

# Non-GAAP Financial Measure Reconciliations

## Non-GAAP Financial Measure Reconciliations

(in millions, except as indicated)

	Three Months Ended,					Nine Months Ended,	
	Sep-25	Jun-25	Mar-25	Dec-24	Sep-24	Sep-25	Sep-24
<b>Basic Earnings Per Common Share</b>							
Net income (loss)	\$ 0.96	\$ 1.81	\$ 0.21	\$ 3.97	\$ (0.95)	\$ 2.98	\$ 2.85
(Income) loss from exited business	1.13	0.12	1.12	(2.42)	2.77	2.37	2.09
Net income (loss) excluding exited business	\$ 2.09	\$ 1.93	\$ 1.33	\$ 1.55	\$ 1.82	\$ 5.35	\$ 4.94
Net realized capital (gains) losses	0.04	0.25	0.51	0.42	(0.03)	0.80	0.17
Non-GAAP operating earnings *	\$ 2.13	\$ 2.18	\$ 1.84	\$ 1.97	\$ 1.79	\$ 6.15	\$ 5.11
<b>Diluted Earnings Per Common Share</b>							
Net income (loss)	\$ 0.95	\$ 1.79	\$ 0.21	\$ 3.92	\$ (0.95)	\$ 2.95	\$ 2.81
(Income) loss from exited business	1.11	0.12	1.10	(2.39)	2.73	2.32	2.06
Net income (loss) excluding exited business	\$ 2.06	\$ 1.91	\$ 1.31	\$ 1.53	\$ 1.78	\$ 5.27	\$ 4.87
Net realized capital (gains) losses	0.04	0.25	0.50	0.41	(0.03)	0.80	0.17
Impact of dilutive shares (1)	-	-	-	-	0.01	-	-
Non-GAAP operating earnings *	\$ 2.10	\$ 2.16	\$ 1.81	\$ 1.94	\$ 1.76	\$ 6.07	\$ 5.04

	Period Ended,				Period Ended,		
	Sep-25	Jun-25	Mar-25	Dec-24	Sep-24	Sep-25	Sep-24
<b>Stockholders' Equity x-Cumulative Change in Fair Value of Funds Withheld Embedded Derivative and AOCI Available to Common Stockholders</b>							
Stockholders' equity	\$ 11,717.9	\$ 11,467.3	\$ 11,268.3	\$ 11,131.3	\$ 11,281.4	\$ 11,717.9	\$ 11,281.4
AOCI, other than foreign currency translation adjustment	2,689.4	3,085.5	3,080.2	3,438.9	2,981.4	2,689.4	2,981.4
Cumulative change in fair value of funds withheld embedded derivative	(2,021.6)	(2,231.7)	(2,215.6)	(2,381.3)	(1,753.9)	(2,021.6)	(1,753.9)
Noncontrolling interest	(52.4)	(52.0)	(51.5)	(44.9)	(44.0)	(52.4)	(44.0)
Stockholders' equity, excluding cumulative change in fair value of funds withheld embedded derivative and AOCI, other than foreign currency translation adjustment	12,333.3	12,269.1	12,081.4	12,144.0	12,464.9	12,333.3	12,464.9
Foreign currency translation adjustment	1,617.2	1,627.8	1,705.7	1,785.9	1,603.6	1,617.2	1,603.6
<i>Stockholders' equity excluding cumulative change in fair value of funds withheld embedded derivative and AOCI *</i>	\$ 13,950.5	\$ 13,896.9	\$ 13,787.1	\$ 13,929.9	\$ 14,068.5	\$ 13,950.5	\$ 14,068.5
<b>Book Value Per Common Share x-Cumulative Change in Fair Value of Funds Withheld Embedded Derivative and AOCI</b>							
Book value per common share including AOCI	\$ 52.90	\$ 51.14	\$ 49.85	\$ 49.01	\$ 49.01	\$ 52.90	\$ 49.01
Cumulative change in fair value of funds withheld embedded derivative and AOCI, other than foreign currency translation adjustment	3.03	3.83	3.85	4.68	5.35	3.03	5.35
Book value excluding cumulative change in fair value of funds withheld embedded derivative and AOCI, other than foreign currency translation adjustment	55.93	54.97	53.70	53.69	54.36	55.93	54.36
Foreign currency translation adjustment	7.34	7.29	7.58	7.89	6.99	7.34	6.99
<i>Book value per common share excluding cumulative change in fair value of funds withheld embedded derivative and AOCI *</i>	\$ 63.27	\$ 62.26	\$ 61.28	\$ 61.58	\$ 61.35	\$ 63.27	\$ 61.35

\* This is a non-GAAP financial measure.

