



Second Quarter 2022 Earnings Call Presentation

PRINCIPAL FINANCIAL GROUP

August 9, 2022

RETIREMENT

ASSET MANAGEMENT

INSURANCE

2Q 2022 financial highlights

2Q 2022 OPERATING EARNINGS AND EPS

Reported non-GAAP operating earnings¹

\$423M

(-9% vs. 2Q 2021)

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

\$1.65

(-3% vs. 2Q 2021)

Impact of significant variances to non-GAAP operating earnings²

\$(12)M after-tax

(\$3)M pre-tax

Impact of significant variances to non-GAAP EPS²

\$(0.05)

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

\$435M

(-4% vs. 2Q 2021)

Non-GAAP EPS, xSV

\$1.70

(+3% vs. 2Q 2021)

AUM & NCF

Total company AUM managed by PFG

\$632B

Total company net cash flow

+\$1.5B

CAPITAL & LIQUIDITY

Excess and available capital

\$1.9B

\$1.3B at Hold Co

\$370M excess cash at subsidiaries

\$200M in excess of 400% RBC

Debt to capital ratio³

23.4%

Estimated PLIC RBC ratio

415%

CAPITAL DEPLOYMENTS

2Q 2022 capital deployments

\$402M

\$240M of share repurchases

\$162M of common stock dividends

Announced 3Q 2022 common stock dividend

\$0.64

\$0.01 increase (+2%) over 3Q 2021

RETURN ON EQUITY⁴

14.1% reported

(14.2% xSV)

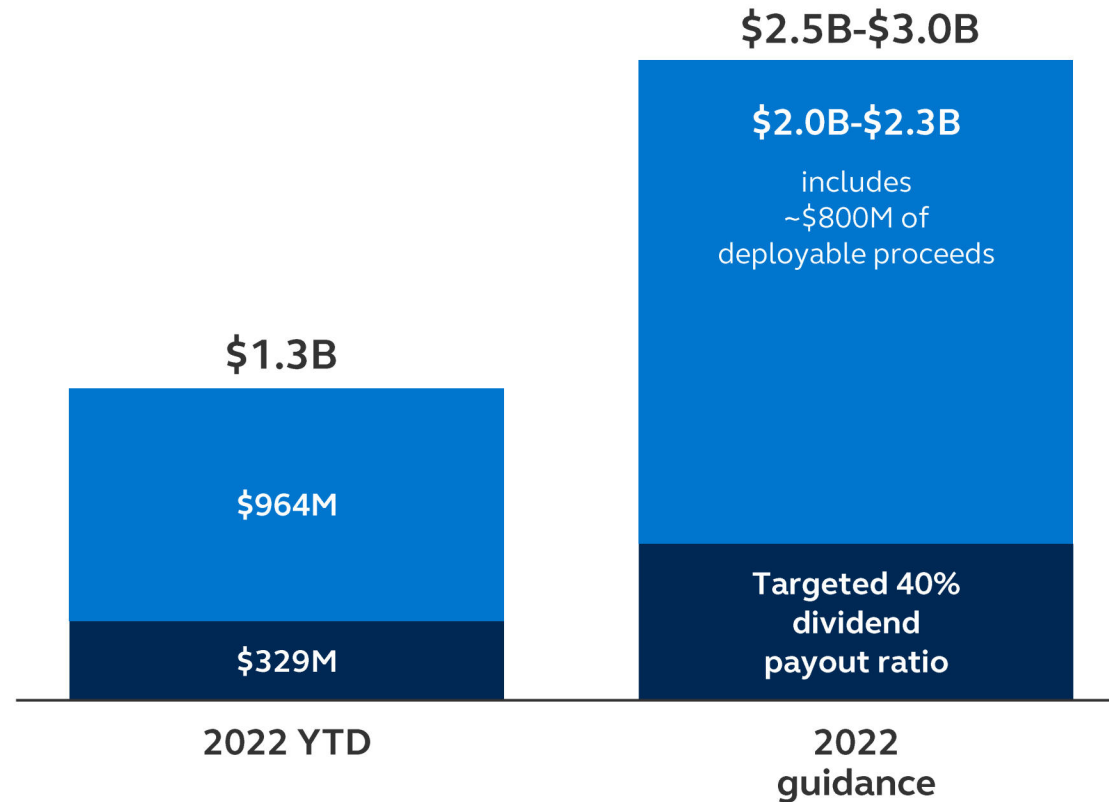
+200 bps from 2Q 2021

2022 capital deployments

- Completed **\$700M** accelerated share repurchase (ASR) program
- **\$1.7B** remaining on current repurchase authorizations

