



# Principal Financial Group<sup>®</sup>

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December 2024

RETIREMENT

ASSET MANAGEMENT

INSURANCE

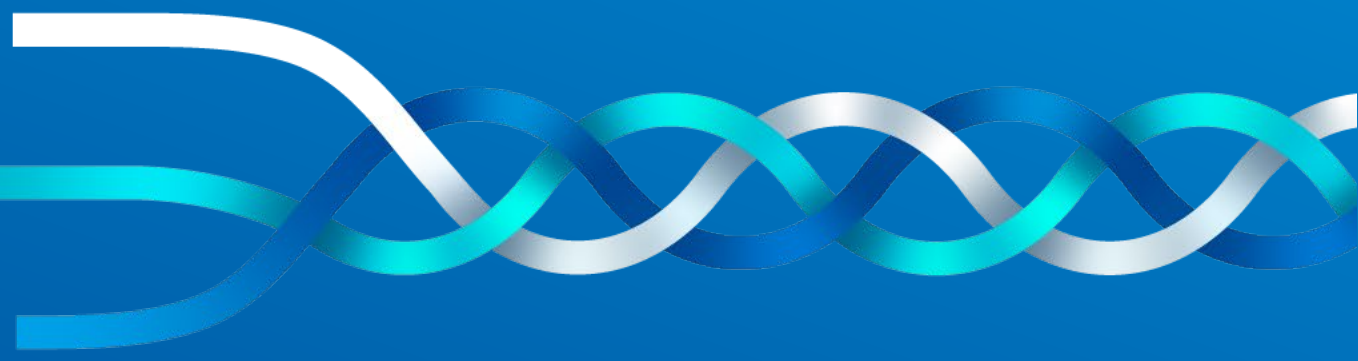
# Company overview

Integrated model is a force multiplier

**GLOBAL ASSET MANAGEMENT**

**RETIREMENT**

**U.S. BENEFITS & PROTECTION**



# Our diversified and integrated business model supports higher growth, with greater resilience to macro pressures

## PRINCIPAL FINANCIAL GROUP

### RETIREMENT AND INCOME SOLUTIONS

- Defined contribution
- Defined benefit
- ESOP
- Trust & custody
- Retail variable annuities
- Pension Risk Transfer
- Investment only
- Bank

### ASSET MANAGEMENT

<b>Principal Global Investors</b> <ul style="list-style-type: none"><li>• Fixed income</li><li>• Equities</li><li>• Real estate</li><li>• Alternatives</li><li>• Asset allocation</li><li>• General Account</li></ul>	<b>Principal International</b> <ul style="list-style-type: none"><li>• Latin America</li><li>• Asia</li></ul>
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### BENEFITS AND PROTECTION

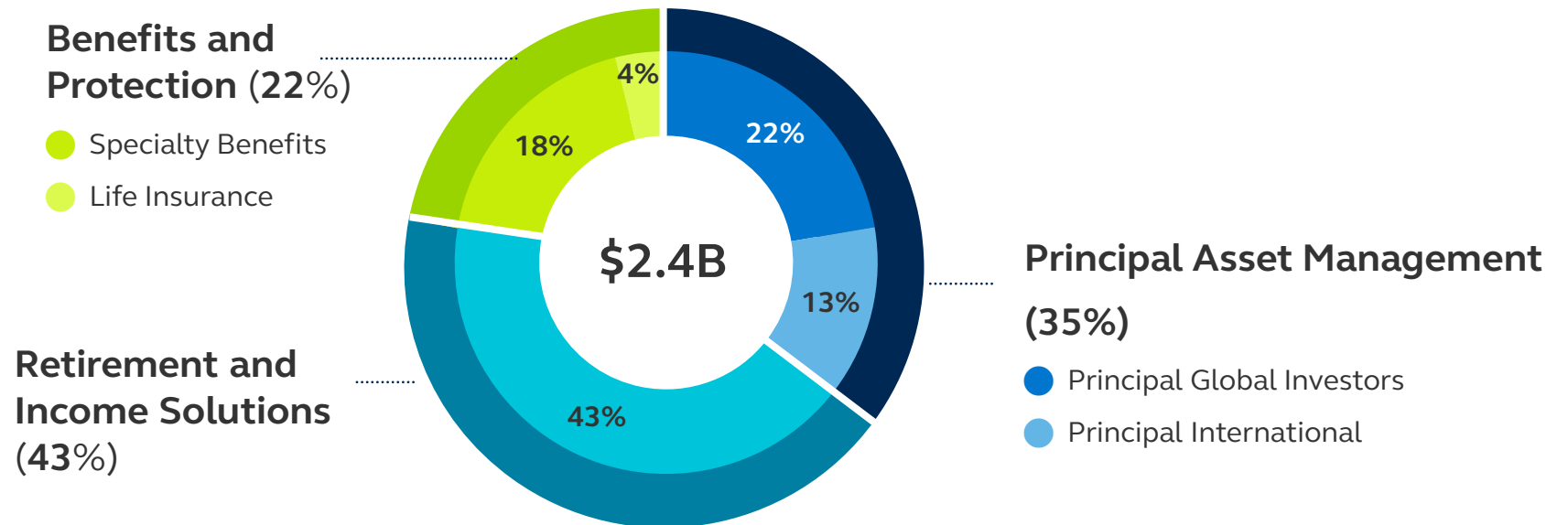
<b>Specialty Benefits</b> <ul style="list-style-type: none"><li>• Group benefits<ul style="list-style-type: none"><li>- Dental</li><li>- Life</li><li>- Disability</li></ul></li><li>• Supplemental health products</li><li>• Individual disability</li></ul>	<b>Life Insurance</b> <ul style="list-style-type: none"><li>• COLI (NQDC)</li><li>• Business owner solutions<ul style="list-style-type: none"><li>- Term Life</li><li>- VUL</li><li>- Other UL</li></ul></li></ul>
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# Into a leading financial services company

## PRINCIPAL FINANCIAL GROUP

- **\$1.7 trillion** in AUA<sup>1</sup>, includes **\$741 billion** in AUM<sup>1</sup> managed by Principal
- **Top** U.S. retirement provider
- **Leader in benefits and protection** to U.S. small to medium-sized businesses
- Launching **in-demand specialist capabilities**
- **Modernizing** our tech stack, bringing **new digital solutions** to market
- Helping approximately **68 million** customers<sup>1</sup> in more than **80 countries**

## NON-GAAP PRE-TAX OPERATING EARNINGS<sup>2</sup>



<sup>1</sup> As of 9/30/2024.

<sup>2</sup> Trailing twelve months as of 9/30/2024; excludes Corporate and impacts from actuarial assumption reviews.

# Experienced management team

Averages over **25 years**  
of industry experience

NAME	AGE <sup>1</sup>	TITLE	EXPERIENCE (Industry/PFG) <sup>1</sup>
Daniel J. Houston	63	Chairman & Chief Executive Officer	40/40
Deanna D. Strable	56	President, Chief Operating Officer & CEO Elect	35/35
Kamal Bhatia	52	President & Chief Executive Officer, Principal Asset Management	27/5
Amy C. Friedrich	54	President – Benefits and Protection	28/24
Christopher J. Littlefield	58	President – Retirement & Income Solutions	18/5
Vivek Agrawal	56	Executive VP & Chief Growth Officer	26/2
Thomas Cheong	56	Executive VP - Principal Asia	23/9
Kathleen B. Kay	62	Executive VP & Chief Information Officer	12/5
Natalie Lamarque	48	Executive VP & General Counsel & Secretary	17/3
Kenneth A. McCullum	60	Executive VP & Chief Risk Officer	38/9
Bethany A. Wood	61	Executive VP & Chief Marketing Officer	17/5
Joel M. Pitz	52	Interim Chief Financial Officer	29/29
Lisa Coulson	57	Senior VP & Chief Human Resources Officer	32/17

# Current Financial Strength Ratings

As of December 2024

Moody's Investor Services	Fitch Ratings	Standard & Poor's	A.M. Best
<b>A1</b>	<b>AA-</b>	<b>A+</b>	<b>A+</b>
Good	Very Strong	Strong	Superior
Fifth highest of 21 rating levels	Fourth highest of 19 rating levels	Fifth highest of 20 rating levels	Second highest of 13 rating levels
Outlook: Stable	Outlook: Stable	Outlook: Stable	Outlook: Stable

# Proven leadership positions

## U.S. RETIREMENT

- #1** Defined Benefit
- #1** ESOP
- #1** Non-qualified deferred compensation
- #3** 401(k) recordkeeper
- #4** Pension risk transfer

## ASSET MANAGEMENT

- #1** Multi-manager target date provider
- Top 3** Largest provider of hybrid target date funds
- Top 10** Largest manager of target date portfolios
- #1** Brazil voluntary pension
- #2** Chile voluntary pension
- #13** China retail mutual funds

## BENEFITS AND PROTECTION

- #1** Group Life
- #1** Small-case business life insurance
- #1** Disability buyout
- #1** Nonqualified deferred compensation
- #3** Corporate owned life insurance
- #2** Total Group Benefits
- #3** Group Dental



# An intentional transformation

2013-2024



Our strategy  
puts the customer  
at the center...

