

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report: **September 16, 2011**
(Date of earliest event reported)

PRINCIPAL FINANCIAL GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-16725
(Commission file number)

42-1520346
(I.R.S. Employer
Identification Number)

711 High Street, Des Moines, Iowa 50392
(Address of principal executive offices)

(515) 247-5111
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

EXHIBIT INDEX

EXHIBIT
NUMBER

EXHIBIT

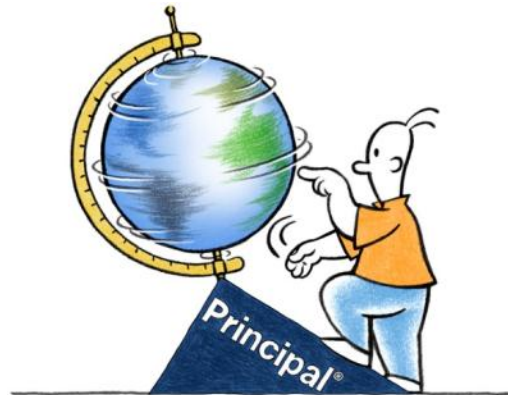
99

Slide presentation presented at Principal Financial Group, Inc.'s Principal International Workshop on September 16, 2011.

Principal Financial Group®

PRINCIPAL INTERNATIONAL WORKSHOP

September 16, 2011



WELCOME

John Egan

Vice President – Investor Relations
Principal Financial Group



USE OF NON-GAAP FINANCIAL MEASURES

A non-GAAP financial measure is a numerical measure of performance, financial position, or cash flows 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 that 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 a substitute for U.S. GAAP financial measures. Therefore, in the back of the presentation, the company has provided reconciliations of the non-GAAP financial measures to the most directly comparable U.S. GAAP financial measure. The company adjusts U.S. GAAP financial measures for items not directly related to ongoing operations. However, it is possible that these adjusting items have occurred in the past and could recur in the future. Management also uses non-GAAP financial measures for goal setting as a basis in determining employee and senior management awards and compensation, and to evaluate performance on a basis comparable to that used by 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 are an example of an operational measure that is not considered a non-GAAP financial measure.

FORWARD LOOKING STATEMENTS

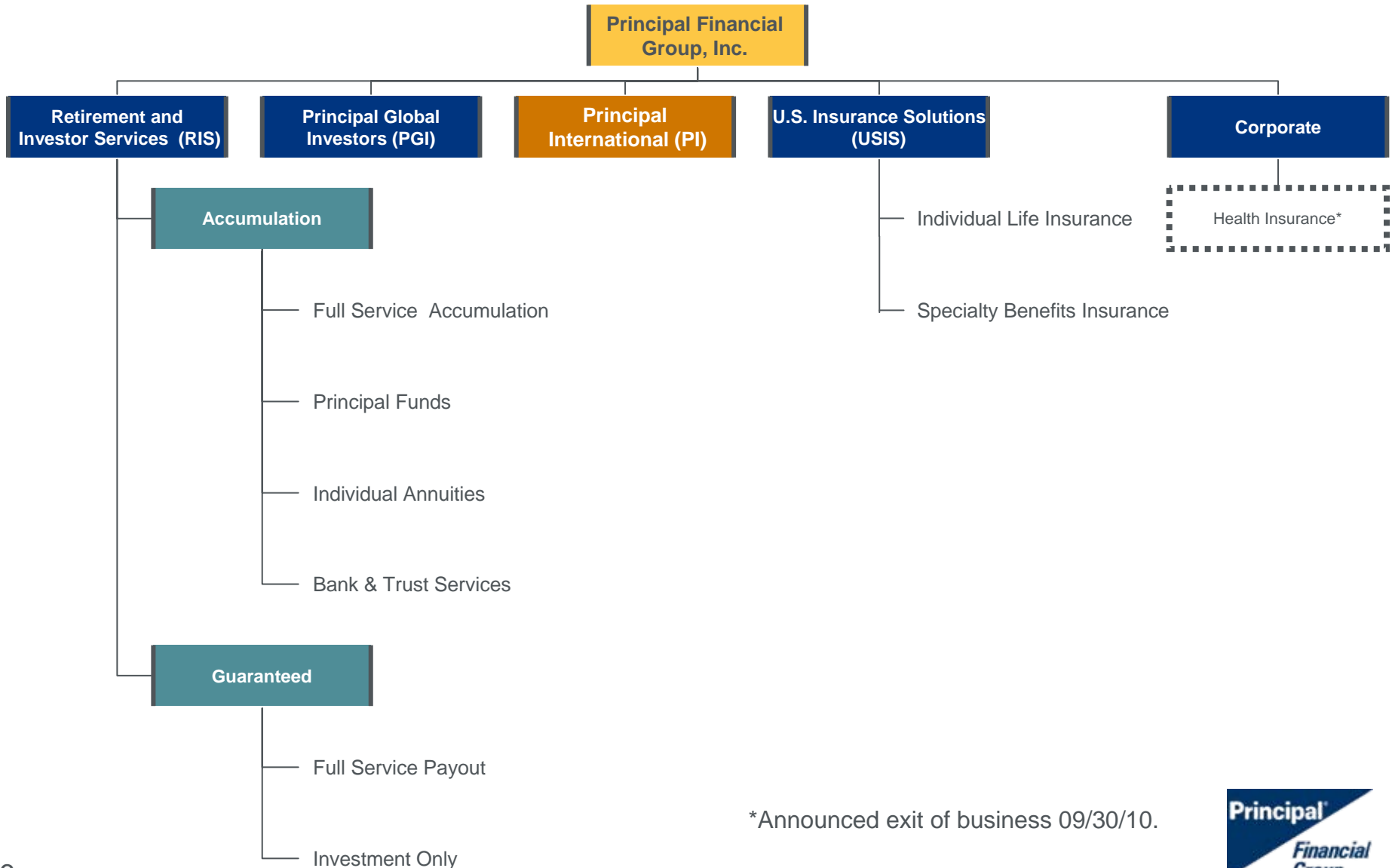
Certain statements made by the company which are not historical facts may be considered forward-looking statements, including, without limitation, statements as to operating earnings, net income available to common stockholders, net cash flows, realized and unrealized gains and losses, capital and liquidity 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, 2010, and in the company's quarterly report on Form 10-Q for the quarter ended June 30, 2011, filed by the company with the 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; continued difficult conditions in the global capital markets and the economy generally; continued volatility or further declines in the equity markets; changes in interest rates or credit spreads; 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 securities may include methodologies, estimations and assumptions that are subject to differing interpretations; the determination of the amount of allowances and impairments taken on the company's investments requires estimations and assumptions that are subject to differing interpretations; gross unrealized losses may be realized or result in future impairments; competition 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; inability to attract and retain sales representatives and develop new distribution sources; international business risks; the company's actual experience could differ significantly from its pricing and reserving assumptions; the company's ability to pay stockholder dividends and meet its obligations may be constrained by the limitations on dividends or distributions Iowa insurance laws impose on Principal Life; the pattern of amortizing the company's DPAC and other actuarial balances on its universal life-type insurance contracts, participating life insurance policies and certain investment contracts may change; the company may need to fund deficiencies in its "Closed Block" assets that support participating ordinary life insurance policies that had a dividend scale in force at the time of Principal Life's 1998 conversion into a stock life insurance company; the company's reinsurers could default on their obligations or increase their rates; risks arising from acquisitions of businesses; changes in laws, regulations or accounting standards; a computer system failure or security breach could disrupt the company's business, and damage its reputation; results of 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; fluctuations in foreign currency exchange rates; and applicable laws and the company's stockholder rights plan, certificate of incorporation and by-laws may discourage takeovers and business combinations that some stockholders might consider in their best interests.

AGENDA

Time	Topic	Presenter
8:00 am	Welcome	John Egan VP Investor Relations – Principal Financial Group
8:05 am	Spotlight on Global Growth	Terry Lillis SVP & CFO – Principal Financial Group
8:15 am	Our Global Strategy	Norman Sorensen Chairman – Principal International Luis Valdes President – Principal International
8:45 am	Focus on Latin America	Roberto Walker President – Latin America
9:45 am	Break	
10:00 am	Focus on Asia	Rex Auyeung President – Asia
11:00 am	Principal International Financial Metrics	Ned Burmeister SVP & COO – Principal International
11:30 am	Break	
11:45 am	Q&A Panel with Lunch	All Presenters

COMPANY OVERVIEW

SIMPLIFIED REPORTING STRUCTURE



*Announced exit of business 09/30/10.



SPOTLIGHT ON GLOBAL GROWTH

Terry Lillis

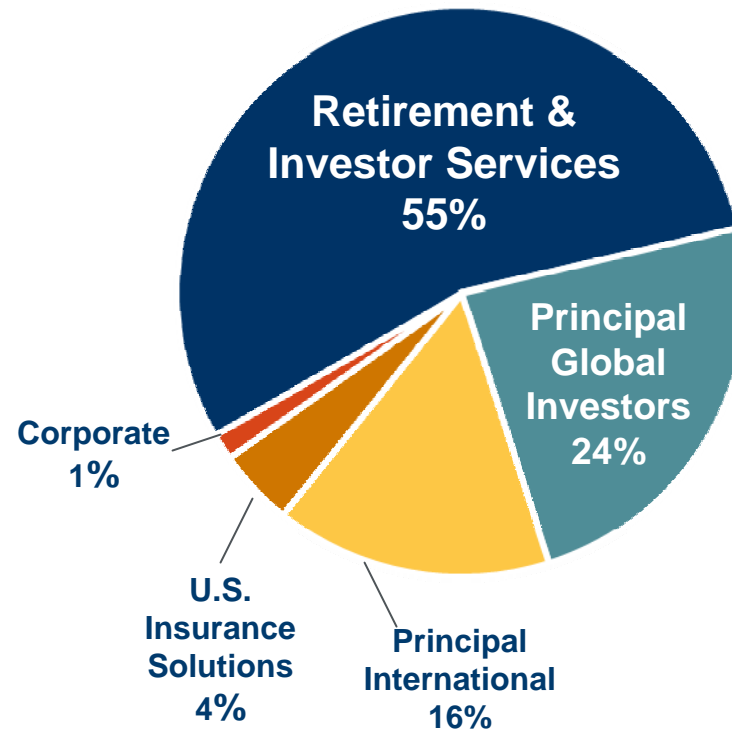
Senior Vice President and CFO of Principal Financial Group



The Principal Financial Group: A LEADING FINANCIAL SERVICES COMPANY

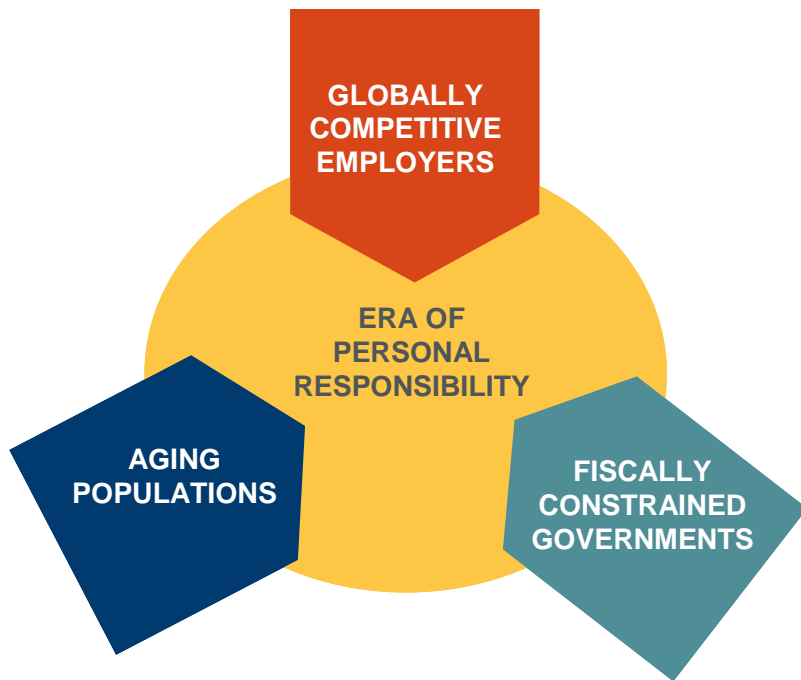
- Fortune 500 company
- 16.5 million customers
- Offices in 17 countries
- 13,300 employees worldwide
- 132 year history
- Full range of retirement savings, investment and insurance solutions for SMBs** & their employees; individuals; and institutions

RECORD AUM*
\$335.8 Billion
June 30, 2011



OUR STRATEGY IS WELL SUITED FOR THE CURRENT ENVIRONMENT

CORE TRENDS REMAIN

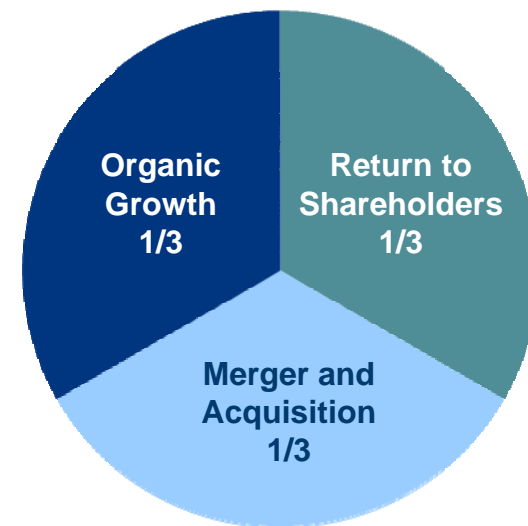


- Meet the **retirement and employee benefit needs of growing businesses** and their employees.
- **Capitalize on the unprecedented demand for financial services** among Baby and Echo Boomers at and beyond the workplace.
- **Grow our proven, global, multi-boutique asset management model** for institutional markets and clients of The Principal.
- **Extend our retirement and long-term asset accumulation expertise in key emerging markets** with fast growing middle classes and retirement assets.

CAPITAL MANAGEMENT STRATEGY

Evolution of our hybrid business model has created more free cash flow resulting in greater financial flexibility

CAPITAL DEPLOYMENT



THE 4 PILLARS OF GROWTH

The Principal[®] helps growing businesses, individuals and institutional clients in select markets worldwide achieve financial security and success.

**U.S. EMPLOYEE
BENEFITS
FOR GROWING
BUSINESSES**



Build on The Principal leadership, expertise and track record to meet the retirement and employee benefit needs of growing businesses and their employees.

**U.S. FINANCIAL
SERVICES FOR
EXECUTIVES,
EMPLOYEES AND
INDIVIDUALS**



Capitalize on the unprecedented demand for financial services – retirement, savings and protection solutions – among Baby and Echo Boomers at and beyond the workplace.

**GLOBAL ASSET
MANAGEMENT**



Build upon our global research and distribution platform to grow our proven, global, multi-boutique asset management model for institutional markets and clients of the Principal Financial Group.

**GLOBAL FUNDS &
RETIREMENT**



Extend our retirement and long-term asset accumulation expertise in key emerging markets with fast growing middle classes and retirement assets.

