

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report: **November 15, 2018**
(Date of earliest event reported)

PRINCIPAL FINANCIAL GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware	1-16725	42-1520346
(State or other jurisdiction of incorporation)	(Commission file number)	(I.R.S. Employer Identification Number)

711 High Street, Des Moines, Iowa 50392
(Address of principal executive offices)

(515) 247-5111
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 Results of Operations and Financial Condition

The slide presentation attached hereto as Exhibit 99, and incorporated herein by reference, will be presented at Principal Financial Group, Inc.'s Investor Day on November 15, 2018, and may be used by the company in various other presentations to investors. The slide presentation is furnished and not filed pursuant to instruction B.2 of Form 8-K.

Item 7.01 Regulation FD Disclosure

The slide presentation attached hereto as Exhibit 99, and incorporated herein by reference, will be presented at Principal Financial Group, Inc.'s Investor Day on November 15, 2018, and may be used by the company in various other presentations to investors. The slide presentation is furnished and not filed pursuant to Instruction B.2 of Form 8-K.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit No.	Description
99	Slide presentation presented at Principal Financial Group, Inc.'s Investor Day on November 15, 2018. The slide presentation is furnished and not filed pursuant to Instruction B.2 of Form 8-K.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PRINCIPAL FINANCIAL GROUP, INC.

By: /s/ John Egan

Name: John Egan

Title: Vice President - Investor Relations

Date: November 15, 2018





2018 Investor Day

November 15, 2018



Welcome

John Egan

Vice President - Investor Relations

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 flows, 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, 2017, and in the company's quarterly report on Form 10-Q for the quarter ended Sep. 30, 2018, 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 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 could differ significantly from its pricing and reserving assumptions; the pattern of amortizing the company's DAC 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 and meet its obligations may be constrained by the limitations on dividends 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; inability to attract and retain qualified employees and sales representatives and develop new distribution sources; an interruption in telecommunication, information technology or other systems, or a failure to maintain the confidentiality, integrity or availability of data residing on such systems; international business risks; fluctuations in foreign currency exchange rates; 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; and loss of key vendor relationships or failure of a vendor to protect information of our customers or employees.

GAAP metrics

Principal Financial Group, Inc.
U.S. GAAP Financial Measures
(in millions, except as indicated)

	Trailing 12 months					
	9/30/2013	9/30/2014	9/30/2015	9/30/2016	9/30/2017	9/30/2018
PFG						
Net income available to common stockholders ¹	\$861.2	\$1,074.1	\$1,226.1	\$1,252.1	\$1,786.6	\$2,151.8
Net income diluted earnings per share	\$2.89	\$3.53	\$4.11	\$4.27	\$6.11	\$7.39
Weighted average common shares outstanding ²	297.7	298.7	298.5	292.8	292.7	290.0
Common stockholders' equity attributable to parent	\$8,736.4	\$9,774.4	\$9,620.3	\$10,794.6	\$11,996.4	\$11,700.8
Preferred stock	0.1	0.1	-	-	-	-
Preferred stock paid-in capital	541.9	541.9	-	-	-	-
Noncontrolling interest	95.0	52.6	65.5	69.2	70.9	67.9
Stockholders' equity	\$9,373.4	\$10,369.0	\$9,685.8	\$10,863.8	\$12,067.3	\$11,768.7
Average common stockholders' equity attributable to parent	\$8,977.6	\$9,255.4	\$9,697.4	\$10,207.5	\$11,395.5	\$11,848.6
Net income ROE available to common stockholders (including AOCI)	9.6%	11.6%	12.6%	12.3%	15.7%	18.2%
PFG						
Trailing 12 months						
	9/30/2013	9/30/2014	9/30/2015	9/30/2016	9/30/2017	9/30/2018
Net income available to common stockholders ¹	\$861.2	\$1,074.1	\$1,226.1	\$1,252.1	\$1,786.6	\$2,151.8
Net realized capital (gains) losses	149.0	2.3	36.3	(173.4)	(520.7)	3.1
Net realized capital (gains) losses after-tax adjustments	(21.6)	97.3	103.1	181.6	181.9	1.8
Other after-tax adjustments	25.6	106.2	(74.2)	2.0	52.0	(524.5)
Non-GAAP operating earnings ³	\$1,014.2	\$1,279.9	\$1,291.3	\$1,262.3	\$1,499.8	\$1,632.2

¹ 9/30/2018 TTM net income available to common stockholders benefited \$568.3 million as a result of U.S. tax reform ; 9/30/2017 TTM net income available to common stockholders benefited \$410.8 million as a result of real estate transactions.

² Weighted average shares outstanding for the nine-months ended.

³ This is a non-GAAP financial measure and is reconciled to GAAP on this page.

GAAP metrics

Principal Financial Group, Inc.
U.S. GAAP Financial Measures
(in millions, except as indicated)

	Trailing 12 months
PFG	09/30/2018
Income (loss) before income taxes	\$1,856.3
Net realized capital (gains) losses	3.1
Net realized capital (gains) losses pre-tax adjustments	50.1
Pre-tax operating (earnings) losses attributable to noncontrolling interest	(12.0)
Income taxes related to equity method investments	61.6
Principal Financial Group Foundation, Inc. contribution	70.0
Pre-tax operating earnings (losses) ¹	\$2,029.1

	Trailing 12 months
PFG	09/30/2018
Income taxes	\$(308.6)
Net realized capital gains (losses) tax adjustments	49.6
Income taxes attributable to noncontrolling interest	(0.2)
Income taxes related to equity method investments	61.6
Other tax adjustments:	
Principal Financial Group Foundation, Inc. contribution	26.2
Tax Cuts and Jobs Act	568.3
Income taxes¹	\$396.9

6 ¹ This is a non-GAAP financial measure and is reconciled to GAAP on this page



GAAP metrics

Principal Financial Group, Inc.
U.S. GAAP Financial Measures
(in millions, except as indicated)

	Trailing 12 months 9/30/2018		
	As reported	Impact of 3Q18 actuarial assumption review	Excluding 3Q18 actuarial assumption review ¹
Segment pre-tax operating earnings (losses)			
RIS-Fee	\$549.0	\$7.7	\$541.3
Principal Global Investors	576.8	-	576.8
Principal International	279.8	(53.5)	333.3
Total Fee	1,405.6	(45.8)	1,451.4
RIS-Spread	362.0	11.5	350.5
Specialty Benefits	277.1	6.2	270.9
Individual Life	169.8	(15.5)	185.3
Total Risk	446.9	(9.3)	456.2
Pre-tax operating earnings (losses) excluding Corporate	2,214.5	(43.6)	\$2,258.1
Corporate	(185.4)	-	(185.4)
Non-GAAP pre-tax operating earnings ²	\$2,029.1	\$(43.6)	\$2,072.7
Income taxes ²	396.9	(22.1)	419.0
Non-GAAP operating earnings ²	\$1,632.2	\$(21.5)	\$1,653.7

¹ This is a non-GAAP financial measure and is reconciled to GAAP on this page.

² This is a non-GAAP financial measure and the "as reported" figures are reconciled to GAAP on the previous slides.

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Use of non-GAAP financial measures

A non-GAAP financial measure is a numerical measure of performance, financial position, or cash flows 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.