Which positions us to  
win, grow, and create  
shareholder value.



# Financials

# 3Q 2024 key takeaways

## Earnings

- 3Q24 non-GAAP EPS<sup>1</sup> excluding significant variances<sup>2</sup> of \$2.05 increased 12% from 3Q23
- On track to deliver on 9-12% long-term enterprise non-GAAP EPS<sup>1</sup> growth in 2024

## Growth

- Top-line growth excluding significant variances<sup>2</sup> of 5% across the enterprise
- Retirement: strong net revenue growth excluding significant variances<sup>2</sup> of 9% driven by growth in the business, favorable market performance and higher net investment income; recurring deposits growth of 10% across all segments
- Principal Asset Management: PGI management fees increased 6%; robust PI net cash flow of \$2.3B driven by \$2.1B of investment management mandates
- Benefits and Protection: focus on small to midsized customer segments contributing to above-market growth; Specialty Benefits premium and fees growth of over 6%, and Business Market premium and fees growth of 12% in Life Insurance

## Capital

- Capital deployment to shareholders of \$416M in 3Q24 and \$1.2B YTD; on track to deliver on 2024 target of \$1.5B - \$1.8B
- ~\$1.6B of excess and available capital
- Raised fourth quarter 2024 common stock dividend to \$0.73 per share, a 1-cent increase over the third quarter 2024; full year dividend of \$2.85, a 10% increase over 2023

<sup>1</sup> This is a non-GAAP financial measure; see reconciliation in appendix. <sup>2</sup> See appendix for details.

# 3Q 2024 financial highlights

## 3Q 2024 OPERATING EARNINGS AND EPS

Reported non-GAAP operating earnings<sup>1</sup>

**\$412M**

(-2% vs. 3Q 2023)

Impact of significant variances to non-GAAP operating earnings<sup>2</sup>

**\$M aft68er-tax**

(\$81M pre-tax)

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

**\$480M**

(+7% vs. 3Q 2023)

Reported non-GAAP operating earnings per diluted share<sup>1</sup> (EPS)

**\$1.76**

(+2% vs. 3Q 2023)

Impact of significant variances to non-GAAP EPS<sup>2</sup>

**\$0.29**

Non-GAAP EPS, xSV

**\$2.05**

(+12% vs. 3Q 2023)

RETURN ON EQUITY<sup>3</sup>

**12.9%**

(13.5% xAAR, +90 bps from 3Q23)

## CAPITAL & LIQUIDITY

Excess and available capital

**\$1.6B** with approximately:

\$900M at Hold Co

\$400M excess above 375% RBC

\$300M excess subsidiary capital

Debt to capital ratio<sup>4</sup>

**22.0%**

Estimated PLIC RBC ratio

**~402%**

## CAPITAL RETURNED

**\$416M**

\$165M of common stock dividends

\$251M of share repurchases

Announced 4Q 2024 common stock dividend

**\$0.73**

+9% from 4Q 2023

## AUM & NCF

Total company AUM managed by PFG

**\$741B**

Total company net cash flow

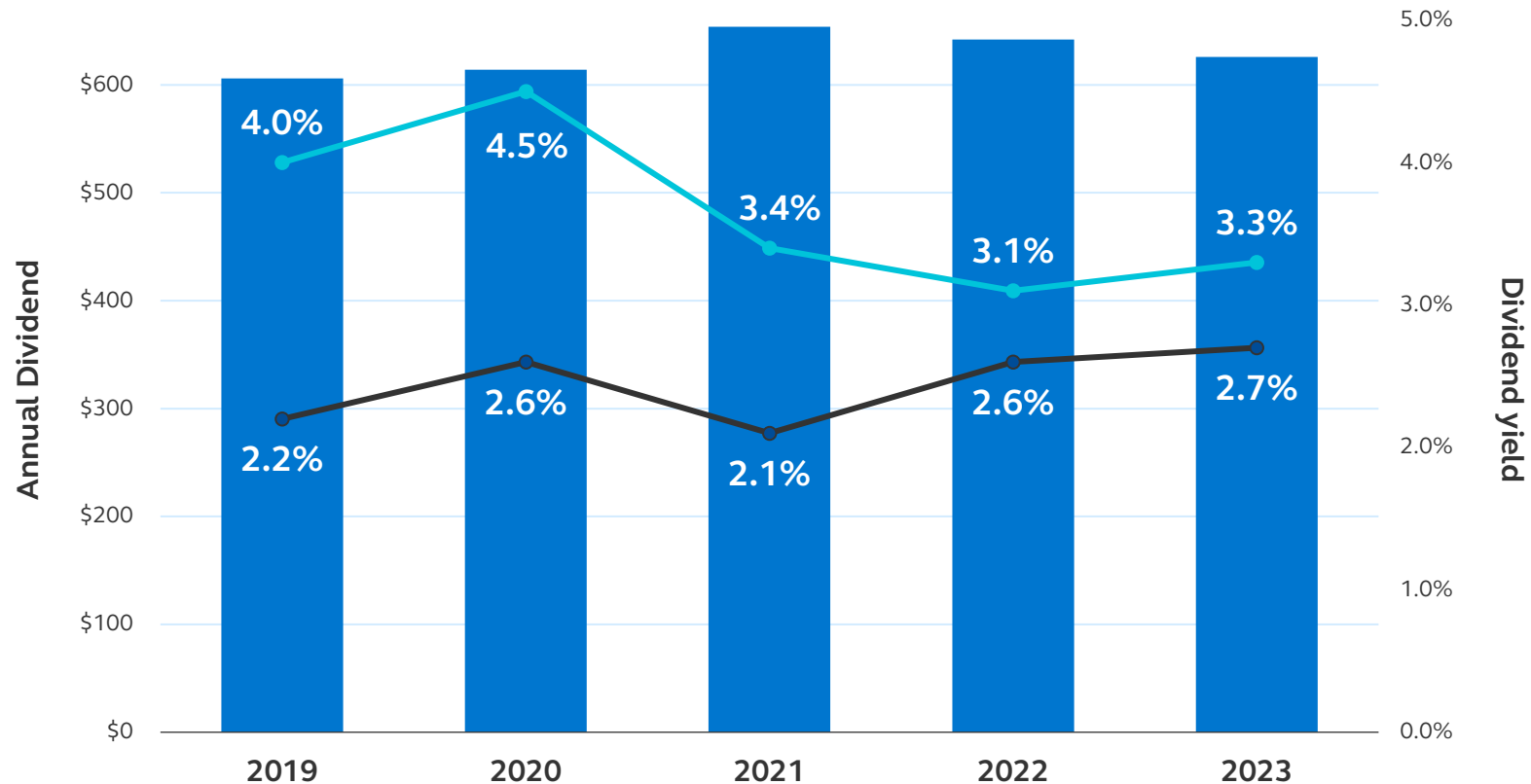
**-\$1.1B**

1 This is a non-GAAP financial measure; see reconciliation in appendix. 2 See Appendix 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 derivative and AOCI.

