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Third Quarter 2023 Earnings Call Presentation

PRINCIPAL FINANCIAL GROUP

October 26, 2023

RETIREMENT ASSET MANAGEMENT BENEFITS & PROTECTION

3Q 2023 key takeaways

Earnings	• Non-GAAP EPS[1] excluding significant variances[2] of $1.83 increased 14% from 3Q22; non-GAAP operating earnings[1] excluding significant variances[2] increased 11% • YTD non-GAAP EPS[1] excluding significant variances growth of 5%, compared to 2023 outlook range of 3-6% • Immaterial impact to after tax operating earnings from annual actuarial assumption review
Growth	• Strength and resilience of our small to mid-sized customer segments contributing to growth across both retirement and benefits and protection • Total net cash flow improved from 2Q23; generated positive net cash flow of +$1.0B in Brazil and +$800M in real estate
Balance Sheet	• High quality investment portfolio, including real estate, aligns well with our liabilities and is well positioned to weather different economic cycles • CML portfolio remains healthy; 47% LTV and 2.5x DSC
Capital	• Strong capital position; remain focused on deploying capital to attractive organic opportunities and to shareholders • YTD capital returned to shareholders of $0.9B; 4Q23 common stock dividend increased 2 cents to $0.67 per share

1 This is a non-GAAP financial measure; see reconciliation in appendix. 2 See slide 11 for details.

3Q 2023 financial highlights

3Q 2023 OPERATING EARNINGS AND EPS

Reported non-GAAP operating earnings[1]
$420M
(+4% vs. 3Q 2022)

Reported non-GAAP operating earnings per diluted share[1] (EPS)
$1.72
(+8% vs. 3Q 2022)

Impact of significant variances to non-GAAP operating earnings[2]
$(27)M after-tax
(+$40M pre-tax)

Impact of significant variances to non-GAAP EPS[2]
$(0.11)

Non-GAAP operating earnings, excluding significant variances (xSV)
$446M
(+11% vs. 3Q 2022)

Non-GAAP EPS, xSV
$1.83
(+14% vs. 3Q 2022)

RETURN ON EQUITY[4]

12.5%
(13.4% xSV)

CAPITAL & LIQUIDITY

Excess and available capital
$1.4B, with approximately:
$940M at Hold Co
$360M excess subsidiary capital
$50M in excess of 400% RBC

Debt to capital ratio[3]
21.6%

Estimated PLIC RBC ratio
404%

CAPITAL RETURNED

$356M
$156M of common stock dividends
$200M of share repurchases

Announced 4Q 2023 common stock dividend
$0.67
+5% from 4Q 2022

AUM & NCF

Total company AUM managed by PFG
$651B

Total company net cash flow
-$2.1B

1 This is a non-GAAP financial measure; see reconciliation in appendix. 2 See slide 11 for details. 3 This is a non-GAAP financial measure. Debt to capital ratio excludes cumulative change in fair value of funds withheld embedded derivative and AOCI. 4 Non-GAAP return on equity, excluding cumulative change in fair value of funds withheld embedded derivative and AOCI, other than foreign currency translation adjustment.

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Investment performance

% of funds outperforming Morningstar median[1,2]

As of 9/30/2023	1-Year	3-Year	5-Year	10-Year
Equity	47%	45%	57%	84%
Fixed Income	69%	56%	67%	73%
Asset Allocation	30%	61%	63%	86%
Total	45%	54%	61%	83%

% of composites outperforming benchmarks[1,3]

As of 9/30/2023	1-Year	3-Year	5-Year	10-Year
Equity	52%	37%	70%	90%
Fixed Income	74%	85%	91%	97%
Asset Allocation	25%	57%	33%	50%
Total	58%	59%	75%	90%

ASSET WEIGHTED[4]

55%

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

1 Equal weighted.
2 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.
3 Composite returns are calculated on a gross basis. All composites compared to official Global Investment Performance Standards (GIPS) composite benchmark. Excludes passive composites and doesn't include certain strategies or mandates for which GIPS composites are not calculated (e.g., Lifetime/Target Date strategies). Lifetime/Target Date funds are covered under separate peer-relative calculations. "Total" percentages include equities, fixed income and other asset classes and mandates with GIPS composites (e.g., asset allocation).
4 Includes only funds with ratings assigned by Morningstar; non-rated funds excluded (89 total, 81 are ranked).