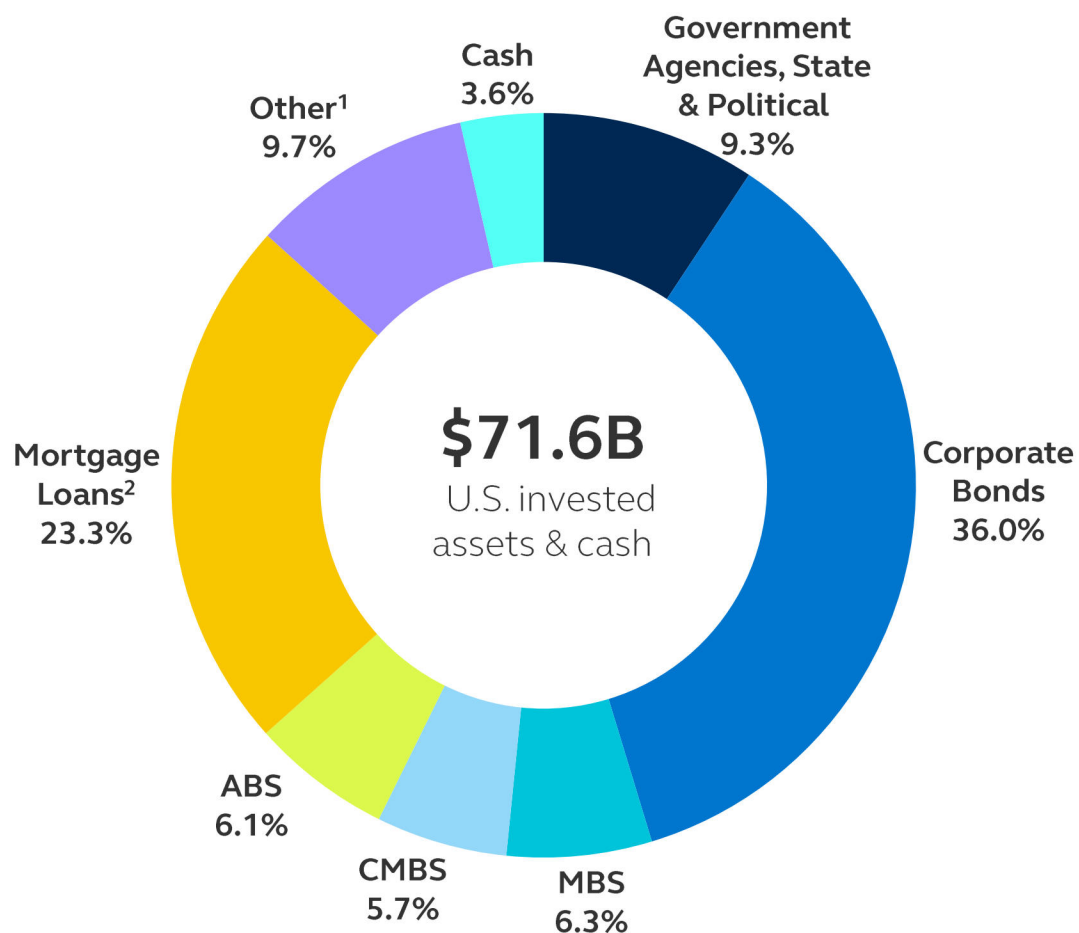
Returned **\$1.3B** of capital to shareholders YTD

● Share repurchases ● Common stock dividends



U.S. invested assets and cash

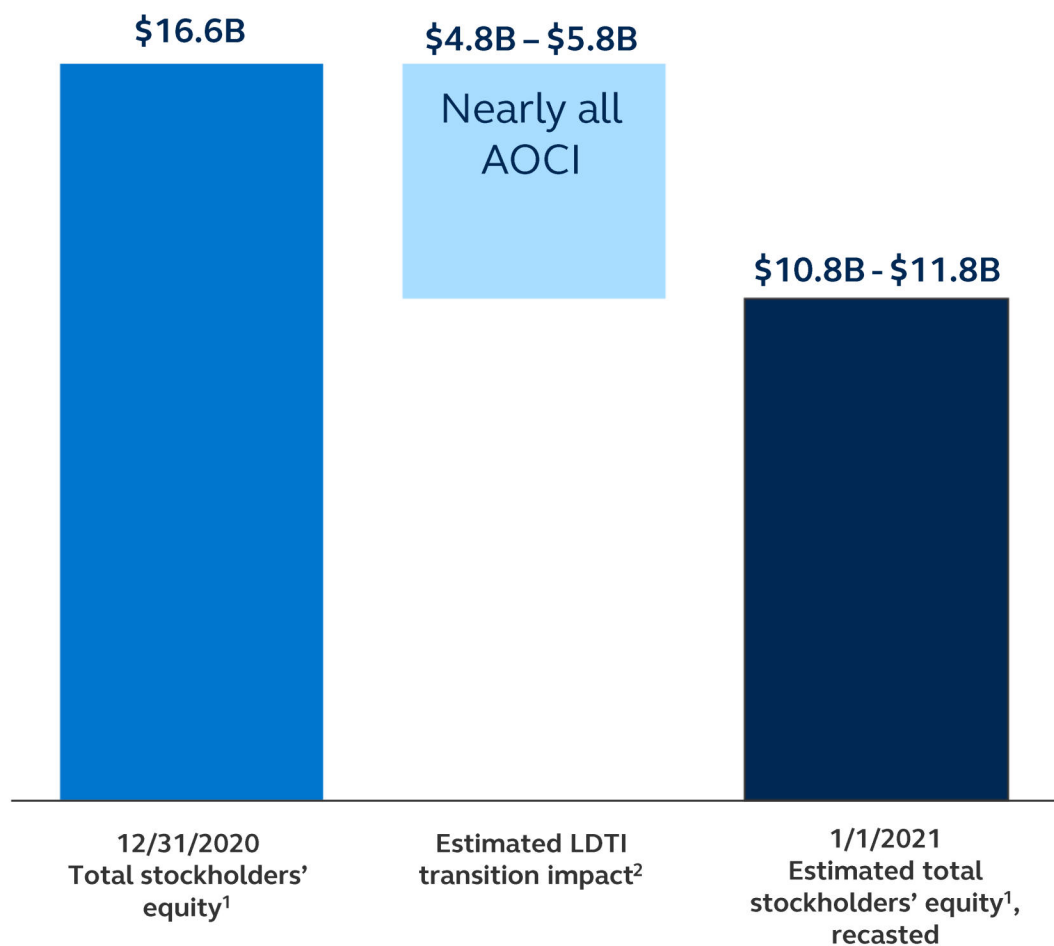
As of June 30, 2022; excluding funds withheld