Agenda

Time	Topic	Presenter(s)
1:00 pm	Welcome	John Egan
1:05 pm	CEO perspective	Dan Houston
1:35 pm	Panel discussion: Digital and technology	Gary Scholten, Kara Hoogensen, Jerry Patterson, Renee Schaaf, Ellen Shumway
2:40 pm	Break	
2:50 pm	Panel discussion: Business unit opportunities	John Egan, Nora Everett, Amy Friedrich, Pat Halter, Luis Valdés
3:55 pm	Financial update	Deanna Strable
4:15 pm	General Q&A	Dan Houston, Deanna Strable, Nora Everett, Amy Friedrich, Pat Halter, Luis Valdés
4:45 pm	Networking	All presenters



CEO perspective

Dan Houston

Chairman, President & Chief Executive Officer

Principal remains well-positioned to:

Capitalize on key macroeconomic trends

- Era of personal responsibility
- Aging populations and longer life expectancies
- Wealth creation in emerging markets

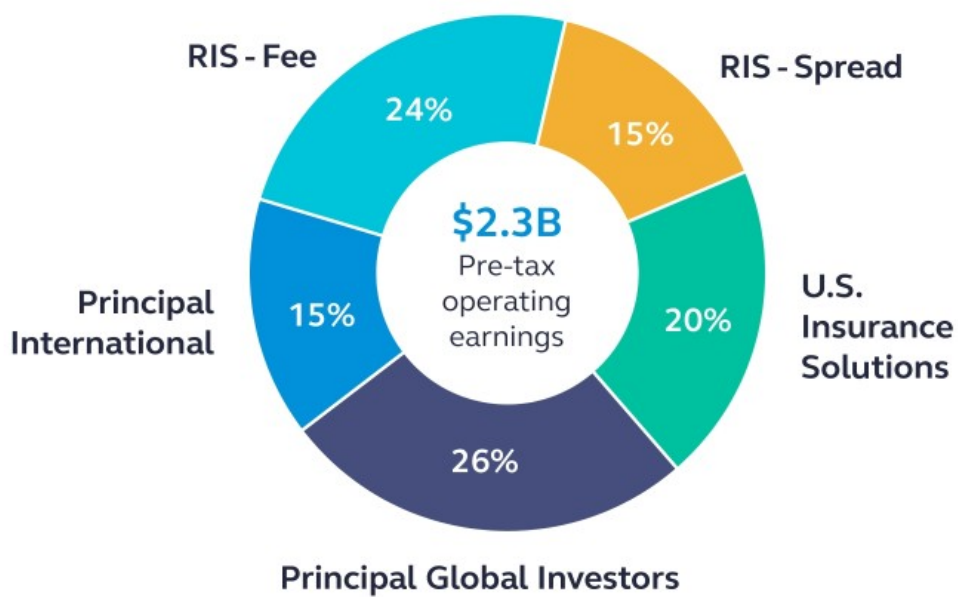
Continue to deliver above market growth

- Retirement and long-term savings in the U.S., Latin America and Asia
- Asset management globally
- Protection in the U.S.

Address key challenges

- Fee pressures
- Demand for low cost investments
- Competitive landscape – at scale and non-traditional competition

Strategic and integrated business mix



- We're in the right businesses
- We're in the right markets
- Integrated business model enhances results

The customer remains at the center of our strategy

Our customers

Individuals

We help people save and invest; and protect against financial risks through insurance and guaranteed income.

Small to Medium Sized Businesses (SMBs)

We help businesses address risks and compete for talent, through insurance, retirement and other employee benefits.

Institutions

We tailor investment solutions to client preferences, risk tolerances and long-term investment objectives.



Our foundation

Customer Focus | Talent Development | Financial Strength | Integrity | Operational Excellence | Capital & Risk Management | Diversity & Inclusion | Social Responsibility

Strong competitive positioning – playing to our strengths

Leading market positions

- Top 40 global asset manager
- Top 5 retirement & group benefits/leading SMB franchise (U.S.)
- #1 pension (Latin America); #4 retail mutual funds (China)
- Top 20 Advisor sold fund family (U.S.)

Strong investment performance

- 89% of funds above median for 5 year performance¹
- 80% of fund level AUM carries 4 or 5 star rating¹
- Best Fund awards in Asia, Europe, Latin America and U.S.

Broad diversification

- By customer type and geography
- By asset class and solution set
- By source of non-GAAP operating earnings:
Fee 64%, Spread 17%, Risk 20%²

¹ As of 9/30/18

² Trailing twelve months ended 9/30/18. Excludes Corporate. Because of rounding, not all percentages add up to 100%.

Sources: Plansponsor Recordkeeping Survey, July, 2018; LIMRA non-med survey, 2017; World's 500 Largest Asset Managers, Willis Towers Watson, Oct. 2018; LatAm ranking based on AUM as of March 2018 among multi-country providers; East Money, June 2018; Strategic Insight Flow Watch Series, Sept. 2018.

Continue to
execute
efficiently and
effectively

Enhancing our solution set

- 100+ new funds launched in 2017 and 2018
- ETF franchise now in top 25
- Internos acquisition

Expanding our distribution network

- More than 160 third party platform placements in 2017 and 2018
- Alibaba/Ant Financial, Tencent, Paytm

Using technology to benefit customers and advisors

- Multiple mobile rollouts in 2017 and 2018
- Digital pension product launch in Brazil
- RobustWealth acquisition

Advancing our brand

- 9 percentage point increase in consumer awareness since 1Q17
- Best employers/best places to work recognition
- Most ethical company recognition

Continue to achieve above industry growth in AUM

5 Year AUM CAGRs (2012-2017)¹



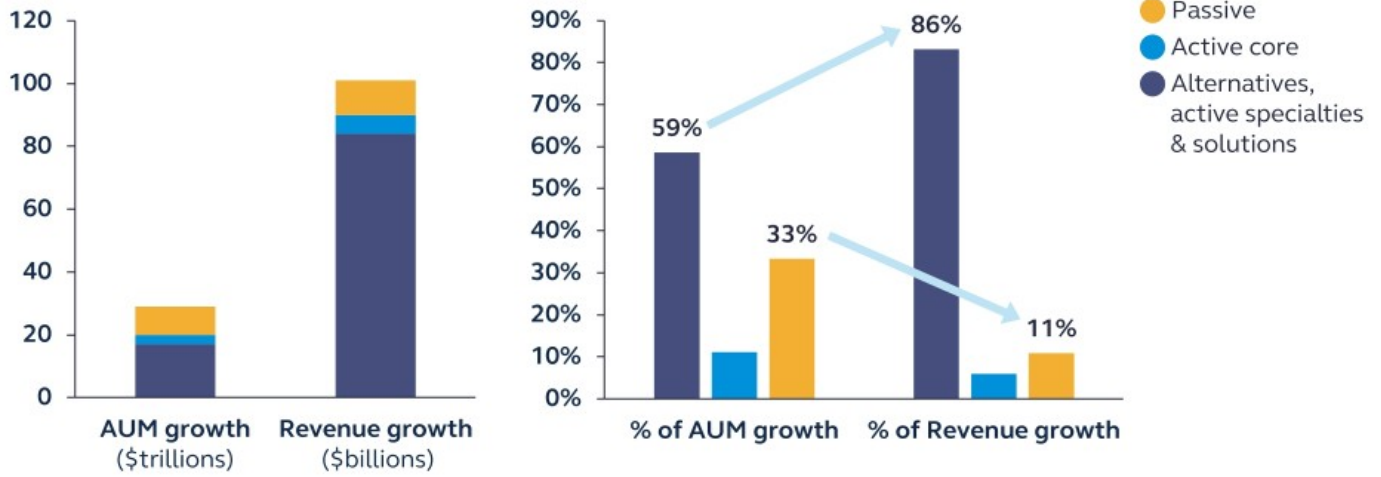
Among top 50:

- 15th fastest growing firm
- 11th largest ranking increase (up 5 spots in 5 years)

Continue to prioritize revenue growth

Alternatives, active specialties and solutions continue to be key drivers

Industry AUM and revenue growth (2017-2022E)



Capitalizing on key trends

Revisiting and capitalizing on key trends

1

Era of personal responsibility

Responsibility for financial security shifting to individuals

2

Aging populations, longer life expectancies

Reinforces importance of retirement readiness, and critical nature of retirement income solutions

3

Emerging market middle class population growth

New wealth creation drives growth opportunity beyond appreciation of existing assets and taking market share

4

Informal employment

Prevalence of informal employment in certain emerging markets coupled with expansion of gig economy creating coverage issues