Retirement and Income Solutions

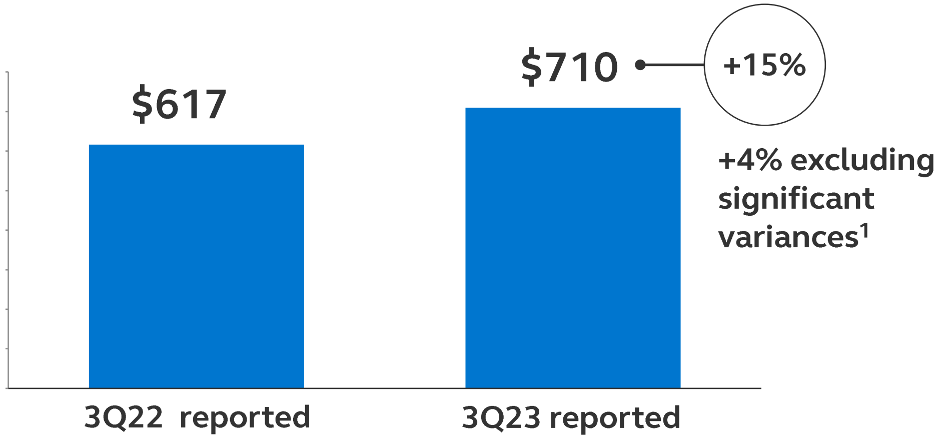
HIGHLIGHTS

- Pre-tax operating earnings excluding significant variances[1] increased due to higher net revenue and lower operating expenses
- Net revenue excluding significant variances[1] increased due to favorable equity markets and benefits of rising rates, partially offset by fee compression
- Sales of $7.6 billion increased 30% from 3Q22
- 3Q23 operating margin[4] excluding significant variances[1] of 39%

	Reported pre-tax operating earnings ($M)	Significant variances[1] ($M)	Pre-tax operating earnings ex significant variances ($M)
3Q23	$304.7	-$44.4	**$260.3**
3Q22	$206.3	+$24.3	**$230.6**
Change	**+$98.4 (+48%)**		**+$29.7 (+13%)**

Net revenue ($M)

Quarterly basis



Trailing twelve month basis[2]

-1% change in net revenue

38% operating margin[3]

1 Impact of actuarial assumption review and lower than expected VII in 3Q23; Impact of lower than expected VII, actuarial assumption review, and COVID-19 related claims in 3Q22.
2 Excludes impacts of actuarial assumption reviews and other significant variances.
3 Pre-tax operating earnings divided by net revenue.

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Principal Global Investors (PGI)

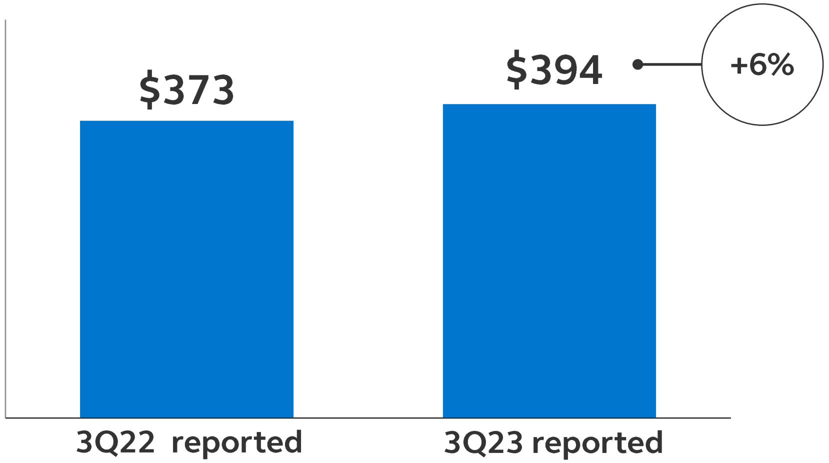
HIGHLIGHTS

- Pre-tax operating earnings increased due to the impact of higher real estate performance fees
- 3Q23 operating margin of 39%
- Real estate net cash flow of $0.8B, nearly doubling 1H23 real estate net cash flow

	Reported pre-tax operating earnings ($M)
3Q23	$151.6
3Q22	$142.0
Change	**+$9.6 (+7%)**

Operating revenues less pass-through expenses[1] ($M)

Quarterly basis



Trailing twelve month basis

-10% change in operating revenues less pass-through expenses

35% operating margin[2]

1 This is a non-GAAP financial measure; see reconciliation in appendix.
2 Pre-tax operating earnings, adjusted for noncontrolling interest, divided by operating revenues less pass-through expenses.