Total invested assets decreased \$23 billion in 2Q22 as a result of the reinsurance transaction

- Optimized asset portfolio backing the go-forward liabilities that have lower liquidity needs
- Portfolio yield increased ~20 bps, improving impact of the transaction on total company earnings
- Remain comfortable with the risk-return profile of the go-forward general account
- Portfolio remains high quality, diversified and well positioned
- Commercial mortgage loan portfolio has average loan-to-value of 45% and average debt service coverage ratio of 2.5x
- Diverse and manageable exposure to other alternatives and high-risk sectors

Estimated LDTI transition impacts

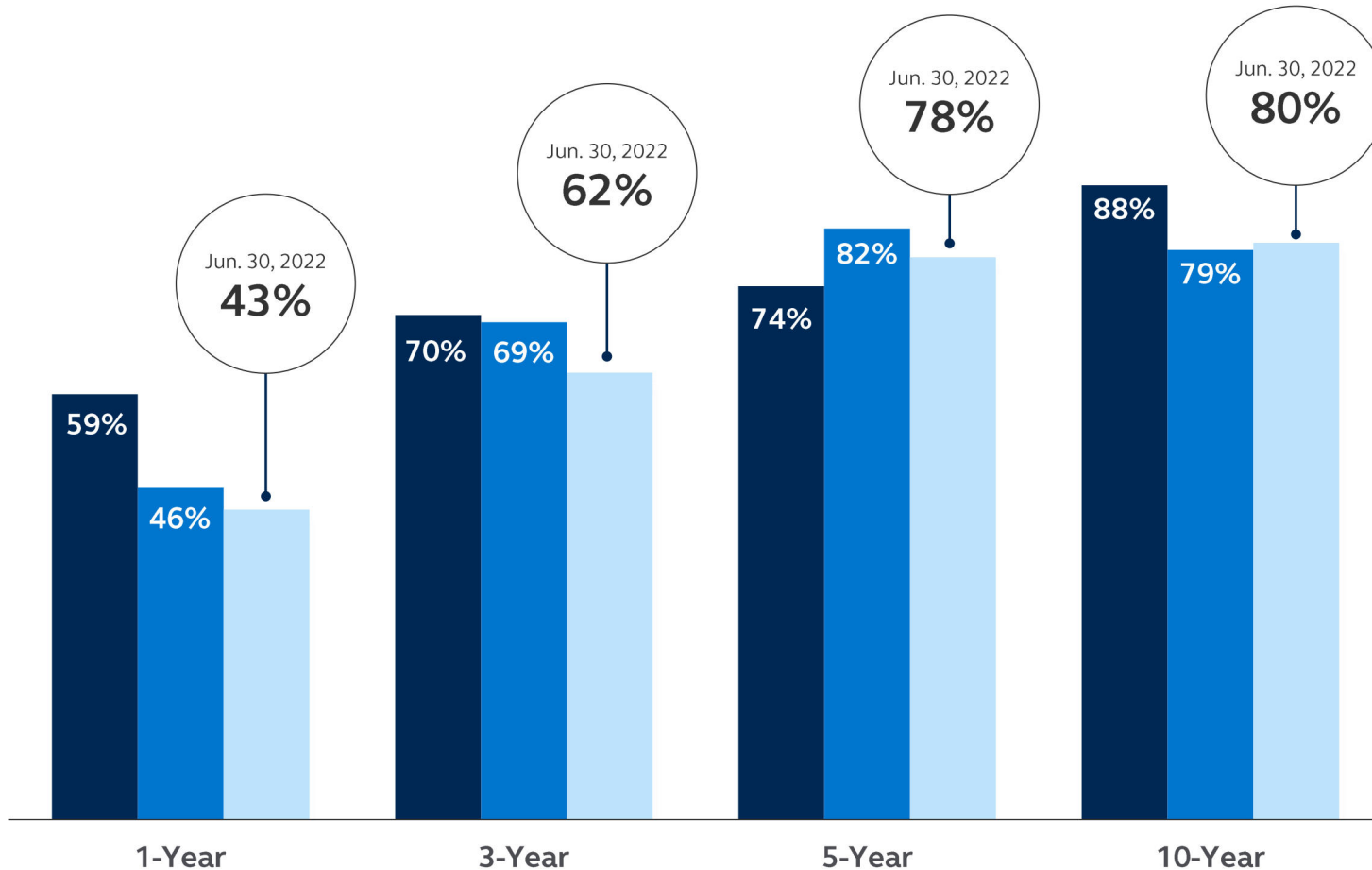


- Long-duration targeted improvements (LDTI) guidance effective 1/1/2023; adopting guidance related to the liability for future policy benefits and deferred acquisition costs on a modified retrospective basis; will recast 2021 and 2022 financial statements in early 2023
- **LDTI does not impact underlying economics, free cash flow generation, or capital position**
- Transition impact estimated to reduce 1/1/2021 total stockholders' equity approximately \$4.8 - \$5.8 billion, or 30-35%², but expect an immaterial impact to book value available to common stockholders x-AOCI; **as of 2Q22, we expect the impact to stockholders' equity to be immaterial as interest rates have increased**
- **Nearly all of the transition impact is in AOCI** due to updating discount rate assumption on impacted liabilities to reflect an upper-medium grade fixed-income instrument that is generally equivalent to a single-A interest rate with credit ratings based on international rating standards
- Products with largest transition impacts are U.S. Pension Risk Transfer (PRT) and Chile Single Premium Immediate Annuity (SPIA)
- Approximately 10% of transition adjustment relates to business in the reinsurance transaction

Investment performance

Equal weighted¹

● June 30, 2021 ● March 31, 2022 ● June 30, 2022



ASSET WEIGHTED²

69%

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