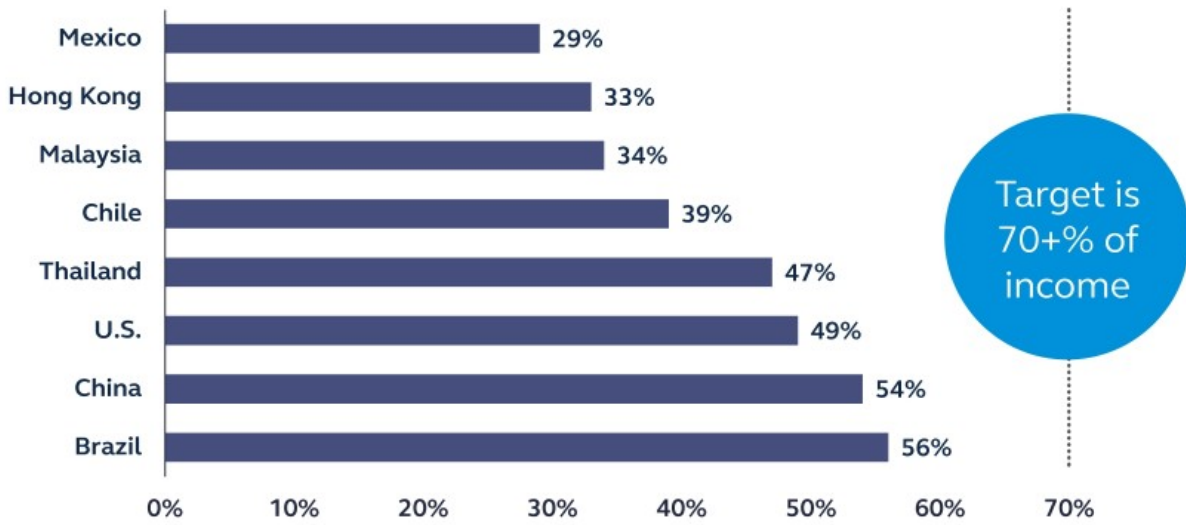
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Innovation and digitization

Changes to how people acquire and pay for goods and services; emergence of non-traditional competitors represents threat; but digitization also creates opportunity for differentiation

1 Era of personal responsibility

Insufficient income replacement spotlights need for long-term savings vehicles



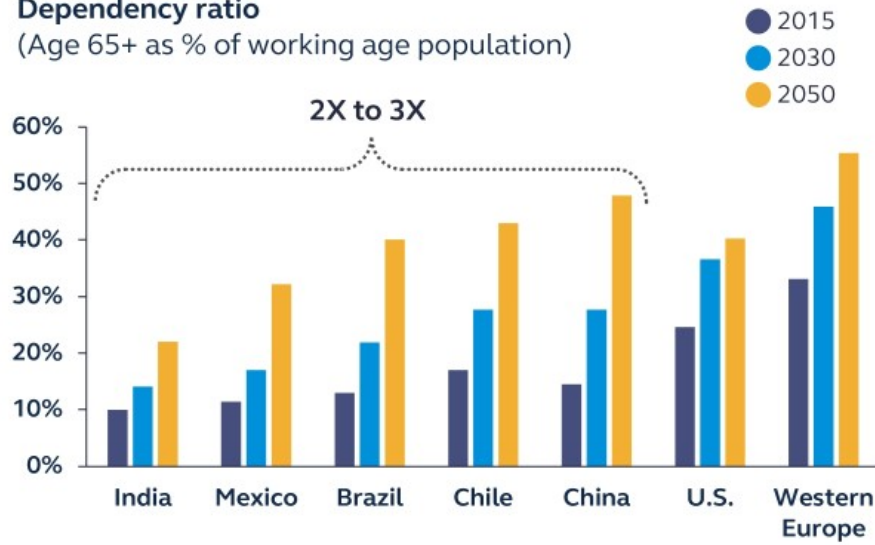
20 Sources: For Brazil, Chile, and Mexico, Pensions at a Glance: Latin America and the Caribbean; for China, Global Aging Institute (GAI) calculations; for Hong Kong, Malaysia, and Thailand, Pensions at a Glance: Asia/Pacific 2013; for U.S., <https://www.oecd.org/unitedstates/PAG2017-USA.pdf>

2 Aging populations, longer life expectancies

Further intensifies need for retirement savings and income solutions

Dependency ratio

(Age 65+ as % of working age population)



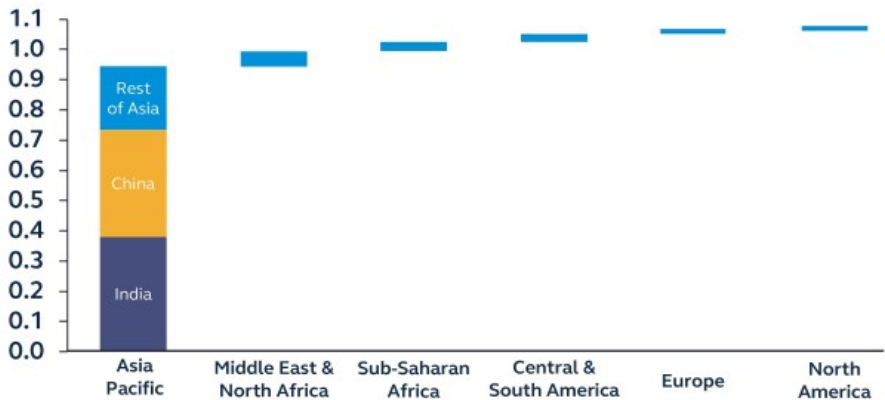
Implications:

- Need for additional voluntary solutions
- Need for greater focus on holistic financial security
- Need to address coverage and income adequacy through plan design and by influencing pension reform

3 Growth of emerging market middle class

Asia-Pacific dominates expansion

Regional contribution to next middle class billion 2015-2022E
(Population in billions)



Implications:

- Resource allocation – Asia Pacific represents nearly 90% of expansion
- Need for solutions and distribution that can address local demand
- Need for accelerated investment in digital solutions

4 Informal employment and gig economy

Presents massive digital sales and advice opportunity

**2 billion people
work informally**

(>60% of world's population)

93% are in emerging and
developing countries

“For hundreds of
millions of workers,
informality means
a lack of access to
finance”

5 Innovation and digitization

Create important levers for growth

71%

believe legacy systems slow development of new products & services

26%

of companies that have embraced digital transformation are more profitable

20+ billion

internet-connected devices in 2020 (up nearly 220% from 2016)

Benefits of AI, data analytics, digital experience technologies and cloud ecosystems:

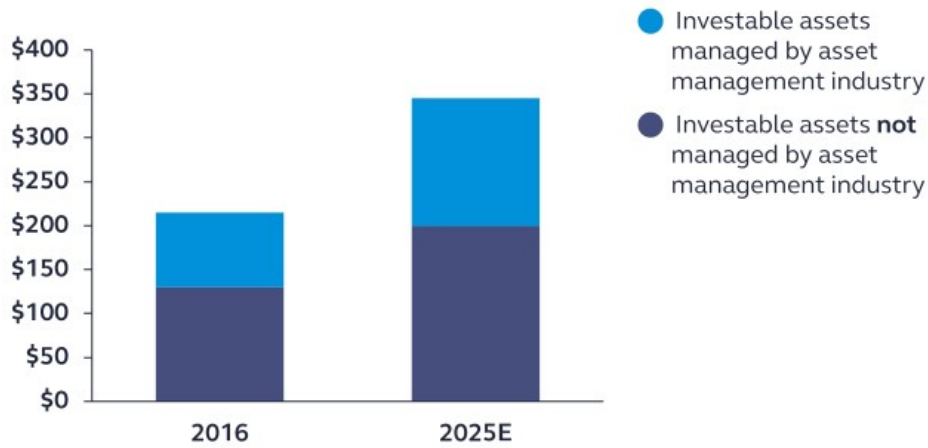
- Better customer insights
- Predictive capabilities
- Improved decision making
- Improved customer experience
- Greater efficiency

Narrowing the focus

A global overview

Significant opportunity for asset management industry overall

Global investable assets
(in USD trillions)