Principal International

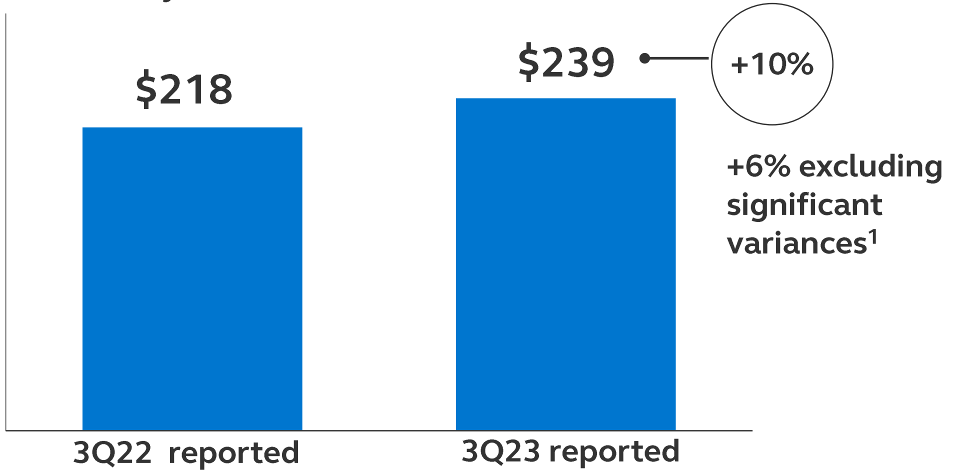
HIGHLIGHTS

- Pre-tax operating earnings excluding significant variances[1] increased primarily due to higher combined net revenue as a result of higher AUM, partially offset by increased operating expenses
- Net cash flow of $0.8B primarily driven by $1.0B in Brazil
- AUM increased to $168B, up 16% from 3Q22

	Reported pre-tax operating earnings ($M)	Significant variances[1] ($M)	Pre-tax operating earnings ex significant variances ($M)
3Q23	$70.8	+$5.1	**$75.9**
3Q22	$64.0	+$9.4	**$73.4**
Change	**+$6.8 (+11%)**		**+$2.5 (+3%)**

Combined[2] net revenue (at PFG share)[3] ($M)

Quarterly basis



Trailing twelve month basis (at PFG share)[4]

2% change in net revenue

32% operating margin[5]

1 Impact of lower than expected encaje performance, Latin American inflation, and other items in 3Q23; impact of lower than expected encaje performance, non-economic LDTI discount rate impacts, and higher than expected VII in 3Q22.
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 significant variances.
5 Pre-tax operating earnings divided by combined net revenue (at PFG share).

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Specialty Benefits

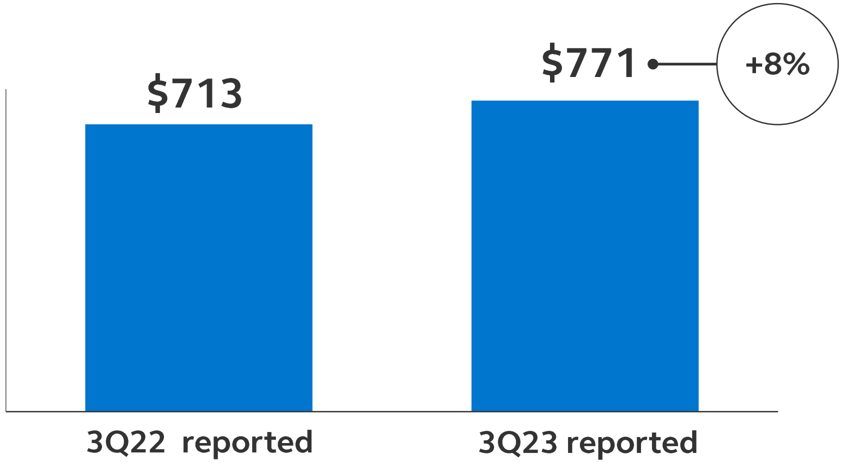
HIGHLIGHTS

- Pre-tax operating earnings excluding significant variances[1] increased due to growth in the business and lower claims experience
- Premium and fees increased 8% driven by strong sales, retention, employment and wage growth
- Incurred loss ratio excluding significant variances[1] improved on strong underwriting experience from LTD and group life

