

# 2020 Company Profile<sup>1</sup>



We help people and companies in Asia, Australia, Europe, Latin America, and North America build and protect their financial well-being. We've been doing it for 140 years.

A FORTUNE 500® company, we're known for our innovative ideas and real-life solutions that help customers make financial progress, no matter their income or portfolio size.

And while we have employees around the world, we're all bound by a common purpose: to give you the financial tools, resources, and information you need so you can live the life you want.

What's most important to us ...

- Meet the needs of our 33 million customers, who rely on our expertise in retirement, insurance and asset management.
- Attract, develop and retain the best people in the business, offering them a diverse and inclusive work environment in offices in 25 nations and territories.
- Give back to the communities where our employees live and work, supporting programs that help people learn more, earn more, and save more.
- Deliver value for our shareholders, who have placed their trust in us (Nasdaq: PFG).

Get to know us better. Read on to find key facts, awards and recognition, and financial highlights.

## Financial Data<sup>1</sup>

\$735 billion	Total assets under management
\$16.2 billion	Total GAAP revenues
\$1.4 billion	Net income attributable to Principal
\$1.6 billion	Non-GAAP operating earnings <sup>2</sup>
13.1%	Non-GAAP operating ROE <sup>3</sup>

## People



More than  
17,000  
employees  
worldwide



More than  
10,500  
employees  
in the U.S.

## Financial Strength Ratings<sup>4</sup> for Principal Life Insurance Company and Principal National Life Insurance Company

“A+” Superior	A.M. Best Company: second highest of 13 rating levels
“AA-” Very strong	Fitch: fourth highest of 19 rating levels
“A1” Good	Moody's Investors Service: fifth highest of 21 rating levels
“A+” Strong	S&P Global: fifth highest of 20 rating levels

## Industry leadership

# Recognition

### Overall

- **219th on Fortune magazine's list of the Largest 500 Corporations** based on revenues. (May 2019)
- **Ranked 404th on the Forbes Global 2000** list, which recognizes the world's biggest and most powerful companies, as measured by a composite ranking for sales, profits, assets and market value. (May 2019)
- A member of the **Standard & Poor's (S&P) 500®** since July 2002.

### U.S. Retirement and Income Solutions

- The **No. 2 defined contribution recordkeeper** by number of plans, according to the annual PLANSPONSOR Recordkeeping Survey. Principal and Wells Fargo IRT combined plansponsor.com data as of July 2019.
- The **No.1 defined benefit recordkeeper** by number of plans. PLANSPONSOR Defined Benefit Administration survey. (May 2019)
- Voted **No. 1 for participant service and support.** Escalent. Cogent Syndicated. *Cogent Retirement Plan Advisor Trends™*. (October 2019)

### Principal Global Investors

- The **31st largest manager of worldwide institutional assets** (of 526 managers profiled). Assets as of Dec. 31, 2018. "Largest Money Managers," Pensions & Investments. (May 2019)
- **Top 20 manager of U.S. institutional tax-exempt assets managed internally.** Assets as of Dec. 31, 2018. "Largest Money Managers," Pensions & Investments. (May 2019)
- The **No. 9 largest manager of worldwide real estate assets** (of 87 managers profiled). Assets (net of leverage) as of June 30, 2019. "Largest Real Estate Managers," Pensions & Investments. (September 2019)

- Received strong scores in environmental, social and governance (ESG) based on the 2019 Principles for Responsible Investment (PRI) Pilot Assessment Report. **The score for Overall Approach was an A (on a scale of A+ to E).** (July 2019)

### Principal International

#### Latin America:

- Together, Principal Chile and Cuprum are ranked as the **No. 1 provider of voluntary pension** in Chile (August 2019)
- Brasilprev, Principal's joint venture with Banco do Brasil, is ranked as the **No. 1 pension provider** in Brazil (Fenaprevi, November 2019)
- Principal AFORE is ranked as the **5th largest pension provider** in Mexico (CONSAR, September 2019)
- Principal Chile is one of the **20 most innovative companies** in the country, according to a 2019 perception study issued by Best Place to Innovate in conjunction with the Adolfo Ibanez University Business School. (September 2019)
- Principal Chile received four '**Salmon Awards**' in non-APV (voluntary pension) share class from LVA Indices and Diario Financiero given annually to funds with the highest risk-adjusted return within their category. (May 2019)

#### Asia:

- CCB Principal Asset Management, Principal joint venture with China Construction Bank, is ranked as the **No. 5 largest mutual fund retail provider** in China. (AMAC, September 2019)
- Principal Hong Kong is ranked as the **No. 6 largest Mandatory Provident Fund provider** in Hong Kong. (Mercer, September 2019)
- Principal Asset Management (Malaysia), our joint venture with CIMB Group, ranked **No. 2 in the Malaysian unit trust and voluntary market.** (Lipper, October 2019)