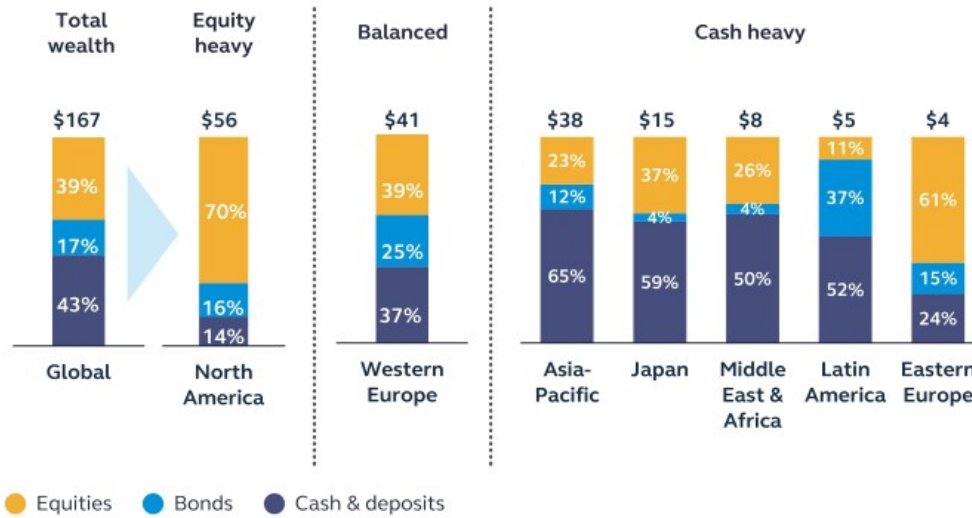


Projections:

- Total global investable assets up **>\$130 trillion** (5.4% CAGR)
- Industry AUM up **>\$60 trillion** (6.2% CAGR)
- Industry penetration increases from **40% to 42%**

A regional overview

Trend toward equities and fixed income enhances opportunity
(\$ in trillions)

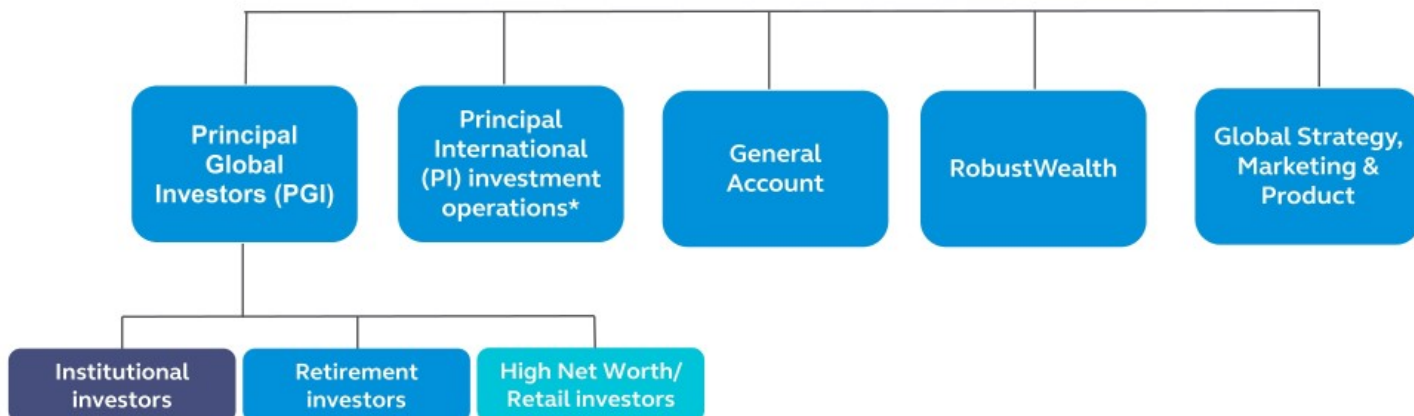


Highlights:

- More mature markets have greater investment in equities and fixed income
- Less mature markets more cash heavy but with additional long-term potential

Global Asset Management

Principal Global Asset Management (GAM)



Where we'll compete

- #1 United States**
 - Total projected AUM growth dwarfs all other opportunities
 - SMB market remains massive opportunity for retirement and group benefits

- #2 China and SE Asia**
 - China to become 2nd largest investment management market by 2030 (Casey Quirk projection)
 - Substantial upward trend in demand for asset management (AM) industry solutions
 - Strong new wealth creation

- #3 Latin America**
 - Strong demand for AM industry solutions (particularly in Brazil and Mexico)
 - Opportunity to achieve leading share across markets
 - Pension reform bodes well for retirement and long-term savings businesses
 - Strong new wealth creation

- #4 Europe**
 - Strong current and expected future demand for AM industry solutions in the institutional and high net worth markets
 - Continued strong demand for active strategies
 - Increasing cross border success in Dublin and Luxembourg

- #5 India (longer-term)**
 - Highest projected growth rate
 - Increasing demand for AM industry solutions
 - Strong new wealth creation

How we'll win



Take market share

- Goal for all businesses
- Competitive pricing
- Delivering better outcomes



Maximize existing block

- Innovative enrollment solutions
- Benefit event asset retention
- Cross-BU collaboration
- Mandatory/voluntary cross-purchase



Make the pie bigger

- New plan formation
- Under-served markets and geographies



Talent/workforce of the future

- Workplace flexibility; linking diversity & business outcomes
- Expanding leadership capabilities; succession preparedness



Technology, data and innovation

- Data analytics for underwriting, propensity to buy, customer segmentation
- Algorithm driven investment strategies
- Online: tools, education, 401k, IRA rollovers, insurance portal

Q&A



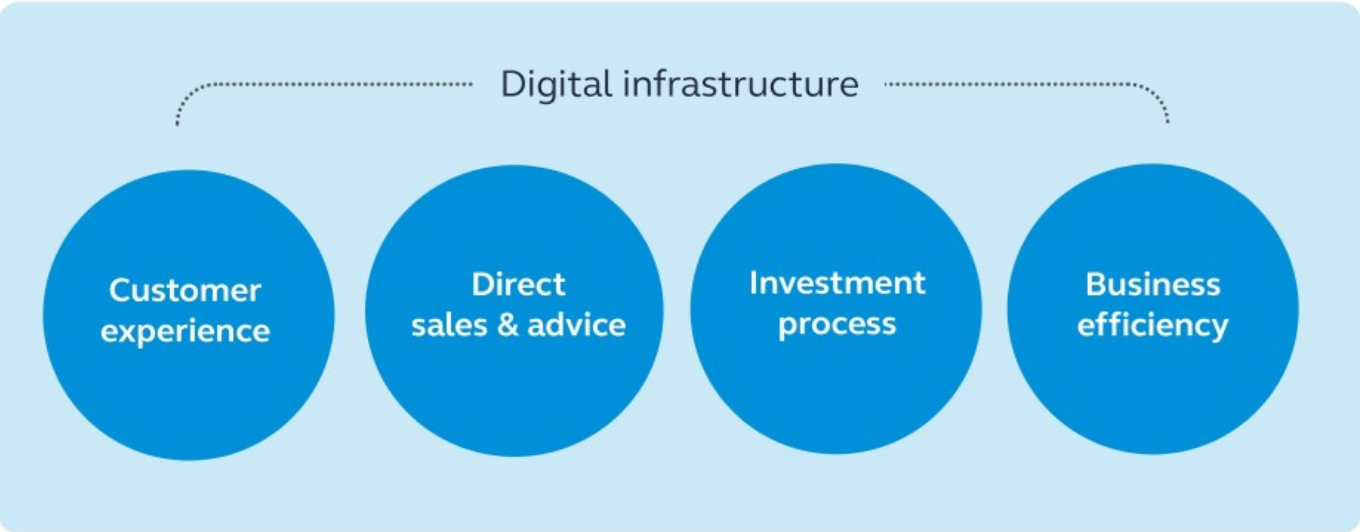
Digital and technology

Panel discussion

Gary Scholten

Chief Information Officer & Chief Digital Officer

Principal digital strategies



On the panel



Kara Hoogensen
Vice President
Group Benefits



Jerry Patterson
Senior Vice President
Retirement & Income Solutions



Renee Schaaf
Senior Vice President & Chief Operating Officer
Principal International



Ellen Shumway
Senior Executive Director - Strategy & Investments
Principal Global Investors



Summary thoughts

- Digital is business strategy driven
- 20%+ IRRs; benefits will emerge two-thirds through revenue growth, one-third through expense efficiencies
- Revenue growth will emerge from:
 - New channels & new customer segments
 - Increased plan participation
 - Reduced lapses
 - Improved traditional distribution performance
- Benefits will start to emerge in 2019, but net digital impact will be at a similar level as 2018
- Proven ability to execute and focused on realizing benefits

