Principal®

First Quarter 2023 Earnings Call Presentation

PRINCIPAL FINANCIAL GROUP

April 27, 2023

RETIREMENT ASSET MANAGEMENT BENEFITS & PROTECTION

1Q 2023 key takeaways

Earnings	• Strong first quarter results in line with our expectations, reflecting 1Q seasonality • Remain confident in 2023 outlook; benefitting from strong execution and 1Q market tailwinds
Growth	• Strength and resilience of our small to mid-sized customers across US businesses and recovery in emerging markets contributed to top-line growth • Diversified business mix generated positive net cash flow
Balance Sheet	• High quality investment portfolio, including real estate, is well positioned for a variety of economic conditions • Investments aligned with our liability profile
Capital	• Strong capital position; remain focused on deploying capital to attractive organic opportunities and to shareholders • Expect free capital flow conversion to increase throughout the year; full year target 75-85%

Principal®

1Q 2023 financial highlights

1Q 2023 OPERATING EARNINGS AND EPS

Reported non-GAAP operating earnings[1]
$367M
(-8% vs. 1Q 2022)

Reported non-GAAP operating earnings per diluted share[1] (EPS)
$1.48
(-2% vs. 1Q 2022)

Impact of significant variances to non-GAAP operating earnings[2]
$29M after-tax
($33M pre-tax)

Impact of significant variances to non-GAAP EPS[2]
$0.12

Non-GAAP operating earnings, excluding significant variances (xSV)
$395M
(-10% vs. 1Q 2022)

Non-GAAP EPS, xSV
$1.60
(-4% vs. 1Q 2022)

RETURN ON EQUITY[6]

12.9%
(13.2% xSV)

CAPITAL & LIQUIDITY

Excess and available capital[3]
$1.8B
$1.5B at Hold Co
$290M excess subsidiary capital
$30M in excess of 400% RBC

Debt to capital ratio[4]
25.1%
(22.2% proforma)[5]

Estimated PLIC RBC ratio
~402%

CAPITAL RETURNED

$306M
$156M of common stock dividends
$150M of share repurchases

Announced 2Q 2023 common stock dividend
$0.64

AUM & NCF

Total company AUM managed by PFG
$660B

Total company net cash flow
+$0.6B

1 This is a non-GAAP financial measure; see reconciliation in appendix. 2 See slide 17 for details. 3 Includes $700M of proceeds from debt issuance earmarked for debt maturity and redemption in 2Q23. 4 This is a non-GAAP financial measure. Debt to capital ratio excludes cumulative change in fair value of funds withheld embedded derivative and AOCI. 5 Excludes $700M of proceeds from debt issuance earmarked for debt maturity and redemption in 2Q23. 6 Non-GAAP return on equity, excluding cumulative change in fair value of funds withheld embedded derivative and AOCI, other than foreign currency translation adjustment.

Principal®

Investment performance

% of funds outperforming Morningstar median[1,2]

As of 3/31/2023	1-Year	3-Year	5-Year	10-Year
Equity	45%	44%	62%	88%
Fixed Income	50%	60%	79%	73%
Asset Allocation	40%	66%	74%	74%
Total	44%	57%	71%	79%

% of composites outperforming benchmarks[1,3]

As of 3/31/2023	1-Year	3-Year	5-Year	10-Year
Equity	56%	56%	65%	89%
Fixed Income	60%	78%	90%	98%
Asset Allocation	24%	67%	41%	64%
Total	54%	66%	72%	90%

ASSET WEIGHTED[4]