	Reported pre-tax operating earnings ($M)	**Significant variances[1]** ($M)	**Pre-tax operating earnings ex significant variances** ($M)
3Q23	$147.8	-$16.2	**$131.6**
3Q22	$149.0	-$49.6	**$99.4**
Change	**-$1.2 (-1%)**		**+$32.2 (+32%)**

Premium and fees ($M)

Quarterly basis



Trailing twelve month basis

+9% change in premium and fees

15% operating margin[2,3]

60% incurred loss ratio[2]

1 Impact of actuarial assumption review in 3Q23; impact of actuarial assumption review and lower than expected VII in 3Q22.
2 Excludes impacts of actuarial assumption reviews and other significant variances.
3 Pre-tax operating earnings divided by premium and fees.

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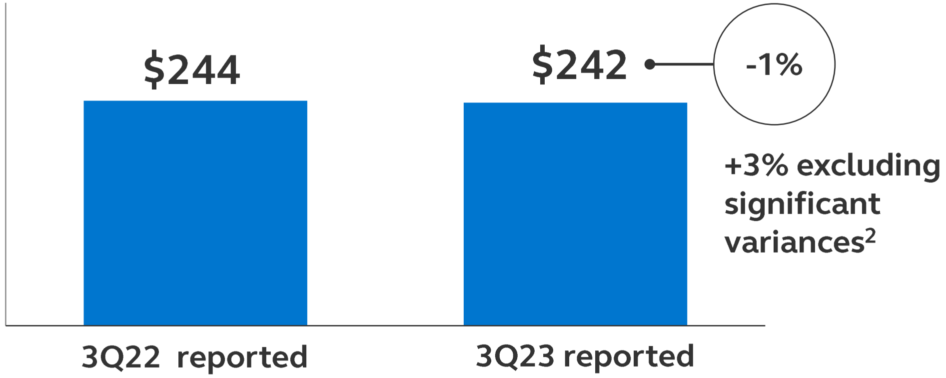
Life Insurance

HIGHLIGHTS

- Pre-tax operating earnings excluding significant variances[1] decreased, due to higher mortality as well as lower net investment income driven by a lower capital base as a result of the 2022 reinsurance transactions
- Premium and fees excluding significant variances[2] increased as strong business market growth outpaced the runoff of the legacy business

	Reported pre-tax operating earnings ($M)	Significant variances[1] ($M)	Pre-tax operating earnings ex significant variances ($M)
3Q23	$21.2	+$8.4	**$29.6**
3Q22	$32.8	+$7.8	**$40.6**
Change	-$11.6 (-35%)		-$11.0 (-27%)

Premium and fees ($M)
Quarterly basis



Trailing twelve month basis

-10% change in premium and fees[2]

14% operating margin[3,4]

1 Impact of actuarial assumption review and lower than expected VII in 3Q23; impact of lower than expected VII, COVID-19 related claims and actuarial assumption review in 3Q22.
2 Impact of actuarial assumption review in 3Q23 and 3Q22.
3 Excludes impacts of actuarial assumption reviews and other significant variances.
4 Pre-tax operating earnings divided by premium and fees.