Q&A



Kara Hoogensen
Vice President
Group Benefits



Jerry Patterson
Senior Vice President
Retirement & Income Solutions



Renee Schaaf
Senior Vice President & Chief Operating Officer
Principal International



Ellen Shumway
Senior Executive Director - Strategy & Investments
Principal Global Investors

Break



Business unit opportunities

Panel discussion

John Egan

Vice President – Investor Relations

Principal's businesses



On the panel



Nora Everett

President
Retirement & Income Solutions



Pat Halter

President
Principal Global Investors



Luis Valdés

President
Principal International



Amy Friedrich

President
U.S. Insurance Solutions



Summary thoughts

Retirement & Income Solutions

- **Underserved target market** – half of all SMBs don't currently have a retirement plan offering
- **Largest retirement market** – U.S. has almost double the assets of the next nine countries combined
- **Ability to offer guaranteed products** is a differentiator

Principal Global Investors

- **Strong investment performance** provides foundation for growth
- **Niche active management strategies** still very much in demand globally
- **Collaboration** with RIS, PI and USIS provides for unique opportunity set

Principal International

- **Growing opportunity set** – our current footprint covers half the world's population
- **Favorable demographics** – growing demand for retirement and long-term savings products positions us for sustainable growth
- Our **marquee partners** offer us tremendous distribution capabilities

U.S. Insurance Solutions

- **Strategic importance** for Principal with over 90K SMB relationships
- **Specialty Benefits** – focus on the **SMB market** a big differentiator for Principal
- **Individual Life** - more than 50% of our sales focused on **business owner and executive solutions**

Q&A



Nora Everett

President
Retirement & Income Solutions



Pat Halter

President
Principal Global Investors



Luis Valdés

President
Principal International



Amy Friedrich

President
U.S. Insurance Solutions



Financial update

Deanna Strable
Chief Financial Officer

What differentiates Principal?

Proven history of **execution**

Long-term focused growth strategy

10%+ average growth in non-GAAP operating earnings and earnings per diluted share (EPS)¹ over the last 5 years

Investing for the future

Committed to investment for growth through:

- Organic growth
- M&A
- Business capabilities

Strong financial position

At one of our **strongest financial positions** as a public company

Coming from a position of strength

Capital

Over \$2B

Excess and available capital

- Includes capital at Holdco, subsidiaries, and excess above a 420% RBC ratio
- Estimated RBC >450%

Leverage

20%

Low debt-to-capital ratio

- No debt maturities until 2022
- Flexibility exists to increase the leverage ratio for the right opportunity

Profitability

14.5%

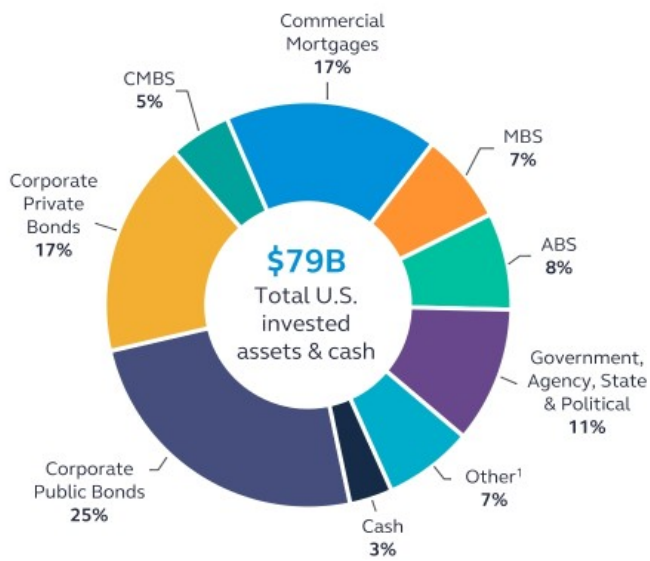
ROE¹

- A proven, diversified business model
- Strong result reflecting business mix and capital position

As of 9/30/2018

¹ Return on equity excluding AOCI, other than foreign currency translation. Excludes the impact of the 3Q 2018 actuarial assumption review. This is a non-GAAP financial measure; see appendix for a reconciliation to the closest GAAP measure.

A diversified high quality portfolio



Fixed Maturities portfolio

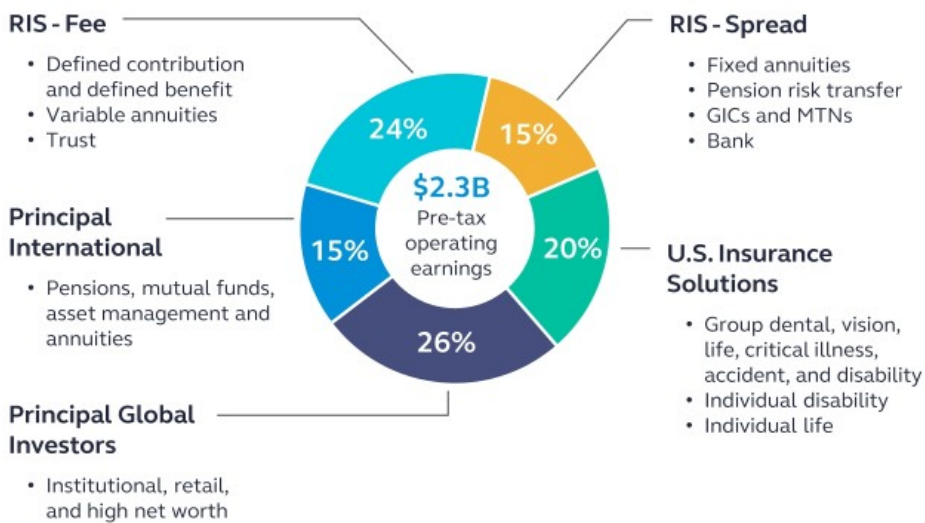
	12/31/2008	9/30/2018
NAIC 1	57%	68%
NAIC 2	38%	28%
NAIC 3 - 6	5%	4%

Commercial Mortgage quality

	12/31/2008	9/30/2018
Bond Equivalent Rating (A and above)	61%	92%
Current loan-to-value	62%	45%
Current debt service coverage	1.7x	2.6x

48 As of 9/30/2018
¹ Other includes Equity Securities, Residential Mortgages, Real Estate, Policy Loans, Investment in Equity Method subs, Direct Finance Leases and Other Investments

Intentional diversification & limited exposure to products with higher risks



Products we've limited or managed our exposure to:

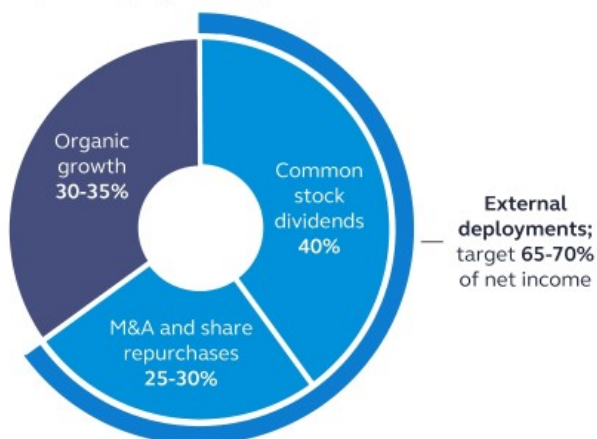
- Long-term care
- Variable annuities
- Products with minimum interest rate guarantees

49 Trailing twelve months as of 9/30/2018; excludes the impact of the 2018 actuarial assumption review; excludes Corporate