Real estate delivered strong absolute 1-, 3-, 5-, 10-year and YTD 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 (88 total, 82 are ranked).

Retirement and Income Solutions – Fee (RIS – Fee)

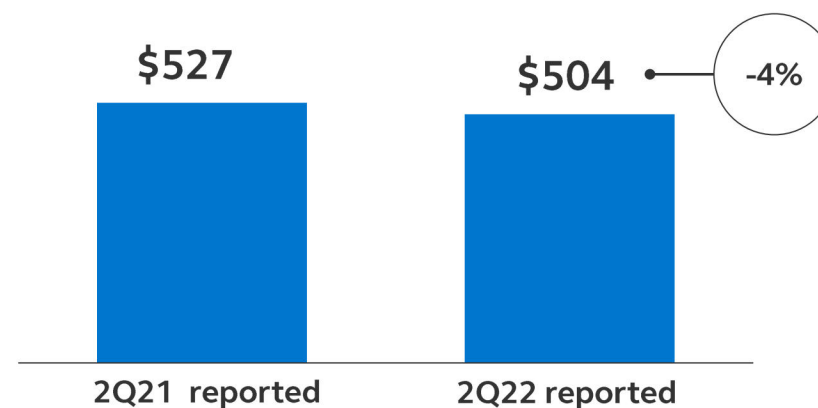
HIGHLIGHTS

- Net revenue and pre-tax operating earnings excluding significant variances¹ decreased primarily due to unfavorable equity and fixed income markets
- Account value net cash flow of \$2.5B due to strong sales and client retention as well as 37% growth in recurring deposits from 2Q21, including a 14% increase on our legacy block

	Reported pre-tax operating earnings (\$M)	Significant variances ¹ (\$M)	Pre-tax operating earnings ex significant variances (\$M)
2Q22	\$111.1	\$0.0	\$111.1
2Q21	\$119.8	+\$14.0	\$133.8
Change	-\$8.7 (-7%)		-\$22.7 (-17%)

Net revenue (\$M)

Quarterly basis



Trailing twelve month basis²

4%
change in
net revenue

24%
pre-tax return
on net revenue

¹ Impact of higher than expected VII and higher DAC amortization completely offset in 2Q22; impact of IRT integration costs and lower than expected DAC amortization in 2Q21.

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

Retirement and Income Solutions – Spread (RIS – Spread)

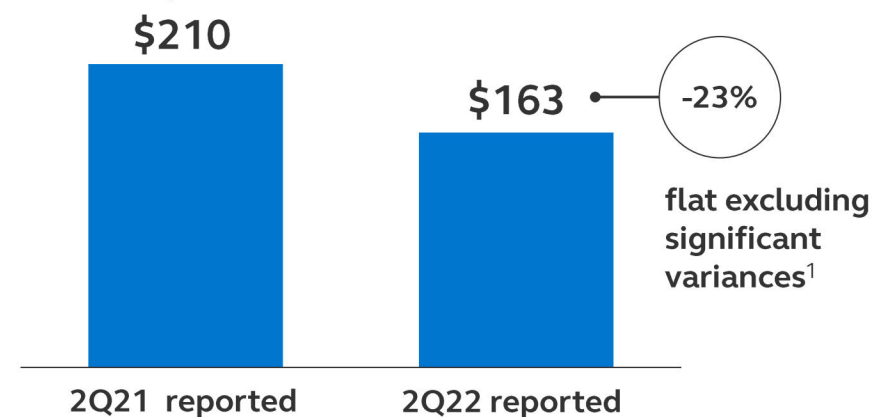
HIGHLIGHTS

- Pre-tax operating earnings excluding significant variances¹ increased despite flat net revenue as a result of impacts from the reinsurance transaction
- Net revenue excluding significant variances¹ was flat as growth in the business and higher net investment income were offset by the impact of the reinsurance transaction and unfavorable experience gains
- 2Q22 sales of \$1.1B included \$0.5B of PRT sales

	Reported pre-tax operating earnings (\$M)	Significant variances ¹ (\$M)	Pre-tax operating earnings ex significant variances (\$M)
2Q22	\$144.8	-\$13.2	\$131.6
2Q21	\$160.4	-\$47.0	\$113.4
Change	-\$15.6 (-10%)		+\$18.2 (+16%)

Net revenue (\$M)

Quarterly basis



Trailing twelve month basis²

4%

change in net revenue

78%

pre-tax return on net revenue

¹ Impact of reinsurance transaction true-up and higher than expected VII in 2Q22; impact of higher than expected VII and favorable COVID-19 related mortality in 2Q21.