# Committed to a 40% dividend payout ratio

Future growth in dividends will track growth in net income

● Dividends paid    — Principal dividend yield    — Peer median dividend yield



- Principal has consistently paid and grown its dividend
- Dividend and payout ratio target reflect Principal's confidence and conviction around net income
- Delivered on the 40% targeted payout ratio the past 5 years
- Attractive dividend yield

# Disciplined capital management strategy

With emphasis on actively returning excess capital to shareholders

	Targeted range as a percentage of net income <sup>1</sup> :	
<b>Organic capital deployment</b>	<b>15-25%</b>	Capital efficient business mix
<b>Consistent dividend payout ratio</b>	<b>40%</b>	Growth of dividend will track growth in net income <sup>1</sup>
<b>Share repurchases</b>	<b>35-45%</b>	Active return of excess capital to shareholders through share repurchases
<b>M&amp;A</b>	<b>0-10%</b>	Enhancement of capabilities and support of organic growth through strategic M&A

# Long-term enterprise financial targets

EPS<sup>1</sup> annual growth:

**9-12%**

ROE<sup>2</sup> target:

**14-16%**

Free capital flow conversion<sup>3</sup>:

**75-85%**

1 Non-GAAP operating earnings per diluted share.

2 Non-GAAP return on equity, excluding cumulative change in fair value of funds withheld embedded derivative and AOCI other than foreign currency translation adjustment.

3 Based on net income attributable to PFG excluding income or loss from exited business.



# 2024 Outlook

Guidance ranges on an excluding significant variances basis

		2023 EPS <sup>1</sup> x-SV	2024 and long-term guidance	
<b>Total Company</b>	<b>EPS growth</b>	\$6.92	9 - 12%	Expect midpoint of 9-12% long-term range
	Effective tax rate		17 - 20%	Increased from 16-19% in 2023
		2023 revenue, x-SV <sup>2</sup> (in millions)	Long-term guidance	2024 modeling considerations relative to long-term guidance
<b>Retirement and Income Solutions</b>				
Retirement and Income Solutions	Net revenue	\$2,697	2 - 5%	Benefits from macroeconomic tailwinds expected to drive revenue growth at the high-end or slightly above the range and margin at the upper end of the range
	Operating margin		36 - 40%	
<b>Principal Asset Management</b>				
Principal Global Investors	Operating revenues less pass-through expenses <sup>3</sup>	\$1,489	4 - 7%	Lower real estate related fee revenue and impacts from recent redemptions expected to pressure revenue growth toward the low-end of the range and drive stable margin relative to 2023
	Operating margin		34 - 38%	
Principal International	Combined net revenue (at PFG share) <sup>3</sup>	\$981	7 - 11%	Headwinds in Asia, closure of guaranteed retirement product in Hong Kong, and FX are expected to result in low single digit revenue growth and stable margin relative to 2023
	Operating margin		34 - 38%	
<b>Benefits &amp; Protection</b>				
Specialty Benefits	Premium and fees	\$3,055	7 - 10%	
	Operating margin		12 - 16%	
	Incurred loss ratio		60 - 65%	
Life Insurance	Premium and fees	\$922	1 - 4%	Expect growth in premium and fees to benefit from focus on the business market; margin to be slightly below guided range due to lower net investment income as a result of capital optimization
	Operating margin		15 - 19%	
<b>Corporate</b>	Pre-tax operating losses		<b>\$(375)M - \$(425)M</b>	

# U.S. retirement

# U.S. retirement business

We are a top tier retirement provider that drives enterprise value.

## OUR LEADERSHIP POSITION ACROSS MANY PLAN TYPES

- #3 401(k) provider
- #1 Defined Benefit
- #1 Employee Stock Ownership
- #1 Non-Qualified Deferred Compensation
- #4 Pension Risk Transfer

## DRIVING VALUE FOR PRINCIPAL

Workplace retirement solutions drives revenue throughout the organization

High value business with low capital needs

## Our U.S. retirement footprint<sup>1</sup>

**45,000**  
employers

- Includes relationships in Workplace Saving and Retirement Solutions (WSRS), Pension Risk Transfer (PRT) and Principal Custody Solutions (PCS)
- Opportunities to expand these relationships across other retirement solutions (TRS) and to other areas of Principal (Asset Management and Benefits & Protection)

**13 Million**  
Individuals

- Includes individuals are eligible plan participants of our worksite retirement plans, PRT individuals, variable annuities and bank customers
- Focused on helping them accrue retirement savings, providing education and advice and building retirement income

<sup>1</sup> As of 9/30/2024  
See Appendix for sources of rankings.

# Key growth drivers



**Leveraging Institutional Retirement and Trust** acquisition momentum

Harnessing the power of **Total Retirement Solutions**

Delivering an **engaging participant experience**

Leveraging **world class asset management** capabilities

# Provider of multiple retirement solutions

Total Retirement Solutions is a key differentiator for Principal and valued by our clients.

## TOTAL RETIREMENT SOLUTIONS (TRS)



### TRS drives meaningful results

Represents approximately 40% of WSRS assets under administration

Better client retention: 20% lower lapse rate compared to block average

### The depth and breadth of our TRS offering is unmatched in the industry

Wide array of proprietary solutions.

Integrated plan sponsor and participant tools, services, and customer experience

Uniquely positioned to provide Pension Risk Transfer, Equity Compensation, and Private ESOPs

<sup>1</sup> Business line and results reside in Benefits and Protection

# Emerging markets

# Providing retirement and long-term financial security for 50 million individuals

Total Principal International reported AUM of **\$185B; \$453B** including China

## PRINCIPAL FINANCIAL GROUP

### MEXICO (1993)

- 2.5M customers
- AUM of \$22B
- Mandatory and Voluntary Pensions, Mutual Funds, Asset Management

### CHILE (1995)

- 2.0M customers
- AUM of \$46B
- Mandatory and Voluntary Pensions, Mutual Funds, Asset Management, Annuities, Universal Life Insurance

### BRAZIL (1999)

- 3.2M customers
- AUM of \$78B
- Voluntary Pensions and Annuities

### CHINA (2005)

- 37.8M customers
- AUM of \$268B
- Asset Management, Mutual Funds, Pension

### MALAYSIA (2003)<sup>1</sup>

- 4.1M customers
- AUM of \$21B
- Conventional & Islamic Asset Management, Unit Trusts, Voluntary Pensions

### HONG KONG SAR (1996)

- 0.6M customers
- AUM of \$13B
- Mandatory Pensions, Mutual Funds, Asset Management

### THAILAND (2010)

- 82K customers
- AUM of \$5B
- Voluntary Pensions, Asset Management, Unit Trusts

### INDONESIA (2007)

- 21K customers
- AUM of \$0.2B
- Asset Management, Unit Trusts

### Divestitures

- Principal Spain (2001)
- Principal Argentina (2004)
- ING-Principal Pensiones Japan (2005)
- Principal Pensiones Mexico (2020)
- Principal Asset Mgmt India (2021)
- Principal Seguros Mexico (2021)