11 SEGMENTS

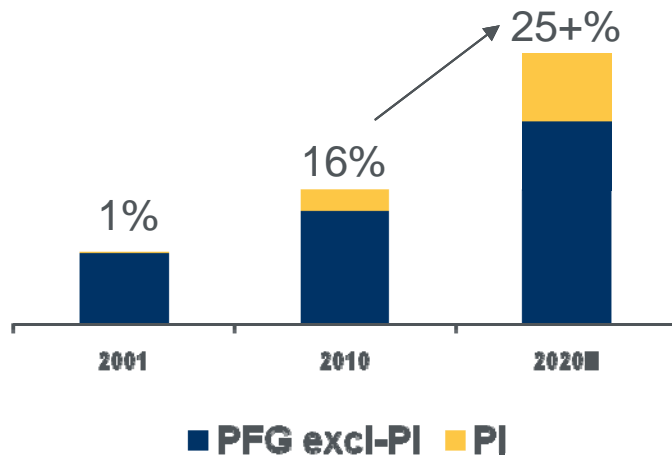
**Retirement & Investor Services;
U.S. Insurance Solutions**

**Principal Global
Investors**

**Principal
International**

PRINCIPAL INTERNATIONAL: INCREASING CONTRIBUTOR TO OPERATING EARNINGS

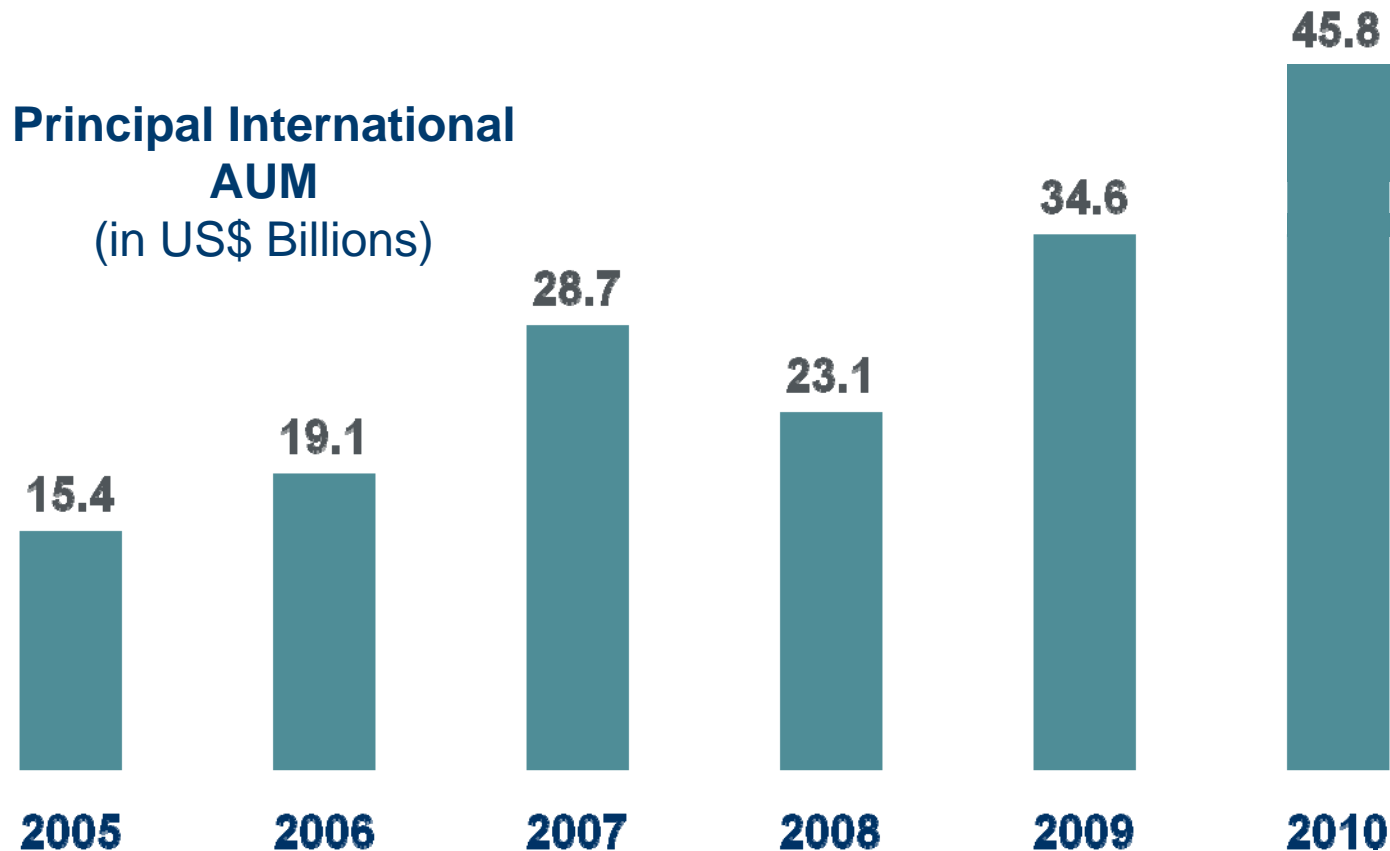
Principal International OE as % of Total
Principal Financial Group OE



Focus on retirement and asset accumulation has:

- Taken PI from aspirational to 16% of company earnings in 10 years
- Positioned PI to capitalize on global growth opportunities in emerging markets

FOCUSED EXECUTION = GROWTH

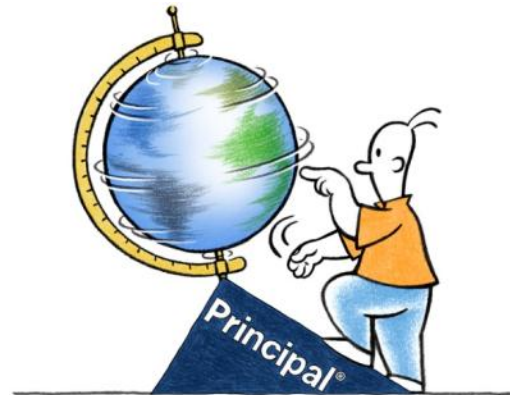


FOCUSED EXECUTION = GROWTH



OUR GLOBAL STRATEGY

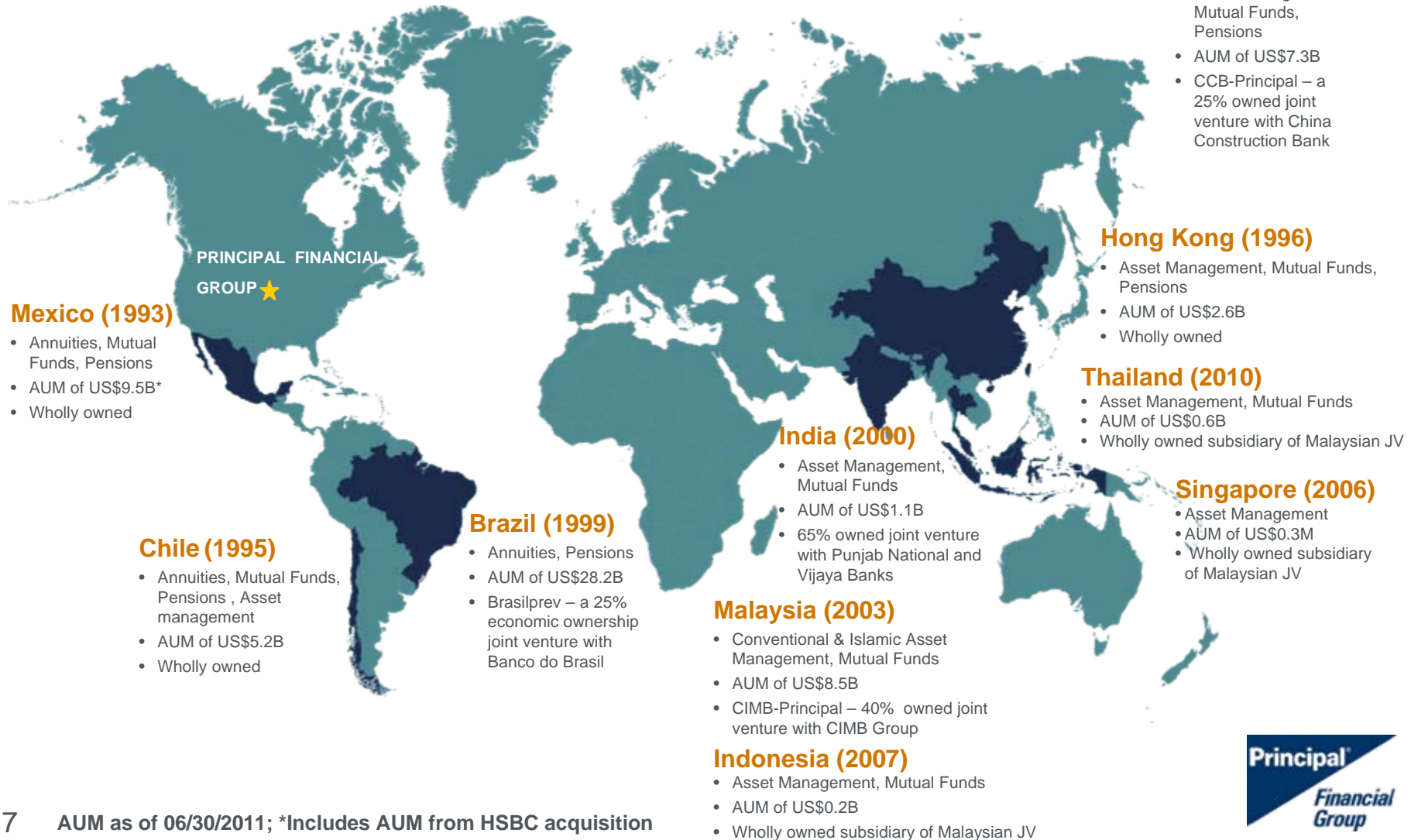
Norman Sorensen
Chairman, Principal International



Our experience:
Right markets
+ retirement expertise
+ marquee partners

= strong growth

BROAD EMERGING MARKET FOOTPRINT



FOUNDATION OF OPPORTUNITY

**Rapidly
growing
middle class**

**Inevitable rise
of defined
contribution
plans**

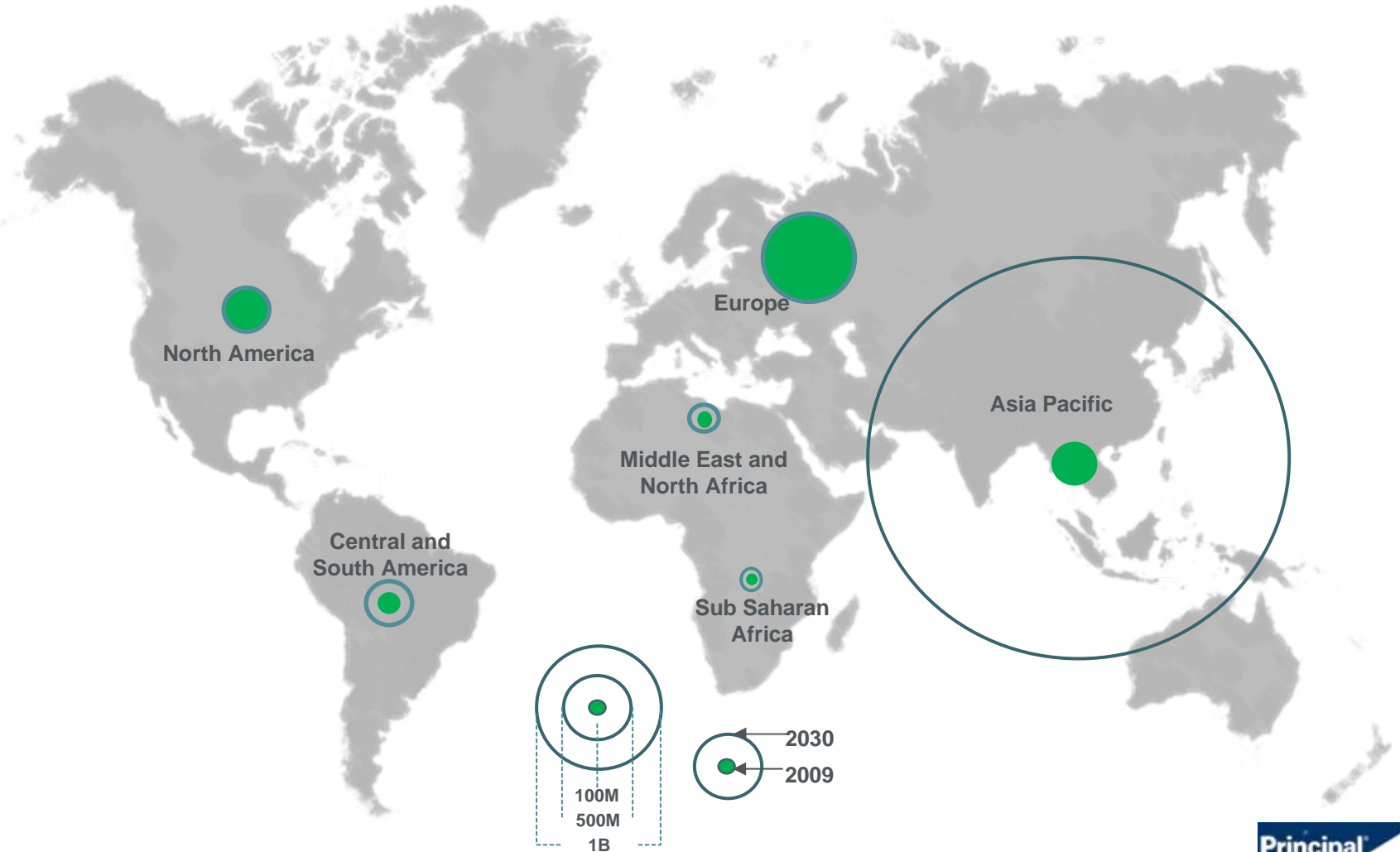
EMERGING ECONOMIES LIKELY TO SURPASS U.S.