(1) When a net loss is reported, our basic weighted-average shares are used to calculate diluted earnings per share, as dilutive shares would have an antidilutive effect and result in a lower loss per share.

## Non-GAAP Financial Measure Reconciliations

(in millions, except as indicated)

	Period Ended,				Period Ended,		
	Sep-25	Jun-25	Mar-25	Dec-24	Sep-24	Sep-25	Sep-24
<b>Non-GAAP Operating Earnings ROE (x-Cumulative Change in Fair Value of Funds Withheld Embedded Derivative and AOCI) Available to Common Stockholders (trailing twelve months)</b>							
Net income ROE available to common stockholders (including AOCI)	13.7%	10.2%	9.7%	14.3%	-1.9%	13.7%	-1.9%
Cumulative change in fair value of funds withheld embedded derivative and AOCI, other than foreign currency translation adjustment	-1.0%	-1.0%	-0.9%	-1.7%	0.3%	-1.0%	0.3%
Net income ROE available to common stockholders (excluding cumulative change in fair value of funds withheld embedded derivative and AOCI, other than foreign currency translation adjustment)	12.7%	9.2%	8.8%	12.6%	-1.6%	12.7%	-1.6%
Net realized capital (gains) losses	2.2%	2.1%	1.9%	1.1%	1.4%	2.2%	1.4%
(Income) loss from exited business	-0.2%	3.0%	2.7%	-0.5%	13.1%	-0.2%	13.1%
Non-GAAP operating earnings ROE (excluding cumulative change in fair value of funds withheld embedded derivative and AOCI, other than foreign currency translation adjustment)	14.7%	14.3%	13.4%	13.2%	12.9%	14.7%	12.9%
Foreign currency translation adjustment	-1.7%	-1.7%	-1.6%	-1.6%	-1.4%	-1.7%	-1.4%
<i>Non-GAAP operating earnings ROE excluding cumulative change in fair value of funds withheld embedded derivative and AOCI available to common stockholders *</i>	13.0%	12.6%	11.8%	11.6%	11.5%	13.0%	11.5%

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	Three Months Ended,				Trailing Twelve Months,		
	Sep-25	Jun-25	Mar-25	Dec-24	Sep-24	Sep-25	Sep-24
<b>Net Investment Income</b>							
Net investment income - U.S. *	\$ 1,081.9	\$ 1,061.7	\$ 1,039.2	\$ 1,000.3	\$ 986.7	\$ 4,183.1	\$ 3,811.4
Net investment income - International *	166.6	157.3	155.7	150.8	194.5	630.4	698.5
Total net investment income *	1,248.5	1,219.0	1,194.9	1,151.1	1,181.2	4,813.5	4,509.9
Income taxes related to equity method investments	(22.5)	(15.9)	(16.6)	(16.9)	(26.0)	(71.9)	(78.9)
Net realized capital gains (losses) related to equity method investments	1.2	(0.2)	4.6	(3.7)	0.3	1.9	(9.0)
Derivative and hedging-related adjustments	(25.7)	(37.3)	(13.2)	(6.4)	17.3	(82.6)	52.0
Market risk benefit derivative settlements	(10.1)	(11.0)	(11.1)	(11.5)	(11.6)	(43.7)	(45.2)
Sponsored investment funds and other adjustments	9.1	8.2	7.1	10.7	6.4	35.1	25.0
Net investment income	\$ 1,200.5	\$ 1,162.8	\$ 1,165.7	\$ 1,123.3	\$ 1,167.6	\$ 4,652.3	\$ 4,453.8
<b>Income Taxes</b>							
Income taxes	\$ 14.5	\$ 69.6	\$ (34.0)	\$ 209.9	\$ (100.4)	\$ 260.0	\$ (186.2)
Net realized capital gains (losses) tax adjustments	2.6	13.4	25.2	18.9	(7.6)	60.1	32.5
Income taxes attributable to noncontrolling interest	(0.3)	(0.3)	(0.2)	-	(0.2)	(0.8)	(0.8)
Income taxes related to equity method investments	22.5	15.9	16.6	16.9	26.0	71.9	78.9
Income taxes related to exited business	66.9	7.0	63.0	(146.9)	170.0	(10.0)	440.6
Income taxes *	\$ 106.2	\$ 105.6	\$ 70.6	\$ 98.8	\$ 87.8	\$ 381.2	\$ 365.0
<b>Non-GAAP Pre-Tax Operating Earnings (Losses) Attributable to Noncontrolling Interest</b>							
Net income attributable to noncontrolling interest	\$ 20.1	\$ 27.3	\$ 14.8	\$ (2.9)	\$ 26.6	\$ 59.3	\$ 62.3
Income taxes attributable to noncontrolling interest	0.3	0.3	0.2	-	0.2	0.8	0.8
Net realized capital gains (losses) attributable to noncontrolling interest, after-tax	(18.2)	(25.7)	(10.8)	3.9	(13.6)	(50.8)	(31.0)
Non-GAAP pre-tax operating earnings (losses) attributable to noncontrolling interest *	\$ 2.2	\$ 1.9	\$ 4.2	\$ 1.0	\$ 13.2	\$ 9.3	\$ 32.1