49%

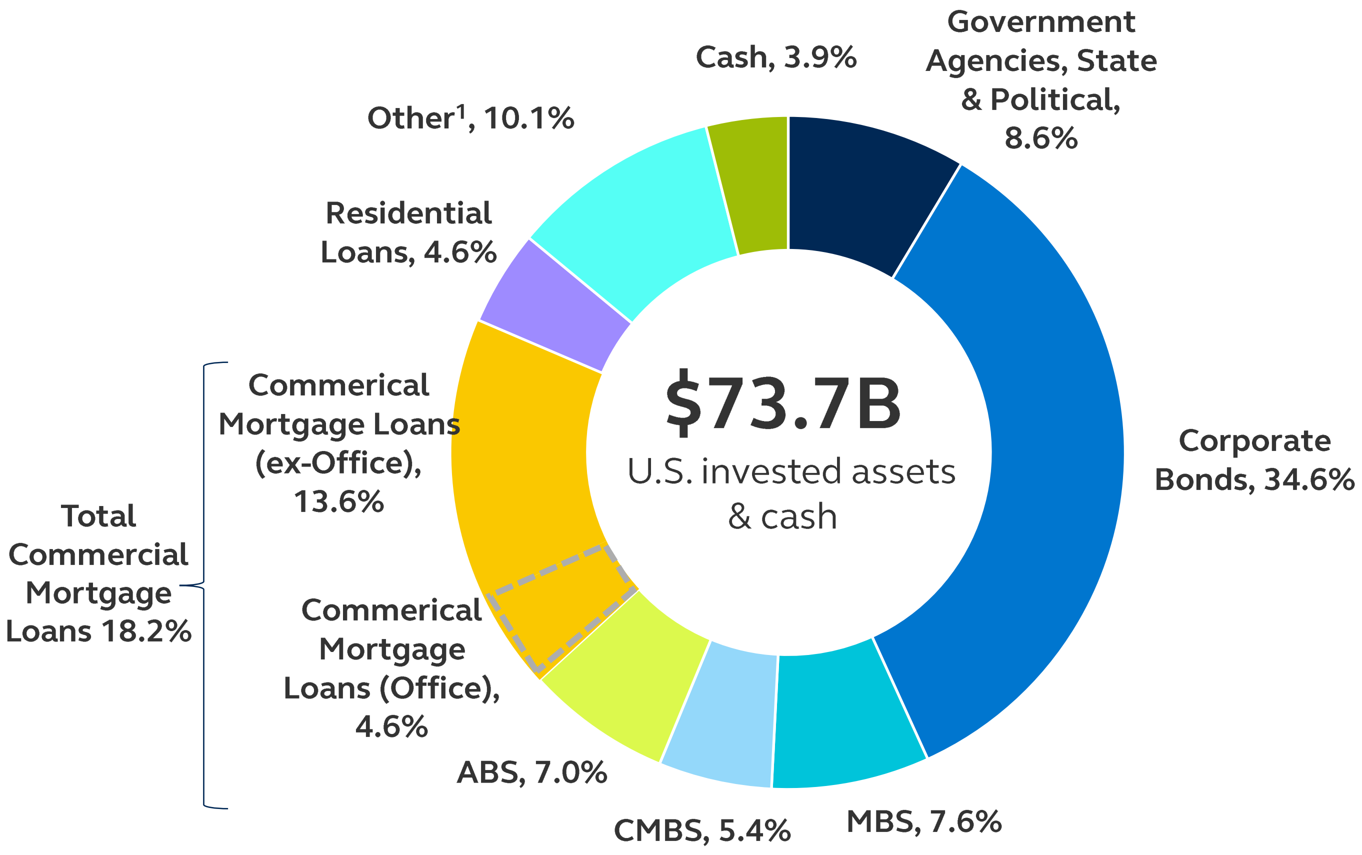
of rated fund AUM has a 4 or 5 star rating from Morningstar

Private real estate continues to deliver strong absolute 3-, 5-, and 10-year returns
(not reflected in funds relative investment performance)

1 Equal weighted.
2 Percentage of Principal actively managed mutual funds, exchange traded funds (ETFs), insurance separate accounts, and collective investment trusts (CITs) in the top two Morningstar quartiles. Excludes Money Market, Stable Value, Liability Driven Investment (Short, Intermediate and Extended Duration), Hedge Fund Separate Account, & U.S. Property Separate Account.
3 Composite returns are calculated on a gross basis. All composites compared to official GIPS composite benchmark. Excludes passive composites and doesn’t include certain strategies or mandates for which GIPS composites are not calculated (e.g., Lifetime/Target Date strategies). Lifetime/Target Date funds are covered under separate peer-relative calculations. “Total” percentages include equities, fixed income and other asset classes and mandates with GIPS composites (e.g., asset allocation).
4 Includes only funds with ratings assigned by Morningstar; non-rated funds excluded (90 total, 81 are ranked).

High quality and diversified investment portfolio

U.S. invested assets and cash; excluding funds withheld, as of March 31, 2023



High quality and diversified investment portfolio that is well aligned with our liability profile

- Intentional improvement of credit quality in fixed maturity and commercial real estate portfolios since the global financial crisis
- Commercial mortgage loan portfolio has average loan-to-value (LTV) of 46% and average debt service coverage (DSC) ratio of 2.5x; reflects recently updated property valuations
  - **Office:** average LTV 52% and DSC 2.5x; valuations down 22% from peak valuation
- Diverse and manageable exposure to other alternatives and high-risk sectors

Slides 11-15 provide detail on commercial real estate and office exposure

1 Other includes equity securities, equity real estate, policy loans and other investments.

Principal®

Retirement and Income Solutions

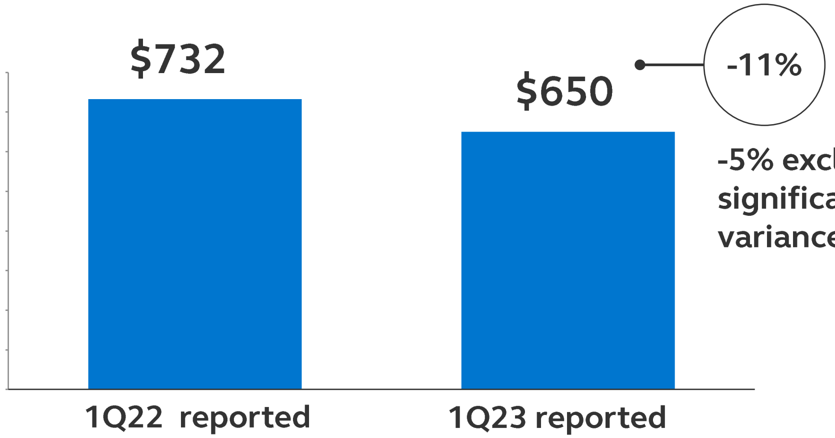
HIGHLIGHTS

- Pre-tax operating earnings excluding significant variances[1] decreased slightly due to lower net revenue partially offset by lower operating expenses
- Net revenue excluding significant variances[2] decreased due to lower fee revenue driven by lower average account values from market depreciation and impacts from the 2022 reinsurance transaction
- Strong 1Q23 PRT sales of $0.6B