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Appendix

3Q 2023 significant variances

Business unit impacts of significant variances (in millions)

	Actuarial assumption review	Variable investment income	Encaje, Inflation & Other	Total significant variances
Retirement and Income Solutions	$53.4	$(9.0)	-	$44.4
Principal International	-	-	$(5.1)	$(5.1)
Specialty Benefits	$16.2	-	-	$16.2
Life Insurance	$(6.4)	$(2.0)	-	$(8.4)
Corporate	-	$(7.6)	-	$(7.6)
Total pre-tax impact	$63.2	$(18.6)	$(5.1)	$39.5
Total after-tax impact[1]	**$(5.6)**	**$(16.3)**	**$(4.8)**	**$(26.7)**
EPS impact				$(0.11)

1 A change in methodology of certain tax reserves resulted in additional tax expense in 3Q23.

Non-GAAP operating earnings

Excluding impacts from actuarial assumption review and other significant variances

3Q23 vs 3Q22 (in millions, except per share data)

		Signficant variances				Signficant variances				
	3Q23 as reported	Actuarial assumption review	Other significant variances[1]	3Q23 excluding significant variances	3Q22 as reported	Actuarial assumption review	Other significant variances[2]	3Q22 excluding significant variances	3Q23 vs 3Q22 excluding significant variances	
Retirement and Income Solutions	$ 304.7	$ 53.4	$ (9.0)	$ 260.3	$ 206.3	$ 1.8	$ (26.1)	$ 230.6	$ 29.7	13%
Principal Asset Management										
Principal Global Investors	151.6	-	-	151.6	142.0	-	-	142.0	9.6	7%
Principal International	70.8	-	(5.1)	75.9	64.0	-	(9.4)	73.4	2.5	3%
Total	222.4	-	(5.1)	227.5	206.0	-	(9.4)	215.4	12.1	6%
Benefits and Protection										
Specialty Benefits	147.8	16.2	-	131.6	149.0	55.6	(6.0)	99.4	32.2	32%
Life Insurance	21.2	(6.4)	(2.0)	29.6	32.8	5.6	(13.4)	40.6	(11.0)	-27%
Total	169.0	9.8	(2.0)	161.2	181.8	61.2	(19.4)	140.0	21.2	15%
Corporate	(114.8)	-	(7.6)	(107.2)	(100.8)	-	(7.5)	(93.3)	(13.9)	-15%
Non-GAAP pre-tax operating earnings (losses)	**$ 581.3**	**$ 63.2**	**$ (23.7)**	**$ 541.8**	**$ 493.3**	**$ 63.0**	**$ (62.4)**	**$ 492.7**	**$ 49.1**	**10%**
Income taxes	161.6	68.8	(2.6)	95.4	90.0	13.2	(12.2)	89.0	6.4	7%
Non-GAAP operating earnings (losses)	**$ 419.7**	**$ (5.6)**	**$ (21.1)**	**$ 446.4**	**$ 403.3**	**$ 49.8**	**$ (50.2)**	**$ 403.7**	**$ 42.7**	**11%**
Net realized capital gains (losses)	124.7	(4.2)	-	128.9	(7.4)	1.4	-	(6.0)	134.9	n/m
Income (loss) from exited business	701.8	0.1	-	701.7	919.8	(2.8)	-	917.0	(215.3)	-23%
Net income (loss) attributable to Principal Financial Group, Inc.	**$ 1,246.2**	**$ (9.7)**	**$ (21.1)**	**$ 1,277.0**	**$ 1,315.7**	**$ 51.2**	**$ (50.2)**	**$ 1,314.7**	**$ (37.7)**	**-3%**
Non-GAAP operating earnings per share (EPS)	**$ 1.72**	**$ (0.02)**	**$ (0.09)**	**$ 1.83**	**$ 1.60**	**$ 0.20**	**$ (0.20)**	**$ 1.60**	**$ 0.23**	**14%**

1 Other significant variances in 3Q23 QTD include 1) lower than expected VII in RIS, Life Insurance, and Corporate; 2) impact of lower than expected encaje performance, Latin American inflation and other items in Principal International.

2 Other significant variances in 3Q22 QTD include 1) lower than expected VII in RIS, Specialty Benefits, Life Insurance and Corporate partially offset by higher than expected VII in Principal International; 2) lower than expected encaje performance and non-economic LDTI discount rate impacts in Principal International; 3) COVID-19 related claims in RIS and Life Insurance.