² Excludes impacts of actuarial assumption reviews, reinsurance transaction true-up, and other significant variances.

Principal Global Investors (PGI)

HIGHLIGHTS

- Pre-tax operating earnings decreased primarily due to higher operating expenses partially offset by higher performance fees
- Management fees decreased 3% from 2Q21 and 4% from 1Q22; management fee rate remained stable
- 2Q22 pre-tax margin of 42% driven by performance fees; 39% excluding performance fees
- Managed AUM of \$470B and sourced AUM of \$244B with net cash flow of \$1.4B and \$1.5B, respectively

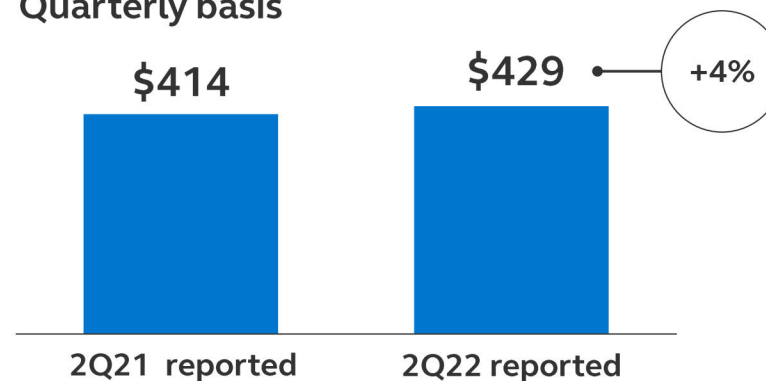
2Q22 OTHER CONSIDERATIONS

- higher performance fees / other revenues

	Reported pre-tax operating earnings (\$M)
2Q22	\$180.0
2Q21	\$184.4
Change	-\$4.4 (-2%)

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

Quarterly basis



Trailing twelve month basis

13%

change in operating
revenues less
pass-through expenses

42%

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

Principal International

HIGHLIGHTS

- Pre-tax operating earnings excluding significant variances¹ were relatively flat as growth in the business was offset by the impact of the regulatory fee reduction in Mexico and foreign currency headwinds
- Net cash flow was flat as positive flows in SE Asia were offset by outflows in Brazil

	Reported pre-tax operating earnings (\$M)	Significant variances ¹ (\$M)	Pre-tax operating earnings ex significant variances (\$M)
2Q22	\$92.1	-\$18.8	\$73.3
2Q21	\$47.7	+\$26.5	\$74.2
Change	+\$44.4 (+93%)		-\$0.9 (-1%)

¹ Impact from higher than expected Latin America inflation and higher than expected VII in 2Q22; impact of lower than expected Latin America inflation, lower than expected encaje performance, and higher than expected VII in 2Q21.

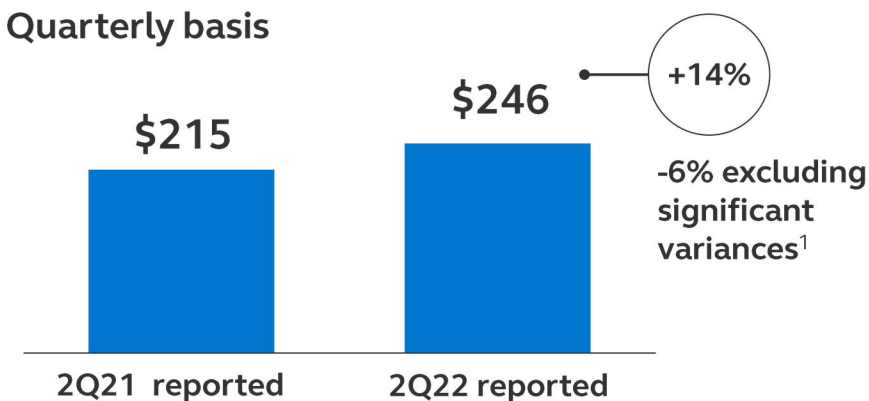
² Combined basis includes all Principal International companies at 100%.

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

3%

change in net revenue

31%

pre-tax return on net revenue

Specialty Benefits

HIGHLIGHTS

- Pre-tax operating earnings excluding significant variances¹ increased due to growth in the business, favorable claims and disciplined expense management
- Premium and fees increased 11% driven by record year-to-date sales, strong retention and employment growth
- Strong QTD pre-tax margin excluding significant variances¹ of 13.5% increased 230 basis points from 2Q21

	Reported pre-tax operating earnings (\$M)	Significant variances ¹ (\$M)	Pre-tax operating earnings ex significant variances (\$M)
2Q22	\$98.8	-\$4.9	\$93.9
2Q21	\$61.7	+\$8.1	\$69.8
Change	+\$37.1 (+60%)		+\$24.1 (+35%)