	Reported pre-tax operating earnings ($M)	**Significant variances**[1] ($M)	**Pre-tax operating earnings ex significant variances** ($M)
1Q23	$249.8	+$13.0	**$262.8**
1Q22	$294.2	-$28.4	**$265.8**
Change	**-$44.4 (-15%)**		**-$3.0 (-1%)**

Net revenue ($M)

Quarterly basis



-5% excluding significant variances[2]

Trailing twelve month basis[4]

-6% change in net revenue

37% operating margin[3]

1 Impact of lower than expected VII and mortality experience true-ups in 1Q23; Impact of higher than expected VII, COVID-19 related claims and IRT integration costs in 1Q22.
2 Impact of lower than expected VII in 1Q23; Impact of higher than expected VII and COVID-19 related claims in 1Q22.
3 Pre-tax operating earnings divided by net revenue.
4 Excludes impacts of actuarial assumption reviews and other significant variances.

Principal Global Investors (PGI)

HIGHLIGHTS

- Pre-tax operating earnings decreased primarily due to lower management fees from a decrease in average AUM
- Management fee rate remained stable at 29 basis points
- PGI managed AUM of $479B and sourced AUM of $246B; positive managed net cash flow $0.4B

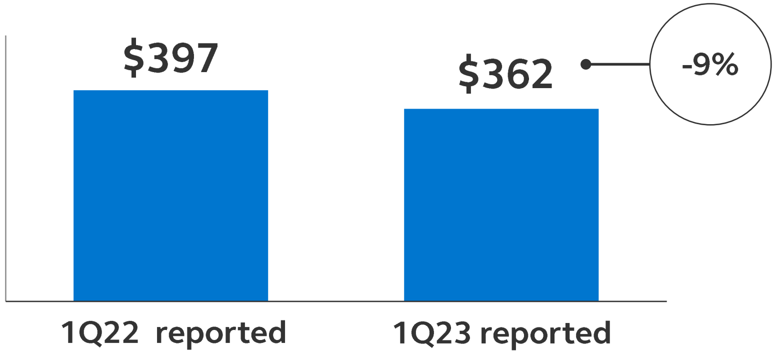
OTHER CONSIDERATIONS

- Seasonally higher expenses of approximately $20M

	Reported pre-tax operating earnings ($M)
1Q23	$109.1
1Q22	$143.4
Change	-$34.3 (-24%)

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

Quarterly basis



Trailing twelve month basis

-9%
change in operating revenues less pass-through expenses

37%
operating margin[2]

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

Principal®

Principal International

HIGHLIGHTS

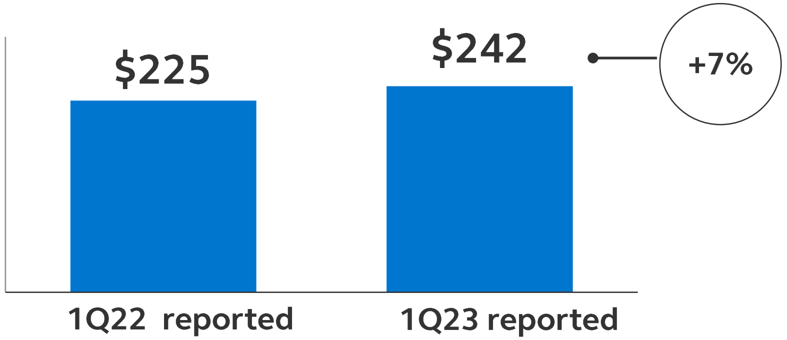
- Pre-tax operating earnings excluding significant variances[1] increased primarily due to higher combined net revenue as a result of higher AUM
- Positive net cash flow of $0.8B driven by SE Asia, Brazil, Mexico, and Hong Kong

OTHER CONSIDERATIONS

- Lower earnings in Chile due to encaje performance and lower VII: $(16M)
- Higher earnings in Brazil due to inflation and favorable interest rates: +$16M

	Reported pre-tax operating earnings ($M)	Significant variances[1] ($M)	Pre-tax operating earnings ex significant variances ($M)
1Q23	$78.7	$0.0	**$78.7**
1Q22	$67.6	$3.5	**$71.1**
Change	+$11.1 (+16%)		+$7.6 (+11%)

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



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

-5% change in net revenue

31% operating margin

1 Impact from lower than expected encaje performance, impact of Latin American inflation, Brazil LDTI interest rate impacts, and higher than expected VII in 1Q22.
2 Combined basis includes all Principal International companies at 100%.
3 This is a non-GAAP financial measure; see reconciliation in appendix.
4 Excludes impacts of actuarial assumption reviews and other significant variances.

