |
|---|--|--|--|--|
| Then Principal's annual non-GAAP pre-tax operating earnings will change by... | +/- 5-8% | +/- (1)-1% | -/+ < 1% | +/- < 8% |
| And the primary businesses impacted are... | RIS - Fee PGI | All | PI | RIS - Spread Individual Life SBD |

Short-term interest rates: Our exposure to short-term interest rates (i.e., IOER/IOERB) 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 Excludes the impact of actuarial unlockings. 3 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. 4 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.

Non-GAAP financial measure reconciliations

| | Three months ended (in millions) | |
|---|-------------------------------------|----------------|
| | 12/31/22 | 12/31/21 |
| Principal Global Investors operating revenues less pass-through expenses | | |
| Principal Global Investors operating revenues | \$410.6 | \$493.9 |
| Principal Global Investors commissions and other expenses | (31.1) | (40.5) |
| Principal Global Investors operating revenues less pass-through expenses | \$379.5 | \$453.4 |

| | Three months ended (in millions) | |
|--|-------------------------------------|----------------|
| | 12/31/22 | 12/31/21 |
| Principal International combined net revenue (at PFG Share) | | |
| Principal International pre-tax operating earnings | \$91.7 | \$105.2 |
| Principal International combined operating expenses other than pass-through commissions (at PFG share) | 151.4 | 177.7 |
| Principal International combined net revenue (at PFG share) | \$243.1 | \$282.9 |

| | Three months ended (in millions) | |
|--|-------------------------------------|----------------|
| | 12/31/22 | 12/31/21 |
| Non-GAAP operating earnings (losses) | | |
| Net income attributable to PFG | \$(9.5) | \$471.8 |
| Net realized capital (gains) losses, as adjusted | (82.1) | 26.6 |
| (Income) loss from exited business | 513.9 | - |
| Non-GAAP operating earnings | \$422.3 | \$498.4 |

| | Three months ended | |
|---|--------------------|---------------|
| | 12/31/22 | 12/31/21 |
| Diluted earnings per common share | | |
| Net income | \$(0.04) | \$1.76 |
| Net realized capital (gains) losses, as adjusted | (0.33) | 0.09 |
| (Income) loss from exited business | 2.07 | - |
| Non-GAAP operating earnings | \$1.70 | \$1.85 |
| Weighted-average diluted common shares outstanding (in millions) | 249.2 | 268.7 |

Non-GAAP financial measure reconciliations

| Non-GAAP operating earnings (Losses) | Twelve months ended (in millions) | |
|--|--------------------------------------|------------------|
| | 12/31/22 | 12/31/21 |
| Net income attributable to PFG | \$4,811.6 | \$1,710.6 |
| Net realized capital (gains) losses, as adjusted | 193.3 | 137.0 |
| (Income) loss from exited business | (3,304.0) | - |
| Non-GAAP operating earnings | \$1,700.9 | \$1,847.6 |

| Diluted earnings per common share | Twelve months ended | |
|---|---------------------|--------------|
| | 12/31/22 | 12/31/21 |
| Net income | \$18.85 | \$6.27 |
| Net realized capital (gains) losses, as adjusted | 0.76 | 0.50 |
| (Income) loss from exited business | (12.95) | - |
| Non-GAAP operating earnings | \$6.66 | \$6.77 |
| Weighted-average diluted common shares outstanding (in millions) | 255.3 | 272.9 |

| Income taxes | Twelve months ended (in millions) | |
|--|--------------------------------------|----------------|
| | 12/31/22 | 12/31/21 |
| Total GAAP income taxes | \$1,207.9 | \$326.2 |
| Net realized capital gains (losses) tax adjustments | 64.2 | 56.2 |
| Income taxes attributable to noncontrolling interest | (0.3) | (0.1) |
| Income taxes related to equity method investments | 49.1 | 31.5 |
| Income taxes related to exited business | (956.5) | - |
| Income taxes | \$364.4 | \$413.8 |