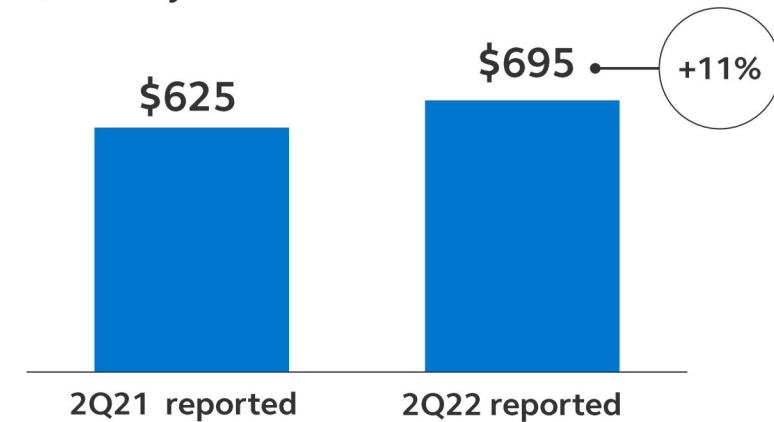
¹ Impact from higher than expected VII and COVID-19 related claims in 2Q22; impact of COVID-19 related claims in 2Q21.

² Excludes COVID-19 related impacts.

³ Excludes impacts of actuarial assumption reviews and other significant variances.

Premium and fees (\$M)

Quarterly basis



Trailing twelve month basis

9%

change in premium and fees²

14%

pre-tax return on premium and fees³

61%

incurred loss ratio³

Individual Life

HIGHLIGHTS

- Premium and fees excluding significant variances² decreased driven by the reinsurance transaction and is in line with guidance
- Business market sales up 76% from 2Q21 demonstrating our dedicated focus in the business market

	Reported pre-tax operating earnings (\$M)	Significant variances ¹ (\$M)	Pre-tax operating earnings ex significant variances (\$M)
2Q22	\$52.9	-\$1.4	\$51.5
2Q21	\$64.9	-\$12.0	\$52.9
Change	-\$12.0 (-18%)		-\$1.4 (-3%)

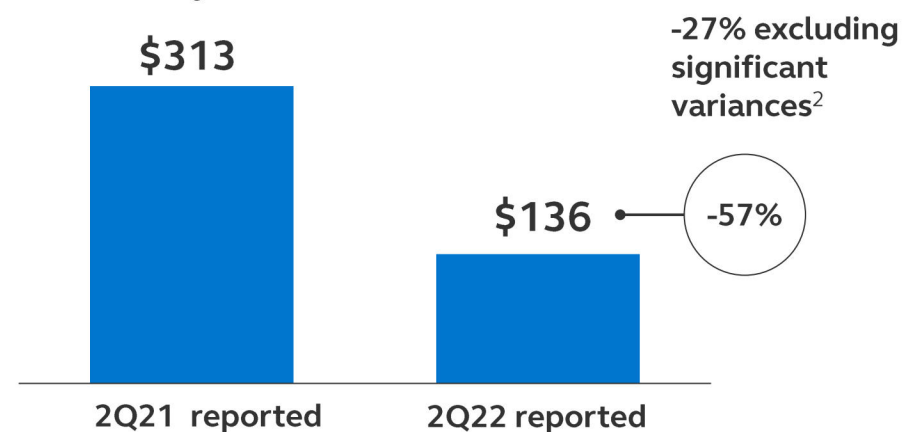
¹ Impact of COVID-19 related claims, reinsurance transaction true-up and higher than expected VII in 2Q22; impact of higher than expected VII, model refinements, and COVID-19 related claims in 2Q21.

² Impact of reinsurance transaction true up in 2Q22; impact of model refinements in 2Q21.

³ Excludes impacts of actuarial assumption reviews, reinsurance transaction true-up, and other significant variances.

Premium and fees (\$M)

Quarterly basis



Trailing twelve month basis³

-13%

change in premium and fees

19%

pre-tax return on premium and fees

Appendix

2Q 2022 significant variances

Business unit impacts of significant variances (in millions)

Business unit	Reinsurance transaction true-up	COVID-19 claims	Variable investment income	DAC amortization	Inflation	Total significant variances
RIS-Fee	-	-	\$6.0	\$(6.0)	-	-
RIS-Spread	\$(10.8)	-	\$24.0	-	-	\$13.2
Principal International	-	-	\$7.6	-	\$11.2	\$18.8
Specialty Benefits	-	\$(6.1)	\$11.0	-	-	\$4.9
Individual Life	\$(2.0)	\$(3.6)	\$7.0	-	-	\$1.4
Corporate	-	-	\$(41.0)	-	-	\$(41.0)
Total pre-tax impact	\$(12.8)	\$(9.7)	\$14.6	\$(6.0)	\$11.2	\$(2.7)
Total after-tax impact	\$(10.1)	\$(7.7)	\$2.5¹	\$(4.7)	\$8.4	\$(11.6)
EPS impact						\$(0.05)

Impacts of 2Q 2022 reinsurance transaction true-up

Impacted 2Q22 total company non-GAAP pre-tax operating earnings by **\$(12.8)M** and excludes stranded costs

2Q 2022 income statement line item impacts of reinsurance transaction true-ups (in millions)