Specialty Benefits

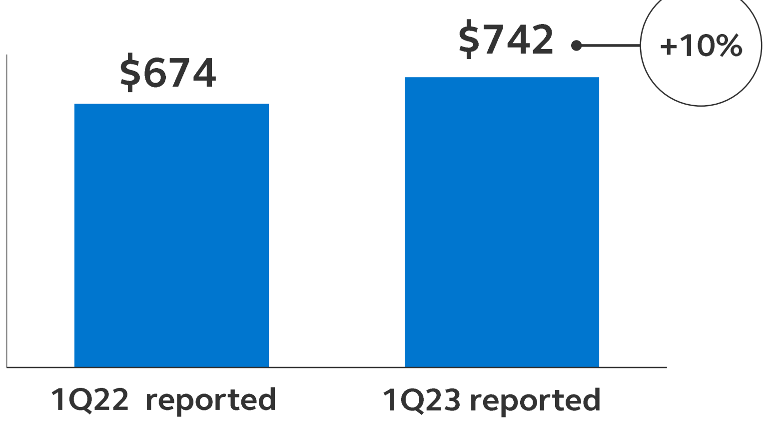
HIGHLIGHTS

- Pre-tax operating earnings excluding significant variances[1] increased due to growth in the business and lower claims experience partially offset by higher expenses
- Premium and fees increased 10% driven by strong sales, retention, and employment growth

	Reported pre-tax operating earnings ($M)	Significant variances[1] ($M)	Pre-tax operating earnings ex significant variances ($M)
1Q23	$81.8	+$13.2	**$95.0**
1Q22	$67.8	+$25.9	**$93.7**
Change	**+$14.0 (+21%)**		**+$1.3 (+1%)**

Premium and fees ($M)

Quarterly basis



Trailing twelve month basis

+11% change in premium and fees

14% operating margin[2]

62% incurred loss ratio[2]

1 Impact of LDTI model refinement and lower than expected VII in 1Q23; impact of COVID-19 related claims in 1Q22.
2 Excludes impacts of actuarial assumption reviews and other significant variances.

Life Insurance

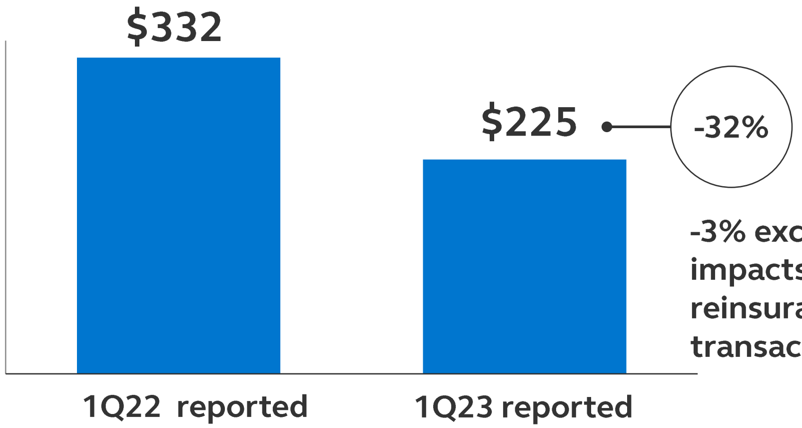
HIGHLIGHTS

- Pre-tax operating earnings excluding significant variances[1] decreased primarily due lower net investment income and higher claims experience
- Premium and fees decrease driven by the 2022 reinsurance transaction

	Reported pre-tax operating earnings ($M)	Significant variances[1] ($M)	Pre-tax operating earnings ex significant variances ($M)
1Q23	$17.5	+$7.0	**$24.5**
1Q22	$25.0	+$16.4	**$41.4**
Change	-$7.5 (-30%)		-$16.9(-41%)

Premium and fees ($M)

Quarterly basis



-3% excluding impacts from the reinsurance transaction

Trailing twelve month basis[2]

-29% change in premium and fees

17% operating margin

1 Impact of lower than expected VII in 1Q23; impact of COVID-19 related claims and higher than expected VII in 1Q22.
2 Excludes impacts of actuarial assumption reviews and other significant variances.

Principal®

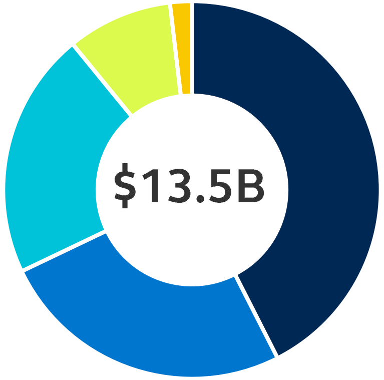
Commercial real estate details

As of 3/31/2023, excluding funds withheld

High quality commercial mortgage loan portfolio

U.S. invested assets excluding funds withheld, as of 3/31/2023

- Commercial mortgage whole loans remain high quality given the low leverage, strong debt service and high occupancy metrics within the portfolio
- Conservative underwriting standards and credit selection
- High quality portfolio to withstand downturns
- 64% of portfolio is comprised of apartment and industrial properties with healthy underlying fundamentals
- 90% current occupancy
- 4% of portfolio matures in 2023 and 7% in 2024



Property type

- **43%** Apartments
- **25%** Office
- **21%** Industrial
- **9%** Retail
- **2%** All other

Portfolio quality	12/31/2008	3/31/2023
A- and above	60.9%	85.2%
BBB+ through BBB-	35.1%	13.3%
BIG	4.0%	1.5%
Average LTV	62%	46%
Average DSC	1.8x	2.5x