## Strong leadership position

### LATIN AMERICA

**Chile: #2** voluntary pension

**Brazil: #1** voluntary pension

**Mexico: #7** mandatory pension

### ASIA

**Malaysia: #2** unit trust

**Hong Kong: #7** mandatory pension

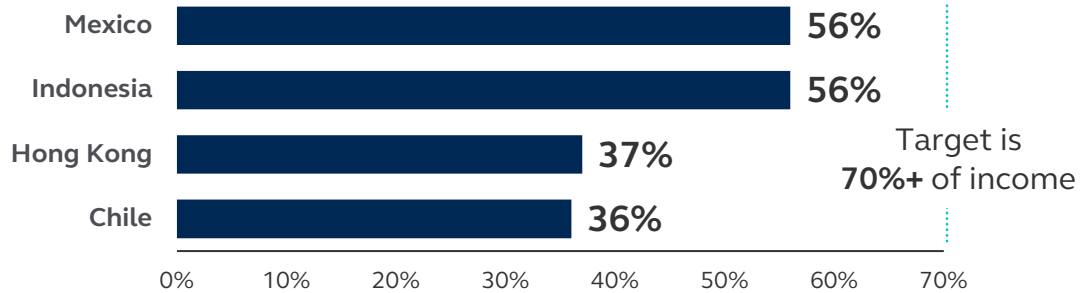
**China: #13** retail mutual funds

## Driving value for Principal

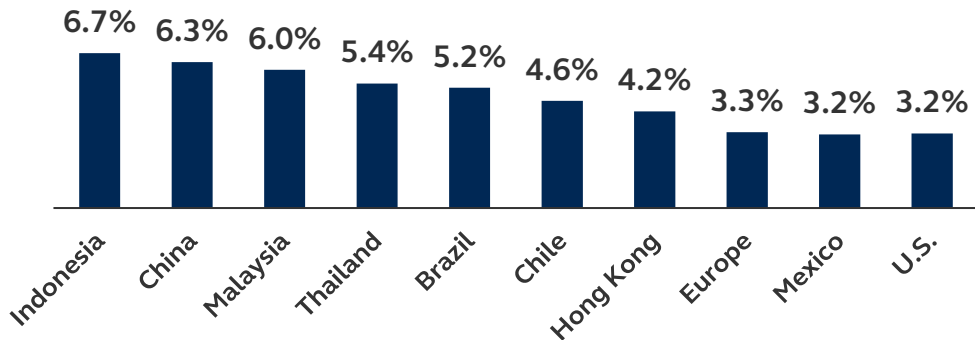
- High growth
- Meaningful source of capital
- Diversification

# Well-positioned for continued growth

Retirement gaps across all our markets highlight need and demand for voluntary savings<sup>1</sup>



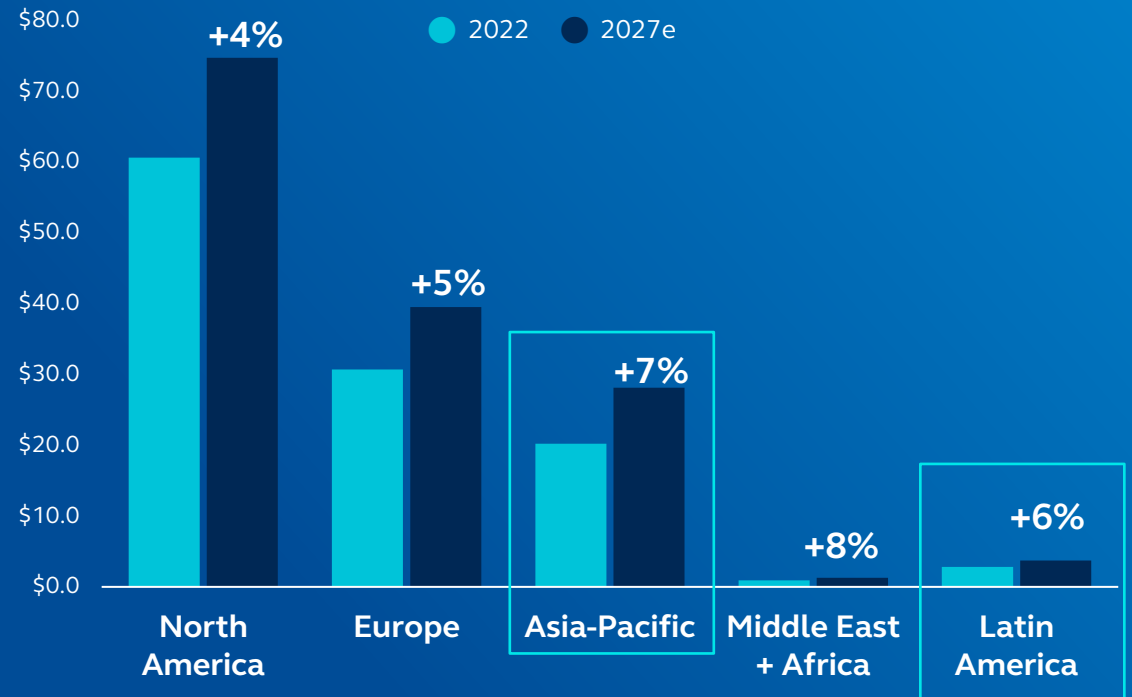
GDP growth rate in our markets up to more than 2x higher than developed markets<sup>2</sup>



<sup>1</sup> For mandatory/pillar 1 pension solutions. For Chile, Mexico – Pensions at a Glance 2023; For Indonesia, Hong Kong – Pensions at a Glance Asia/Pacific 2022; <sup>2</sup> IMF World Economic Outlook, October 2022. Growth rates shown are for 2022-2027.; <sup>3</sup> PwC Asset and wealth management revolution 2023: The new context, July 2023.

Industry growth in Asia and Latin America provides a healthy runway

Global AUM by region<sup>3</sup>  
(USD trillions)





# Strong joint venture partnerships

## China Construction Bank (CCB)

- **3rd largest** bank in the world
- **757 million** retail customers<sup>1</sup>
- **32% annual growth in AUM** since 2014

## Commerce International Merchant Bankers (CIMB)

- **5th largest** ASEAN bank<sup>2</sup>; 3rd largest bank in Malaysia
- **25 million** retail customers<sup>2</sup>
- **6% annual growth in AUM** since 2014

## Banco do Brasil

- **2nd largest** bank in Latin America with 84 million retail customers<sup>3</sup>
- **Leading provider** of voluntary pension in Brazil with 28% market share<sup>4</sup>
- **22% annual growth in AUM** since 1999

# U.S. benefits and protection

# Principal is uniquely positioned to help businesses

## Through our broad set of solutions, our expertise, and the experiences we offer



### 1) Protect their employees

by offering a comprehensive set of employee benefits that helps recruit and retain talent

- Nonqualified Deferred Compensation (NQDC)
- Group Benefits:
  - Dental
  - Group Life
  - Group Disability: Short-term Disability, Long-term Disability, and Paid Family Medical Leave
  - Supplemental Health Products (Worksite Products): Vision, Accident, Critical Illness, and Hospital Indemnity
- Guaranteed Standard Issue for Individual Disability Insurance and Life



### 2) Protect their business

in the event of a death, disability, or resignation of a key employee or a future change in management

- Business owner products for Individual Disability and Life:
  - Term Life
  - Variable Universal Life
  - Other Universal Life
  - Overhead Expense
  - Key Person Replacement
  - Disability Buy-out



### 3) Protect business owner and their personal needs

by helping maintain their lifestyle through insurance, and building and protecting their retirement savings

- Individual Disability Insurance
- Life insurance business solutions
  - Term Life
  - Variable Universal Life: Private Placement Variable Universal Life, and Executive Variable Universal Life
  - Other Universal Life and Indexed Universal Life

# We have a market-leading position across our segments

The combination of the solutions we offer, the expertise we provide, and the experiences we deliver to customers has resulted in a leadership position in the business market.