Disciplined capital management drives long-term shareholder value

Targeted long-term capital deployment strategy

Capital deployed as a percent of net income



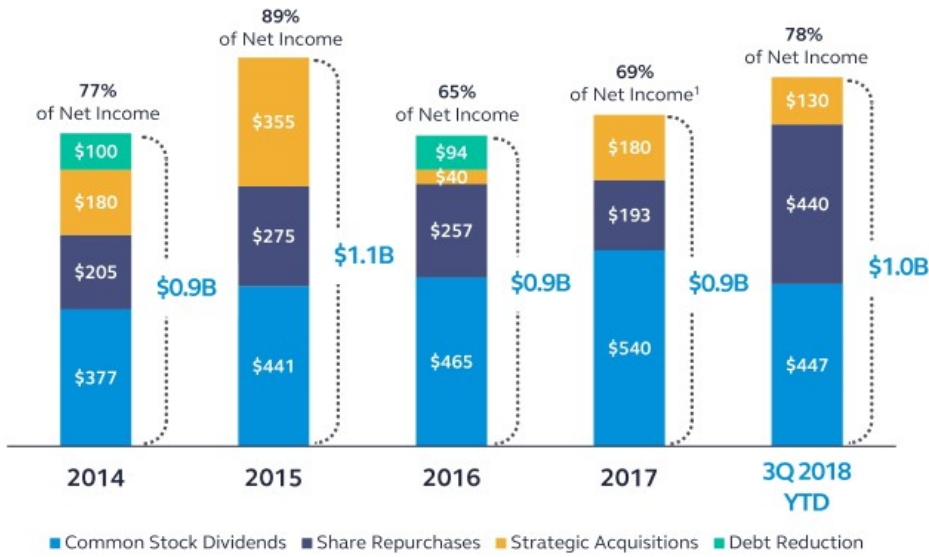
Capital is prioritized:

- Grow the company organically and inorganically
 - Strong growth including PRT and Group Benefits
 - Recent strategic acquisitions include: Mexico Afore, SE Asia JV, Robust Wealth and PrinRE Europe
- Return to shareholders
 - Raised dividend 11 consecutive times
 - Currently ~4% dividend yield

Every capital deployment opportunity is evaluated against a minimum return on our cost of capital

External capital deployments

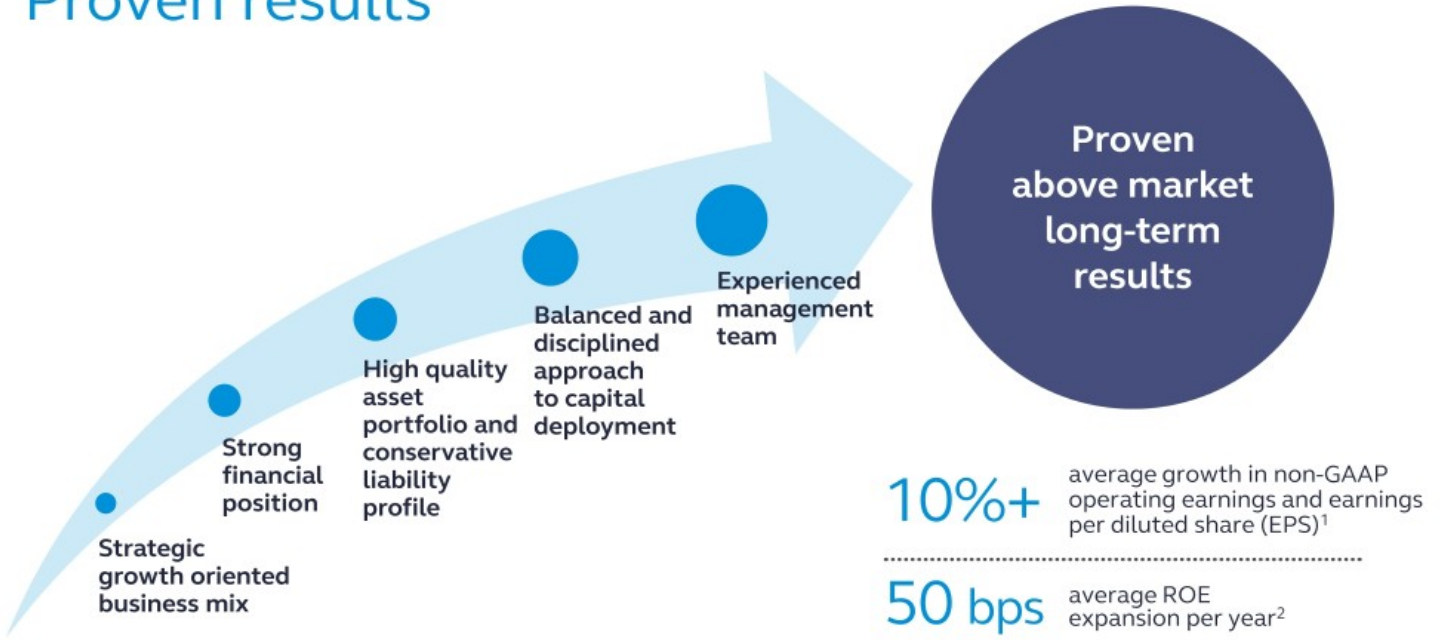
(\$ in millions)



Highlights:

- Over the past 5 years, we've externally deployed nearly **\$5B** of capital
- After prioritizing for organic growth, we expect to deploy **65–70%** of net income per year over the long-term, with fluctuations in any given year

Proven results



¹ CAGR 3Q 2013 - 3Q 2018 on a trailing twelve month basis; excludes the impacts of the 2018 actuarial assumption review
² 5 year average as of 9/30/2018. Return on equity excluding AOCI, other than foreign currency translation. Excludes the impact of the 3Q 2018 actuarial assumption review. This is a non-GAAP financial measure; see appendix for a reconciliation to the closest GAAP measure.

General Q&A

Q&A



Dan Houston
Chairman, President &
Chief Executive Officer



Amy Friedrich
President
U.S. Insurance Solutions



Deanna Strable
Chief Financial Officer



Pat Halter
President
Principal Global Investors



Nora Everett
President
Retirement & Income
Solutions



Luis Valdés
President
Principal International

Thank you

Appendix

Non-GAAP financial measure reconciliations

Principal Financial Group, Inc.
(in millions, except as indicated)

PFG	Trailing 12 months					
	09/30/2013	09/30/2014	09/30/2015	09/30/2016	09/30/2017	09/30/2018
Non-GAAP operating earnings ¹	\$1,014.2	\$1,279.9	\$1,291.3	\$1,262.3	\$1,499.8	\$1,632.2
Actuarial assumption review	-	(39.0)	(31.2)	48.2	42.9	21.5
Non-GAAP operating earnings excluding actuarial assumption review	\$1,014.2	\$1,240.9	\$1,260.1	\$1,310.5	\$1,542.7	\$1,653.7
Average stockholders' equity attributable to parent	\$8,977.6	\$9,255.4	\$9,697.4	\$10,207.5	\$11,395.5	\$11,848.6
Average net unrealized capital (gains) losses	(997.2)	(892.0)	(1,027.8)	(1,260.2)	(1,470.5)	(816.1)
Average net unrecognized postretirement benefit obligation	391.0	296.2	260.2	400.7	410.9	410.7
Average stockholders' equity x-AOCI other than foreign currency translation adjustment	\$8,371.4	\$8,659.6	\$8,929.8	\$9,348.0	\$10,336.0	\$11,443.2
Per diluted share:						
Net income	\$2.89	\$3.53	\$4.11	\$4.27	\$6.11	\$7.39
Net realized capital (gains) losses	0.43	0.34	0.47	0.02	(1.16)	0.01
Other after-tax adjustments	0.09	0.35	(0.25)	0.01	0.17	(1.79)
Adjustment for redeemable noncontrolling interest	-	0.07	-	-	-	-
Non-GAAP operating earnings	\$3.41	\$4.29	\$4.33	\$4.30	\$5.12	\$5.61
Actuarial assumption review	-	(0.13)	(0.10)	0.17	0.14	0.08
Non-GAAP operating earnings excluding actuarial assumption review	\$3.41	\$4.16	\$4.23	\$4.47	\$5.26	\$5.69

57 ¹ This is a non-GAAP financial measure and is reconciled to GAAP on slide 5.



