



The Principal Financial Group®

2011 Company Profile¹

Founded in 1879, the Principal Financial Group® (The Principal®) is a retirement and global asset management leader. The Principal offers businesses, individuals and institutional clients a wide range of financial products and services, including retirement, investment expertise and insurance, through its diverse family of financial services companies.

A member of the FORTUNE 500®, the Principal Financial Group has \$320.8 billion in assets under management and serves some 17.8 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 Data

- Total assets under management \$320.8 billion
- Total GAAP revenues \$6.7 billion
- Net income available to common stockholders \$518 million
- Operating earnings² \$661.0 million
- Operating return on average equity available to common stockholders, excluding other comprehensive income² 9.8 percent

People

- 13,400 employees worldwide
- 10,300 employees in the United States

Clientele

- 17.8 million customers

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

- A+ (Superior) – A.M. Best Company
Second highest of 16 rating levels.
December 2010
- AA- (Very strong) – Fitch
Fourth highest of 21 rating levels.
June 2011
- Aa3 (Excellent) – Moody's Investors Service
Fourth highest of 21 rating levels.
August 2011
- A (Strong) – Standard & Poor's
Sixth highest of 21 rating levels.
November 2011

Awards and Recognition

Industry Leadership

- Ranked as the **No. 1 investment brand** in the 2011 Harris Poll EquiTrend® Study.⁴ May 2011⁴
- Ranked 268th on **FORTUNE magazine's Largest 500 Corporations** (based on 2010 GAAP revenues). May 2011
- A member of the **Standard & Poor's (S&P) 500®** since July 2002.
- Ranked 481st 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. April 2011
- Recognized as the **No. 1 recordkeeper in the number of defined contribution plans, profit-sharing plans, SEP plans and SIMPLE plans in PLANSPONSOR magazine's Recordkeeping Survey**. June 2010
- Named the **No. 1 recordkeeper of defined benefit plans** by *Investment Advisor* magazine. November 2010
- Earned **Best in Class awards** in 112 categories measured in Chatham Partners survey of defined benefit, defined contribution and combo clients with more than \$5 million in assets. December 2010
- Received the **DALBAR Communication Seal of Excellence** in customer communications for defined contribution statement. January 2011
- **Achieved the longest client retention** (an average of 10.7 years vs. an industry average of 8.8 years) in the Boston Research Group's Defined Contribution Survey. September 2010
- Principal Funds ranked **No. 3 on Barron's annual ranking** of top mutual fund companies. February 2011
- Principal Funds ranked as the **fifth largest manager of lifecycle mutual funds** by Financial Research Corporation. December 2010
- **Principal Funds holds the No. 23 spot on the list of top advisor-sold mutual fund companies** in the United States, according to Strategic Insight. December 2010
- Recognized by *Pensions & Investments* magazine as one of the magazine's **Eddy Award winners** for excellence in investment education for defined contribution plan participants. March 2010
- Principal Global Investors recognized as **the fourth largest manager of real estate** out of 99 managers profiled by *Pensions & Investments* "Real Estate Managers" (managers ranked by U.S. institutional tax-exempt assets). September 2010
- Principal Global Investors **manages assets for 10 of the top 25 largest pension plans in the world** based on *Pensions & Investments* P&I 1,000 report. September 2010
- Principal Global Investors ranked as the **31st largest money manager** out of 708 managers profiled. Managers ranked by total worldwide institutional assets under management as of Dec. 31, 2009. "Largest Money Managers," *Pensions & Investments*. May 2010
- Principal Global Investors recognized as the **15th largest manager of U.S. institutional tax-exempt assets** out of more than 700 managers profiled. Managers ranked by U.S. institutional, tax-exempt assets as of Dec. 31, 2009, *Pensions & Investments*. May 2010
- Principal Global Investors is the **10th largest manager of defined contribution assets** out of 275 managers profiled. Managers ranked by U.S. institutional, tax-exempt assets, as of Dec. 31, 2009, *Pensions & Investments*. May 2010
- Principal Global Investors ranked as the **28th largest manager of U.S. client assets** out of 710 managers profiled. Assets as of Dec. 31, 2009. *Pensions & Investments*. June 2010
- BrasilPrev (joint venture with Banco do Brasil) **ranked No. 1 in the private pension segment** for the Most Admired Companies Award by *Carta Capital* magazine. September 2010
- CIMB-Principal Asset Management Berhad (Malaysia) named **Best Fund House** by *Asia Asset Management* in its annual Best of the Best Country Awards. February 2011