Commercial Mortgage Loan – Total

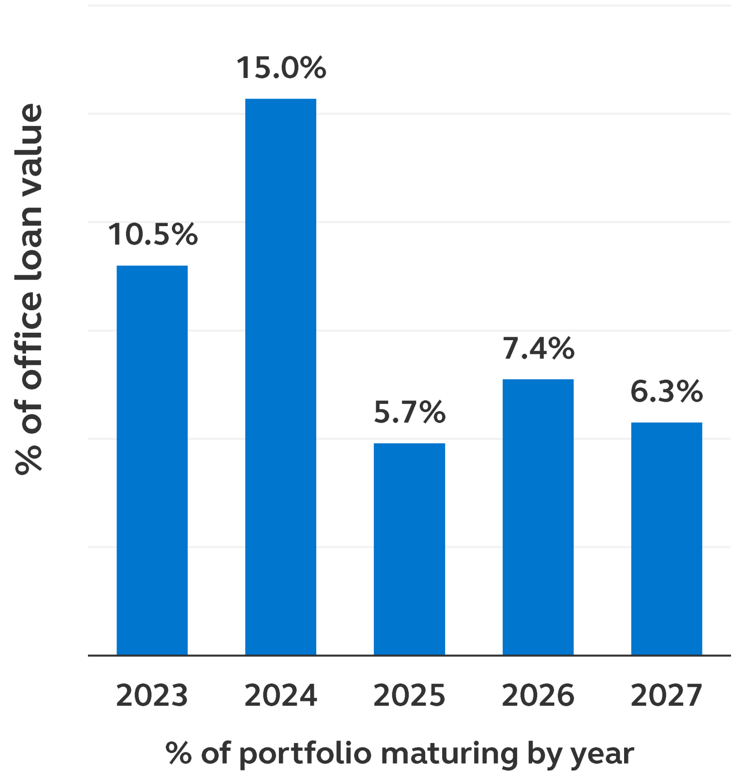
Loan to value	Debt service coverage				
	>1.50x	1.25 - <1.50x	1.00 - <1.25x	<1.00x	Total
<50%	50.3%	4.1%	3.5%	0.4%	58.4%
50 - <60%	20.5%	1.2%	0.5%	0.3%	22.5%
60 - <70%	9.5%	3.9%	1.0%	1.3%	15.7%
70 - <80%	2.3%	0.0%	0.3%	0.0%	2.6%
80 - <100%	0.1%	0.2%	0.4%	0.0%	0.8%
>100%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	82.8%	9.4%	5.8%	2.0%	100.0%

Office loans exposure well managed

U.S. invested assets excluding funds withheld, as of 3/31/2023

- Office exposure of $3.4B, 4.6% of U.S. invested assets and cash
- Reduced office exposure from 37% in 2016 to 25% today
- Manageable near-term maturities
- Average LTV 52% and DSC 2.5x
- 90% current occupancy
- Office portfolio re-valued quarterly; valuations down 22% from peak

$1.5B in office loans maturing over the next 5 years



Commercial Mortgage Loan – Office

Debt service coverage

Loan to value	>1.50x	1.25 - <1.50x	1.00 - <1.25x	<1.00x	Total
<50%	41.1%	2.2%	0.3%	0.5%	44.2%
50 -<60%	17.5%	1.7%	0.0%	0.0%	19.2%
60- <70%	16.7%	7.3%	1.8%	4.2%	29.9%
70 - <80%	4.0%	0.0%	1.2%	0.0%	5.2%
80 - <100%	0.0%	0.4%	1.1%	0.0%	1.5%
>100%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	79.3%	11.6%	4.3%	4.7%	100.0%

* Office portfolio contains one "at risk" loan of $8M (greater than 80% LTV and below 1.0x DSC; 60 days or greater delinquent); reserve for full loan balance established in 2021.

Principal®

Mortgage & asset-backed fixed maturity securities quality

U.S. invested assets excluding funds withheld, as of 3/31/2023 ($ in millions)

- **Reduced size of CMBS portfolio by over 20%[1] since 2008**
- **Overall quality of the portfolio improved; 98% of CMBS portfolio rated NAIC 1, up from 87% in 2008**

				% within NAIC designation[3]						
					NRSRO Rating within NAIC 1[4]					
	Amortized cost	Carrying amount	% of U.S. invested assets and cash[3]	NAIC 1	AAA	AA	Other NAIC 1	NAIC 2	NAIC 3-6	Total
Commercial mortgage-backed securities	$4,436	$3,944	5.4%	98.5%	33.5%	54.5%	10.5%	1.5%	0.0%	100.0%
Residential collateralized mortgage obligations	$3,258	$2,858	3.9%	98.8%	84.3%	12.6%	1.9%	1.0%	0.2%	100.0%
Residential mortgage-backed pass-through securities	$2,894	$2,745	3.7%	100.0%	100.0%	0.0%	0.0%	0.0.%	0.0%	100.0%
Collateralized loan obligations	$3,402	$3,304	4.5%	92.6%	39.6%	33.1%	19.9%	7.3%	0.1%	100.0%
Other asset-backed securities[2]	$1,948	$1,841	2.5%	90.6%	49.3%	9.8%	31.5%	7.4%	2.0%	100.0%
Total	**$15,938**	**$14,692**	**20.0%**	**96.5%**	**59.0%**	**25.8%**	**11.7%**	**3.3%**	**0.2%**	**100.0%**

1 Amortized cost.
2 Other includes auto loans, credit card loans, student loans and other asset backed securities.
3 Percentages based on carrying amount of portfolio.
4 NRSRO rating detail for the NAIC 1 securities above generally represents most frequently occurring rating available from S&P, Moody's and Fitch. In the case of conflicting ratings, the lower rating was used.