TEN LARGEST ECONOMIES BY DECADE

	1990	US\$ trn	2000	US\$ trn	2010	US\$ trn	2020	US\$ trn	2030	US\$ trn
1	US	5.8	US	10.0	US	14.6	China	24.6	China	73.5
2	Japan	3.0	Japan	4.7	China	5.9	US	23.3	US	38.2
3	Germany	1.5	Germany	1.9	Japan	5.6	India	9.6	India	30.3
4	France	1.2	UK	1.5	Germany	3.3	Japan	6.0	Brazil	12.2
5	Italy	1.1	France	1.3	France	2.6	Brazil	5.1	Indonesia	9.3
6	UK	1.0	China	1.2	UK	2.3	Germany	5.0	Japan	8.4
7	Canada	0.6	Italy	1.1	Italy	2.0	France	3.9	Germany	8.2
8	Spain	0.5	Canada	0.7	Brazil	2.0	Russia	3.5	Mexico	6.6
9	Brazil	0.5	Brazil	0.6	Canada	1.6	UK	3.4	France	6.4
10	China	0.4	Mexico	0.6	Russia	1.5	Indonesia	3.2	UK	5.6

RAPIDLY GROWING MIDDLE CLASS

GLOBAL MIDDLE CLASS IN 2009 AND PREDICTION FOR 2030



**EMERGING MARKET
MIDDLE CLASS GROWTH**
means

**AUM EXPECTED TO
GROW 4-5X FASTER
THAN U.S. IN THE
NEXT 20 YEARS***

INEVITABLE GROWTH OF DEFINED CONTRIBUTION PENSIONS

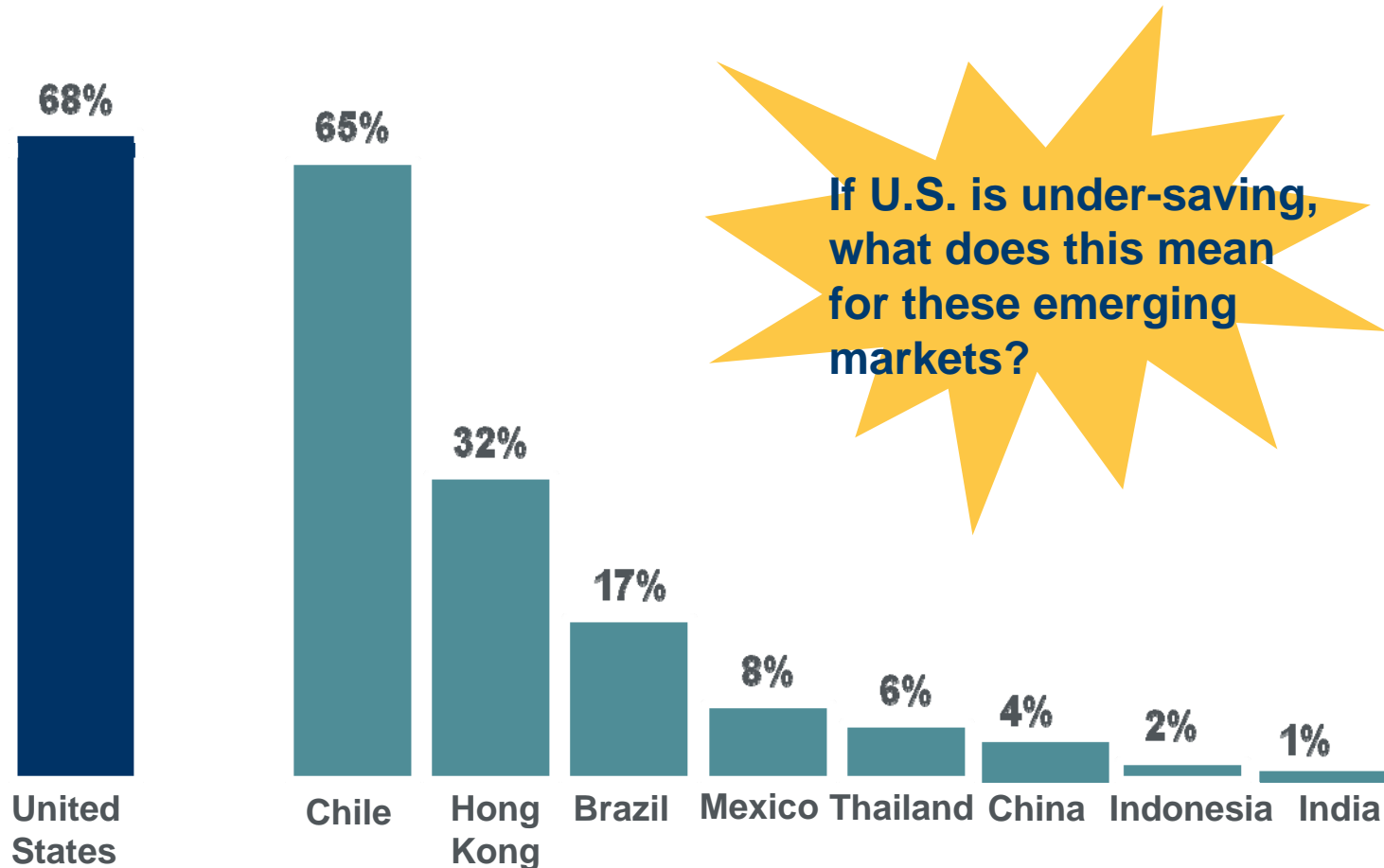
**Aging populations
will pressure**

government-funded
pension systems

**...resulting in
advancement of defined
contribution pension
systems** in emerging
markets



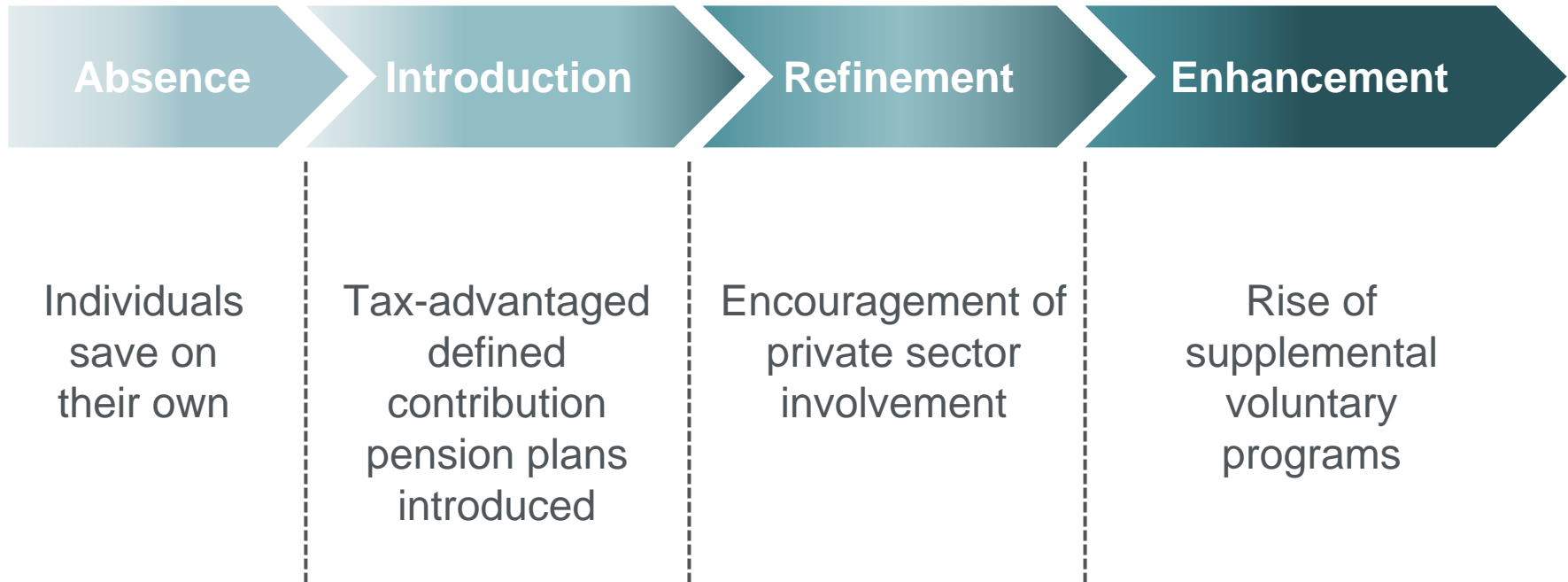
GROWING RETIREMENT ASSETS



Percent of retirement assets relative to GDP



EVOLUTION OF DEFINED CONTRIBUTION PENSION MARKET



See appendix for full descriptions of the various stages.

OUR GLOBAL STRATEGY

Luis Valdes

President, Principal International



OUR STRATEGIC PATH TO SUCCESS

1

**EXPORT
PENSION
EXPERTISE TO
SELECT
EMERGING
MARKETS**

2

**MARQUEE
PARTNERS**

3

**ORGANIC
GROWTH
COMBINED
WITH M&A**

The Principal Financial Group: EXPORT INDUSTRY LEADERSHIP

Retirement and Investor Services

- #1 provider of bundled 401(k) plans¹
- #1 provider of DB plans²
- #1 provider of ESOP plans³
- #3 Fund Family (2010 performance)⁴
- #5 Manager of Lifecycle Funds⁵
- #7 Fund Family (decade performance)⁴

Principal Global Investors⁶

- Top 5 manager Stable Value
- Top 5 manager U.S. Real Estate
- Top 10 manager Fixed Income
- Top 10 manager High Yield
- #29 Institutional Investor Top 300⁷
- #58 world's 500 largest managers⁸

Principal International

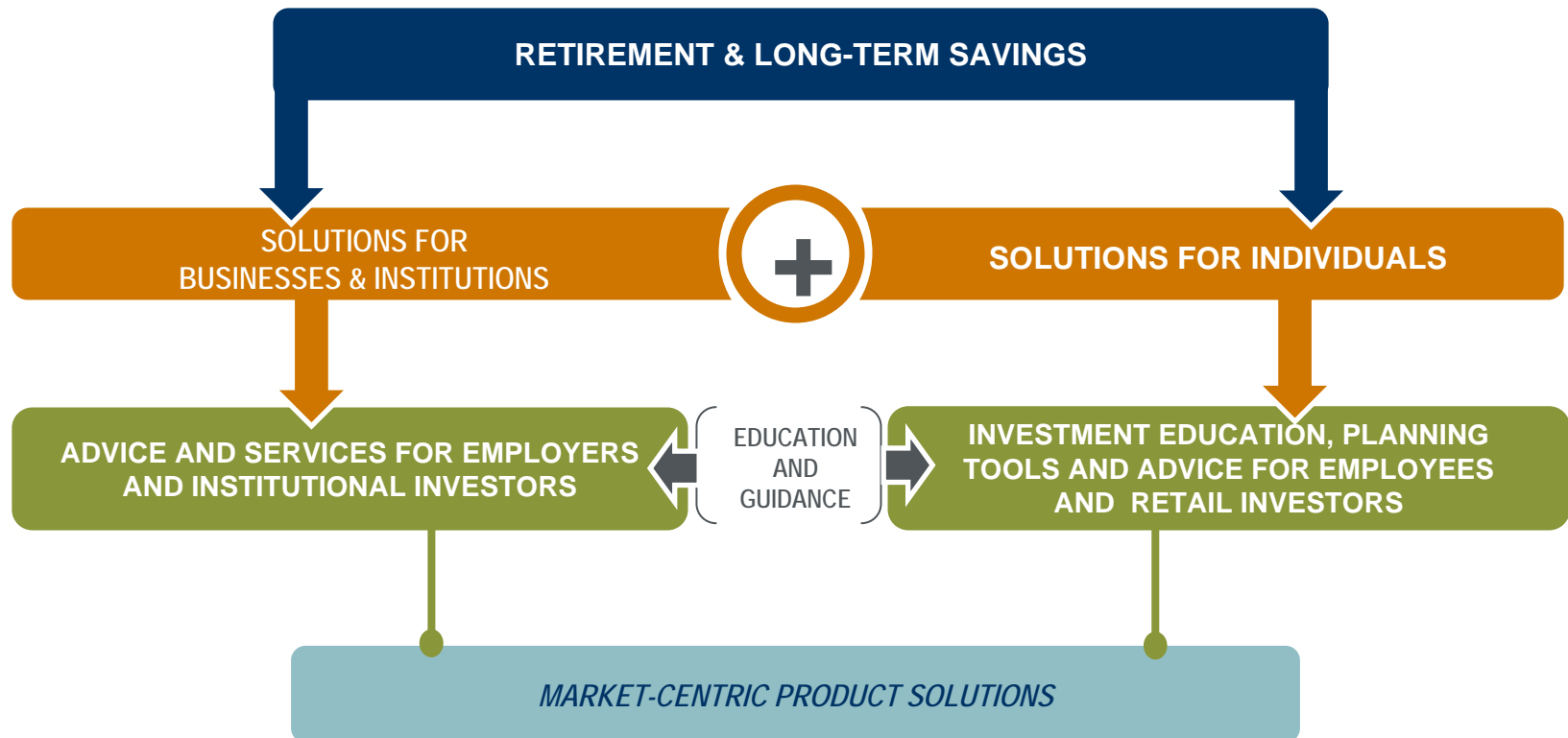
- #3 pensions – Brazil⁹
- #6 payout annuities – Chile¹⁰
- #3 mutual funds – Malaysia¹¹
- #8 pensions – Hong Kong¹²
- #8 pensions – Mexico¹³

U.S. Insurance Solutions

- #2 Non-qualified deferred compensation¹⁴
- #4 Non-medical coverages¹⁵
- #6 IDI coverages¹⁵

¹Spectrem Group Analysis of fully-bundled 401(k) plans, 2/10; ²Investment Advisor Magazine, 11/10; ³PLANSPPONSOR 6/11; ⁴Barron's February 7, 2011; ⁵Lifecycle Funds Study, Financial Research Group 12/10; ⁶*Pensions & Investments* (May 31, 2010) data as of 12/31/2009; ⁷"America's Top Money Managers" (Institutional Investor, July/August, 2011). ⁸P&I/Towers Watson World 500, 10/10. ⁹Assets under management, Fenaprevi (5/11); ¹⁰SVS (June 2011); ¹¹FIMM (March 2011); ¹²Lipper 2011; ¹³Consar (June 2011); ¹⁴PLANSPPONSOR 12/10 (based on number of plans record-kept); ¹⁵LIMRA 2009 surveys: Non-med & Individual Disability Insurance (IDI) rank based on in-force coverages.

OUR STRATEGIC FOCUS



LEVERAGING STRONG MARQUEE PARTNERS WITH OUTSTANDING DISTRIBUTION

Joint Venture Partner	Partner's Industry Ranking	Distribution Reach
 Banco do Brasil	Largest bank in Latin America ¹	5,094 branches; 55.5 million customers ²
 中国建设银行 China Construction Bank	2 nd largest commercial bank in world ¹	13,415 branches; 2.3 million business accounts; 292 million retail customers ³
 CIMB GROUP	5 th largest financial services provider in Southeast Asia ⁴	1,100 branches; 13 million retail customers ⁵
 punjab national bank ...The name you can BANK upon!	2 nd largest bank in India ⁶	5,100 branches; 60 million retail customers ⁶



GOING DEEPER & BROADER INTO EXISTING COUNTRIES

Targeted Markets	Pensions	Mutual Funds	Asset Mgmt	Annuities
Brazil	■	+	+	■
Chile	+ ■	■	■	■
Mexico	■	■	■	■
China	+	■	■	
Hong Kong	■	■	■	
India	+	■	■	
Southeast Asia	+	■	■	

Our targeted markets represent a **\$3.5 trillion** opportunity with significant growth potential

15% CAGR through 2014

■ = Where we have a product offering today (\$2.5T market)
 + = Targeted expansion



PATH FORWARD: STAY THE COURSE

CONTINUE TO LEVERAGE:

- Our decade-old footholds in key markets
- Our recognized retirement leadership
- Our leading global asset management capabilities
- Our strength & breadth of multi-channel distribution
- Our successful track record in M&A

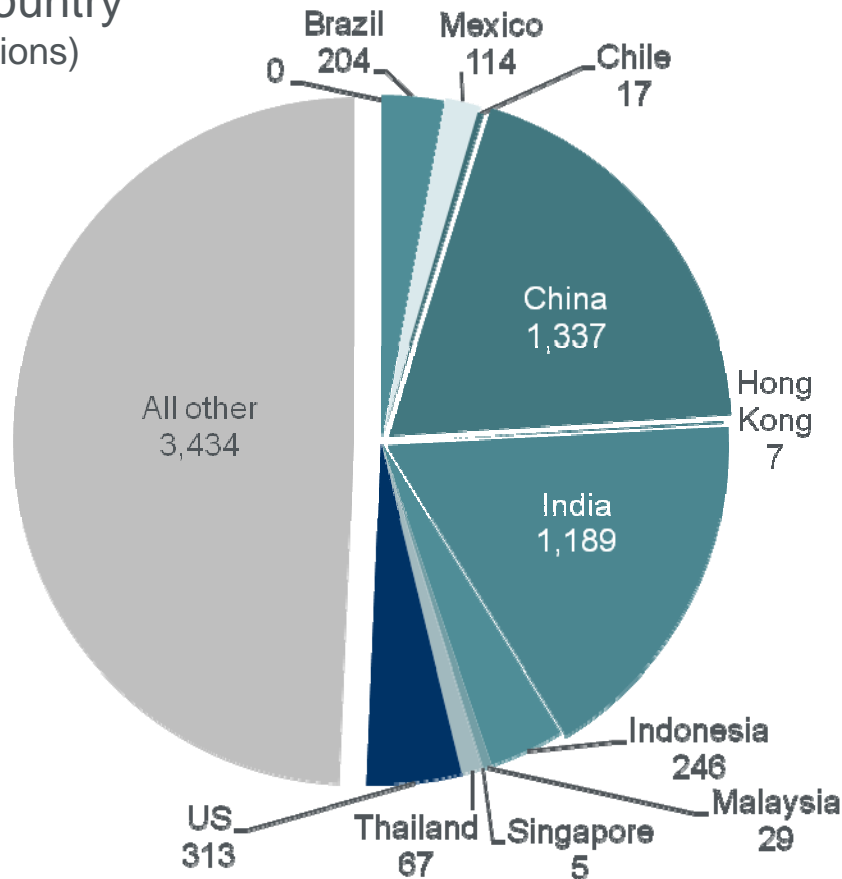
NEARING
9
MILLION
CUSTOMERS
AND
COUNTING...