- Principal Mexico earned a **Global Investment Performance certificate**, verifying ethical standards for investment performance presentation to ensure fair representation and full disclosure of investment performance. The Principal is also compliant in Chile and India. January 2011
- **Principal Chile selected as the best mutual fund manager** for the voluntary pension savings system for the second consecutive year at the Fund Pro Platinum Awards. June 2010
- Principal PNB India won the **ICRA 5 Star Award 2011** for its Principal Ultra Short-Term Fund. February 2011
- **Eleventh largest life insurer** (Principal Life Insurance Company) based on HIGHLINEDATA 2011.
- **No. 2 deferred compensation provider** based on number of plans, according to *PLANSPONSOR* magazine. December 2010
- **No. 4 provider of non-medical (dental, life and disability) insurance.*** April 2010
- **No. 3 provider of non-cancelable individual disability income insurance.**** February 2011

Workplace Excellence

- Named among *Working Mother* magazine's **100 Best Companies for Working Mothers** for the ninth year. September 2010
- Noted as one of the **Top 50 Companies for Executive Women** for the ninth consecutive year by the National Association of Female Executives. March 2011
- Ranked 49th on *Computerworld* magazine's **100 Best Places to Work in IT**. June 2010
- Received an honorable mention on *LATINA Style* magazine's list of **50 Best Places for Latinas to Work**. August 2010

- Currently recognized as a **Platinum Well Workplace** by the Wellness Councils of America.
- Scored a 95 out of 100 on the **Human Rights Campaign Foundation Corporate Equality Index**. October 2010

Community/Ethics Leadership

- The Principal Charity Classic was named the **No. 1 stop for Champion Tour golf professionals**. November 2010
- Recipient of the **Greater Des Moines Partnership's Diversity Award** for an unprecedented third time. January 2011
- Recipient of the **Greater Des Moines Partnership's Environmental Award**. May 2011
- Principal Real Estate named **one of the greenest real estate companies in the United States**. March 2011
- The 19th company to receive United Way of America's **Spirit of America Award** for corporate community involvement.

Technology Innovation

- Named to *InformationWeek* magazine's list of **Top 500 IT Innovators** for the 13th consecutive year. September 2010
- Ranked **No.10 by DALBAR** for financial professional website for Life Insurance/Annuity. September 2010
- Ranked **No. 3 by DALBAR** for plan sponsor and No. 6 for plan participant websites for defined contribution plans. September 2010
- Received **top 20 ranking from DALBAR** for consumer and financial professional mutual fund websites. July 2010

*based on 2009 LIMRA data on fully insured employer contracts in force

**based on 2010 LIMRA data of annualized new sale premium

2010 Highlights

Retirement and Investor Services

- Full Service Accumulation (FSA) sales of \$6.6 billion, up 32 percent from 2009.
- FSA serves more than 32,000 retirement plans and 3.4 million plan participants.
- Record mutual fund sales of \$9.3 billion, up 21 percent from 2009, drove record net cash flow of \$1.6 billion in 2010.
- Record operating earnings for the Individual Annuities business of \$118.5 million.

Principal Global Investors

- Assets under management for the segment totaled \$220.1 billion, up 7 percent from 2009.
- Operating earnings of \$58.5 million in 2010, up 53 percent from 2009.
- More than 400 investment professionals in offices around the world, with clients in more than 50 countries.

Principal International

- Record assets under management for the segment of \$52.7 billion.
- Record net cash flows of \$4.7 billion, or 14 percent of beginning-of-year assets under management.
- Joint venture partners include Banco do Brasil (Brazil), China Construction Bank (China), CIMB Group (Malaysia) and Punjab National Bank (India).
- Principal International serves 9.6 million customers globally (including clients in China).

U.S. Insurance Solutions

- Individual life sales of \$164.4 million, an increase of 21 percent over 2009.
- Specialty Benefits sales of \$241 million.
- Specialty Benefits return on equity in excess of 14 percent.
- Record individual disability sales of \$40 million.



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¹ Data as of or for the nine months ended Sept. 30, 2011, 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 \$661.0 million equal net income available to common stockholders of \$518.0 million adjusted for net realized gains (losses) of \$(94.9) million and other after-tax adjustments of \$(48.1) million.
- ROE of 9.8 percent equals net income return on equity including other comprehensive income of 7.6 percent, adjusted for net realized gains (losses) of (1.5) percent, other after-tax adjustments of (0.3) percent, net unrealized capital gains (losses) of (0.6) percent, foreign currency translation of 0.0 percent and net unrecognized post-retirement benefit obligations of 0.2 percent.

³ Ratings as of November 2011.

⁴ The Principal Financial Group received the highest numerical Equity Score among Investment brands included in the 2011 Harris Poll EquiTrend® Study. Please go to www.principal.com/harris for further details. The Harris Poll EquiTrend® Study is not a ranking of or indication of performance or advisability of products made available through any member company of the Principal Financial Group®.

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.

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