Principal®

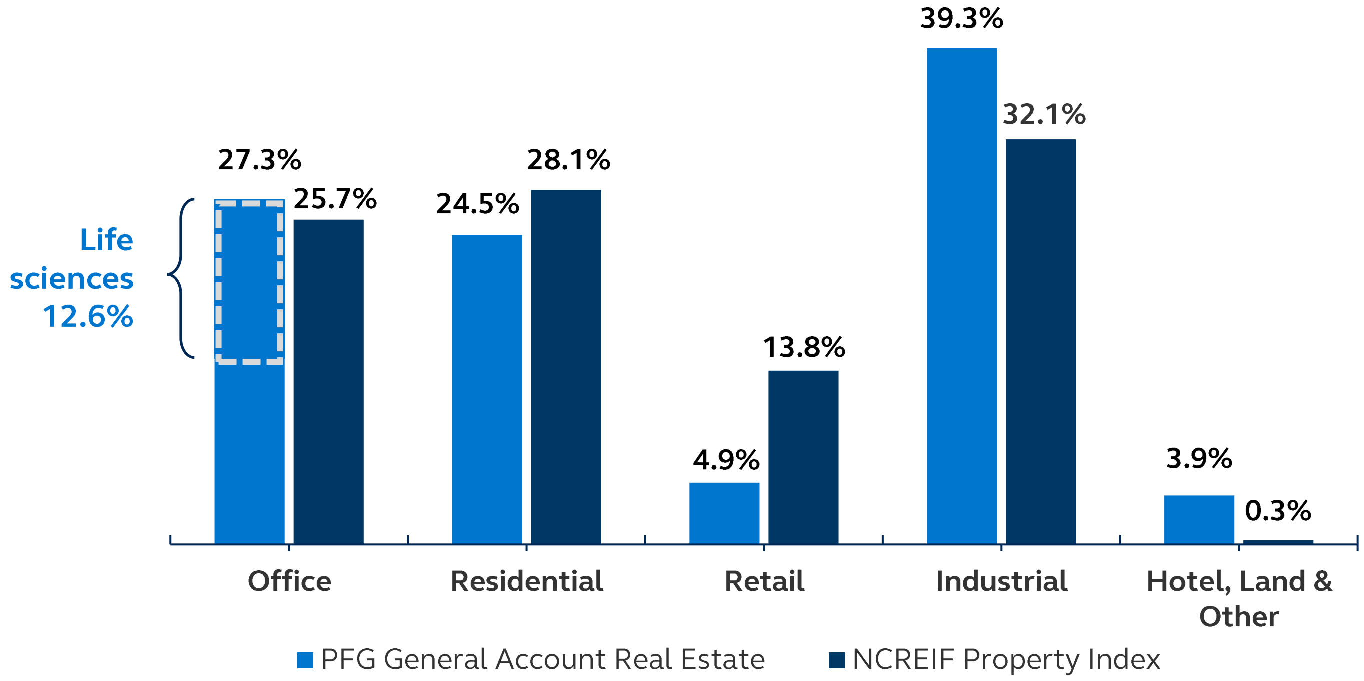
Equity real estate

U.S. invested assets excluding funds withheld, as of 3/31/2023

- Substantial cushion between market and carry values; risk of balance sheet impairment unlikely
- Well diversified portfolio across property types with largest allocation to industrial
- 27% of office exposure, includes ~13% in life sciences which continues to exhibit strong fundamental demand

Exposure	Market Value[1]	Carry Value
Equity Real Estate Total	$5.4B	$2.5B
Equity Real Estate Office	$1.5B	$0.5B

Equity real estate exposure by property type vs. NCREIF property index



Appendix

Non-GAAP operating earnings excluding impacts from significant variances

1Q23 vs. 1Q22 *(in millions, except per share data)*	1Q23 as reported	Significant variances		1Q23 excluding significant variances	1Q22 as reported	Significant variances					1Q22 excluding significant variances	1Q23 vs 1Q22 excluding significant variances	
		VII	Other[1]			IRT integration	COVID-19 related	VII	Encaje & Inflation	Other[2]			
Retirement and Income Solutions	249.8	24.0	(11.0)	262.8	294.2	9.4	(1.8)	(36.0)	-	-	265.8	(3.0)	-1%
Principal Asset Management													
Principal Global Investors	109.1	-	-	109.1	143.4	-	-	-	-	-	143.4	(34.3)	-24%
Principal International	78.7	-	-	78.7	67.6	-	-	(3.8)	15.8	(8.5)	71.1	7.6	11%
Total	187.8	-	-	187.8	211.0	-	-	(3.8)	15.8	(8.5)	214.5	(26.7)	
Benefits and Protection													
Specialty Benefits	81.8	6.0	7.2	95.0	67.8	-	25.9	-	-	-	93.7	1.3	1%
Life Insurance	17.5	7.0	-	24.5	25.0	-	23.4	(7.0)	-	-	41.4	(16.9)	-41%
Total	99.3	13.0	7.2	119.5	92.8	-	49.3	(7.0)	-	-	135.1	(15.6)	
Corporate	(96.1)	-	-	(96.1)	(129.0)	-	-	32.0	-	-	(97.0)	0.9	1%
Non-GAAP pre-tax operating earnings (losses)	**$ 440.8**	**$ 37.0**	**$ (3.8)**	**$ 474.0**	**$ 469.0**	**$ 9.4**	**$ 47.5**	**$ (14.8)**	**$ 15.8**	**$ (8.5)**	**$ 518.4**	**$ (44.4)**	**-9%**
Income taxes	74.0	7.8	(3.1)	78.7	71.8	2.5	10.0	(3.3)	3.5	(3.4)	81.1	(2.5)	-3%
Non-GAAP operating earnings (losses)	**$ 366.8**	**$ 29.2**	**$ (0.7)**	**$ 395.3**	**$ 397.2**	**$ 6.9**	**$ 37.5**	**$ (11.5)**	**$ 12.3**	**$ (5.1)**	**$ 437.3**	**$ (42.0)**	**-10%**
Non-GAAP operating earnings per share (EPS)	**$1.48**	**$ 0.12**	**$ (0.00)**	**$1.60**	**$1.51**	**$ 0.02**	**$ 0.14**	**$ (0.04)**	**$ 0.05**	**$ (0.02)**	**$ 1.67**	**$ (0.07)**	**-4%**