OUR APPROACH TO M&A

- 1 Add scale
- 2 Fill product gaps in existing countries
- 3 Geographic expansion in emerging DC pension and retirement savings markets

RIGHT STRATEGY. RIGHT MARKETS.

Global Population
by Country
(in millions)



Principal International countries represent:

- **46%** of world's population
- **54%** of emerging markets capitalization*

SHAREHOLDER VALUE CREATION

CHECKBOOK ECONOMICS*

Total invested in
PI operations: \$1,005M

Money returned
from investment
to date: \$327M

Net cash
investment: \$678M

**\$2.7
Billion**

**VALUE OF
OUR
BUSINESSES**

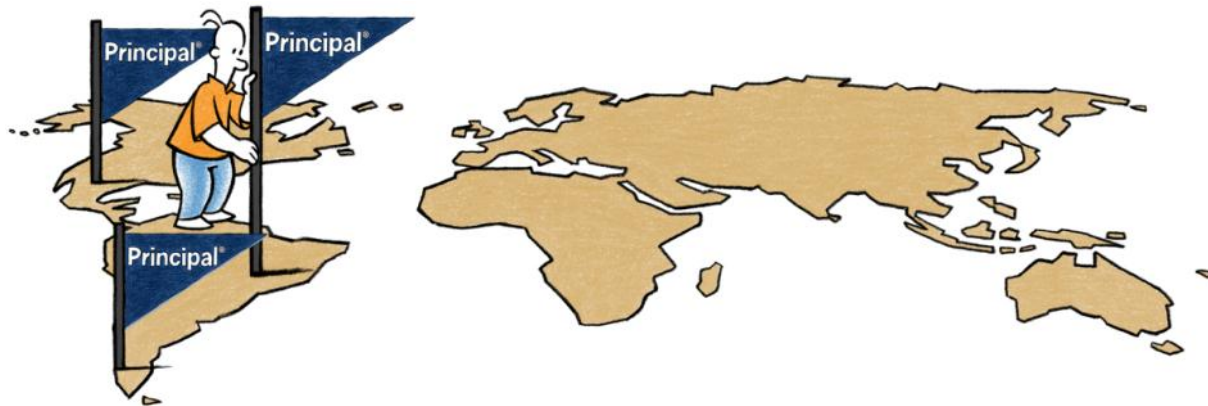
Assuming 14x earnings for our pension operations &
6% of AUM for our mutual fund companies

* After a \$200M investment in the HSBC AFORE expected to initially generate \$21M of annual earnings. All numbers in US\$.

FOCUS ON LATIN AMERICA

Roberto Walker

President, Principal International – Latin America



PRINCIPAL IN LATIN AMERICA

Mexico (1993)

AUM of US\$9.5B*

Wholly owned
companies:

Principal AFORE
Pensions

Principal Fondos de
Inversión (PFI)
Mutual Funds, IAM

Principal Seguros
Life Insurance

Principal Pensiones
Annuities



Chile (1995)

AUM of US\$5.2B

Wholly owned companies:

Principal Vida
Annuities / Pensions

Principal AGF
Mutual Funds, IAM

Principal Asset
Management
Asset management

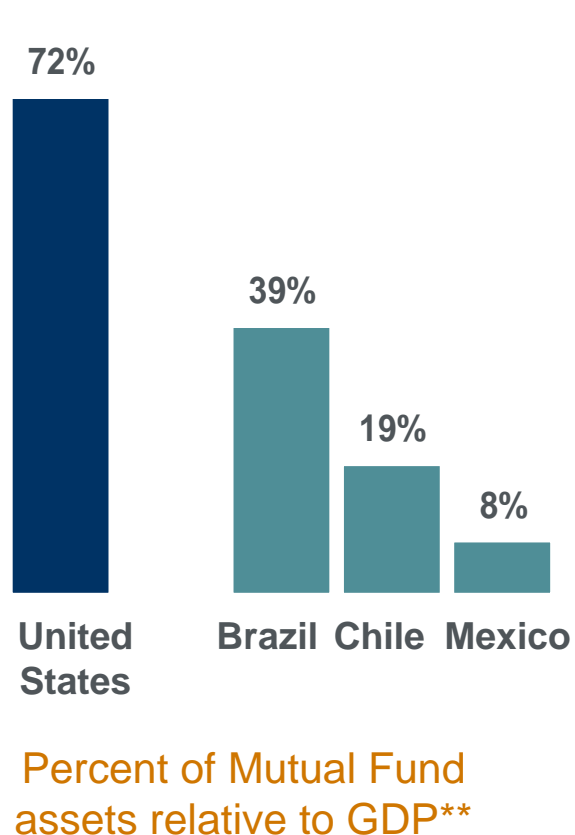
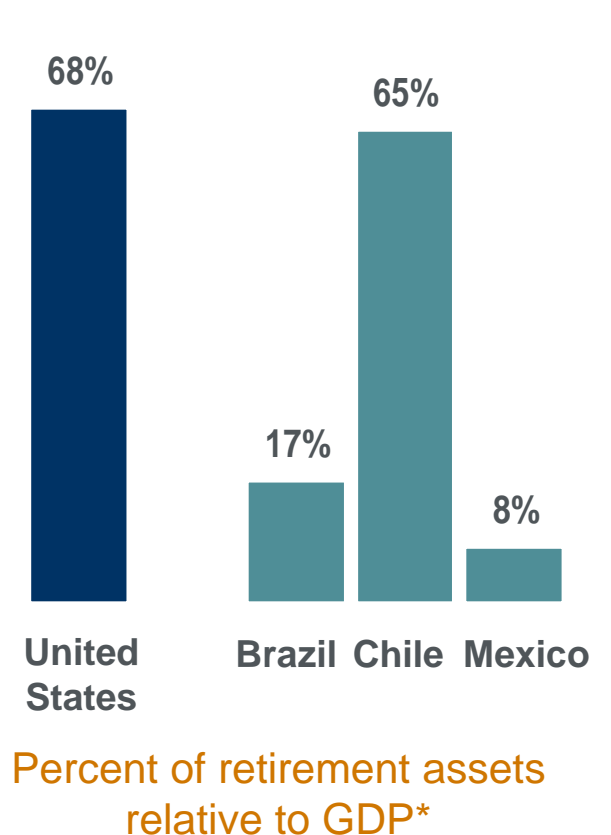
Principal Creditos
Hipotecarios
Residential Mortgages

Brazil (1999)

AUM of US\$28.2B

Brasilprev - JV with
Banco do Brasil
Pensions, Annuities, IAM

LATIN AMERICA MARKET MATURING YET UNDERSERVED



- Growing middle class
- Aging populations seek financial security

PROJECTED LATIN AMERICA MARKET GROWTH

Business	2010-2015E*
Pension Accumulation	
• Brazil	14%
• Chile (voluntary)	14%
• Mexico	16%
Mutual Funds	
•Chile	20%
•Mexico	17%

Business	2010-2012E**
Institutional Asset Mgmt	
•Chile	12%
Payout Annuities	
•Brazil	14%
•Chile	10%

FUELED BY MIDDLE CLASS GROWTH



PRINCIPAL IN BRAZIL

BRASILPREV

Brasilprev – a pension company joint venture with Banco do Brasil (*largest bank in Latin America*); doing business since 1999

- We hold 50.01% of the common stock
- We have 25% economic ownership
- 1.4 million customers
- AUM of US\$28.2B*

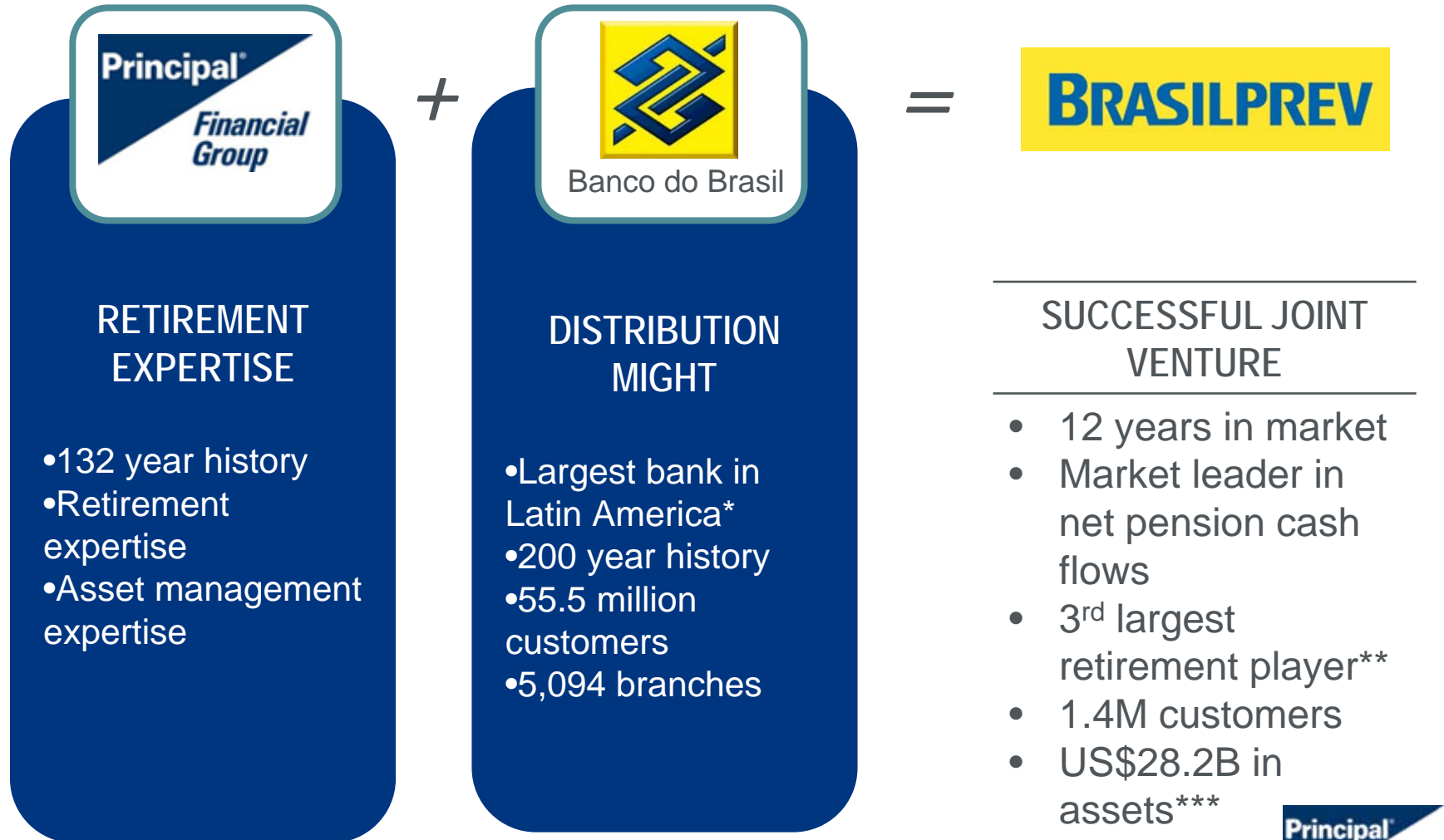


BRAZIL: DEFINED CONTRIBUTION PENSION MARKET

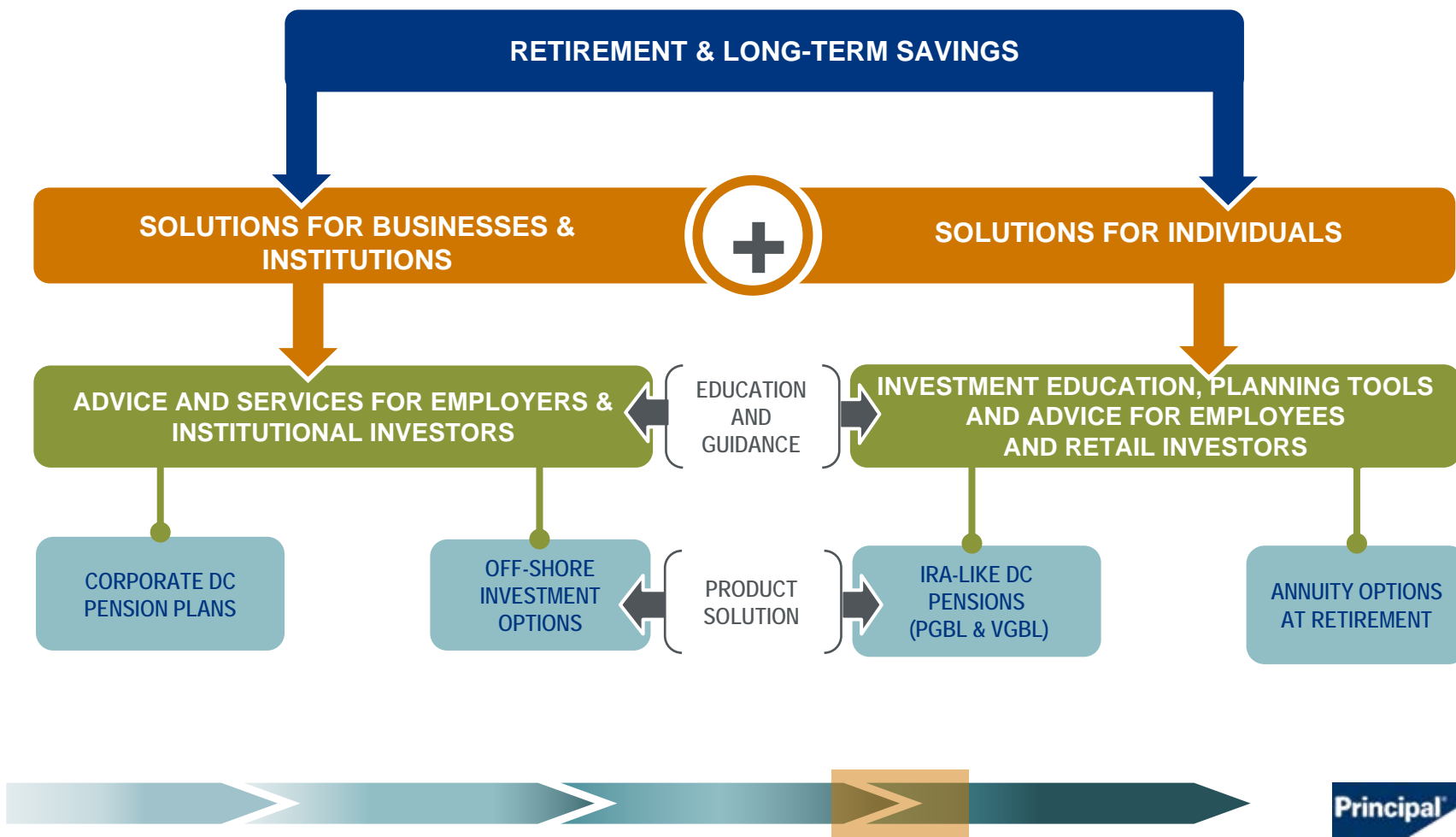


- ▶ Predominantly an IRA-based market with growing corporate DC opportunities
- ▶ Banks dominate distribution
- ▶ Expected offshore investments