## Group Benefits

- #1 Group Life
- #2 Total Group Benefits
- #4 Group Disability
- #3 Group Dental
- #6 Worksite Products

## Individual Disability

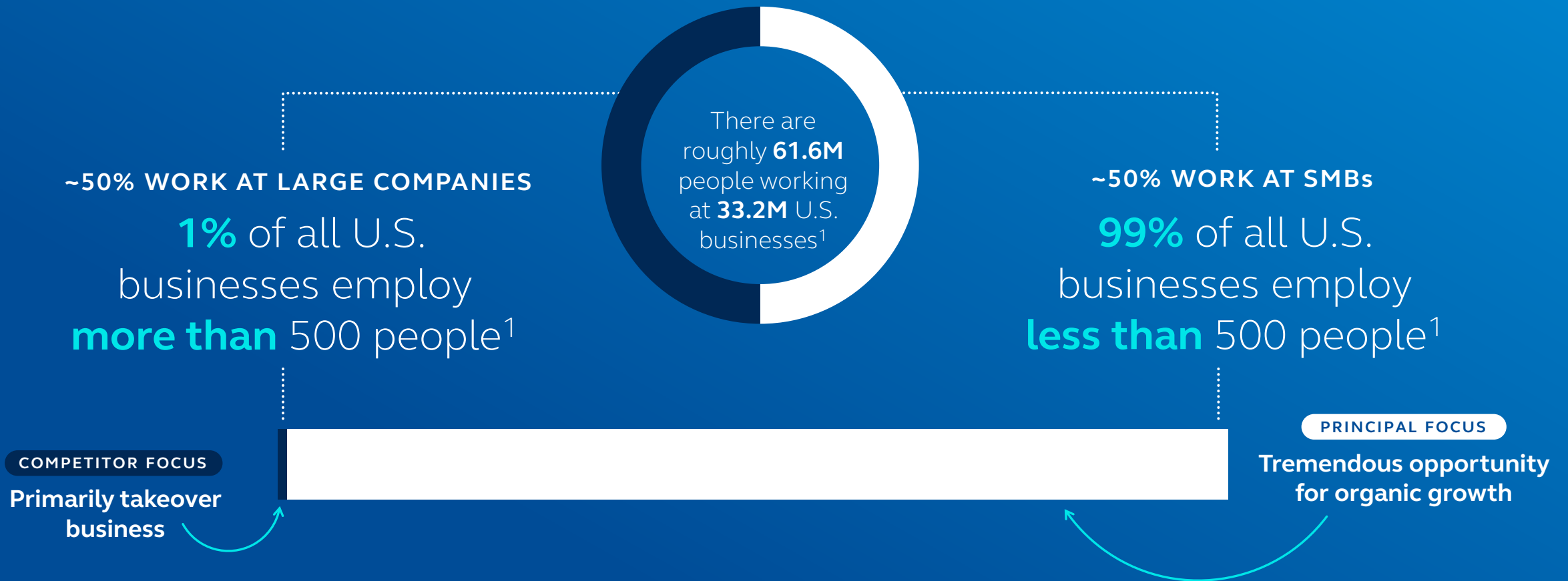
- #1 Disability buy-out
- #1 Disability key person
- #2 Overhead expense disability
- #4 Total Individual Disability income sales
- #4 In-force premium

## Life Insurance Business Solutions

- #1 Small-case business life insurance
- #1 Nonqualified deferred compensation
- #1 Corporate-sponsored individually owned life insurance
- #3 Corporate owned life insurance

# Where we play in the marketplace

Competitors primarily battle over the same 1% of employers, **Principal focuses on the other 99%**



# Driving growth through a SMB focus

## A leader in serving SMBs

- Sold coverage counts from existing cases has grown annually by 18% since 2020.

Engineering a complete and seamless smaller employer experience

COMPETITOR FOCUS

Onboarding

COMPETITOR FOCUS

Claims experience

OUR UNIQUE FOCUS

Simplifying every step of the journey,  
not just the beginning and the end

# Differentiated SMB experience

Engineering a complete and seamless smaller employer experience

## SMALL EMPLOYER INSIGHT

They typically don't have an HR department

They value cashflow predictability

They value knowing what other employers are doing

## OUR UNIQUE APPROACH

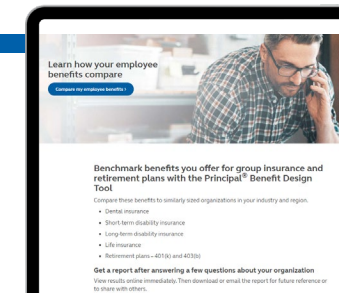
Processes that reduce the administrative burden – make it easy to exchange data

Broad product set and product bundles so they work with fewer carriers

Renewal strategy: smaller, more predictable rate increases

Tools to help them easily research and benchmark benefits

- Currently, we have more than 26,000 employers leveraging connectivity, representing more than \$1.15 billion in premium
- Increased the number of protection solutions per employer by more than 20% over the last five years
- Gives SMBs confidence they can handle the costs, as they're not as equipped to handle significant swings in expenses



# Specialty Benefits

A high growth business that partners with **113,000 employers** and helps **3.5 million people**

## SBD PREMIUM & FEE MIX

16% INDIVIDUAL DISABILITY / 84% GROUP BENEFITS

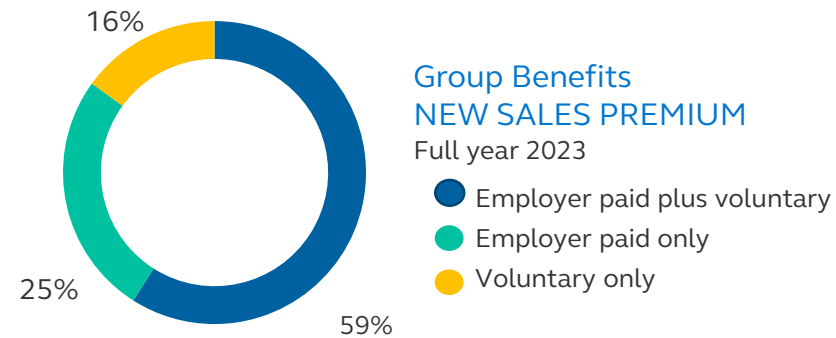
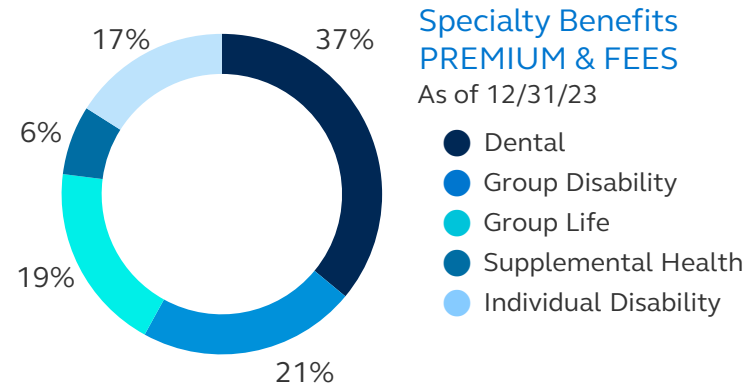
## GROUP BENEFITS: DRIVING VALUE FOR PRINCIPAL

Significant SMB footprint, a customer segment that's critical to our strategy

Low capital needs business with future growth potential

Track record of driving revenue through consistent above-industry growth

We are a leading provider of comprehensive benefits packages with strong diversification.



**53%** of new business comes from another carrier

**30%** of new business comes from existing customers adding new product

**17%** of new business are new customers offering group for the first time

Annually renewable business with **90%** retention

Average # of employees per employer customer: **33**

<sup>1</sup> Average retention for the period 1/1/2020 – 12/31/2023



# Business Owner Solutions

We are a leading provider of comprehensive and innovative solutions that help owners protect their business and keep it running when the unexpected occurs.

## Our life insurance suite of business solutions

### NQDC

### Business owner solutions

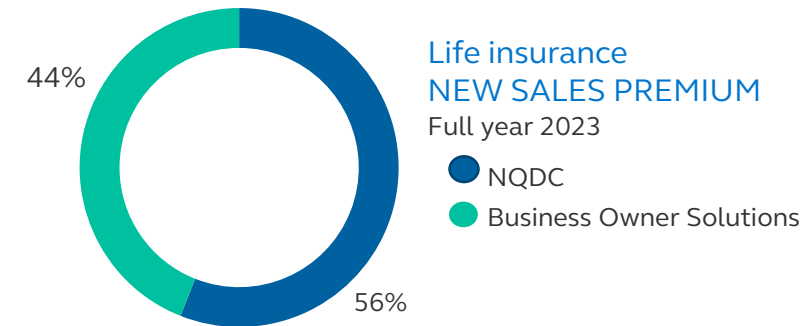
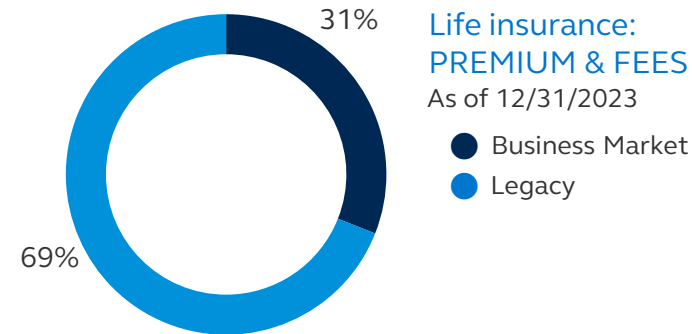
Buy-sell business and transfer strategies

Key employee benefits

Key person protection

**We use these common life insurance business solutions to create specialized protection options for business owners.**

Our life business market continues to offset the life legacy market runoff which demonstrates the strategic decision to focus on the business market.