\* This is a non-GAAP financial measure.

## Non-GAAP Financial Measure Reconciliations

(in millions)

	Three Months Ended,				Sep-24	Trailing Twelve Months,	
	Sep-25	Jun-25	Mar-25	Dec-24		Sep-25	Sep-24
<b>Net Realized Capital Gains (Losses)</b>							
Net realized capital gains (losses)	\$ 85.7	\$ 5.4	\$ (117.1)	\$ (88.6)	\$ 77.4	\$ (114.6)	\$ (51.4)
Market value adjustments to fee revenues	-	-	(0.1)	-	-	(0.1)	1.1
Net realized capital gains (losses) related to equity method investments	1.2	(0.2)	4.6	(3.7)	0.3	1.9	(9.0)
Derivative and hedging-related revenue adjustments	(25.7)	(37.3)	(13.2)	(6.4)	17.3	(82.6)	52.0
Certain variable annuity fees	17.2	16.6	17.0	17.4	17.7	68.2	71.9
Sponsored investment funds and other adjustments	9.1	8.2	7.1	10.7	6.4	35.1	25.0
Total net realized capital gains (losses) revenue adjustments	1.8	(12.7)	15.4	18.0	41.7	22.5	141.0
Capital gains distributed - operating expenses	(41.4)	(8.0)	33.4	(26.4)	(36.7)	(42.4)	(96.4)
Amortization of actuarial balances	(4.3)	(3.1)	(1.9)	(1.2)	(0.3)	(10.5)	(0.6)
Derivative and hedging-related expense adjustments	(3.4)	4.4	0.5	(0.7)	(2.6)	0.8	(1.9)
Market value adjustments of embedded derivatives	(0.1)	4.3	(22.0)	(9.0)	(5.6)	(26.8)	(13.0)
Market value adjustments of market risk benefits	(13.2)	(23.5)	(43.9)	1.7	(40.8)	(78.9)	(75.9)
Capital gains distributed - cost of interest credited	(17.6)	(11.5)	6.1	(11.2)	(4.8)	(34.2)	(85.4)
Total net realized capital gains (losses) expense adjustments	(80.0)	(37.4)	(27.8)	(46.8)	(90.8)	(192.0)	(273.2)
Total net realized capital gains (losses) pre-tax adjustments	(78.2)	(50.1)	(12.4)	(28.8)	(49.1)	(169.5)	(132.2)
Net realized capital gains (losses) tax adjustments	2.6	13.4	25.2	18.9	(7.6)	60.1	32.5
Net realized capital gains (losses) attributable to noncontrolling interest, after-tax	(18.2)	(25.7)	(10.8)	3.9	(13.6)	(50.8)	(31.0)
Total net realized capital gains (losses) after-tax adjustments	(93.8)	(62.4)	2.0	(6.0)	(70.3)	(160.2)	(130.7)
Total net realized capital gains (losses) *	\$ (8.1)	\$ (57.0)	\$ (115.1)	\$ (94.6)	\$ 7.1	\$ (274.8)	\$ (182.1)
<b>Income (Loss) from Exited Business</b>							
Pre-tax impacts of exited business:							
Amortization of reinsurance gains (losses)	\$ (18.3)	\$ (20.4)	\$ (26.4)	\$ (115.6)	\$ (46.4)	\$ (180.7)	\$ (492.2)
Other impacts of exited business	(34.3)	(36.7)	(106.2)	38.3	(25.3)	(138.9)	69.1
Net realized capital gains (losses) on funds withheld assets	(0.2)	3.7	28.0	(18.2)	39.4	13.3	151.1
Change in fair value of funds withheld embedded derivative	(265.9)	20.3	(209.7)	794.3	(776.8)	339.0	(1,825.5)
Tax impacts of exited business	66.9	7.0	63.0	(146.9)	170.0	(10.0)	440.6
Income (loss) from exited business *	\$ (251.8)	\$ (26.1)	\$ (251.3)	\$ 551.9	\$ (639.1)	\$ 22.7	\$ (1,656.9)

