

THE PRINCIPAL FINANCIAL GROUP®

2015 COMPANY PROFILE¹

FOUNDED IN 1879, the Principal Financial Group® (The Principal®) is a global investment management leader.

The Principal offers businesses, individuals and institutional clients a wide range of financial products and services, including retirement, asset management and insurance, through its diverse family of financial services companies.

A member of the FORTUNE 500®, the Principal Financial Group has \$516.2 billion in assets under management and serves some 20.6 million customers worldwide from offices in 18 countries throughout Asia, Australia, Europe, Latin America and North America. The Principal Financial Group, Inc. is traded on the New York Stock Exchange under the ticker symbol PFG.

Financial Data¹

- Total assets under management \$516.2 billion
- Total GAAP revenues \$9.2 billion
- Net income available to common stockholders \$955.7 million
- Operating earnings² \$967.3 million
- Operating return on average equity available to common stockholders, excluding other comprehensive income² 13.2 percent

People

- 14,800 employees worldwide
- 10,000 employees in the United States

Clientele

- 20.6 million customers

Financial Strength Ratings³ for Principal Life Insurance Company and Principal National Life Insurance Company

- A+ (Superior) – A.M. Best Company
Second highest of 16 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) – Standard & Poor's
Fifth highest of 24 rating levels.



RECOGNITION AND ACCOMPLISHMENTS

INDUSTRY LEADERSHIP

Corporate

- Ranked **282nd** on *FORTUNE* magazine's list of the **Largest 500 Corporations** based on revenues. June 2015
- Ranked **437th** 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 2015
- A member of the Standard & Poor's (S&P) 500® since July 2002.

Retirement and Investor Services

- *PLANADVISER*, a leading retirement industry magazine for financial professionals, has recognized the Principal Financial Group as a **top-rated defined contribution provider for advisor support post-sale** in its Advisers' Choice Awards. March 2015
- Principal Funds named **the No. 5 fund family** by *Barron's* magazine based on one-year performance in 2014. February 2015
- The Principal again received a **"Best in Class" ranking for our service team and a 94 percent overall satisfaction score** in the 2014 Chatham Partners Client Satisfaction Survey of defined benefit and defined contribution plans with more than \$5 million in assets. December 2014
- The Principal Financial Group received strong industry ratings in the 2014 Retirement Plan Advisor Survey conducted by *PLANADVISER*. We **ranked No. 1 for advisor support post-sale and No. 3 in advisor sales and marketing support**. December 2014
- For the third straight year, Principal Funds received a **Lipper Fund Award** for Principal Global Real Estate Securities Fund. The fund was named the best global real estate fund out of 92 funds, over the five-year period, for its consistently strong risk-adjusted performance. April 2015
- Principal Funds is **No. 16 on the list of top advisor-sold mutual fund companies in the United States**, based on assets under management, according to Strategic Insights. December 2014

Principal Global Investors

- Principal Real Estate Investors is a **Top 10 manager of real estate**. Managers ranked by U.S. institutional tax-exempt real estate assets (net of leverage) as of Dec. 31, 2014. "Largest Money Managers," *Pensions & Investments*. May 2015
- Principal Global Investors is the **29th largest U.S. money manager out of 300 managers profiled**. Managers ranked by total assets under management as of Dec. 31, 2013. "11 300 America's Top 300 Money Managers," *Institutional Investor*. July 2014
- Principal Global Investors named the **31st largest manager of institutional assets out of 652 managers profiled**. Managers ranked by total worldwide institutional assets as of Dec. 31, 2014. "Largest Money Managers," *Pensions & Investments*. May 2015
- Principal Global Investors named the **15th largest manager of high yield securities out of 90 managers profiled**. Managers ranked by U.S. institutional, tax-exempt assets managed internally as of Dec. 31, 2014. "Largest Money Managers," *Pensions & Investments*. May 2015