PRINCIPAL IN BRAZIL



PRINCIPAL IN BRAZIL: OUR STRATEGIC FOCUS



PRINCIPAL IN BRAZIL: EXECUTION EXCELLENCE

CORE PRODUCTS

- Defined Contribution accumulation products for individuals & employer groups (PGBL; VGBL)
- Increasing opportunity for corporate DC plans

COMPETITIVE ADVANTAGE

- Leveraging Principal Financial Group 65+ years pension investment and administration expertise
- Distribution partner is Brazil's largest bank
 - 5,094 branches
 - 55.5 million retail customers

PRINCIPAL IN BRAZIL: SUCCESS TO DATE

- **AUM:** 5-year CAGR of 38%
- **NCF:** 5-year CAGR of 52%
- **Market leader in asset retention***
- **TOP PRIVATE PENSION COMPANY** (Feb 2010) -- *Gestao e RH* magazine

**3RD
LARGEST
AND FASTEST GROWING
RETIREMENT COMPANY*:**

- 18% market share (AUM)
- 26% market share (new contributions)



PRINCIPAL IN BRAZIL: FUTURE OPPORTUNITY



+ 14%
Growth in
financial
assets*

66
MILLION
middle class
by 2015**

PRINCIPAL IN BRAZIL: EXTENDING OUR SUCCESS

1

**Capitalize on the
23-year JV
exclusive
distribution
agreement**

2

**Enter the mutual
fund business**

PRINCIPAL IN BRAZIL: 23-YEAR EXCLUSIVE AGREEMENT

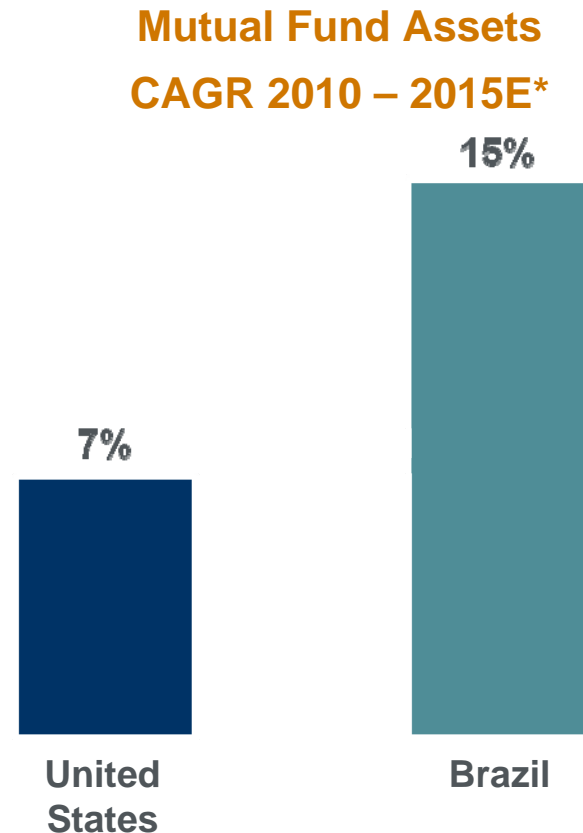
**Opportunity to grow
share of wallet of
bank's growing
customer base**

**Leverages ever-expanding
Banco do Brasil
distribution channel**



PRINCIPAL IN BRAZIL: MUTUAL FUND OPPORTUNITIES

- 5th largest mutual fund market in the world*:
US\$900B
- Evolving from short-term fixed income
- Demand for off-shore investments is Principal Global Investors opportunity



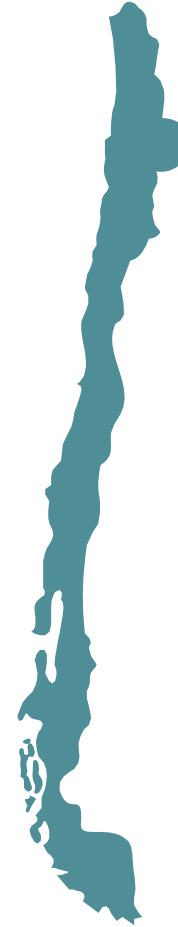
PRINCIPAL IN CHILE



Principal Financial Chile –

100% ownership and doing business in Chile since 1995

- 100,000+ customers
- US\$5.2B AUM*



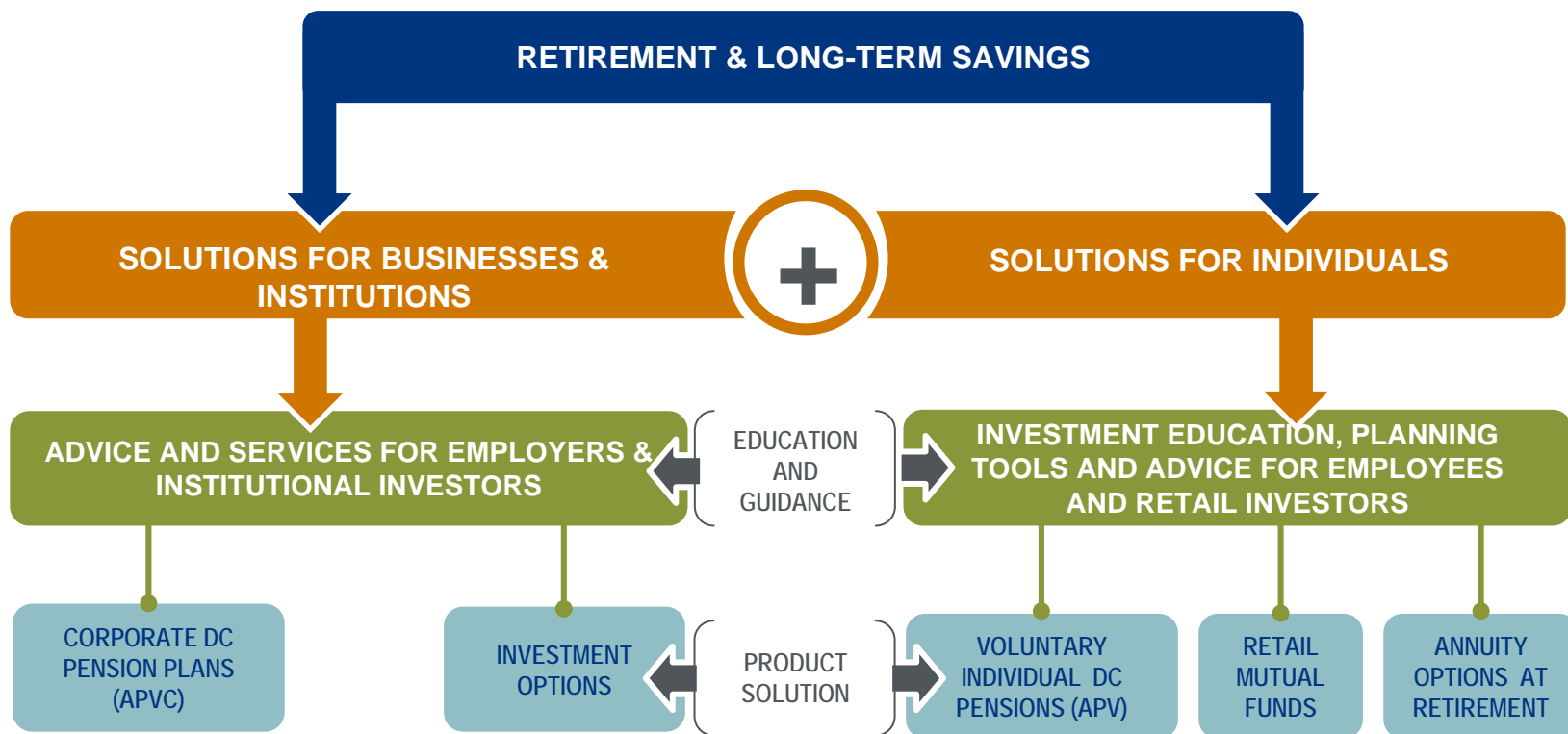
CHILE: DEFINED CONTRIBUTION PENSION OVERVIEW



- ▶ Stable economic growth and aging population will trigger savings “boom”
- ▶ Well-developed and growing mandatory DC market (AFP)
- ▶ Growing voluntary DC market
 - APV – for individuals
 - APVC – for employer-sponsored plans

DC = Defined Contribution; AFP = Administradora de Fondos de Pension ; APV = Ahorro Previsional Voluntario; APVC = Ahorro Previsional Voluntario Colectivo

PRINCIPAL IN CHILE: OUR STRATEGIC FOCUS



PRINCIPAL IN CHILE: EXECUTION EXCELLENCE

CORE PRODUCTS

- Voluntary, qualified individual retirement (*APV plans*)
- Voluntary, qualified group retirement (*APVC plans*)
- Payout annuities

COMPETITIVE ADVANTAGE

- Only global financial group in Chile specialized in retirement, investments and long-term savings
- Multi-channel distribution
 - Brokers & independent agents (700 agents)
 - Alliances -- largest retailer in Chile (Falabella)
 - Proprietary sales force (33 sales people)
- Retirement income and risk management expertise
- Ability to leverage our U.S. 401(k) experience

PRINCIPAL IN CHILE: SUCCESS TO DATE

- **AUM:** 5-year CAGR of 15%
- *BEST APV FUNDS 2009 & 2010 -- FundPro*
- Strong investment compliance:



ANNUITY LEADER

**RANKED IN TOP 5
(10 CONSECUTIVE YEARS)*:**

- **#5 in APV – 1st among mutual funds**
- **#1 in APVC contracts & AUM**

PRINCIPAL IN CHILE: FUTURE OPPORTUNITY



+ 14%
Growth in
financial
assets*

*VOLUNTARY
MARKET*
experiencing
26%
GROWTH RATE

PRINCIPAL IN CHILE: EXTENDING OUR SUCCESS

1

**Grow voluntary
pension
savings and
mutual fund
offerings and
strengthen
distribution**

2

**Continue
strategic
issuance of
payout annuities**

3

**Evaluate
opportunities in
the mandatory
AFP market**

PRINCIPAL IN CHILE: VOLUNTARY PENSION SAVINGS & MUTUAL FUNDS

2010 APV AUM Market Share

	Company	%
1	ING	21.0
2	CUPRUM	18.2
3	Habitat	17.9
4	BBVA	9.1
5	Principal	6.2
6	BANCHILE	3.5
7	Security	3.2
8	Consorcio	2.7
9	CELFIN	2.7
10	LARRAIN VIAL	2.5

*20% Mutual
Fund market
growth*
(2010-2015E CAGR)*



PRINCIPAL IN CHILE: PAYOUT ANNUITIES & AFP OPPORTUNITIES

PAYOUT ANNUITIES

- Disciplined execution
- Market leading risk management, including asset and liability management

AFP OPPORTUNITIES

- AFP is basic building block in retirement planning
- Extend AFP customer relationship to voluntary market

PRINCIPAL IN MEXICO



Principal Financial Mexico – 100% ownership and doing business in Mexico since 1993

- 4.4 million customers
- US\$9.5B AUM*

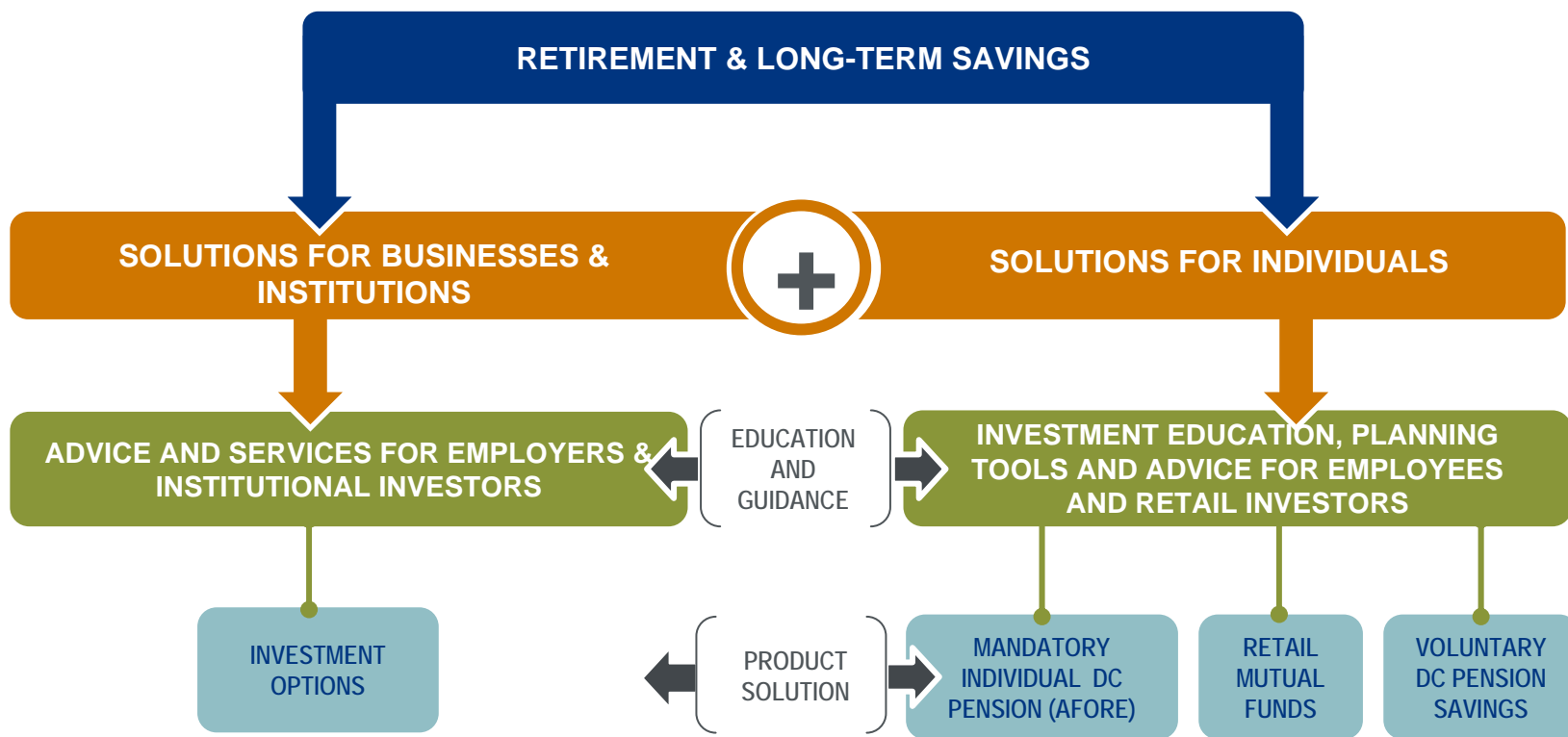


MEXICO: DEFINED CONTRIBUTION PENSION OVERVIEW



- ▶ Established mandatory individual defined contribution plan (AFORE)
- ▶ Banks dominate distribution
- ▶ Mutual funds capture growing voluntary savings

PRINCIPAL IN MEXICO: OUR STRATEGIC FOCUS



PRINCIPAL IN MEXICO: EXECUTION EXCELLENCE

CORE PRODUCTS

- Mandatory individual pre-retirement pension (AFORE)
- Retail mutual funds

COMPETITIVE ADVANTAGE

- Only global financial group in Mexico specialized in retirement, investments and long-term savings
- Leveraging Principal Financial Group 65+ years pension expertise
- Multi-channel distribution
 - Direct sales force (1,000)
 - External brokers (400+)
 - Distribution agreements (29)