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**Non-GAAP Financial Measure Reconciliations**

(in millions)

	Sep-25	Jun-25	Trailing Twelve Months,		Sep-24	Dec-23
			Mar-25	Dec-24		
<b>Investment Management Operating Revenues Less Pass-Through Expenses</b>						
Investment Management operating revenues	\$ 1,879.4	\$ 1,861.9	\$ 1,838.9	\$ 1,820.7	\$ 1,779.2	\$ 1,749.6
Investment Management commissions and other expenses	(154.7)	(153.4)	(152.9)	(152.1)	(148.4)	(143.3)
Investment Management operating revenues less pass-through expenses *	\$ 1,724.7	\$ 1,708.5	\$ 1,686.0	\$ 1,668.6	\$ 1,630.8	\$ 1,606.3

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## Non-GAAP Financial Measure Reconciliations

(in millions, except as indicated)

	Three Months Ended,					Trailing Twelve Months,	
	Sep-25	Jun-25	Mar-25	Dec-24	Sep-24	Sep-25	Sep-24
<b>Impacts of Significant Variances to Non-GAAP Operating Earnings (Losses)</b>							
Non-GAAP operating earnings (losses)	\$ 473.7	\$ 489.3	\$ 414.5	\$ 448.1	\$ 412.0	\$ 1,825.6	\$ 1,632.9
Impacts of significant variances	(49.6)	20.7	(24.7)	(36.5)	(67.8)	(90.1)	(117.5)
Non-GAAP operating earnings (losses), excluding significant variances	\$ 523.3	\$ 468.6	\$ 439.2	\$ 484.6	\$ 479.8	\$ 1,915.7	\$ 1,750.4
	Three Months Ended,					Nine Months Ended,	
	Sep-25	Jun-25	Mar-25	Dec-24	Sep-24	Sep-25	Sep-24
<b>Impacts of Significant Variances to Diluted Earnings Per Common Share</b>							
Non-GAAP operating earnings (losses)	\$ 2.10	\$ 2.16	\$ 1.81	\$ 1.94	\$ 1.76	\$ 6.07	\$ 5.04
Impacts of significant variances	(0.22)	0.09	(0.11)	(0.16)	(0.29)	(0.24)	(0.52)
Non-GAAP operating earnings (losses), excluding significant variances	\$ 2.32	\$ 2.07	\$ 1.92	\$ 2.10	\$ 2.05	\$ 6.31	\$ 5.56
Weighted average common shares outstanding (in millions)	225.2	226.5	228.8	231.2	233.8	226.8	236.6
	Period Ended,					Period Ended,	
	Sep-25	Jun-25	Mar-25	Dec-24	Sep-24	Sep-25	Sep-24
<b>Impacts of Significant Variances to Non-GAAP Operating Earnings (Losses)</b>							
Non-GAAP operating earnings ROE (excluding cumulative change in fair value of funds withheld embedded derivative and AOCI, other than foreign currency translation adjustment)	14.7%	14.3%	13.4%	13.2%	12.9%	14.7%	12.9%
Impacts of significant variances	-0.7%	-0.9%	-1.3%	-1.3%	-0.9%	-0.7%	-0.9%
Non-GAAP operating earnings ROE (excluding cumulative change in fair value of funds withheld embedded derivative and AOCI, other than foreign currency translation adjustment), excluding significant variances	15.5%	15.2%	14.7%	14.5%	13.9%	15.5%	13.9%
	Period Ended,					Period Ended,	
	Sep-25	Jun-25	Mar-25	Dec-24	Sep-24	Sep-25	Sep-24
Average Stockholders' equity, excluding cumulative change in fair value of funds withheld embedded derivative and AOCI, other than foreign currency translation adjustment	\$ 12,399.1	\$ 12,327.1	\$ 12,361.1	\$ 12,439.7	\$ 12,609.6	\$ 12,399.1	\$ 12,609.6
	Three Months Ended,					Trailing Twelve Months,	
	Sep-25	Jun-25	Mar-25	Dec-24	Sep-24	Sep-25	Sep-24
<b>Summary of Impacts from Significant Variances</b>							
Actuarial assumption review	\$ (67.1)	\$ -	\$ -	\$ -	\$ (82.0)	\$ (67.1)	\$ (82.0)
Variable investment income	(27.1)	(24.5)	(35.0)	(35.3)	(29.4)	(121.9)	(103.8)
Other	34.1	48.6	4.7	(10.0)	30.7	77.4	38.0
Non-GAAP pre-tax operating earnings (losses)	(60.1)	24.1	(30.3)	(45.3)	(80.7)	(111.6)	(147.8)
Income taxes	(10.5)	3.4	(5.6)	(8.8)	(12.9)	(21.5)	(30.3)
Non-GAAP operating earnings (losses)	(49.6)	20.7	(24.7)	(36.5)	(67.8)	(90.1)	(117.5)
Net realized capital gains (losses) after-tax adjustments	(0.2)	-	-	-	3.7	(0.2)	3.7
(Income) loss from exited business	(6.1)	-	-	-	(20.6)	(6.1)	(20.6)
Net income (loss) attributable to Principal Financial Group, Inc.	\$ (55.9)	\$ 20.7	\$ (24.7)	\$ (36.5)	\$ (84.7)	\$ (96.4)	\$ (134.4)