- Principal Asset Management (Thailand) received the **'Grand Prize Award 2018'** for the second straight year for its Registered Provident Fund (target date retirement). (1Q 2019)
- Principal Islamic Asset Management was awarded the **"GIFA Championship Award 2019"** and **"Best Islamic Fund Strategy 2019"** at the 9th Global Islamic Finance Awards. (September 2019)
- Principal Hong Kong was recognized by Lipper with the **'Best Hong Kong MPF over 3 years'** award for their Principal China Equity Fund S800. (2Q 2019)
- Principal Islamic Asset Management(Malaysia) was recognized as **'Islamic Asset Manager of the Year'** (Asia Pacific) at the Asset Triple A Islamic Finance Awards 2019. (2Q 2019)
- Recognized as one of **America's Most Responsible Companies 2020**, according to a Newsweek and Statista review of 2000 public companies. No. 198 out of 300 companies listed. (June 2019)
- One of 100 companies to be named one of the **World's Most Ethical Companies** by the Ethisphere Institute, which recognizes organizations that have had a material impact on the way business is conducted by fostering a culture of ethics and transparency at every level of the company. This is the ninth year Principal has been recognized by Ethisphere. (February 2019)
- Recognized by Working Mother as a **2019 Working Mother 100 Best Companies**. (September 2019)
- Named one of the **NAFE Top Companies for Executive Women** (March 2019)

## U.S. Insurance Solutions

- Named one of the **Top Life Insurance Companies of 2020** by U.S. News & World Report. (January 2020)
- In the **top five companies** surveyed in terms of total individual disability insurance premium<sup>5</sup>.
- The **No. 1 non-qualified deferred compensation provider** based on total number of Section 409A plans, according to the PLANSPONSOR 2019 NQDC Recordkeeping Survey. (July 2019)
- The **No. 3 provider of group benefits** (dental, life and disability) insurance based on 2018 LIMRA data on fully insured employer contracts in force. (May 2019)
- The **No. 3 provider of non-cancelable individual disability income** insurance based on 2018 LIMRA data of annualized new sale premium. (February 2019)
- The **No. 18 provider of individual life insurance** based on 2018 LIMRA data on total life new sales premium. (February 2019)

## Workplace Excellence

- Recognized by Forbes as **one of America's Best Employers**. (April 2019)
- Recognized by Pensions & Investments as one of the **Best Places to Work in Money Management** for the 8th consecutive year. (December 2019)

## Community Leadership

- Named a **CDP Climate Performance Leader** with an "A-" CDP score -- higher than the North American regional average of "C" and higher than the financial services sector "C" average. (January 2020)
- Ranked No. 37 on Forbes and JUST Capital's list of **America's Most JUST Companies**. (November 2019)
- Recognized by Barron's as a **2020 Top 100 Most Sustainable Company in America**. (February 2020)



1-800-986-3343 | [principal.com](http://principal.com)

<sup>1</sup> Data for the trailing twelve months ended December 31, 2019, unless otherwise noted. For latest and additional information, visit [www.principal.com](http://www.principal.com).

<sup>2</sup> The company uses a number of non-GAAP financial measures that management believes are important in understanding and evaluating the normal, recurring operations of our businesses. These measures are not a substitute for GAAP financial measures. Therefore, we provide a reconciliation of the non-GAAP measures to the comparable GAAP financial measures as follows:

- Net income attributable to Principal Financial Group of \$1,394.2 million adjusted for net realized (gains) losses of \$174.9 million equals non-GAAP operating earnings of \$1,569.1 million.
- Net income return on average equity including accumulated other comprehensive income of 10.7% adjusted for net unrealized capital (gains) losses of 1.4%, net unrecognized post-retirement benefit obligation of (0.4)%, and net realized capital (gains) losses of 1.4% equals non-GAAP operating ROE of 13.1%.

<sup>3</sup> Non-GAAP operating earnings return on equity (ROE) equals trailing twelve months non-GAAP operating earnings divided by average stockholders' equity available to common stockholders excluding accumulated other comprehensive income (loss) other than foreign currency translation adjustment.

<sup>4</sup> Information as of January 2020. Our ratings reflect each rating agency's opinion of our financial strength, operating performance and ability to meet our obligations to policyholders and are not evaluations directed toward the protection of investors or reflect any ratings actions or notices relating to the US life insurance sector generally. Such ratings are neither a rating of securities nor a recommendation to buy, hold or sell any security, including our common stock. Ratings are subject to revision or withdrawal at any time by the assigning agency, and each rating should be evaluated independently of any other rating.

<sup>5</sup> Principal is 5th out of 19 companies surveyed, based on self-reported in-force individual disability insurance premium, according to LIMRA's 2018 Annual Sales and In-Force Survey. This applies to Principal Life Insurance Company.

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