1 Other includes mortality experience true-ups in Retirement and Income Solutions and impact of LDTI model refinement in Specialty Benefits.
2 Other includes Brazil LDTI interest rate impacts

Principal®

Significant variances

Business unit impacts of significant variances (in millions)

	1Q22	2Q22	3Q22	4Q22	Full year 2022
Retirement and Income Solutions	**(28.4)**	**(25.0)**	**24.3**	**25.3**	**(3.8)**
VII	(36.0)	(25.0)	27.1	25.3	(8.6)
IRT integration	9.4	-	-	-	9.4
Actuarial assumption review	-	-	(1.8)	-	(1.8)
COVID-19 claims	(1.8)	-	(1.0)	-	(2.8)
Principal International	**3.5**	**(16.3)**	**9.4**	**(15.3)**	**(18.7)**
Encaje & inflation	15.8	(12.4)	14.8	(21.4)	(3.2)
VII	(3.8)	(7.6)	(9.3)	-	(20.7)
Other	(8.5)	3.7	3.9	6.1	5.2
Specialty Benefits	**25.9**	**(7.1)**	**(49.6)**	**-**	**(30.8)**
VII	-	(11.0)	6.0	-	(5.0)
Actuarial assumption review	-	-	(55.6)	-	(55.6)
COVID-19 claims	25.9	3.9	-	-	29.8
Life Insurance	**16.4**	**(8.5)**	**7.8**	**11.5**	**27.2**
VII	(7.0)	(7.0)	11.7	11.5	9.2
Actuarial assumption review	-	-	(5.6)	-	(5.6)
COVID-19 claims	23.4	(1.5)	1.7	-	23.6
Corporate	**32.0**	**41.0**	**7.5**	**(7.2)**	**73.3**
VII	32.0	41.0	7.5	(7.2)	73.3
Total pre-tax impact	**49.4**	**(15.9)**	**(0.6)**	**14.3**	**47.2**
Total after-tax impact	**40.2**	**(2.7)**	**0.4**	**11.6**	**49.5**
EPS impact	**$0.15**	**$(0.01)**	**$0.00**	**$0.05**	**$0.19**

Principal®

Non-GAAP operating earnings sensitivities

Estimated impacts of changes in key macroeconomic conditions on annual non-GAAP pre-tax operating earnings relative to the next 12 months, prior to management expense actions

If macroeconomics change by…	Equity market return [1] +/- 10%	Interest rates +/- 100 bps	FX: U.S. dollar [2] +/- 2%	Certain alternative investment valuation [3] +/- 10%
Then Principal's annual non-GAAP pre-tax operating earnings will change by…	+/- 5-8%	+/- (1)-1%	-/+ < 1%	+/- < 8%
And the primary businesses impacted are…	RIS PGI	All	PI	RIS Life Insurance Specialty Benefits

Short-term interest rates: Our exposure to short-term interest rates (i.e., IOER/IORB) has declined as we moved a majority of the related cash balances onto our balance sheet. Fluctuations in short-term rates are expected to have a relatively immaterial impact going forward.

1 Assumes an immediate 10% change in the S&P 500 followed by 2% growth per quarter thereafter. 2 Principal is primarily impacted by changes in Latin American and Asian currencies. Inverse relationship between movement of the U.S. dollar and impact to non-GAAP pre-tax operating earnings. 3 Includes hedge funds, private equity, infrastructure, and direct lending assets. Separate and distinct from our equity risk associated with a decline in the S&P 500 index, assumes an immediate 10% decline in the value of these assets, followed by a 2% per quarter increase. Note: The impact to income before income taxes is materially consistent with the impact to non-GAAP pre-tax operating earnings.

Non-GAAP financial measure reconciliations

Principal Global Investors operating revenues less pass-through expenses	Three months ended (in millions) 3/31/23	3/31/22
Principal Global Investors operating revenues	$392.7	$435.3
Principal Global Investors commissions and other expenses	(31.2)	(38.6)
Principal Global Investors operating revenues less pass-through expenses	**$361.5**	**$396.7**

Principal International combined net revenue (at PFG Share)	Three months ended (in millions) 3/31/23	3/31/22
Principal International pre-tax operating earnings	$78.7	$67.6
Principal International combined operating expenses other than pass-through commissions (at PFG share)	162.8	157.4
Principal International combined net revenue (at PFG share)	$241.5	$225.0