Non-GAAP financial measure reconciliations

| | Period ended (in millions) |
|--|-------------------------------|
| 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 | 12/31/22 |
| Stockholders' equity | \$10,042.8 |
| Net unrealized capital (gains) losses | 5,357.6 |
| Net unrecognized postretirement benefit obligation | 254.1 |
| Cumulative change in fair value of funds withheld embedded derivative | (2,885.7) |
| Noncontrolling interest | (41.1) |
| 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 | \$12,727.7 |

| | Three months ended (in millions) | |
|---|-------------------------------------|----------------|
| Income taxes | 12/31/22 | 12/31/21 |
| Total GAAP income taxes | \$(10.6) | \$103.8 |
| Net realized capital gains (losses) tax adjustments | (25.0) | 17.9 |
| Income taxes attributable to noncontrolling interest | (0.2) | (0.1) |
| Income taxes related to equity method investments and noncontrolling interest | 10.9 | 10.8 |
| Income taxes related to exited business | 112.7 | - |
| Income taxes | \$87.8 | \$132.4 |

| | Period ended |
|---|-----------------|
| 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 | 12/31/22 |
| Net Income ROE available to common stockholders (including AOCI) | 36.9% |
| Cumulative change in fair value of funds withheld embedded derivative and AOCI, other than foreign currency translation adjustment | 0.7% |
| Net realized capital (gains) losses | 1.5% |
| (Income) loss from exited business | (25.8)% |
| 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 | 13.3% |

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, 2021, and in the company's quarterly report on Form 10-Q for the quarter ended Sep. 30, 2022, 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 sustained 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 on its universal life-type insurance contracts, participating life insurance policies and certain investment contracts may change; changes in laws, regulations or accounting standards; the company may not be able to protect its intellectual property and may be subject to infringement claims; 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; 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; 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; 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; international business risks including changes to mandatory pension schemes; risks arising from participation in joint ventures; the company may need to fund deficiencies in its "Closed Block" assets; a pandemic, terrorist attack, military action or other catastrophic event; the ongoing COVID-19 pandemic and the resulting financial market impacts; the company's reinsurers could default on their obligations or increase their rates; risks arising from acquisitions of businesses; risks related to the company's acquisition of Wells Fargo Bank, N.A.'s IRT business; risks related to existing reinsurance arrangements, including counterparty risk, yearly renewable term morality reinsurance rate increases, and recapture risk; loss of key vendor relationships or failure of a vendor to protect information of our customers or employees; 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; and global climate change.