## Non-GAAP Financial Measure Reconciliations

(in millions, except as indicated)

	Sep-25	Three Months Ended,			Sep-24	Trailing Twelve Months,	
		Jun-25	Mar-25	Dec-24		Sep-25	Sep-24
<b>Impacts of Significant Variances to Specialty Benefits Loss Ratios</b>							
<i>Group dental</i>							
Incurring loss ratio	70.4%	74.6%	71.6%	67.9%	71.4%	71.1%	70.6%
Impact of significant variances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Incurring loss ratio, excluding significant variances	70.4%	74.6%	71.6%	67.9%	71.4%	71.1%	70.6%
<i>Group life</i>							
Incurring loss ratio	50.5%	50.2%	57.9%	48.0%	54.7%	51.7%	57.2%
Impact of significant variances	1.5%	0.0%	0.0%	0.0%	-2.8%	0.4%	-0.8%
Incurring loss ratio, excluding significant variances	49.0%	50.2%	57.9%	48.0%	57.5%	51.3%	58.0%
<i>Group disability</i>							
Incurring loss ratio	45.3%	50.0%	51.0%	52.8%	48.8%	49.7%	54.5%
Impact of significant variances	-3.5%	0.0%	0.0%	0.0%	-5.3%	-0.9%	-1.3%
Incurring loss ratio, excluding significant variances	48.8%	50.0%	51.0%	52.8%	54.1%	50.6%	55.8%
<i>Supplemental health products</i>							
Incurring loss ratio	49.3%	49.0%	47.2%	46.4%	47.3%	48.0%	44.9%
Impact of significant variances	0.2%	0.0%	0.0%	0.0%	0.5%	0.1%	0.1%
Incurring loss ratio, excluding significant variances	49.1%	49.0%	47.2%	46.4%	46.8%	47.9%	44.8%
<i>Individual disability</i>							
Incurring loss ratio	51.4%	59.6%	59.9%	51.2%	79.2%	55.5%	64.5%
Impact of significant variances	-7.5%	0.0%	0.0%	-7.6%	18.0%	-3.8%	4.7%
Incurring loss ratio, excluding significant variances	58.9%	59.6%	59.9%	58.8%	61.2%	59.3%	59.8%
<b>Total Specialty Benefits</b>							
Incurring loss ratio	56.4%	60.2%	60.7%	56.5%	62.7%	58.5%	61.6%
Impact of significant variances	-1.7%	0.0%	0.0%	-1.2%	1.2%	-0.7%	0.3%
Incurring loss ratio, excluding significant variances	58.1%	60.2%	60.7%	57.7%	61.5%	59.2%	61.3%

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