Non-GAAP operating earnings (losses)	Three months ended (in millions) 3/31/23	3/31/22
Net income attributable to PFG	$(140.1)	$338.7
Net realized capital (gains) losses, as adjusted	19.9	58.5
(Income) loss from exited business	487.0	-
Non-GAAP operating earnings	**$366.8**	**$397.2**

Diluted earnings per common share	Three months ended 3/31/23	3/31/22
Net income	$(0.58)	$1.28
Net realized capital (gains) losses, as adjusted	0.08	0.23
(Income) loss from exited business	1.98	-
Non-GAAP operating earnings	$1.48	$1.51
Weighted-average diluted common shares outstanding (in millions)	**247.3**	**263.8**

Non-GAAP financial measure reconciliations

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	Period ended (in millions) 3/31/23
Stockholders' equity	$10,260.8
AOCI, other than foreign currency translation adjustment	4,760.4
Cumulative change in fair value of funds withheld embedded derivative	(2,390.6)
Noncontrolling interest	(42.9)
Stockholders' equity x- cumulative change in fair value of funds withheld embedded derivative and AOCI other than foreign currency translation adjustment, available to common stockholders	**$12,587.7**

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	Period ended 3/31/23
Net Income ROE available to common stockholders (including AOCI)	42.3%
Cumulative change in fair value of funds withheld embedded derivate and AOCI, other than foreign currency translation adjustment	(7.6)%
Net realized capital (gains) losses	1.0%
(Income) loss from exited business	(22.8)%
Non-GAAP operating earnings ROE (x- cumulative change in fair value of funds withheld embedded derivative and AOCI, other than foreign currency translation adjustment) available to common stockholders	**12.9%**

	Three months ended (in millions)	
Income taxes	**3/31/23**	**3/31/22**
Total GAAP income taxes	$(78.0)	$35.2
Net realized capital gains (losses) tax adjustments	8.2	18.1
Income taxes attributable to noncontrolling interest	(0.1)	-
Income taxes related to equity method investments	22.6	18.5
Income taxes related to exited business	121.3	-
Income taxes	**$74.0**	**$71.8**

Principal®

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.

Principal®

Forward looking statements

Certain statements made by the company which are not historical facts may be considered forward-looking statements, including, without limitation, statements as to non-GAAP operating earnings, net income attributable to PFG, net cash flow, realized and unrealized gains and losses, capital and liquidity positions, sales and earnings trends, and management's beliefs, expectations, goals and opinions. The company does not undertake to update these statements, which are based on a number of assumptions concerning future conditions that may ultimately prove to be inaccurate. Future events and their effects on the company may not be those anticipated, and actual results may differ materially from the results anticipated in these forward-looking statements. The risks, uncertainties and factors that could cause or contribute to such material differences are discussed in the company's annual report on Form 10-K for the year ended Dec. 31, 2022, filed by the company with the U.S. Securities and Exchange Commission, as updated or supplemented from time to time in subsequent filings. These risks and uncertainties include, without limitation: adverse capital and credit market conditions may significantly affect the company's ability to meet liquidity needs, access to capital and cost of capital; conditions in the global capital markets and the economy generally; volatility or declines in the equity, bond or real estate markets; changes in interest rates or credit spreads or a prolonged low interest rate environment; the elimination of the London Inter-Bank Offered Rate ("LIBOR"); the company's investment portfolio is subject to several risks that may diminish the value of its invested assets and the investment returns credited to customers; the company's valuation of investments and the determination of the amount of allowances and impairments taken on such investments may include methodologies, estimations and assumptions that are subject to differing interpretations; any impairments of or valuation allowances against the company's deferred tax assets; the company's actual experience for insurance and annuity products could differ significantly from its pricing and reserving assumptions; the pattern of amortizing the company's DAC asset and other actuarial balances may change; changes in laws, regulations or accounting standards; the company's ability to pay stockholder dividends, make share repurchases and meet its obligations may be constrained by the limitations on dividends or other distributions Iowa insurance laws impose on Principal Life; litigation and regulatory investigations; from time to time the company may become subject to tax audits, tax litigation or similar proceedings, and as a result it may owe additional taxes, interest and penalties in amounts that may be material; applicable laws and the company's certificate of incorporation and by-laws may discourage takeovers and business combinations that some stockholders might consider in their best interests; competition, including from companies that may have greater financial resources, broader arrays of products, higher ratings and stronger financial performance; a downgrade in the company's financial strength or credit ratings; client terminations, withdrawals or changes in investor preferences; the company's hedging or risk management strategies prove ineffective or insufficient; international business risks; risks arising from participation in joint ventures; the company may need to fund deficiencies in its "Closed Block" assets; the company's reinsurers could default on their obligations or increase their rates; risks arising from acquisitions of businesses; risks related to administering reinsurance transactions; a pandemic, terrorist attack, military action or other catastrophic event; global climate change; technological and societal changes may disrupt the company's business model and impair its ability to retain existing customers, attract new customers and maintain its profitability; damage to the company's reputation; the company may not be able to protect its intellectual property and may be subject to infringement claims; inability to attract, develop and retain qualified employees and sales representatives and develop new distribution sources; an interruption in information technology, infrastructure or other internal or external systems used for business operations, or a failure to maintain the confidentiality, integrity or availability of data residing on such systems; loss of key vendor relationships or failure of a vendor to protect information of our customers or employees; and the company's enterprise risk management framework may not be fully effective in identifying or mitigating all of the risks to which the company is exposed.