PRINCIPAL MEXICO: SUCCESS TO DATE

- **4.4 million customers**
(includes HSBC)
- **Successful acquisitions:**
Atlantico, Zurich, Tepeyac,
AIG, Genera, HSBC
- Leadership in attracting high-
balance new customers
- Strong investment compliance:



*LARGEST
independent*
AFORE
& MUTUAL FUND
COMPANIES*

* Not affiliated with a
bank or brokerage house

PRINCIPAL IN MEXICO: FUTURE OPPORTUNITY



+16%

Growth in
financial
assets*

51
MILLION
middle class
by 2015**

PRINCIPAL IN MEXICO: EXTENDING OUR SUCCESS

1

**Continue
consolidation
opportunities**
including
**HSBC
integration**

2

**Grow voluntary
savings and
mutual fund
offerings and
strengthen
distribution**

3

**Leverage
HSBC
exclusive
distribution**

PRINCIPAL IN MEXICO: AFORE CONSOLIDATION

COMPANY	AUM	RANK	MS	CUSTOMERS (in millions)	RANK	MS
BANAMEX	21,275	1	17.9%	6,808,681	2	16.5%
BANCOMER	18,946	2	15.9%	4,414,154	4	10.7%
ING	17,496	3	14.7%	5,148,884	3	12.5%
BANORTE	16,510	4	13.9%	7,009,901	1	17.0%
PROFUTURO GNP	13,605	5	11.4%	3,145,989	7	7.6%
INBURSA	9,539	6	8.0%	3,222,163	6	7.8%
PRINCIPAL	8,589	7	7.2%	4,382,656	5	10.6%
INVERCAP	4,635	8	3.9%	1,442,429	9	3.5%
COPPEL	3,532	9	3.0%	2,843,604	8	6.9%
METLIFE	3,116	10	2.6%	1,230,876	10	3.0%
AZTECA	965	11	0.8%	906,941	11	2.2%
AFIRME BAJIO	669	12	0.6%	728,393	12	1.8%
TOTAL MARKET	119,000			41,284,671		

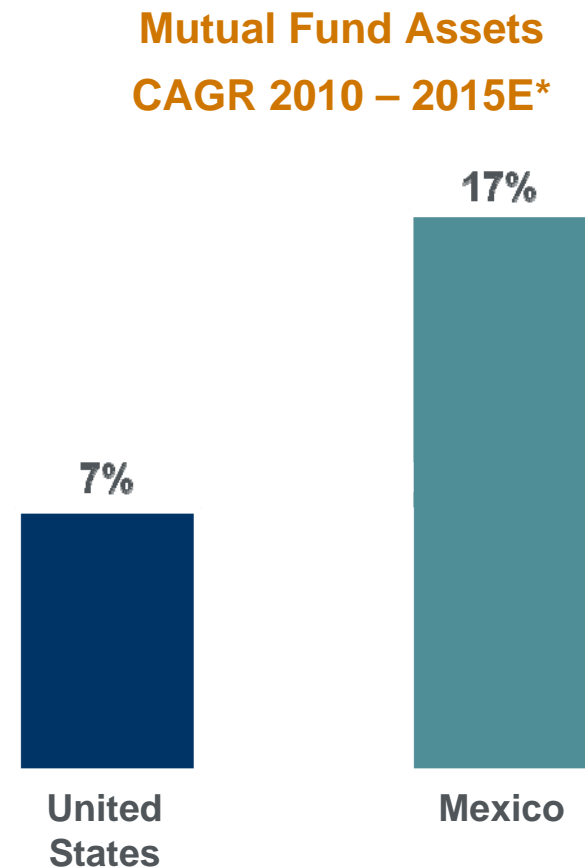
PRINCIPAL IN MEXICO: VOLUNTARY SAVINGS

**Use our
proprietary sales
force to cross-sell
to our AFORE
customers**

- Specialized mutual fund advisors
 - High income
 - Advisory sales
- Multiproduct sales
 - Middle market
 - Complement to AFORE savings

MEXICO: MUTUAL FUND OPPORTUNITY

- Double digit growth rates expected
- Mutual fund market concentrated in short term, low risk



PRINCIPAL IN MEXICO: HSBC DISTRIBUTION

- **Agreement is unique in Mexico** – leverages our Brazil model
- Will target HSBC's banking customers
- Possibility to expand to other products, including mutual funds

**5-year
exclusive
distribution
agreement
with HSBC-Mexico**

PRINCIPAL IN LATIN AMERICA

- Maximize marquee partnership in Brazil
- Pursue Brazilian mutual fund opportunities
- Grow voluntary pension savings and mutual fund offerings in Chile and Mexico
- Build scale in AFORE in Mexico



FOCUS ON ASIA

Rex Auyeung

President, Principal International – Asia



PRINCIPAL INTERNATIONAL IN ASIA

India (2000)

AUM of US\$1.1B

Principal PNB AMC – 65% owned
JV with PNB/Vijaya Bank
Mutual Funds

Principal Retirement Advisors
PI distribution company 4th QTR 2011

Singapore (2006)

AUM of US\$0.3M

CIMB-Principal AMC
Wholly-owned subsidiary of CIMB-
Principal Malaysia
Asset Management

Malaysia (2003)

AUM of US\$8.5B

CIMB-Principal AMC
PI JV with CIMB Group
Mutual Funds, Asset Management

Hong Kong (1996)

AUM of US\$2.6B

Principal Insurance Company
Pensions, Mutual Funds, IAM

PrinCorp Wealth Advisors
PI Distribution Company

Mainland China (2005)

AUM of US\$7.3B

CCB-Principal AMC
PI JV with China Construction Bank
Mutual Funds, IAM

PI & PGI Representative Offices
*Government/Client Relations and
Market Research*

Thailand (2010)

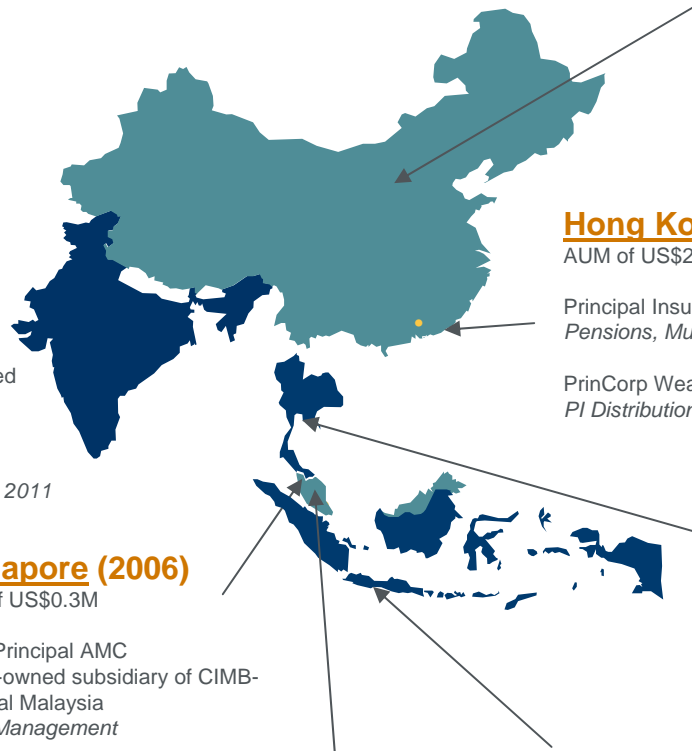
AUM of US\$0.6B

CIMB-Principal AMC
Wholly-owned subsidiary of CIMB-Principal Malaysia
Mutual Funds, Asset Management

Indonesia (2007)

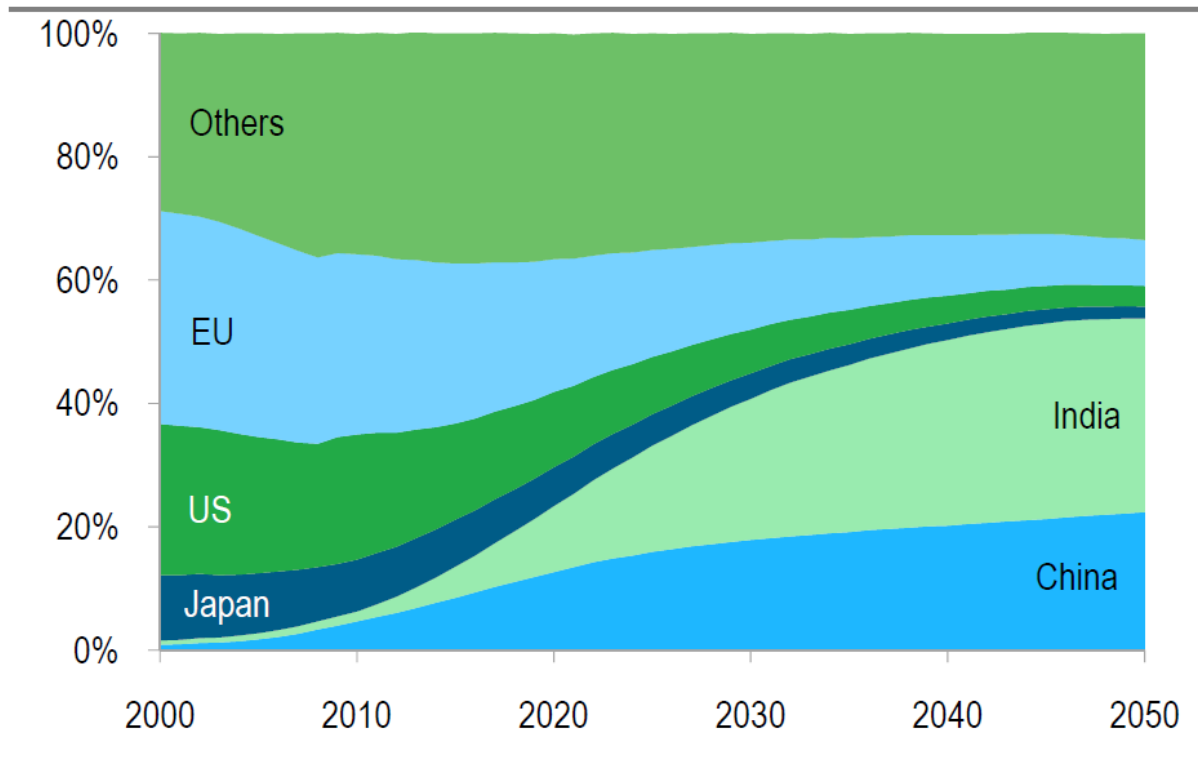
AUM of US\$0.2B

CIMB-Principal AMC
Wholly-owned subsidiary of CIMB-
Principal Malaysia
Mutual Funds, Asset Management



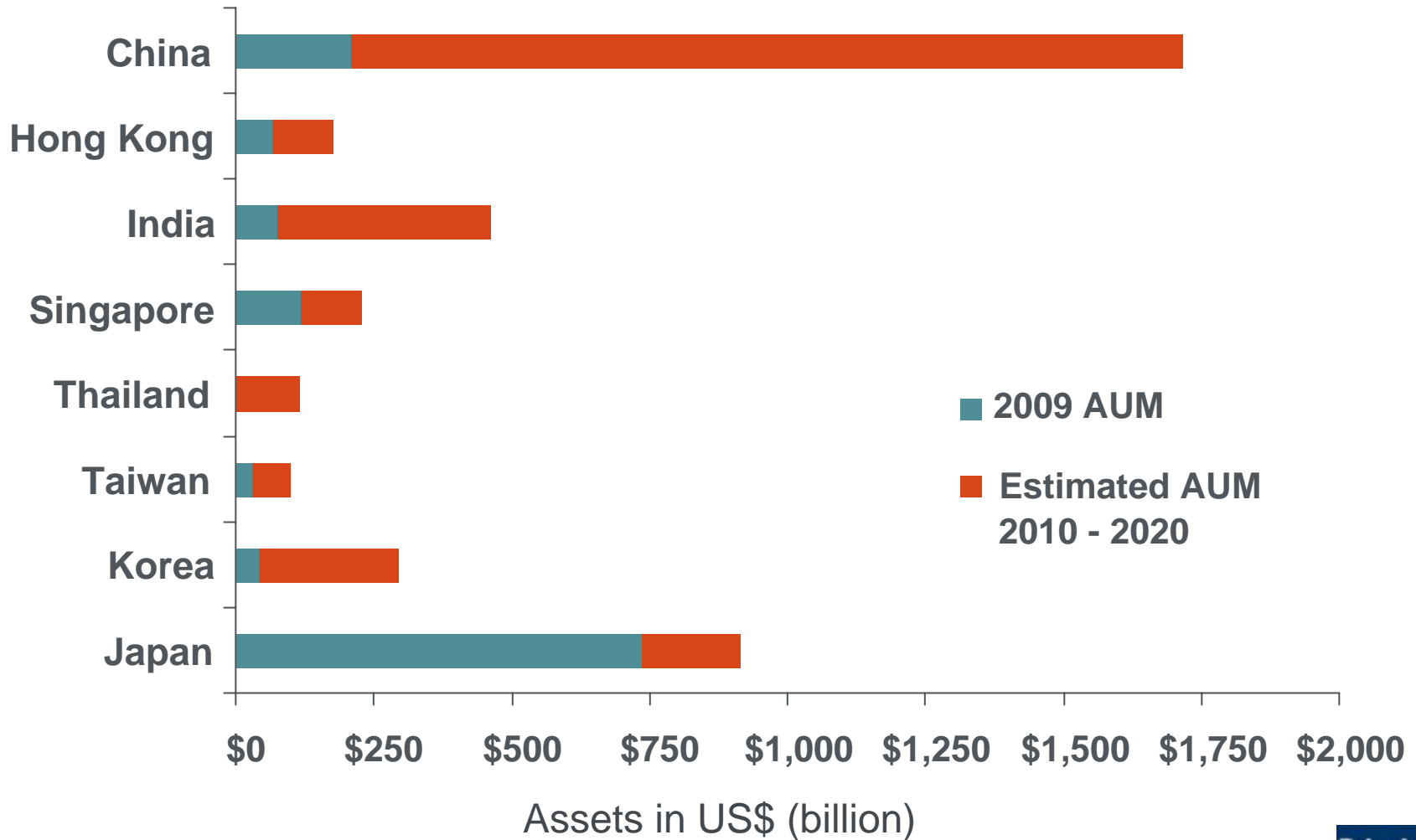
DISCRETIONARY INCOME INCREASING SIGNIFICANTLY IN ASIAN EMERGING MARKETS

Shares of global middle-class consumption, 2000-50



Sources: OECD, Standard Chartered Research

ANTICIPATED RETIREMENT ASSET GROWTH



PRINCIPAL IN MAINLAND CHINA



CCB-Principal – 25%-owned mutual fund/asset management company joint venture with China Construction Bank (CCB)

- 1.2 million customers
- US\$7.3B AUM*



CHINA: DEFINED CONTRIBUTION PENSION OVERVIEW



- ▶ Unsustainable public pension plan
- ▶ Slow take-up of Enterprise Annuity plans – a DC program designed to supplement public plan. Hurt by:
 - Regulated fees with small margins
 - No tax advantages
- ▶ Fast developing pension strategy. New government will address as a key priority.