Non-GAAP financial measure reconciliations

Principal Financial Group, Inc.
(in millions, except as indicated)

PFG	Trailing 12 months					
	09/30/2013	09/30/2014	09/30/2015	09/30/2016	09/30/2017	09/30/2018
Net income ROE available to common stockholders (including AOCI)	9.6%	11.6%	12.6%	12.3%	15.7%	18.2%
Net unrealized capital (gains) losses	1.1%	1.2%	1.4%	1.6%	2.2%	1.3%
Net unrecognized postretirement benefit obligation	-0.4%	-0.4%	-0.3%	-0.5%	-0.6%	-0.7%
Net income ROE available to common stockholders (x-AOCI other than FCTA)	10.3%	12.4%	13.7%	13.4%	17.3%	18.8%
Net realized capital (gains) losses	1.5%	1.2%	1.6%	0.1%	-3.3%	0.1%
Other after-tax adjustments	0.3%	1.2%	-0.8%	0.0%	0.5%	-4.6%
Non-GAAP operating earnings ROE (x-AOCI other than FCTA)	12.1%	14.8%	14.5%	13.5%	14.5%	14.3%
Actuarial assumption review	0.0%	-0.5%	-0.3%	0.5%	0.4%	0.2%
Non-GAAP operating earnings ROE (x-AOCI other than FCTA) excluding actuarial assumption review	12.1%	14.3%	14.2%	14.0%	14.9%	14.5%
Stockholders' equity	\$9,373.4	\$10,369.0	\$9,685.8	\$10,863.8	\$12,067.3	\$11,768.7
Net unrealized capital (gains) losses	(695.5)	(1,088.4)	(967.2)	(1,553.1)	(1,387.8)	(244.3)
Net unrecognized postretirement benefit obligation	447.1	145.2	375.2	426.2	395.6	425.8
Noncontrolling interest	(95.0)	(52.6)	(65.5)	(69.2)	(70.9)	(67.9)
Stockholders' equity x-AOCI other than foreign currency translation adjustment	9,030.0	9,373.2	9,028.3	9,667.7	11,004.2	11,882.3
Foreign currency translation adjustment	266.1	563.1	1,116.4	1,035.1	945.2	1,166.1
Stockholders' equity x-AOCI	\$9,296.1	\$9,936.3	\$10,144.7	\$10,702.8	\$11,949.4	\$13,048.4
Preferred stock	(0.1)	(0.1)	-	-	-	-
Preferred stock paid-in capital	(541.9)	(541.9)	-	-	-	-
Stockholders' equity x-AOCI available to common stockholders	\$8,754.1	\$9,394.3	\$10,144.7	\$10,702.8	\$11,949.4	\$13,048.4



Daniel J. Houston

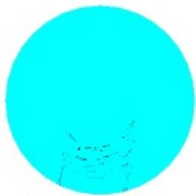
Chairman, President & Chief Executive Officer

Daniel J. Houston is Chairman, President and Chief Executive Officer of Principal Financial Group®. He is responsible for overall management of the company.

Houston joined Principal® in 1984 in Dallas. He has held several management positions, being named Senior Vice President in 2000, Executive Vice President in 2006 and President of Retirement and Income Solutions in 2008. He was named President and Chief Operating Officer in 2014 before assuming his current role in 2015.

Houston is a member of several boards, including Greater Des Moines Partnership, Employee Benefits Research Institute (EBRI), American Council of Life Insurers (ACLI), Iowa State University Business School Dean's Advisory Council, Partnership for a Healthier America (PHA) and Community Foundation of Greater Des Moines.

Houston received his bachelor's degree from Iowa State University in 1984. He has appeared before the U.S. Senate Special Committee on Aging to discuss the importance of educating the workforce about the financial needs in retirement. Houston joined the joint forum of U.S. Senate Committees on Finance and Health, Education, Labor and Pensions to discuss "Private-Sector Retirement Savings Plans: What Does the Future Hold?" He also authored a chapter in "The Upside of Aging" published by John Wiley & Sons in 2014, on the keys to achieving financial security in retirement.



Deanna D. Strable

Executive Vice President & Chief Financial Officer

Deanna Strable is Executive Vice President and Chief Financial Officer with Principal Financial Group®. She plays a central role in driving and managing long-term strategies for innovation-fueled company growth, including responsibility for corporate strategy and capital markets. Strable joined the company in 1990 as an Actuarial Assistant. She held various actuarial and management roles within Principal® and specifically in the Principal's insurance business from 1995 through 2016. Strable was promoted to President U.S. Insurance Solutions in 2015 and Executive Vice President in 2016. Strable's current position was effective February 2017.

In addition to her role within Principal, Strable currently serves as past-chair of the Board of Directors for LIMRA LOMA Global (LL Global, Inc) and is a member of the Board of Directors for Simpson College. She also serves on United Way's USA Board of Trustees after holding various positions for the United Way of Central Iowa.

A native of Iowa, Strable received her bachelor's degree from Northwestern University in Evanston, Illinois. She is a Fellow of the Society of Actuaries and a member of the American Academy of Actuaries.



Gary P. Scholten

Executive Vice President, Chief Information Officer & Chief Digital Officer

Gary P. Scholten is the Executive Vice President, Chief Information Officer and Chief Digital Officer of Principal Financial Group®. He's responsible for overseeing the company's use of Information Technology and driving digital strategy into all aspects of the business. He also leads the company's use of offshore resourcing and oversees sourcing and supplier management.

Scholten joined the company in 1980 as an Assistant Planning Analyst. He held multiple IT positions, was promoted to Senior Vice President and Chief Information Officer in 2002, and to Executive Vice President and Chief Information Officer in 2014. He became Chief Digital Officer in 2017.

Scholten is a fellow of the Life Office Management Institute and is past chair of the LOMA Individual Product Systems Committee. He chairs Principal Global Services, Private Limited, a wholly owned subsidiary of the Principal Financial Group located in Pune, India. Scholten currently serves on two Principal International Chilean Boards: Principal International de Chile S.A. and Principal Asset Management Chile S.A. Scholten has served as the chairman of the board for the Technology Association of Iowa. In 2011, he was appointed to serve on the Iowa Governor's Science, Technology, Engineering and Mathematics (STEM) Advisory Council, and joined the group's executive committee in 2013.

Under Scholten's leadership, Principal® has consistently been ranked in the top half of Computerworld magazine's "100 Best Places to Work in IT," and InformationWeek magazine's "Top 500 Most Innovative Users of Information Technology," ranking as the number one company in 2006. Scholten received the University of Northern Iowa's 2011 Alumni Achievement Award for his overall professional accomplishments.

A native of Larchwood, Iowa, Scholten received his bachelor's degree from the University of Northern Iowa in Cedar Falls.



Nora M. Everett

President, Retirement & Income Solutions

Nora Everett is President of Retirement and Income Solutions (RIS) and chairman of Principal Funds at Principal Financial Group®. She is responsible for U.S. retirement, annuity, broker-dealer and banking businesses at Principal®.

Everett joined Principal® in 1991 as an attorney and was promoted to Senior Vice President and Deputy General Counsel in 2004. She was promoted to Senior Vice President, Retirement and Investor Services and President of Principal Funds in 2008, and CEO of Principal Funds in 2010. Everett was promoted to her current position in 2015. Prior to joining Principal, she practiced law in Washington, D.C.

She earned her bachelor's degree and Phi Beta Kappa honors from Iowa State University and her J.D. degree from William & Mary Law School. Everett serves on several boards, including Principal Funds, Principal International, Principal Asset Management Company (Asia) Limited in Hong Kong, Origin Asset Management, Finisterre Capital, United Way of Central Iowa, Community Foundation of Greater Des Moines and Greater Des Moines Partnership. She also serves on the Investment Company Institute's Board of Governors.



Amy C. Friedrich

President, U.S. Insurance Solutions

Amy C. Friedrich is president of U.S. Insurance Solutions with Principal Financial Group®.

Friedrich joined Principal® in 2000 in a performance improvement role for Corporate Strategic Development. Later, as a Director in that division, she helped define a long-term strategy for the specialty benefits division and in 2004, she moved into that area. Since then, she's held many leadership roles, including second Vice President in 2006 and Vice President of Group Benefits in 2008. She took on oversight of individual disability insurance in 2015 when she was named a Senior Vice President. She assumed her current position in 2017.

Prior to joining the company, she was a Change Management Manager with Accenture.

Friedrich is a native of Van Meter, Iowa and earned her bachelor's degree in mass communication and philosophy from Buena Vista University in Storm Lake, Iowa and her master's in organizational communication from Purdue University in West Lafayette, Ind.



Patrick G. Halter

President & Chief Executive Officer, Principal Global Investors

Patrick G. Halter is the President and Chief Executive Officer for Principal Global Investors, the multi-boutique investment management firm within Principal's Global Asset Management business. Halter is responsible for overseeing the firm's operations, its 15 investment boutiques, and the fund and distribution teams.