Impacts of 3Q 2023 actuarial assumption review

Income statement line item impacts of the annual actuarial assumption review (in millions)

Line Item	RIS	Specialty Benefits	Life Insurance	Total
Premiums and other considerations	$ -	$ -	$ -	$ -
Fees and other revenues	-	-	0.2	0.2
Net investment income	-	-	-	-
Total operating revenues	-	-	0.2	0.2
Benefits, claims and settlement expenses	-	(6.0)	(3.0)	(9.0)
Liability for future policy benefits remeasurement (gain) loss	(53.4)	(10.2)	11.1	(52.5)
Market risk benefit remeasurement (gain) loss	-	-	-	-
Dividends to policyholders	-	-	(1.5)	(1.5)
Commissions	-	-	-	-
Capitalization of DAC and contract costs	-	-	-	-
Amortization of DAC and contract costs	-	-	-	-
Depreciation and amortization	-	-	-	-
Interest expense on corporate debt	-	-	-	-
Compensation and other	-	-	-	-
Total expenses	(53.4)	(16.2)	6.6	(63.0)
Non-GAAP pre-tax operating earnings (losses)	**$ 53.4**	**$ 16.2**	**$ (6.4)**	**$ 63.2**

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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 +/- 100 bps	FX: U.S. dollar [2] +/- 2%	Certain alternative investment valuation [3] +/- 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 PGI	All	PI	RIS Life Insurance Specialty Benefits

Short-term interest rates: Our exposure to short-term interest rates (i.e., IOER/IORB) 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 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. 3 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

Principal Global Investors operating revenues less pass-through expenses	Three months ended (in millions) 9/30/23	9/30/22
Principal Global Investors operating revenues	$424.6	$406.0
Principal Global Investors commissions and other expenses	(30.7)	(32.9)
Principal Global Investors operating revenues less pass-through expenses	**$393.9**	**$373.1**

Principal International combined net revenue (at PFG Share)	Three months ended (in millions) 9/30/23	9/30/22
Principal International pre-tax operating earnings	$70.8	$64.0
Principal International combined operating expenses other than pass-through commissions (at PFG share)	168.3	154.3
Principal International combined net revenue (at PFG share)	$239.1	$218.3

Non-GAAP operating earnings (losses)	Three months ended (in millions) 9/30/23	9/30/22
Net income attributable to PFG	$1,246.2	$1,315.7
Net realized capital (gains) losses, as adjusted	(124.7)	7.4
(Income) loss from exited business	(701.8)	(919.8)
Non-GAAP operating earnings	**$419.7**	**$403.3**

Diluted earnings per common share	Three months ended 9/30/23	9/30/22
Net income	$5.10	$5.22
Net realized capital (gains) losses, as adjusted	(0.51)	0.03
(Income) loss from exited business	(2.87)	(3.65)
Non-GAAP operating earnings	$1.72	$1.60
Weighted-average diluted common shares outstanding (in millions)	**244.3**	**251.9**

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	**9/30/23**
Stockholders' equity	$10,722.9
AOCI, other than foreign currency translation adjustment	5,278.5
Cumulative change in fair value of funds withheld embedded derivative	(3,195.9)
Noncontrolling interest	(51.3)
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	**$12,754.2**

	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	**9/30/23**
Net Income ROE available to common stockholders (including AOCI)	14.4%
Cumulative change in fair value of funds withheld embedded derivative and AOCI, other than foreign currency translation adjustment	(2.5)%
Net realized capital (gains) losses	(1.4)%
(Income) loss from exited business	2.0%
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	**12.5%**

	Three months ended (in millions)	
Income taxes	**9/30/23**	**9/30/22**
Total GAAP income taxes	$354.8	$328.8
Net realized capital gains (losses) tax adjustments	(34.2)	3.4
Income taxes attributable to noncontrolling interest	(0.1)	-
Income taxes related to equity method investments	18.5	16.9
Income taxes related to exited business	(177.4)	(259.1)
Income taxes	**$161.6**	**$90.0**

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, 2022, and in the company's quarterly report on Form 10-Q for the quarter ended Jun. 30, 2023, 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 prolonged 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 may change; changes in laws, regulations or accounting standards; 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; 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; international business risks; risks arising from participation in joint ventures; the company may need to fund deficiencies in its "Closed Block" assets; the company's reinsurers could default on their obligations or increase their rates; risks arising from acquisitions of businesses; risks related to administering reinsurance transactions; a pandemic, terrorist attack, military action or other catastrophic event; global climate change; 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; the company may not be able to protect its intellectual property and may be subject to infringement claims; 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; loss of key vendor relationships or failure of a vendor to protect information of our customers or employees; and 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.