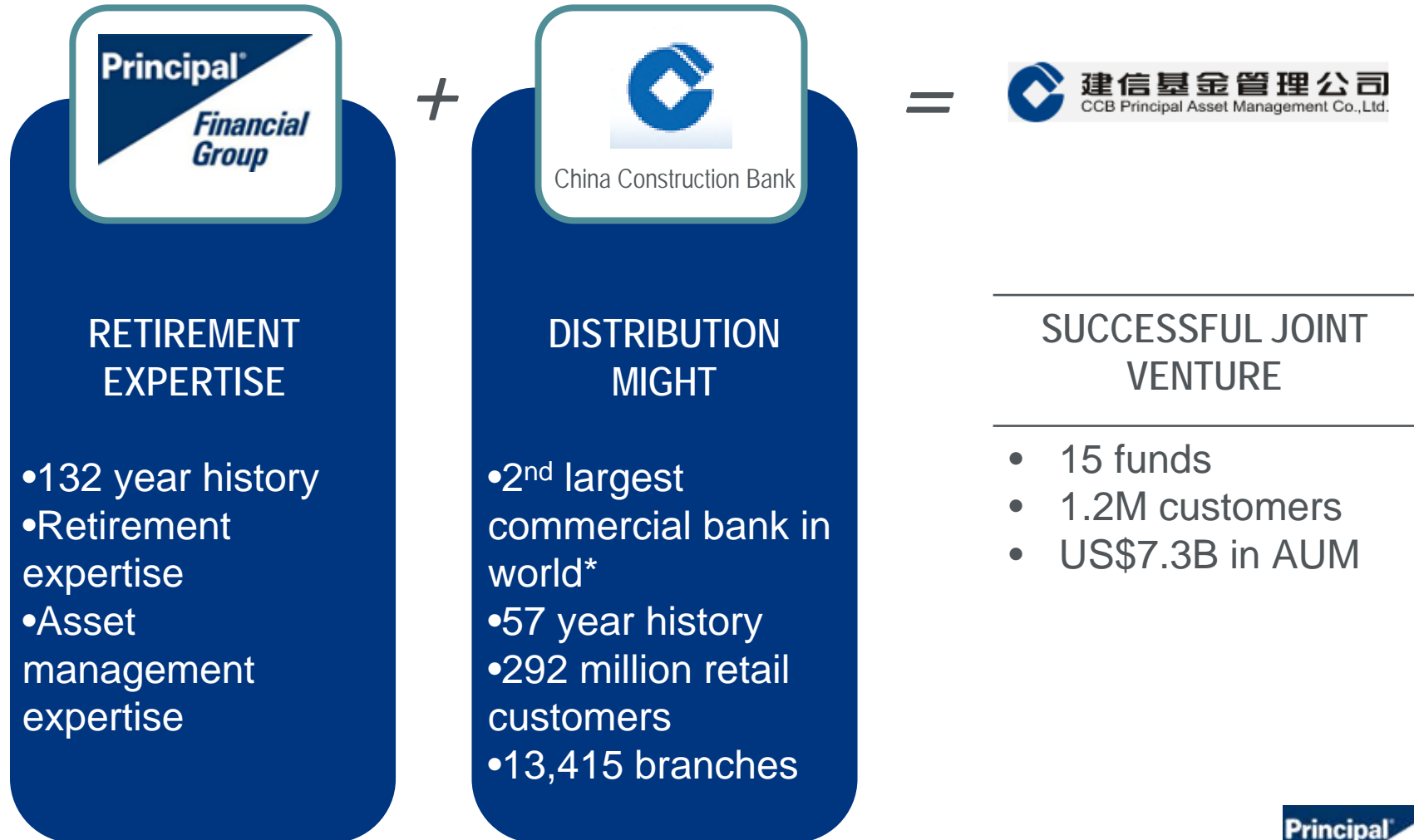
CHINA: MUTUAL FUND INDUSTRY OVERVIEW



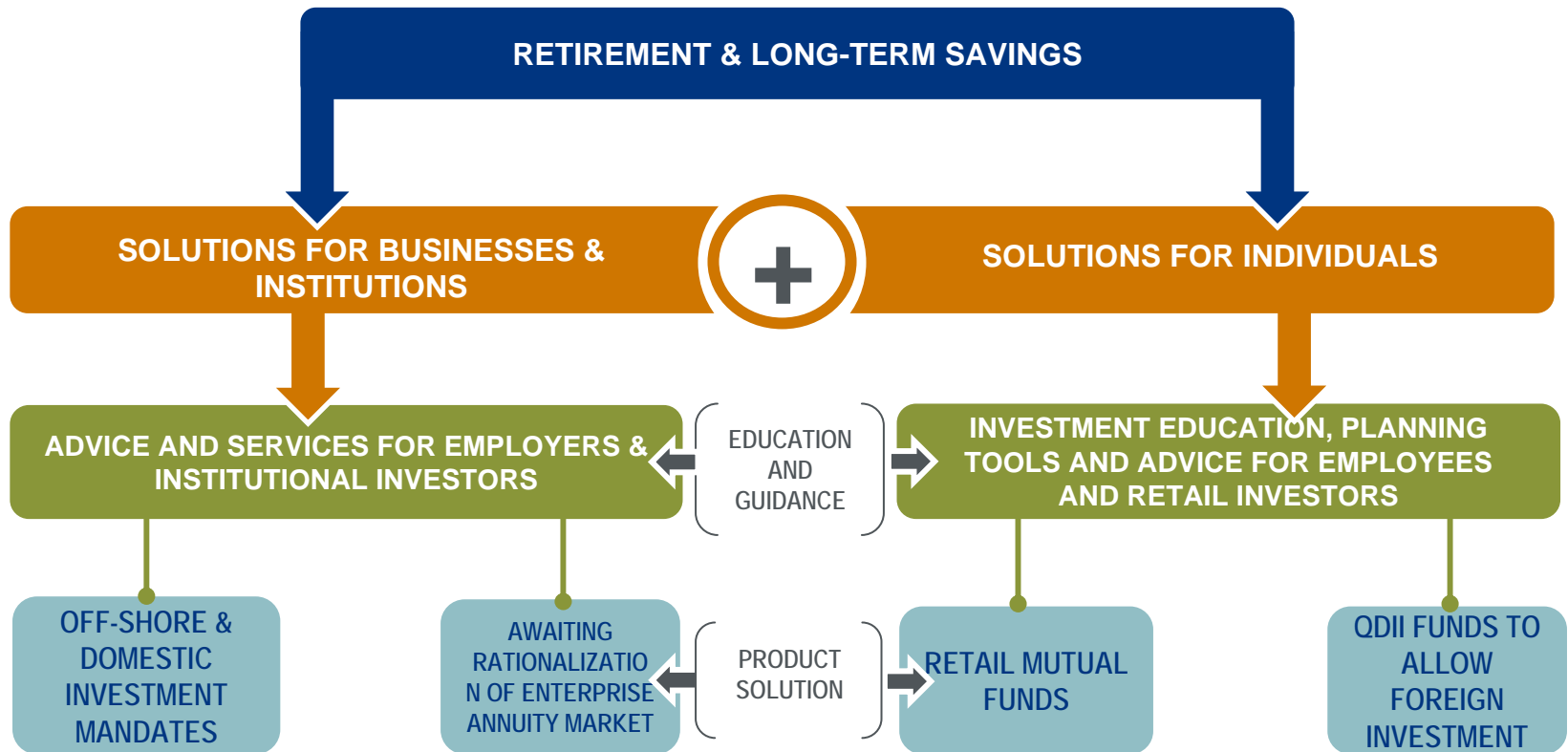
15% mutual fund market
growth projection
(2010-2015E CAGR)*

- ▶ Mutual funds savings is relatively new – and focused on new fund launches with limited recurring investment
- ▶ Investors tend to be short-term focused
- ▶ Distribution heavily controlled by large banks, notably CCB and ICBC
- ▶ Open architecture

PRINCIPAL IN MAINLAND CHINA



PRINCIPAL IN CHINA: OUR STRATEGIC FOCUS



PRINCIPAL IN CHINA: EXECUTION EXCELLENCE

CORE PRODUCTS

- Mutual Funds
- QDII

COMPETITIVE ADVANTAGE

- Access to world-class asset management through Principal Global Investors
- Our QDII capabilities offer more options to customers
- CCB is one of few distribution channels with national coverage
 - 2nd largest commercial bank in the world
 - 13,415 branches
 - 292 million retail customers



PRINCIPAL IN CHINA: SUCCESS TO DATE

- **AUM:** 5-year CAGR of 55%
- 15 fund launches since 2005 raising US\$8.5B
- Targeting to be Top 10 Asset Management Company by 2012
- 1.2 million customers

19th
LARGEST
ASSET MANAGEMENT COMPANY*
(out of 67 companies)



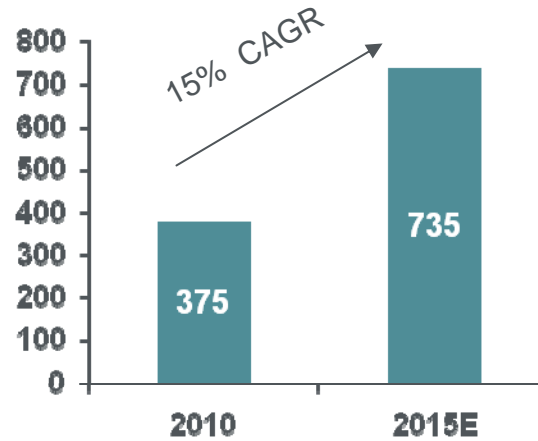
PRINCIPAL IN CHINA: FUTURE OPPORTUNITY

BY 2015:

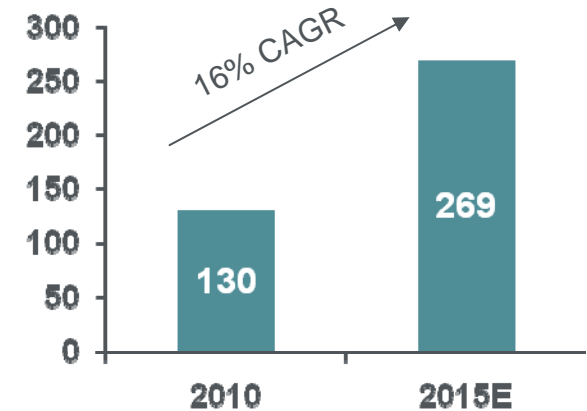
**375 MILLION
MIDDLE CLASS¹**

**US\$560B NEW
INSTITUTIONAL
ASSET INFLOWS²**

RETAIL MUTUAL FUNDS AUM (US\$B)³



PENSIONS AUM (US\$B)³



PRINCIPAL IN CHINA: EXTENDING OUR SUCCESS

1

**Continue
building
mutual fund
offerings and
distribution**

2

**Capture
retirement and
institutional
savings**

PRINCIPAL IN CHINA:
**WELL-POSITIONED TO CAPTURE
FUTURE OPPORTUNITIES**

Build mutual fund offerings & distribution

- Build portfolios that cater to increasing interest in strategic long-term investment
- Expand Qualified Domestic Institutional Investor (QDII) offerings

Capture retirement savings

- Seek Enterprise Annuity licenses
- Secure Qualified Foreign Institutional Investor mandate (QFII)
- Evaluate entry into offshore Renminbi market



PRINCIPAL IN HONG KONG (S.A.R.)

Principal

信安

Principal – Hong Kong a wholly owned subsidiary of The Principal and doing business since 1996.

- 190,000 customers
- AUM of US\$2.6B*
- Gateway into China

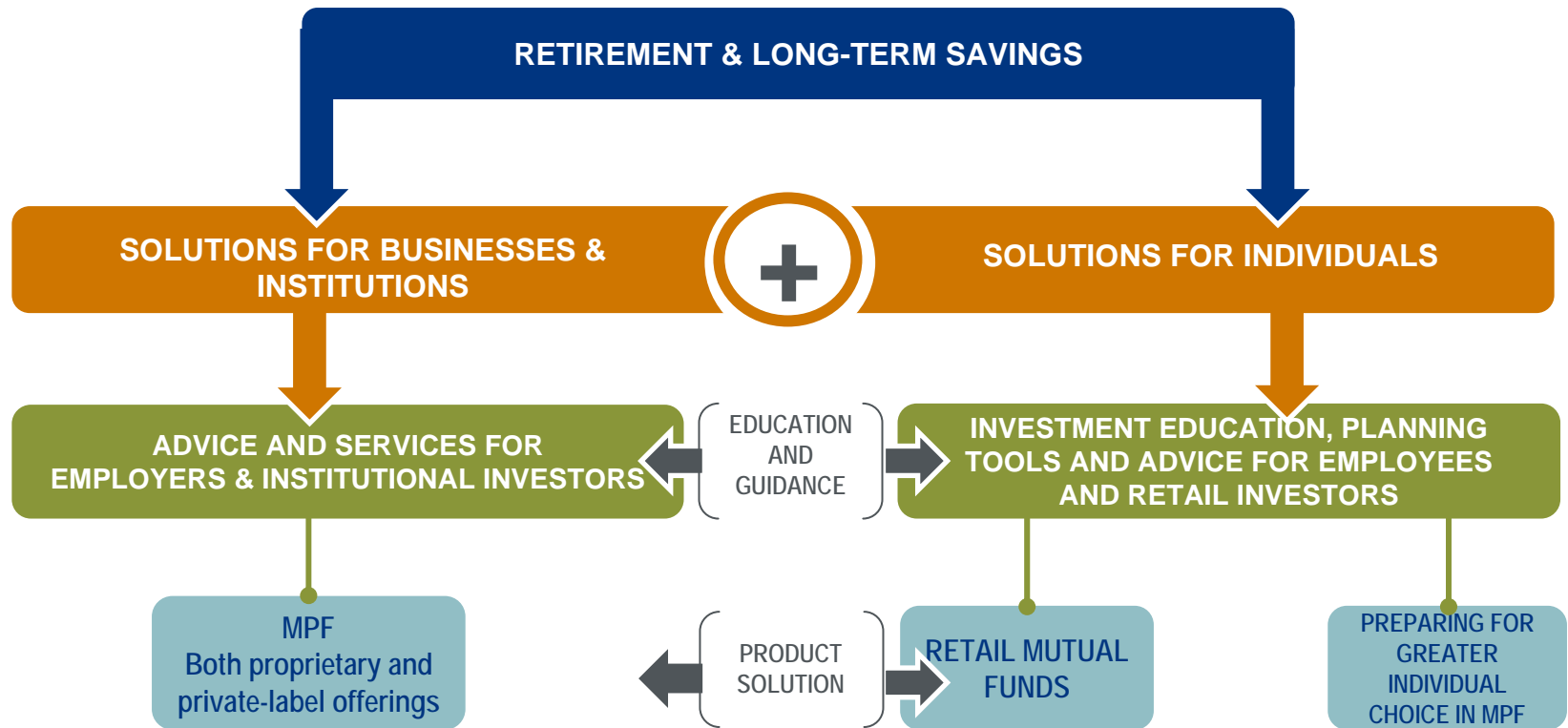


HONG KONG: DEFINED CONTRIBUTION PENSION OVERVIEW



- ▶ Highly concentrated employer-based mandatory pension market (MPF)
- ▶ All 19 MPF providers are private companies
- ▶ Investors favor equity funds
- ▶ Total retirement fund AUM grew 16% in 2010
- ▶ Adopting greater individual choice

PRINCIPAL IN HONG KONG: OUR STRATEGIC FOCUS



PRINCIPAL IN HONG KONG: EXECUTION EXCELLENCE

CORE PRODUCTS

- Mandatory pension fund (MPF)
- Voluntary pension fund (ORSO)
- Retail mutual funds