U.S. investment portfolio details

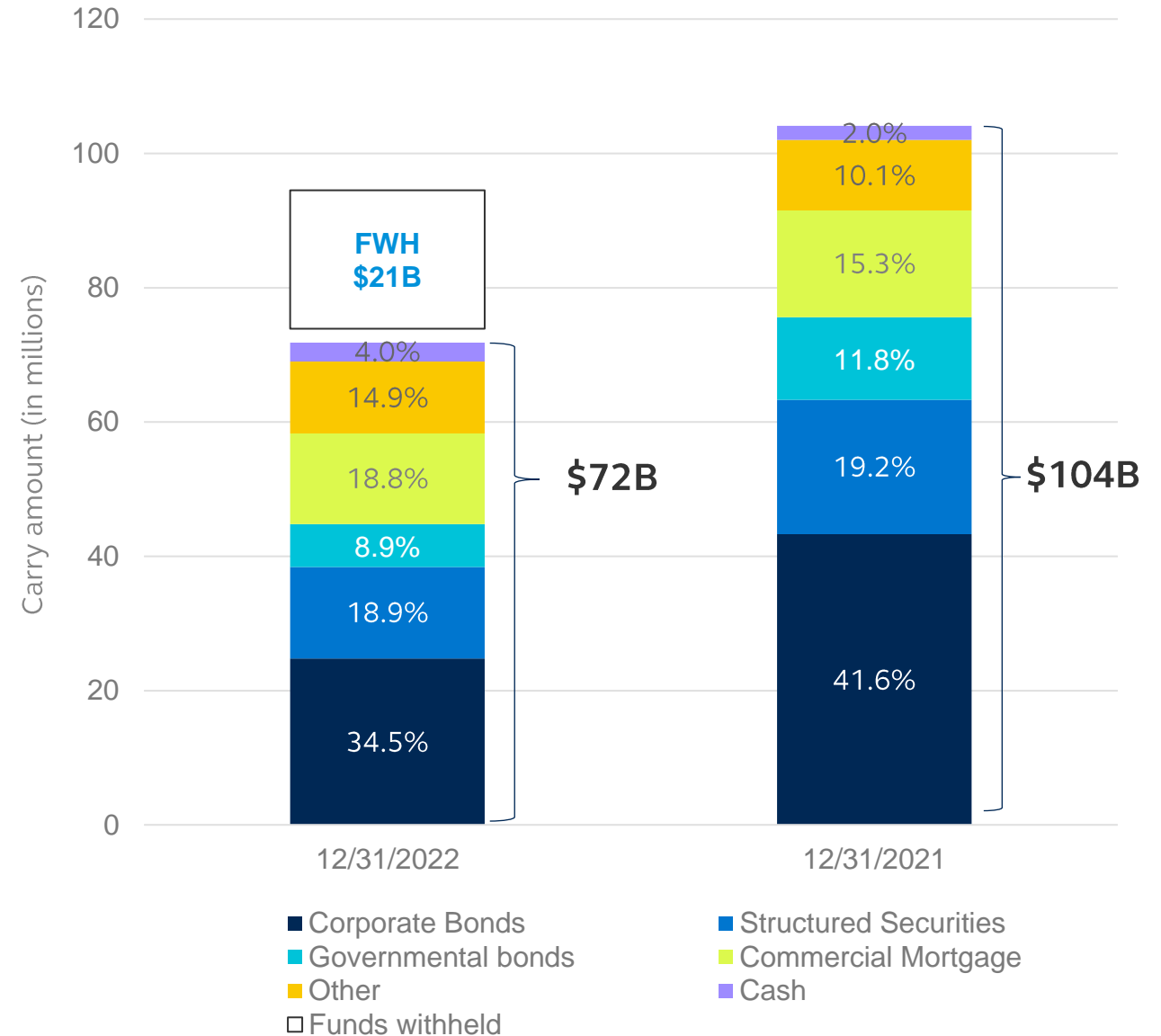
As of 12/31/2022, excluding funds withheld

U.S. invested assets

Total invested assets decreased ~\$20 billion as a result of the reinsurance transaction and reported as funds withheld

- Optimized asset portfolio backing the go-forward liabilities that have lower liquidity needs
- Portfolio remains high quality, diversified and well positioned
- Remain comfortable with the risk-return profile of the go-forward general account

U.S. investment portfolio composition



Other includes equity real estate, residential mortgage loans, equity securities, policy loans and other investments.

U.S. investment portfolio quality

U.S. invested assets excluding funds withheld

Fixed maturity securities (carry value)

| | 12/31/2022 | 12/31/2021 | 12/30/2020 |
|--------------|----------------|----------------|----------------|
| NAIC 1 | 65.0% | 65.4% | 65.4% |
| NAIC 2 | 28.4% | 28.6% | 28.3% |
| BIG | 6.6% | 6.0% | 6.3% |
| Total | \$44.7B | \$75.6B | \$75.0B |

Commercial mortgage loans (amortized cost)

| | 12/31/2022 | 12/31/2021 | 12/31/2020 |
|----------------------|----------------|----------------|----------------|
| A- and above | 85.7% | 89.3% | 89.0% |
| BBB+ through BBB- | 13.3% | 10.0% | 9.8% |
| BIG | 1.0% | 0.7% | 1.2% |
| Total | \$13.6B | \$15.9B | \$15.0B |
| Average LTV | 46% | 46% | 49% |
| Average DSC | 2.5x | 2.5x | 2.5x |