**More than 50%** of nonqualified deferred compensation plans are included in our total retirement solutions

Highest selling business owner solution is key person protection

Second highest selling business owner solution is buy-sell business and transfer strategies

# Global asset management

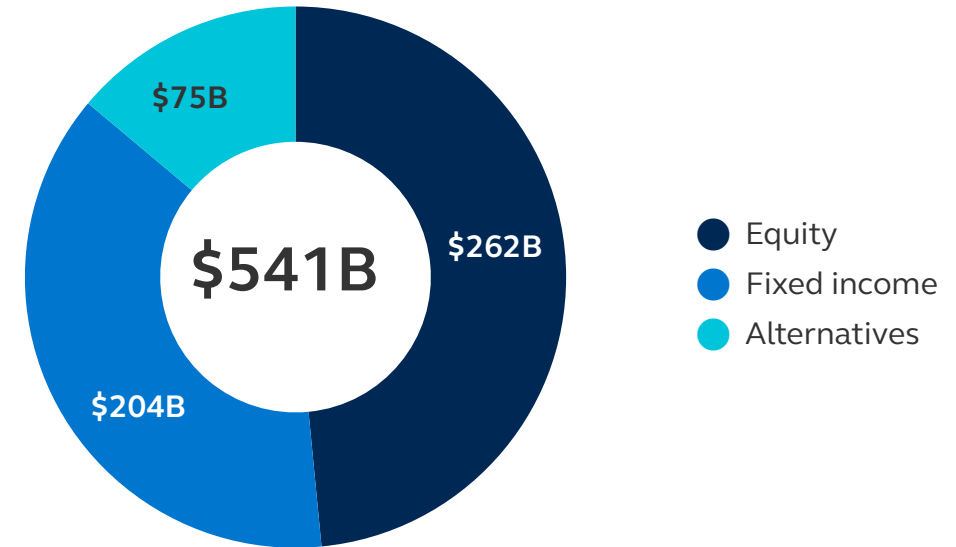
# Global asset management

Serving institutional, retirement, and retail investors; fueling growth of all Principal businesses

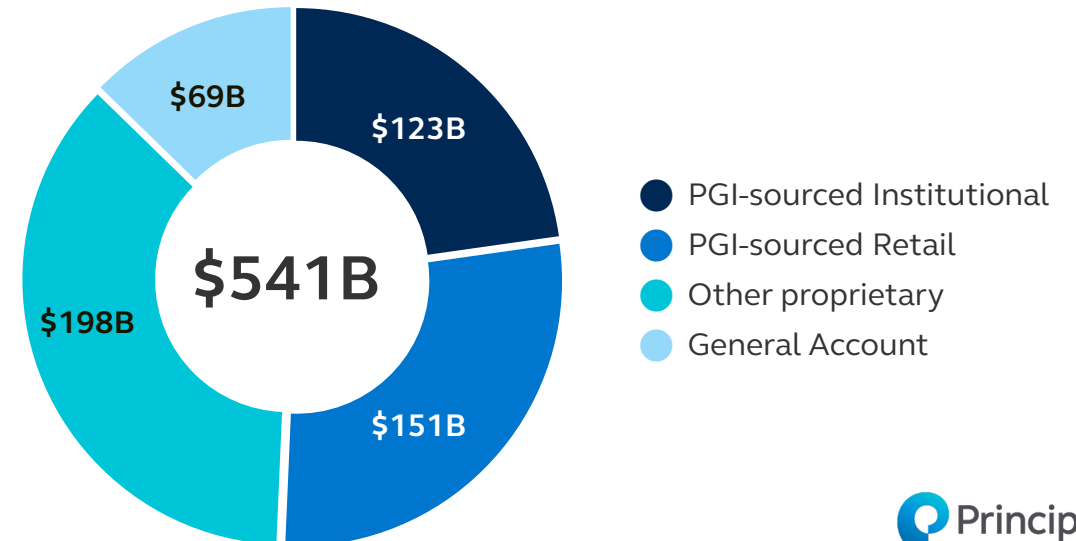
## Why we are confident we will capitalize on the asset management opportunity set going forward

- Proven strength in high-growth private and specialty public market investment capabilities, and in multi-asset solutions
- Ability to leverage our global, multi-channel distribution to build deep customer relationships
- Highly efficient, globally-integrated operating model
- Ability to attract and retain top talent

PGI managed AUM<sup>1</sup> by asset class



PGI managed AUM<sup>1</sup> by source



# Investment performance

54% of fund-level AUM has 4 or 5 star rating from Morningstar<sup>1,2</sup>

Asset Weighted	% of funds outperforming Morningstar median <sup>3</sup>				% of composites outperforming benchmarks <sup>4</sup>				
	As of 9/30/2024	1-Year	3-Year	5-Year	10-Year	1-Year	3-Year	5-Year	10-Year
Equity		62%	42%	60%	96%	66%	61%	72%	87%
Fixed Income		52%	81%	66%	78%	68%	87%	97%	100%
Asset Allocation <sup>5</sup>		77%	76%	76%	81%	N/A	N/A	N/A	N/A
<b>Total</b>		67%	62%	68%	87%	68%	66%	76%	86%

Equal Weighted	% of funds outperforming Morningstar median <sup>3</sup>				% of composites outperforming benchmarks <sup>4</sup>				
	As of 9/30/2024	1-Year	3-Year	5-Year	10-Year	1-Year	3-Year	5-Year	10-Year
Equity		43%	37%	46%	80%	43%	50%	67%	82%
Fixed Income		44%	56%	53%	64%	69%	71%	90%	97%
Asset Allocation <sup>5</sup>		60%	64%	58%	67%	N/A	N/A	N/A	N/A
<b>Total</b>		51%	53%	53%	70%	57%	59%	75%	86%

1 Asset weighted.

2 Includes only funds with ratings assigned by Morningstar; non-rated funds excluded (85 total, 80 are ranked).

3 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.

4 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).

5 Coverage of asset allocation strategies in benchmark-relative composites is minimal and non-informative. Please see Morningstar rankings above for informative asset allocation performance.

# Global Asset Management adds significant value

## ECONOMIC

Asset management delivers strong margins and is capital efficient

	5-year average
<b>Pre-tax Margin</b>	38%
<b>Free capital flow</b> (% of net income)	>100%

We made investments for growth throughout this period, and will continue to invest in the business going forward.