	RIS-Spread	Individual Life
Premiums and other considerations	\$(3.6)	\$51.1
Fees and other revenues	(0.5)	(144.8)
Net investment income	(141.4)	(78.4)
Total operating revenues	(145.5)	(172.1)
Benefits, claims and settlement expenses	(121.5)	(158.5)
Dividends to policyholders	-	-
Commissions	(1.2)	(0.9)
Capitalization of DAC	1.0	1.8
Amortization of DAC	(9.1)	(3.5)
Depreciation and amortization	-	-
Interest expense on corporate debt	-	-
Compensation and other	(3.9)	(9.0)
Total expenses	(134.7)	(170.1)
Non-GAAP pre-tax operating earnings (losses)	\$(10.8)	\$(2.0)

Non-GAAP operating earnings

Excluding impacts from reinsurance transaction and other significant variances

2Q22 QTD and YTD (in millions, except per share data)

	2Q22 as reported	Impacts of 2Q22 significant variances			2Q22 excluding significant variances	YTD 2022 as reported	Impacts of YTD 2022 significant variances		YTD 2022 excluding significant variances
		Reinsurance transaction true-up	COVID-19 related	Other significant variances ¹			COVID-19 related	Other significant variances ²	
RIS-Fee	\$ 111.1	\$ -	\$ -	\$ -	\$ 111.1	\$ 223.3	\$ -	\$ (21.2)	\$ 244.5
RIS-Spread	144.8	(10.8)	-	24.0	131.6	\$ 350.5	21.0	55.0	274.5
Retirement and Income Solutions	255.9	(10.8)	-	24.0	242.7	573.8	21.0	33.8	519.0
Principal Global Investors	180.0	-	-	-	180.0	323.4	-	-	323.4
Principal International	92.1	-	-	18.8	73.3	150.2	-	3.3	146.9
Specialty Benefits	98.8	-	(6.1)	11.0	93.9	175.0	(33.6)	11.0	197.6
Individual Life	52.9	(2.0)	(3.6)	7.0	51.5	92.5	(31.6)	14.0	110.1
U.S. Insurance Solutions	151.7	(2.0)	(9.7)	18.0	145.4	267.5	(65.2)	25.0	307.7
Corporate	(152.9)	-	-	(41.0)	(111.9)	(281.9)	-	(73.0)	(208.9)
Non-GAAP pre-tax operating earnings (losses)	\$ 526.8	\$ (12.8)	\$ (9.7)	\$ 19.8	\$ 529.5	\$ 1,033.0	\$ (44.2)	\$ (10.9)	\$ 1,088.1
Income taxes	103.8	(2.7)	(2.0)	13.6	94.9	181.2	(10.9)	3.8	188.3
Non-GAAP operating earnings (losses)	\$ 423.0	\$ (10.1)	\$ (7.7)	\$ 6.2	\$ 434.6	\$ 851.8	\$ (33.3)	\$ (14.7)	\$ 899.8
Net realized capital gains (losses)	(190.8)	(83.1)	-	-	(107.7)	(243.4)	-	-	(243.4)
Income (loss) from exited business	2,827.2	-	-	-	2,827.2	2,827.2	-	-	2,827.2
Net income (loss) attributable to Principal Financial Group, Inc.	\$ 3,059.4	\$ (93.2)	\$ (7.7)	\$ 6.2	\$ 3,154.1	\$ 3,435.6	\$ (33.3)	\$ (14.7)	\$ 3,483.6
Non-GAAP operating earnings per share (EPS)	\$1.65	\$ (0.04)	\$ (0.03)	\$ 0.02	\$1.70	\$3.28	\$ (0.13)	\$ (0.05)	\$3.46

1 Other significant variances in 2Q22 QTD include 1) lower than expected variable investment income in Corporate partially offset by higher than expected variable investment income in RIS-Fee, RIS-Spread, Principal International, Specialty Benefits and Individual Life; 2) higher DAC amortization in RIS-Fee; 3) impact of inflation in Chile in Principal International. 2 Other significant variances in 2022 YTD include 1) higher DAC amortization in RIS-Fee; 2) impact of inflation and lower than expected encaje performance in Principal International; 3) IRT integration costs in RIS-Fee; 4) higher than expected variable investment income in RIS-Fee, RIS-Spread, Principal International, Specialty Benefits and Individual Life partially offset by lower than expected variable investment income in Corporate. 1Q22 impacts from COVID and VII in RIS-Spread and Individual Life have changed relative to our 1Q22 presentation due to true-ups from the reinsurance transaction.

U.S. investment portfolio quality

U.S. invested assets excluding funds withheld

Fixed Maturity Securities (carry value)			
	06/30/2022	12/31/2021	06/30/2021
NAIC 1	63.6%	65.1%	64.1%
NAIC 2	30.0%	29.2%	29.8%
BIG	6.4%	5.7%	6.1%
Total	\$45.4B	\$75.6B	\$73.3B

Commercial Mortgage Loans (carry value)			
	06/30/2022	12/31/2021	06/30/2021
A- and above	89.3%	89.3%	88.9%
BBB+ through BBB-	9.8%	10.0%	10.0%
BIG	0.9%	0.7%	1.1%
Total	\$13.7B	\$15.9B	\$15.6B
Average LTV	45%	46%	49%
Average DSC	2.5x	2.5x	2.6x