Mortgage & asset-backed fixed maturity securities quality

U.S. invested assets excluding funds withheld, as of 12/31/2022 (\$ in millions)

| | Amortized cost | Carrying amount | % of U.S. invested assets and cash x-FWH | % within NAIC designation | | | | | | |
|--|----------------|-----------------|--|---------------------------|----------------------------|-------|--------------|------|----------|--------|
| | | | | 1 | NRSRO Rating within NAIC 1 | | | 2 | NAIC 3-6 | Total |
| | | | | | AAA | AA | Other NAIC 1 | | | |
| Commercial mortgage-backed securities | \$4,416 | \$3,862 | 5.4% | 98.5% | 34.3% | 53.6% | 10.6% | 1.5% | 0.0% | 100.0% |
| Residential collateralized mortgage obligations | \$3,116 | \$2,667 | 3.7% | 99.7% | 84.5% | 13.0% | 2.2% | 0.1% | 0.2% | 100.0% |
| Residential mortgage-backed pass-through securities | \$2,357 | \$2,172 | 3.0% | 100.0% | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% |
| Collateralized loan obligations | \$3,270 | \$3,162 | 4.4% | 92.5% | 39.7% | 33.2% | 19.6% | 7.4% | 0.1% | 100.0% |
| Other asset-backed securities | \$1,828 | \$1,699 | 2.4% | 90.4% | 44.4% | 13.7% | 32.3% | 7.5% | 2.1% | 100.0% |
| Total | \$14,987 | \$13,562 | 18.9% | 96.5% | 57.1% | 27.3% | 12.1% | 3.2% | 0.3% | 100.0% |

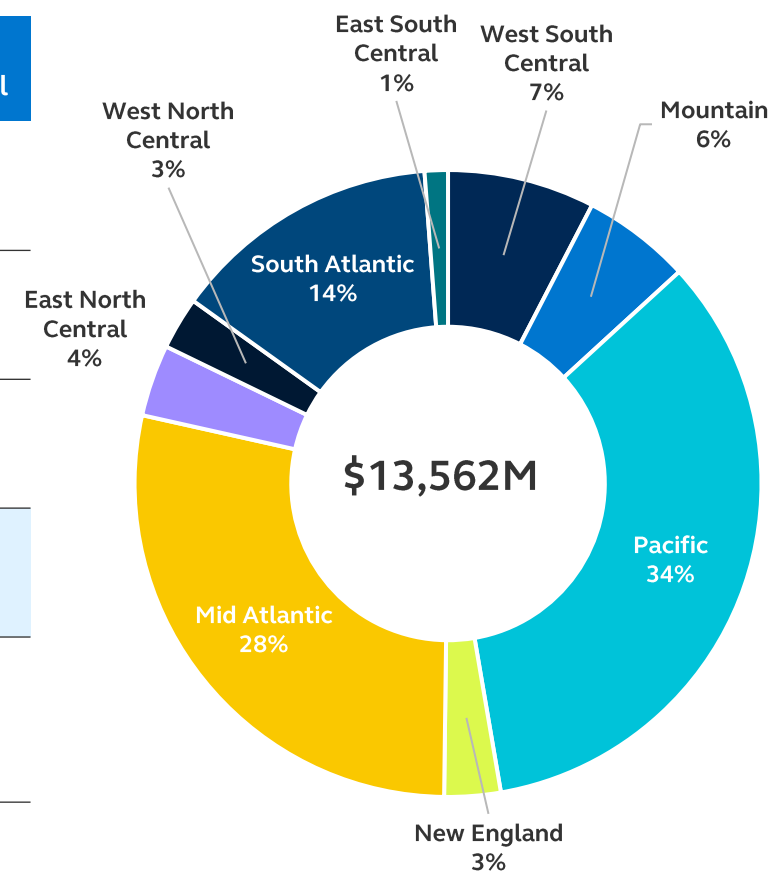
¹ NRSRO rating detail for the NAIC 1 securities above generally represents most frequently occurring rating available from S&P, Moody's and Fitch. In the case of conflicting ratings, the lower rating was used.

² Other includes auto loans, credit card loans, student loans and other asset backed securities.