Principal International

- Brasilprev ranked **No. 1 in net deposit and market share**. March 2015
- Principal Chile:
 - Ranked **first in the APV** according to the Asociación de Administradoras de Fondos Mutuos de Chile. APV is a voluntary pension product that complements the mandatory pension system in Chile. November 2014
 - Cuprum recognized as the **leader in Customer Loyalty** in the mandatory pension market by Alco Consultores, SA. November 2014
- CIMB-Principal Asset Management was named the **Best Asset Manager in Southeast Asia** for the fifth year in a row by Alpha Southeast Asia in its "Best Financial Institutions Awards" (Marquee Awards). June 2014

- Principal Hong Kong:
 - Named the **Asset Management Company of the Year, Hong Kong MPF** by *The Asset*. June 2014
 - Received **Gold Ratings for two Mandatory Provident Funds** (Scheme Series 600 and 800) at the 2015 MPF Awards. March 2015

U.S. Insurance Solutions

- Recognized by *PlanSponsor* magazine as the **No. 2 non-qualified deferred compensation provider** based on number of plans. July 2014
- Ranked as the **No. 4 provider of group benefit (dental, life and disability) insurance** based on 2014 LIMRA data on fully insured employer contracts in force. May 2015
- Ranked as the **No. 3 provider of non-cancelable individual disability income insurance** based on 2014 LIMRA data of annualized new sale premium. February 2015
- Ranked as the **No. 17 provider of life insurance** based on 2013 LIMRA data on total life new sales premium. March 2014

Workplace Excellence

- One of 100 companies to be named one of the **World's Most Ethical Companies** by the Ethisphere Institute in 2015, 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 fifth year The Principal has been recognized by Ethisphere. March 2015
- Recognized by *Forbes* as **one of America's Best Employers** – ranking 63rd out of 500 companies, and four among “banking and financial services” companies. March 2015
- The Principal earned the top spot in its category for the third year in a row in *Pensions & Investments'* annual survey of **Best Places to Work in Money Management**.* December 2014
- Recognized by IDG's *Computerworld* as one of its **100 Best Places to Work in IT** for 14 consecutive years, ranking 11th for 2015. June 2015
- Scored 90 out of 100 on the **Human Rights Campaign Foundation Corporate Equality Index** for support of lesbian, gay, bisexual equality in the workplace. November 2014
- Enterprise Engagement Alliance (EEA) selected The Principal as **one of the Top 25 Most People-Centric publicly held companies in the United States**. EEA is an outreach and education organization that supports the emerging engagement profession. April 2015

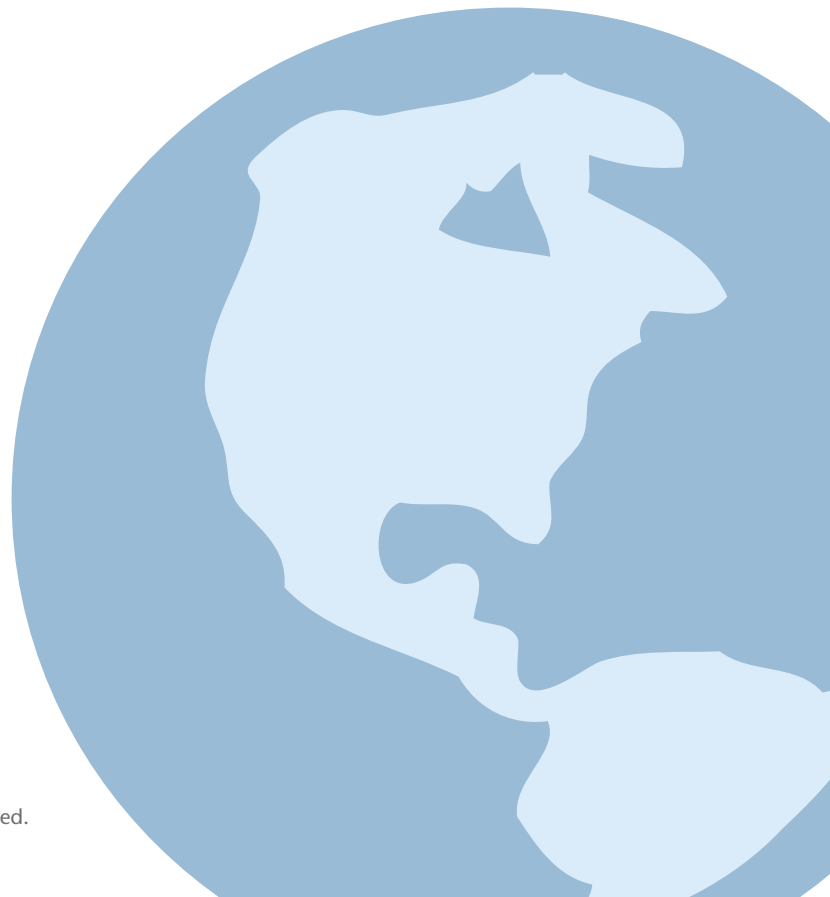
- Earned the **WorldatWork Alliance for Work-Life Progress – 2015 Seal of Distinction Award**, which recognizes employers that demonstrate leadership in workplace strategies and practices to help employees achieve success in work-life effectiveness. April 2015
- Named one of the **25 Most Influential Companies for Veteran Hiring** by *Diversity Journal*. April 2015
- Recognized as a **Platinum Well Workplace** by the Wellness Councils of America.