## STRATEGIC

Asset management drives value through other Principal businesses

### Supports U.S. and International asset accumulation distribution

- Engagement by our investment professionals
- Investment thought leadership

### Delivers innovative products and solutions

- Top 10 Target Date manager; #1 largest Hybrid Target Date CIT series manager
- Global products for local market investors, local products for global investors

### General account (GA) management enables competitive pricing in the other businesses

- Real estate, private debt, other strategies provide Principal with a competitive advantage

# Focused on private and specialty public market capabilities

Committed to active management; deep expertise in capabilities with pricing power

## Flagship

- **Real Estate**  
Private Debt, Private Equity, CMBS, REITs, Global Property Securities
- **Quality Domestic Equity**  
Large Cap, Mid Cap, Small Cap, Blue Chip, Equity Income
- **Specialty Income**  
IG Credit, High Yield, Preferred Securities, Securitized Debt, Muni Bonds, Stable Value
- **Asset Allocation Solutions**  
Target Date, Target Risk, Dynamic Outcome

## Scaling today

- **Real Estate**  
European Real Estate, Green Property
- **Global Equity**
- **Emerging Market Equity**
- **Emerging Market Debt**
- **Global Listed Infrastructure**
- **Liability-Driven Investment Solutions**

## Building for the future

- **Real Estate**  
Asian Real Estate, Specialty Sectors
- **Regional Equity & Debt**  
Asian Bonds, China A-Shares, Brazil Strategies, Islamic Strategies
- **Private Debt**  
Expanded Middle-Market Origination, Specialty Debt Markets
- **Asset Allocation Solutions**  
OCIO, Model Portfolios, Managed Accounts, Factor Based Strategies

# Distribution

# U.S. distribution overview

## Affiliated

### PRINCIPAL FINANCIAL NETWORK

- 1,200 advisors
- Sell all products
- Financial Planning Focused

### INVESTMENT-ORIENTED

- Wirehouses
- Regional Broker/Dealers
- Institutional
- Planners
- Consultants
- Advisor Aggregators

## Third party

### INSURANCE-ORIENTED

- Brokerage General Agents
- Independent Marketing Organizations
- Financial Advisors/  
Broker/Dealers

### BANKS

- Banks
- Broker/Dealers
- Marketers

### GLOBAL FIRM RELATIONS

Select 3<sup>rd</sup> party distributors with dedicated support  
**Strengthens relationships and fuels sales growth**

## WHOLESALE CHANNELS

Retirement

Investment  
SolutionsVariable  
Annuities

ESOP

Business  
Solutions

NQDC

Disability  
Insurance

Group Benefits

All supported by **dedicated service teams** providing education, training, counseling and retention.



# Broad and deep distribution

Proprietary provides foundation; 3<sup>rd</sup> party provides accelerated growth

Product Line New Sales	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	Top 3 represent
<b>NQ Life</b>	LIBRA	Bank of America	Gallagher	34%
<b>Life</b>	LIBRA	AIN	AimcoR	71%
<b>Individual Disability</b>	Plus Group	AimcoR	LIBRA	34%
<b>Group Benefits</b>	OneDigital	True Network of Advisors	HUB International	11%
<b>Variable Annuities</b>	Principal Financial Network	Osaic	Cetera	85%
<b>Mutual Funds</b>	Schwab	Fidelity	Wells Fargo	31%
<b>Retirement – New Sales Assets</b>	Creative Planning	UBS Financial	Morgan Stanley	23%
<b>Retirement - New Plan Counts</b>	Edward Jones	Principal Financial Network	LPL Financial	31%

# Appendix

# 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 <sup>1</sup> +/- 10%	Interest rates +/- 100 bps	FX: U.S. dollar <sup>2</sup> +/- 2%	Certain alternative investment valuation <sup>3</sup> +/- 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

<sup>1</sup> Assumes an immediate 10% change in the S&P 500 followed by 2% growth per quarter thereafter. <sup>2</sup> 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. <sup>3</sup> 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.

# 3Q 2024 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	\$(16.7)	\$(29.5)	-	\$(46.2)
Principal International	\$21.1	\$(2.3)	20.2	\$39.0
Specialty Benefits	\$(11.6)	\$(2.0)	-	\$(13.6)
Life Insurance	\$(74.8)	\$(6.0)	\$10.5	\$(70.3)
Corporate	-	\$10.4	-	\$10.4
<b>Total pre-tax impact</b>	<b>\$(82.0)</b>	<b>\$(29.4)</b>	<b>\$30.7</b>	<b>\$(80.7)</b>
<b>Total after-tax impact</b>	<b>\$(68.8)</b>	<b>\$(22.1)</b>	<b>\$23.1</b>	<b>\$(67.8)</b>
<b>EPS impact</b>				<b>~\$(0.29)</b>

# Impacts of 3Q 2024 actuarial assumption review

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

- Minimal impact to free capital flow and run rate earnings
- \$82M impact, or approximately 20 basis points of \$35B actuarial balances
- 65% of impact driven by experience updates, primarily lapse assumptions
- 35% of impact driven by modeling refinements

Line Item	RIS	Principal International	Specialty Benefits	Life Insurance	Total
Premiums and other considerations	\$ -	\$ -	\$ -	\$ -	\$ -
Fees and other revenues	-	-	-	(1.5)	(1.5)
Net investment income	-	21.1	-	-	21.1
Total operating revenues	-	21.1	-	(1.5)	19.6
Benefits, claims and settlement expenses	-	-	(14.2)	1.0	(13.2)
Liability for future policy benefits remeasurement (gain) loss	(3.5)	-	24.7	67.0	88.2
Market risk benefit remeasurement (gain) loss	20.2	-	-	-	20.2
Dividends to policyholders	-	-	-	5.3	5.3
Commissions	-	-	-	-	-
Capitalization of DAC and contract costs	-	-	-	-	-
Amortization of DAC and contract costs	-	-	1.1	-	1.1
Depreciation and amortization	-	-	-	-	-
Interest expense on corporate debt	-	-	-	-	-
Compensation and other	-	-	-	-	-
Total expenses	16.7	-	11.6	73.3	101.6
<b>Non-GAAP pre-tax operating earnings (losses)</b>	<b>\$ (16.7)</b>	<b>\$ 21.1</b>	<b>\$ (11.6)</b>	<b>\$ (74.8)</b>	<b>\$ (82.0)</b>

# Non-GAAP operating earnings

Excluding impacts from actuarial assumption review and other significant variances

3Q24 vs 3Q23 (in millions, except per share data)

	Significant variances			3Q24 excluding significant variances	Significant variances			3Q23 excluding significant variances	3Q24 vs 3Q23 excluding significant variances	
	3Q24 as reported	Actuarial assumption review	Other significant variances <sup>1</sup>		3Q23 as reported	Actuarial assumption review	Other significant variances <sup>2</sup>			
<b>Retirement and Income Solutions</b>	\$ 246.1	\$ (16.7)	\$ (29.5)	\$ 292.3	\$ 304.7	\$ 53.4	\$ (9.0)	\$ 260.3	\$ 32.0	12%
<b>Principal Asset Management</b>										
Principal Global Investors	147.9	-	-	147.9	151.6	-	-	151.6	(3.7)	-2%
Principal International	120.8	21.1	17.9	81.8	70.8	-	(5.1)	75.9	5.9	8%
Total	268.7	21.1	17.9	229.7	222.4	-	(5.1)	227.5	2.2	1%
<b>Benefits and Protection</b>										
Specialty Benefits	101.7	(11.6)	(2.0)	115.3	147.8	16.2	-	131.6	(16.3)	-12%
Life Insurance	(37.3)	(74.8)	4.5	33.0	21.2	(6.4)	(2.0)	29.6	3.4	11%
Total	64.4	(86.4)	2.5	148.3	169.0	9.8	(2.0)	161.2	(12.9)	-8%
Corporate	(79.4)	-	10.4	(89.8)	(114.8)	-	(7.6)	(107.2)	17.4	16%
<b>Non-GAAP pre-tax operating earnings (losses)</b>	<b>\$ 499.8</b>	<b>\$ (82.0)</b>	<b>\$ 1.3</b>	<b>\$ 580.5</b>	<b>\$ 581.3</b>	<b>\$ 63.2</b>	<b>\$ (23.7)</b>	<b>\$ 541.8</b>	<b>\$ 38.7</b>	<b>7%</b>
Income taxes	87.8	(13.2)	0.3	100.7	161.6	68.8	(2.6)	95.4	5.3	6%
<b>Non-GAAP operating earnings (losses)</b>	<b>\$ 412.0</b>	<b>\$ (68.8)</b>	<b>\$ 1.0</b>	<b>\$ 479.8</b>	<b>\$ 419.7</b>	<b>\$ (5.6)</b>	<b>\$ (21.1)</b>	<b>\$ 446.4</b>	<b>\$ 33.4</b>	<b>7%</b>
Net realized capital gains (losses)	7.1	3.7	-	3.4	124.7	(4.2)	-	128.9	(125.5)	N/M
Income (loss) from exited business	(639.1)	(20.6)	-	(618.5)	701.8	0.1	-	701.7	(1,320.2)	N/M
<b>Net income (loss) attributable to Principal Financial Group, Inc.</b>	<b>\$ (220.0)</b>	<b>\$ (85.7)</b>	<b>\$ 1.0</b>	<b>\$ (135.3)</b>	<b>\$ 1,246.2</b>	<b>\$ (9.7)</b>	<b>\$ (21.1)</b>	<b>\$ 1,277.0</b>	<b>\$ (1,412.3)</b>	<b>N/M</b>
<b>Non-GAAP operating earnings per share (EPS)</b>	<b>\$ 1.76</b>	<b>\$ (0.30)</b>	<b>\$ 0.01</b>	<b>\$ 2.05</b>	<b>\$ 1.72</b>	<b>\$ (0.02)</b>	<b>\$ (0.09)</b>	<b>\$ 1.83</b>	<b>\$ 0.22</b>	<b>12%</b>