Halter joined the company in 1984 in commercial real estate. In 2016, Halter was named Chief Operating Officer of Principal Global Investors, responsible for oversight of primary functions within the firm, including finance, strategic direction, operations, global firm relations, human resources and technology, as well as many of the investment boutiques. Today, he serves on the boards of the firm's 15 investment boutiques, the Principal Mutual Fund Board, and has board responsibilities with various international ventures. Additionally, he has served as Chief Executive Officer for Principal Real Estate Investors, the dedicated real estate unit of Principal Global Investors, since 2003, with responsibility for overall strategy, business development and boutique management.

Halter is past Chairman of the Board of the National Association of Real Estate Investment Managers (NAREIM). He is a member of the Real Estate Roundtable and serves on the REPAC Steering Committee. He is also a member of the Pension and Real Estate Association (PREA), the Association of Foreign Investors in Real Estate (AFIRE) and serves on the Board of the Graaskamp Center for Real Estate at the University of Wisconsin.

Halter earned his bachelor's degree in finance and marketing, and an MBA in finance from the University of Wisconsin.



Luis Valdés

President & Chief Executive Officer, Principal International

Luis Valdés is President and Chief Executive Officer, Principal International. Previously he was President, Principal Financial Group Latin America (2010 – March 2011), supervising operations in Brazil, Chile and Mexico. Valdés also served as Regional Vice President Latin America and Spain, Principal International from 1998 through March 2010. Prior to joining Principal®, Valdés served in several positions as a public servant for the Chilean Government from 1980 through 1991, including his last appointment as Insurance Commissioner for Chile (1989 – 1991).

Valdés has been associated with Principal® since 1995 when he was managing director of BanRenta Compañía de Seguros de Vida in Chile, and Principal signed its first joint venture in that country.

Valdés received his bachelor's degree in physics and math (1980) and his degree of civil industrial engineering from the Universidad de Chile in Santiago (1982). He received his MBA degree from the IESE – Universidad de Navarra in Barcelona, Spain (1988).

Valdés has been an Insurance Market Consultant for the World Bank. He currently serves as Board Chair for BrasilPrev Seguros e Previdência (Brazil). Valdés is also a member of the Executive Committee and the Honors Committee for the International Insurance Society (IIS). He has been a professor of Business Policy and Finance since 1988 at several universities. Valdés also served as a professor in a postgraduate program in Business at the ESE School Business of Universidad Los Andes.



Kara M. Kohler Hoogensen

Vice President, Group Benefits

Kara M. Kohler Hoogensen is a Vice President with Principal Financial Group®. She has responsibility for the Group Benefits business within U.S. Insurance Solutions (USIS). In addition, Kara leads a team of strategists supporting the USIS and Retirement and Income Solutions (RIS) segments.

Kara joined Principal® in 1996 as a Junior Pension Underwriter. She was promoted to Assistant Pension Underwriter in 1998 and to Pension Consultant in 2000. After a year with Merck & Co., Inc. as a Professional Representative, Kara re-joined Principal in May 2001 as a Business Development Consultant. She was promoted to Business Development Officer in 2005 and Director of Business Development in 2006. In January 2007, she moved to the position of Strategy Director in Corporate Strategy. She joined Principal Funds in June 2008 as a Strategy Director. She expanded her responsibilities in February 2009 to assume strategy work for the RIS segment. Kara was named Director - Defined Contribution Investment Only (DCIO) in July 2011 and was promoted to Managing Director - Investment Only in March 2012. In September 2013, Kara also took on responsibilities for investment product development for Principal Funds. She was promoted to Chairman, President and CEO of Principal Bank and Principal Trust Company in June 2014 and became President and CEO of Principal Securities, Inc. in March 2015. From late 2015 through June 2018, she also led a cross-business unit team that navigated the largest regulatory change for the financial services industry since the 1970s (the Department of Labor fiduciary regulation). She assumed her current responsibilities in August 2017.

Kara received her bachelor's degree from Central College in 1996. She has earned her Certified Employee Benefits Specialist (CEBS) designation from the International Foundation of Employee Benefits and Certified Investment Management Analyst (CIMA®) designation. Kara was named to the Des Moines Business Record's "Forty Under Forty" in the spring of 2009 for her professional and civic accomplishments, was selected to attend the inaugural Fortune Most Powerful Women Next Gen Summit in December 2014 and attended the inaugural G100 Women's Leadership Acceleration program in December 2016. She has continued participating in the G100 Women's Leadership Network through June 2018.



Gerald (Jerry) Patterson

Senior Vice President, Retirement & Income Solutions

Jerry Patterson has been a presence in the financial services industry for more than 25 years and has held diverse and senior roles at some of the nation's largest financial institutions. Patterson currently serves as Senior Vice President, Retirement and Income Solutions with the Principal Financial Group® - leading the company's retirement plan businesses. Key focus areas include delivering industry leading retirement plan record-keeping services, driving better retirement outcomes through more effective retirement plan designs, behavior-based education and engagement strategies as well as getting more Americans to understand and embrace the power of guaranteed retirement income and addressing the changing needs of workers across generations.

Patterson is a national speaker and writer on a broad range of topics, including financial and estate planning, behavioral finance, healthcare, wellness, generational trends, and retirement. He has been featured as a resident blogger for the Huffington Post where he focused on financial wellness and overcoming human nature to attain better financial security outcomes.

Patterson is an active participant in several industry and community organizations focused on retirement security and the arts. He is an active board member for the Insured Retirement Institute, Pyramid Theatre Company, Greater Des Moines Public Art Foundation (GDPAF), and Grand View College. Patterson's education and early career centered on accounting and law. He is a member of the Kansas and Missouri bars. Follow Patterson @JerryWPatterson.



Renee Schaaf

Senior Vice President & Chief Operating Officer

Renee Schaaf is Senior Vice President and Chief Operating Officer for Principal International. In that role, she is responsible for global business development, strategy and operations in key emerging markets in Latin America and Asia. Renee collaborates with all Principal International member companies to advance their global pension and long-term savings businesses.

Prior to her current role, Schaaf was the Vice President of Strategic Planning and Business Development for Principal International, where she was responsible for multiple business development disciplines, including: product development, technology, marketing, distribution and customer experience.

In addition to her international work, Schaaf has held several leadership positions in various areas of the Principal Financial Group. Before joining Principal International, she was Vice President - Retirement and Investor Services where she was responsible for the U.S. mid-sized group solutions pension market segment. Product solutions included 401(k) defined contribution plans, defined benefit plans and ESOPs. Renee has considerable knowledge and experience in global pension policy, including voluntary and mandatory pension programs.

Renee earned her bachelor's degree from Iowa State University, Ames, Iowa, and her MBA from Drake University, Des Moines, Iowa. She completed the Global Advanced Management Program from Northwestern University, Kellogg School of Management in 2016.



Ellen Shumway

Senior Executive Director, Strategy & Investments

Ellen Shumway is Senior Executive Director, Strategy and Investments for Principal Global Investors, the asset management arm of Principal Financial Group®.

In this capacity, she oversees two of Principal Global Investor's boutique asset management businesses as well as strategy and global marketing and product development for Principal Global Asset Management. She sits on the Boards of Origin Asset Management, Finisterre Capital, and Robust Wealth.

Ellen joined Principal Global Investors in 2008 from her previous position as Vice President-Corporate Strategic Development for the Principal Financial Group. Her background includes 15 years at McKinsey & Company, Chicago, as a partner and leader in the firm's North American insurance practice. Previously, she was an assistant treasurer at J.P. Morgan & Company, Inc.

Ellen received an MBA from the University of Chicago and a bachelor's degree from Johns Hopkins University.



John Egan

Vice President, Investor Relations

John Egan is Vice President, Investor Relations with the Principal Financial Group®.

Egan joined Principal® in 2010. Prior to joining the company, he most recently served as Vice President, Investor Relations with Assurant Inc., and Vice President and Financial Analyst with Assurant Asset Management.

Egan earned his bachelor's degree in accounting from Manhattan College and his M.B.A. in finance from St. John's University. He serves as a board member of Nippon Life Benefits, Operation Downtown Des Moines and is also a member of the National Investor Relations Institute (NIRI).

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