Community Leadership

- The 19th company to receive United Way of America's **Spirit of America Award** for corporate community involvement.
- Named a **CDP Climate Performance leader and a CDP Climate Disclosure leader** for our commitment to improving our impact on the environment. September 2014

Technology Innovation

- Ranked 84th on the **InformationWeek Elite 100** recognizing the top business technology innovators for the 18th consecutive year (formerly the *InformationWeek 500*). April 2015



2014 FINANCIAL HIGHLIGHTS

Retirement and Investor Services

- Retirement and Investor Services full-year 2014 operating earnings were a record \$828.1 million.
- Full Service Accumulation full-year recurring deposits were up 7 percent over 2013 to a record level of \$16.8 billion, and participants with account value reached a record total of 2.8 million.
- Principal Funds had record sales of \$20.0 billion for the year, and fourth quarter 2014 net cash flows of \$1.2 billion were the 20th consecutive quarter of positive net cash flows.

Principal Global Investors

- Principal Global Investors 2014 operating earnings were a record \$116 million.
- Record total assets under management of \$314 billion at the end of 2014 and full-year net cash flows of \$2.4 billion.
- Full-year 2014 pre-tax margin increased to 26.5 percent.

Principal International

- Principal International 2014 operating earnings were a record \$268 million.
- Principal International reported assets under management of \$115 billion at year end (excluding \$19.1 billion of AUM in our joint venture in China, which is not reported in AUM).
- Record full-year net cash flows of \$13 billion were up 54 percent over 2013 and 68 percent on a local currency basis.

U.S. Insurance Solutions

- U.S. Insurance Solutions 2014 operating earnings were a record \$231 million.
- The business market strategy continues to be a differentiator for Individual Life, with 2014 being the second highest year of non-qualified deferred compensation sales.
- Specialty Benefits had record full-year sales of nearly \$300 million, up 10 percent over 2013.



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¹ Data for the six months ended Sept. 30, 2015, unless otherwise noted. For the latest and additional information, visit www.principal.com.

² 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:

- Operating earnings of \$967.3 million equals net income available to common stockholders of \$955.7 million adjusted for net realized gains (losses) of (\$86.2) million and other after-tax adjustments of \$74.6 million.
- ROE of 13.2 percent equals net income return on equity including other comprehensive income of 12.6 percent, adjusted for net realized gains (losses) of (1.5) percent, other after-tax adjustments of 0.8 percent, net unrealized capital gains (losses) of (1.2) percent, foreign currency translation of 1.0 percent and net unrecognized post-retirement benefit obligations of 0.3 percent.

³ Information as of October 2015.

Insurance products and services from the Principal Financial Group® (The Principal®) are issued by Principal National Life Insurance Company (except in New York) and Principal Life Insurance Company, Des Moines, Iowa 50392. Securities offered through Princor Financial Services Corporation, 800-247-1737, member SIPC. Banking products offered through Principal Bank, member FDIC. Principal National, Principal Life, Princor® and Principal Bank are members of the Principal Financial Group, Des Moines, Iowa 50392.

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