1 Other significant variances in 3Q24 QTD include 1) lower than expected VII in RIS, Principal International, Specialty Benefits, and Life Insurance; (2) higher than expected VII in Corporate; 3) impact of higher than expected encaje performance and Latin American inflation in Principal International; (4) impact of GAAP-only regulatory closed block adjustment in Life Insurance.

2 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.

# Non-GAAP financial measure reconciliations

	Three months ended (in millions)	
	9/30/24	9/30/23
<b>Principal Global Investors operating revenues less pass-through expenses</b>		
Principal Global Investors operating revenues	\$431.0	\$424.6
Principal Global Investors commissions and other expenses	(32.2)	(30.7)
<b>Principal Global Investors operating revenues less pass-through expenses</b>	<b>\$398.8</b>	<b>\$393.9</b>

	Three months ended (in millions)	
	9/30/24	9/30/23
<b>Principal International combined net revenue (at PFG Share)</b>		
Principal International pre-tax operating earnings	\$120.8	\$70.8
Principal International combined operating expenses other than pass-through commissions (at PFG share)	160.4	168.3
<b>Principal International combined net revenue (at PFG share)</b>	<b>\$281.2</b>	<b>\$239.1</b>

	Three months ended (in millions)	
	9/30/24	9/30/23
<b>Non-GAAP operating earnings (losses)</b>		
Net income attributable to PFG	\$(220.0)	\$1,246.2
Net realized capital (gains) losses, as adjusted	(7.1)	(124.7)
(Income) loss from exited business	639.1	(701.8)
<b>Non-GAAP operating earnings</b>	<b>\$412.0</b>	<b>\$419.7</b>

	Three months ended	
	9/30/24	9/30/23
<b>Diluted earnings per common share</b>		
Net income	\$(0.95)	\$5.10
Net realized capital (gains) losses, as adjusted	(0.03)	(0.51)
(Income) loss from exited business	2.73	(2.87)
Impact of dilutive shares	0.01	-
<b>Non-GAAP operating earnings</b>	<b>\$1.76</b>	<b>\$1.72</b>
<b>Weighted-average diluted common shares outstanding (in millions)</b>	<b>233.8</b>	<b>244.3</b>

	Three months ended (in millions)	
	9/30/24	9/30/23
<b>Income taxes</b>		
Total GAAP income taxes	\$(100.4)	\$354.8
Net realized capital gains (losses) tax adjustments	(7.6)	(34.2)
Income taxes attributable to noncontrolling interest	(0.2)	(0.1)
Income taxes related to equity method investments	26.0	18.5
Income taxes related to exited business	170.0	(177.4)
<b>Income taxes</b>	<b>\$87.8</b>	<b>\$161.6</b>

# Non-GAAP financial measure reconciliations

	Period ended (in millions)
<b>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</b>	<b>9/30/24</b>
Stockholders' equity	\$11,281.4
AOCI, other than foreign currency translation adjustment	2,981.4
Cumulative change in fair value of funds withheld embedded derivative	(1,753.9)
Noncontrolling interest	(44.0)
<b>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</b>	<b>\$12,464.9</b>

	Period ended
<b>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</b>	<b>9/30/24</b>
Net Income ROE available to common stockholders (including AOCI)	-1.9%
Cumulative change in fair value of funds withheld embedded derivative and AOCI, other than foreign currency translation adjustment	0.3%
Net realized capital (gains) losses	1.4%
(Income) loss from exited business	13.1%
<b>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</b>	<b>12.9%</b>



# Sources of Rankings

Business	Market Position	Source
Retirement	#1 Employee stock ownership	Based on number of plans. Source: 2024 PLANSPONSOR Recordkeeping Survey, July 2024.
	#1 Defined benefit	Based on number of plans. Source: PLANSPONSOR Defined Benefit Administration Survey, July 2024.
	#1 Non-qualified deferred compensation	Based on number of plans. Source: 2024 PLANSPONSOR Defined Contribution Plan Recordkeeping Survey, July 2024. Excludes 457 plans.
	#3 401(k) provider	Based on the number of participants, Source: 2024 PLANSPONSOR Recordkeeping Survey, July 2024.
	#4 Pension risk transfer provider	Based on 2023 PRT sales based on assets, LIMRA, U.S. Group Annuity Risk Transfer Survey, Q4 2023.
Asset Management	Top 10 largest manager of target date portfolios	The State of the Target-Date Market: 2023," Sway Research, 2023
	#1 Multi-manager target date provider	
	Top 3 Largest provider of hybrid target date funds	
	#1 Brazil voluntary pension	Fenaprevi, June 2024
	#2 Chile voluntary pension	CMF, June 2024
	#2 Malaysia unit trust	Lipper, August 2024
	#7 Hong Kong mandatory pension	Mercer, June 2024
	#7 Mexico mandatory pension	CONSAR, June 2024
#13 China retail mutual funds	WIND, June 2024	
Benefits & Protection	#1 Disability buy out	Based on participants in the LIMRA Fourth Quarter 2023 Individual Disability Income Insurance Sales. (February 2024) * #3 in non-cancelable individual disability income insurance based on annualized premium.
	#2 Overhead expense disability solutions	
	#1 Disability key person solutions	
	#4 Total individual disability sales*	
	#1 Small-case business life insurance	Based on 2021 corporate-owned life insurance (COLI) and corporate-sponsored individually owned (CSIO) life insurance total premium and case count for case sizes up to \$5 million of total premium per case. Source: 2022 COLI/CSIO survey of participating life insurance carriers, IBIS Associates, Hamilton, VA.
	#1 Corporate-sponsored individually owned life insurance	
	#3 Corporate owned life insurance	
	#1 Group Life	Determined by fully-insured employer groups in-force. Based on participants in LIMRA's Fourth Quarter 2023 U.S. Workplace Benefits Life Insurance, Disability Insurance, Dental and Vision Plans, and Supplemental In-force surveys. (April 2024).
	#2 Total Group Benefits	
	#3 Group Dental	
	# 4 Group Disability	
	#6 Worksite products (accident, critical illness, hospital indemnity)	
#1 Nonqualified deferred compensation	No. 1 provider of nonqualified deferred compensation; 2024 PLANSPONSOR Defined Contribution Plan Recordkeeping Survey (July 2024).	

# Additional Disclosures

## 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

This presentation contains statements that constitute forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements relating to share repurchases and planned dividends, the realization of our growth and business strategies and results from ongoing operations. Forward looking statements are made based upon our current expectations and beliefs concerning future developments and their potential effects on us. Such forward looking statements are not guarantees of future performance and actual results may differ materially from the results anticipated in the forward-looking statements. We describe risks, uncertainties and factors that could cause or contribute to such material differences in our filings with the Securities and Exchange Commission, including in the "Risk Factors" and "Note Concerning Forward-Looking Statements" sections in our annual report on Form 10-K for the year ended Dec. 31, 2023, as updated or supplemented from time to time in subsequent filings. We assume no obligation to update any forward-looking statement for any reason, which speaks as of its date.