Commercial mortgage loans

U.S. invested assets excluding funds withheld, as of 12/31/2022 (\$ in millions)

| | Apartment | Office | Industrial | Retail | Hotel | Mixed use/other | Total | % of total |
|---|-----------|---------|------------|---------|-------|-----------------|----------|------------|
| A- and above | \$4,808 | \$2,780 | \$2,756 | \$1,100 | \$0 | \$183 | \$11,627 | 85.7% |
| BBB+ through BBB- | \$795 | \$758 | \$109 | \$104 | \$34 | \$0 | \$1,800 | 13.3% |
| BB and below | \$15 | \$23 | \$0 | \$58 | \$39 | \$0 | \$135 | 1.0% |
| Total | \$5,618 | \$3,561 | \$2,865 | \$1,262 | \$73 | \$183 | \$13,562 | 100.0% |
| % of U.S. invested assets and cash, excluding funds withheld | 7.8% | 4.9% | 3.9% | 1.8% | 0.1% | 0.3% | 18.8% | |

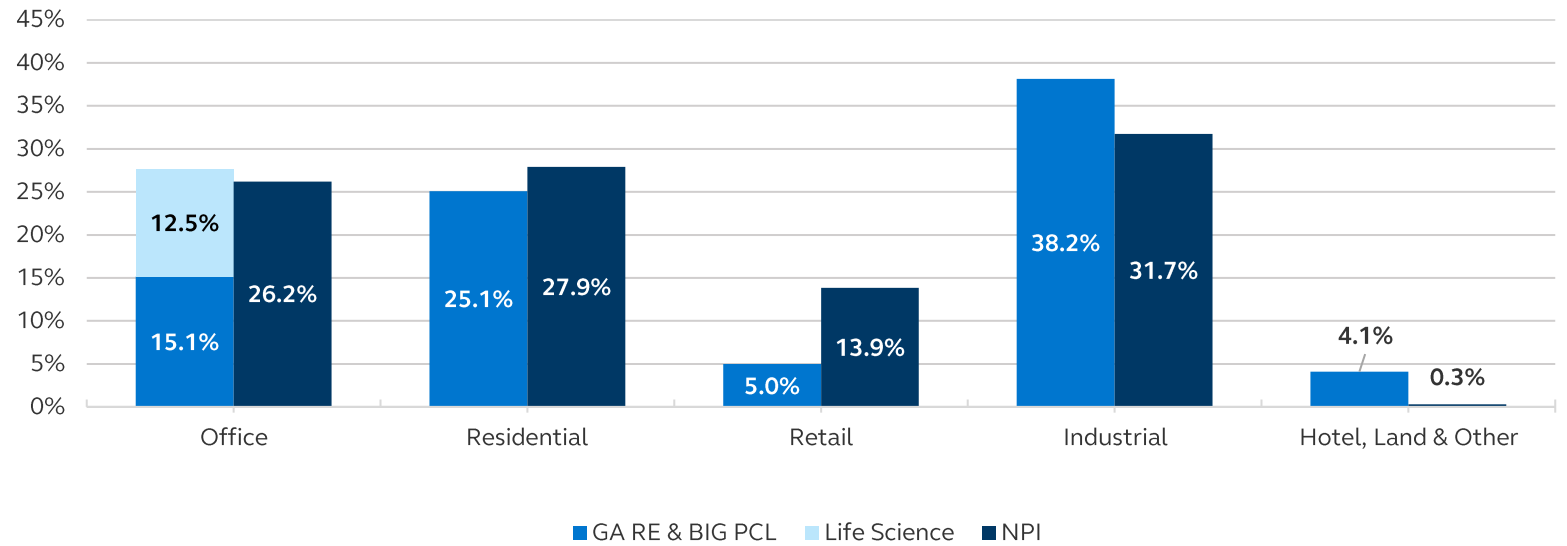


Equity real estate

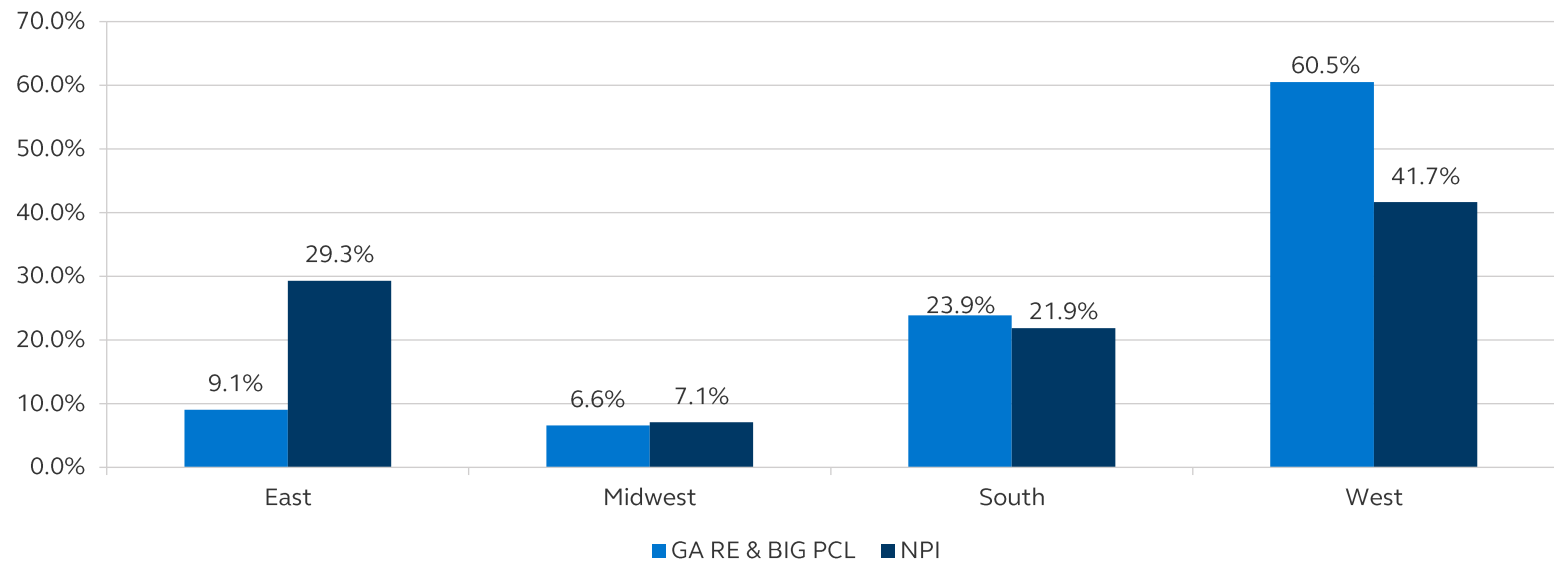
12/31/2022 Office exposure:

- Total market value: **\$1.5B**
- Carry value: **\$515M**

Equity real estate exposure by property type vs. NCREIF – 12/31/2022



Equity real estate exposure by region vs. NCREIF – 12/31/2022



Equity real estate and other alternatives

U.S. invested assets excluding funds withheld, as of December 31, 2022

Core real estate is largest share of alternative asset exposure. Carried at amortized cost, less earnings volatility. Future opportunity to harvest capital gains. Diverse, manageable exposure to other alternatives.