HIGHLIGHTS

- Nearly 90% of total U.S. invested assets and cash is in fixed maturity securities and commercial mortgage loans
- Optimized asset portfolio backing the go-forward liabilities with lower liquidity needs
- Portfolio remains high quality, diversified and well positioned
- Commercial mortgage loan portfolio on office properties very strong with average 47% LTV, 2.8 DSC, 89% occupancy; office exposure in equity real estate portfolio estimated value-to-GAAP basis of 1.95x with 45% exposure to life sciences subsector
- Real estate valuations stable to date, though transaction volumes slowing and price pressures evident and property specific; we actively manage portfolio risks, watchlist of CMLs <0.2% of portfolio
- Credit losses remain manageable due to high quality of portfolio and strong capital position

Equity Real Estate and Other Alternatives

U.S. invested assets excluding funds withheld, as of June 30, 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	\$1,521.3	33.7%	2.1%
Opportunistic/Value-Add Real Estate	\$664.3	14.7%	0.9%
Other Real Estate	\$17.1	0.4%	0.0%
Total Real Estate²	\$2,202.7	48.8%	3.0%
Cash Surrender Value of Company Owned Life Insurance ¹	\$1,075.4	23.7%	1.5%
Cash Surrender Value of Trust Owned Life Insurance	\$109.4	2.4%	0.2%
Private Equity/Infrastructure	\$790.1	17.4%	1.1%
Direct Lending	\$94.0	2.1%	0.1%
Hedge Funds	\$110.6	2.4%	0.2%
Affordable Housing Projects and Other	\$146.4	3.2%	0.2%
Total Other Alternatives	\$2,325.9	51.2%	3.3%
Total Real Estate and Other Alternatives	\$4,528.6	100.0%	6.3%

¹ As of June 30, 2022, Company Owned Life Insurance underlying investments include 52% invested in other alternatives and 48% 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.

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%	+/- < 7%
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)	
	6/30/22	6/30/21
Principal Global Investors operating revenues less pass-through expenses		
Principal Global Investors operating revenues	\$463.6	\$453.7
Principal Global Investors commissions and other expenses	(34.9)	(39.6)
Principal Global Investors operating revenues less pass-through expenses	\$428.7	\$414.1

	Three months ended (in millions)	
	6/30/22	6/30/21
Principal International combined net revenue (at PFG Share)		
Principal International pre-tax operating earnings	\$92.1	\$47.7
Principal International combined operating expenses other than pass-through commissions (at PFG share)	153.9	167.2
Principal International combined net revenue (at PFG share)	\$246.0	\$214.9

	Three months ended (in millions)	
	6/30/22	6/30/21
Non-GAAP operating earnings (losses)		
Net income attributable to PFG	\$3,059.4	\$361.8
Net realized capital (gains) losses, as adjusted	190.8	105.5
(Income) loss from exited business	(2,827.2)	-
Non-GAAP operating earnings	\$423.0	\$467.3

	Three months ended	
	6/30/22	6/30/21
Diluted earnings per common share		
Net income	\$11.94	\$1.32
Net realized capital (gains) losses, as adjusted	0.74	0.39
(Income) loss from exited business	(11.03)	-
Adjustment for redeemable noncontrolling interest	-	(0.01)
Non-GAAP operating earnings	\$1.65	\$1.70
Weighted-average diluted common shares outstanding (in millions)	256.3	275.1

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	6/30/22
Stockholders' equity	\$11,078.6
Net unrealized capital (gains) losses	3,618.2
Net unrecognized postretirement benefit obligation	329.7
Cumulative change in fair value of funds withheld embedded derivative	(2,423.2)
Noncontrolling interest	(41.8)
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	\$12,561.5

	Three months ended (in millions)	
Income taxes	6/30/22	6/30/21
Total GAAP income taxes	\$822.5	\$61.0
Net realized capital gains (losses) tax adjustments	62.7	25.2
Income taxes attributable to noncontrolling interest	(0.1)	0.1
Income taxes related to equity method investments and noncontrolling interest	10.0	2.6
Income taxes related to exited business	(791.3)	-
Income taxes	\$103.8	\$88.9

	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	6/30/22
Net Income ROE available to common stockholders (including AOCI)	31.3%
Net unrecognized postretirement benefit obligation	(1.1%)
Cumulative change in fair value of funds withheld embedded derivative	3.5%
Net realized capital (gains) losses	2.9%
(Income) loss from exited business	(22.5%)
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	14.1%

Non-GAAP financial measure reconciliations

Diluted earnings per common share	Six months ended	
	6/30/22	6/30/21
Net income	\$13.21	\$3.19
Net realized capital (gains) losses, as adjusted	0.94	0.04
(Income) loss from exited business	(10.87)	-
Adjustment for redeemable noncontrolling interest	-	-
Non-GAAP operating earnings	\$3.28	\$3.23
Weighted-average diluted common shares outstanding (in millions)	260.0	275.7

Income taxes	Six months ended (in millions)	
	6/30/22	6/30/21
Total GAAP income taxes	\$869.8	\$158.6
Net realized capital gains (losses) tax adjustments	79.2	1.7
Income taxes attributable to noncontrolling interest	(0.1)	0.1
Income taxes related to equity method investments and noncontrolling interest	23.6	10.6
Income taxes related to exited business	(791.3)	-
Income taxes	\$181.2	\$171.0

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, 2021, and in the company's quarterly report on Form 10-Q for the quarter ended Mar. 31, 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.