| Alternative Asset Class | Carrying Amount | % of Total | % of U.S. invested assets and cash, excluding funds withheld |
|---|------------------|---------------|--|
| Core Real Estate | \$1,694.1 | 34.8% | 2.4% |
| Opportunistic/Value-Add Real Estate | \$756.1 | 15.5% | 1.1% |
| Other Real Estate | \$20.2 | 0.4% | 0.0% |
| Total Real Estate² | \$2,470.4 | 50.7% | 3.5% |
| Cash Surrender Value of Company Owned Life Insurance ¹ | \$1,115.6 | 22.9% | 1.6% |
| Cash Surrender Value of Trust Owned Life Insurance | \$110.1 | 2.3% | 0.2% |
| Private Equity/Infrastructure | \$821.1 | 16.9% | 1.1% |
| Direct Lending | \$85.0 | 1.7% | 0.1% |
| Hedge Funds | \$116.7 | 2.4% | 0.2% |
| Affordable Housing Projects and Other | \$152.6 | 3.1% | 0.2% |
| Total Other Alternatives | \$2,401.1 | 49.3% | 3.4% |
| Total Real Estate and Other Alternatives | \$4,871.5 | 100.0% | 6.9% |

¹ As of December 31, 2022, Company Owned Life Insurance underlying investments include 56% invested in other alternatives and 44% invested in high quality fixed income securities. ² Certain real estate investments (funds, unconsolidated partnerships) are reported as other alternative investments in financial supplement and as other investments in GAAP reporting.