COMPETITIVE ADVANTAGE

- Pension specialist with strong asset management capabilities
- Provide bundled pension services to employers
- PrinCorp Wealth Advisors



PRINCIPAL IN HONG KONG: SUCCESS TO DATE

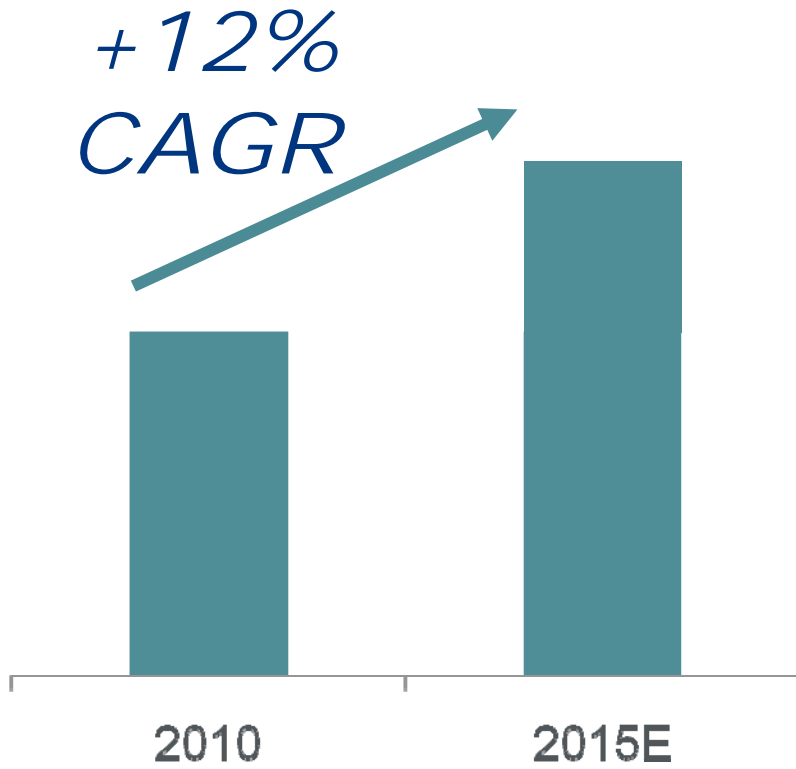
- **AUM:** 5-year CAGR of 15%
- **190,000 customers**
- Lipper awards:
 - 2011 Hong Kong Fund Award
 - 2010 Benchmark Fund of the Year Awards

Market Share as of March 2011*

Company	Rank	Market Share
HSBC + Hang Seng	1	32.91%
Manulife	2	17.91%
AIA-JF	3	9.88%
BOC Prudential	4	8.30%
Bank Consortium	5	6.32%
Fidelity Retirement	6	4.83%
Principal	7	3.71%
Bank of East Asia	8	3.54%
Others		<u>12.60%</u>
		<u>100.00%</u>



PRINCIPAL IN HONG KONG: FUTURE OPPORTUNITY



RETIREMENT FUND GROWTH

Highly competitive market
+
Increasing regulatory pressure
=
Accelerated MPF provider consolidation



PRINCIPAL IN HONG KONG: EXTENDING OUR SUCCESS

1

**Expand market
share in MPF
and mutual
funds**

2

**Prosper in
Member Choice
in MPF**

PRINCIPAL IN HONG KONG: CAPTURE MARKET SHARE

- Expand local distribution
- Take advantage of market consolidation
- Grow PrinCorp Wealth Advisors as new outlet for mutual funds

	Market Growth 2009-2012E	Current Principal Market Share
MPF	15%	4%
ORSO	6%	<1%
Mutual Funds	10%	<1%



PRINCIPAL IN HONG KONG: WELL-POSITIONED FOR MARKET CHANGES

- “Member Choice”
legislation expected late
2012
- PrinCorp Wealth Advisors
- Global investment
important to HK investors
- Principal network of world
class asset managers
very portable

COMPETITIVE ADVANTAGE:

*Principal International
and Principal Global
Investors **synergy**
creates compelling
investment options
to attract rollover
money*

PRINCIPAL IN INDIA



Principal PNB Asset Management – 65% owned joint venture with Punjab National Bank and Vijaya Bank; doing business since 2000

- 881,000 customers
- AUM of US\$1.1B*

Launching wholly-owned retirement advisory services company 4Q2011



INDIA: DEFINED CONTRIBUTION PENSION OVERVIEW



- ▶ Poor take-up rate of government sponsored defined contribution plans
 - Regulated and low fees
 - Inadequate distribution & services
- ▶ Government continues to explore new defined contribution pension options

INDIA: MUTUAL FUND INDUSTRY OVERVIEW



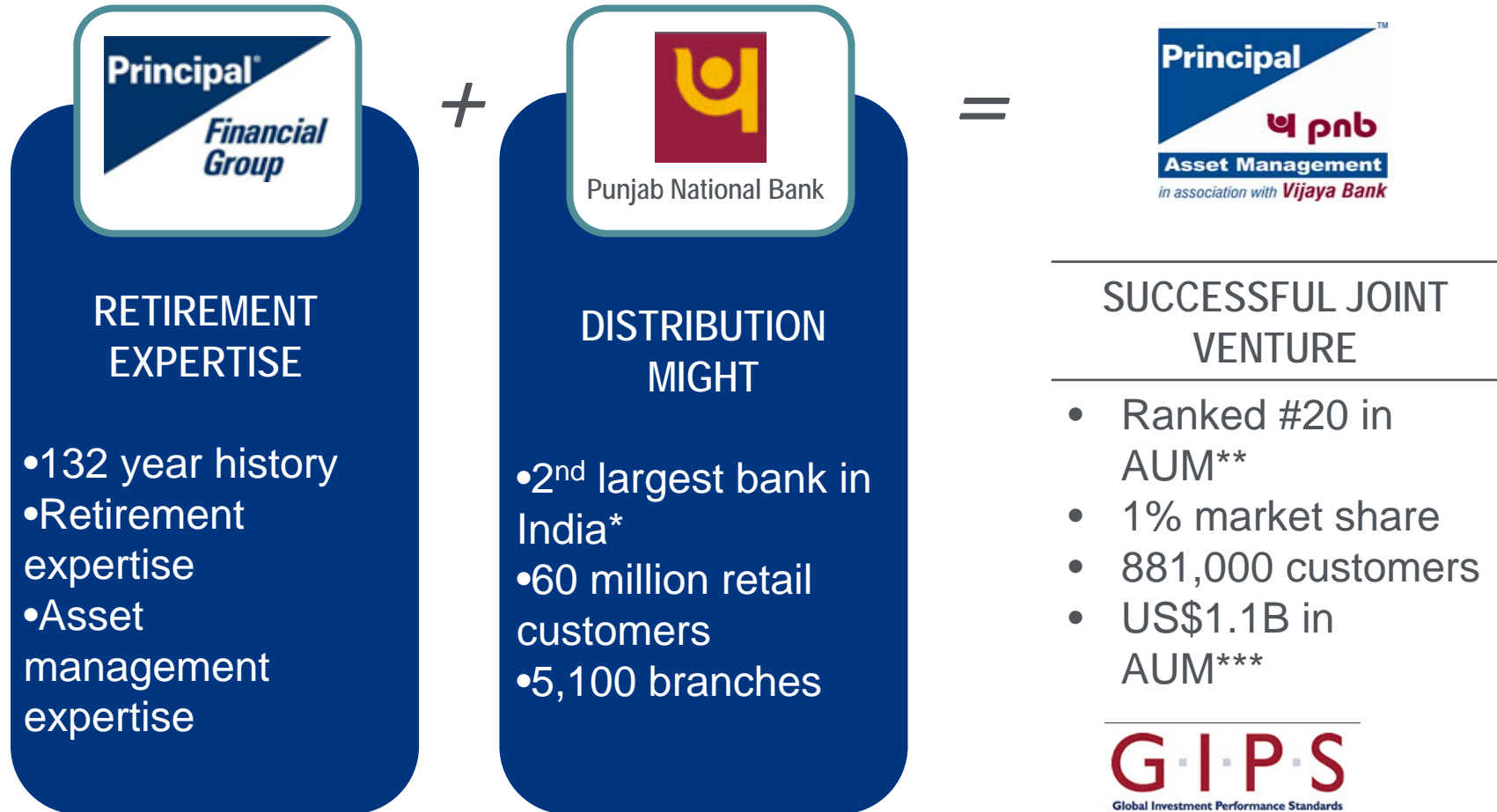
13% mutual fund market
growth projection*
(2010-2015E CAGR)



Mutual funds industry in transition

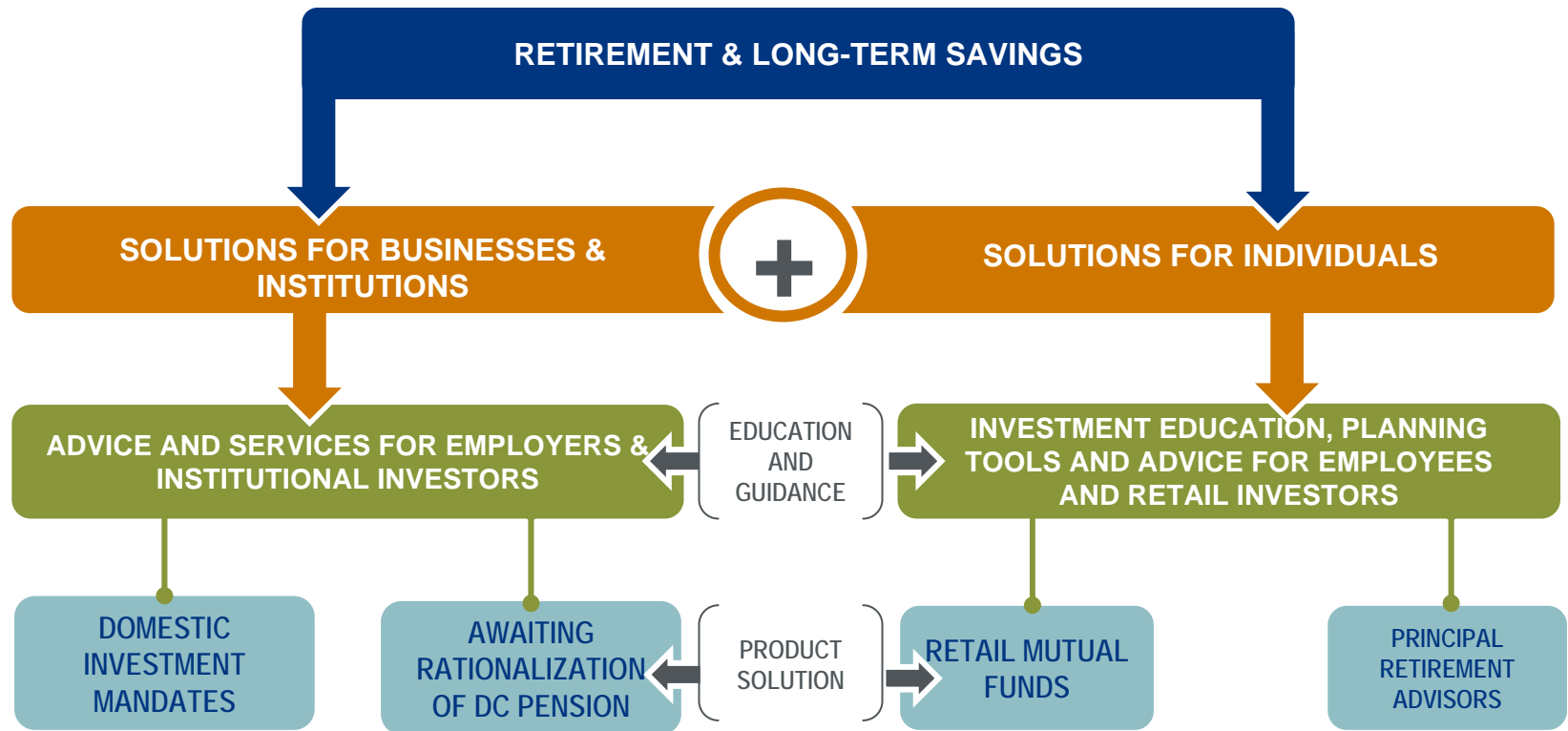
- Prohibits front-end loads which reduces distributor compensation
- Greater regulatory scrutiny of new fund launches
- Regulatory limits on short-term liquid funds which were once greater than 70% of industry AUM

PRINCIPAL IN INDIA



SOURCE: *PNB website; **Association of Mutual Funds in India; ***AUM as of 6/30/2011; GIPS® is a registered trademark of CFA Institute. CFA Institute has not been involved in the preparation or review of this report/advertisement.

PRINCIPAL IN INDIA: OUR STRATEGIC FOCUS



PRINCIPAL IN INDIA: EXECUTION EXCELLENCE

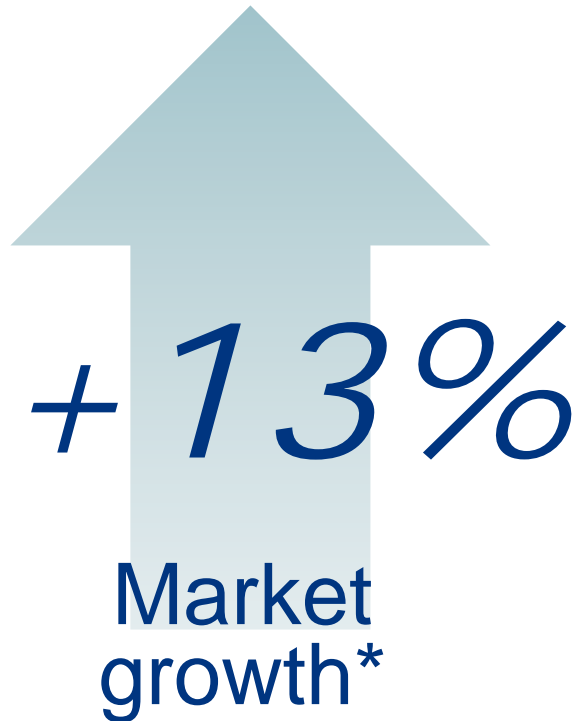
CORE PRODUCTS

- Retail mutual funds
- Principal Retirement Advisors (4Q2011)

COMPETITIVE ADVANTAGE

- Expansive bank distribution
- Growing national and regional distribution network
- Product design focus on long-term investing (drawing down liquid fund offerings)
- Retirement Advisory platform is unique in India

PRINCIPAL IN INDIA: FUTURE OPPORTUNITY



+13%
Market
growth*

267
MILLION
middle class
by 2015**



PRINCIPAL IN INDIA: EXTENDING OUR SUCCESS

1

**Continue to
grow mutual
fund/asset
management
company**

2

**Establish
retirement
advisory
services**

PRINCIPAL IN INDIA: ESTABLISH RETIREMENT ADVISORY SERVICES

- Market for long-term investing and retirement planning evolving in India
- Wholly-owned company
- Advisor-focused distribution model
- Distribute proprietary mutual funds and third-party insurance products
- Will be one of the first retirement leaders in the market



PRINCIPAL IN SOUTHEAST ASIA



CIMB-Principal – Malaysian headquartered 40%-owned joint venture with CIMB since 2003. Subsidiaries in Indonesia, Singapore and Thailand

- 496,000 customers
- AUM of US\$9.3B*



SE ASIA: DEFINED CONTRIBUTION PENSION OVERVIEW



- ▶ Current employer-based mandatory government plan in Malaysia (EPF) is under financial pressures
 - Malaysia set to introduce voluntary employer-sponsored defined contribution plans
- ▶ Thailand and Indonesia have basic public pension plans, without established defined contribution markets

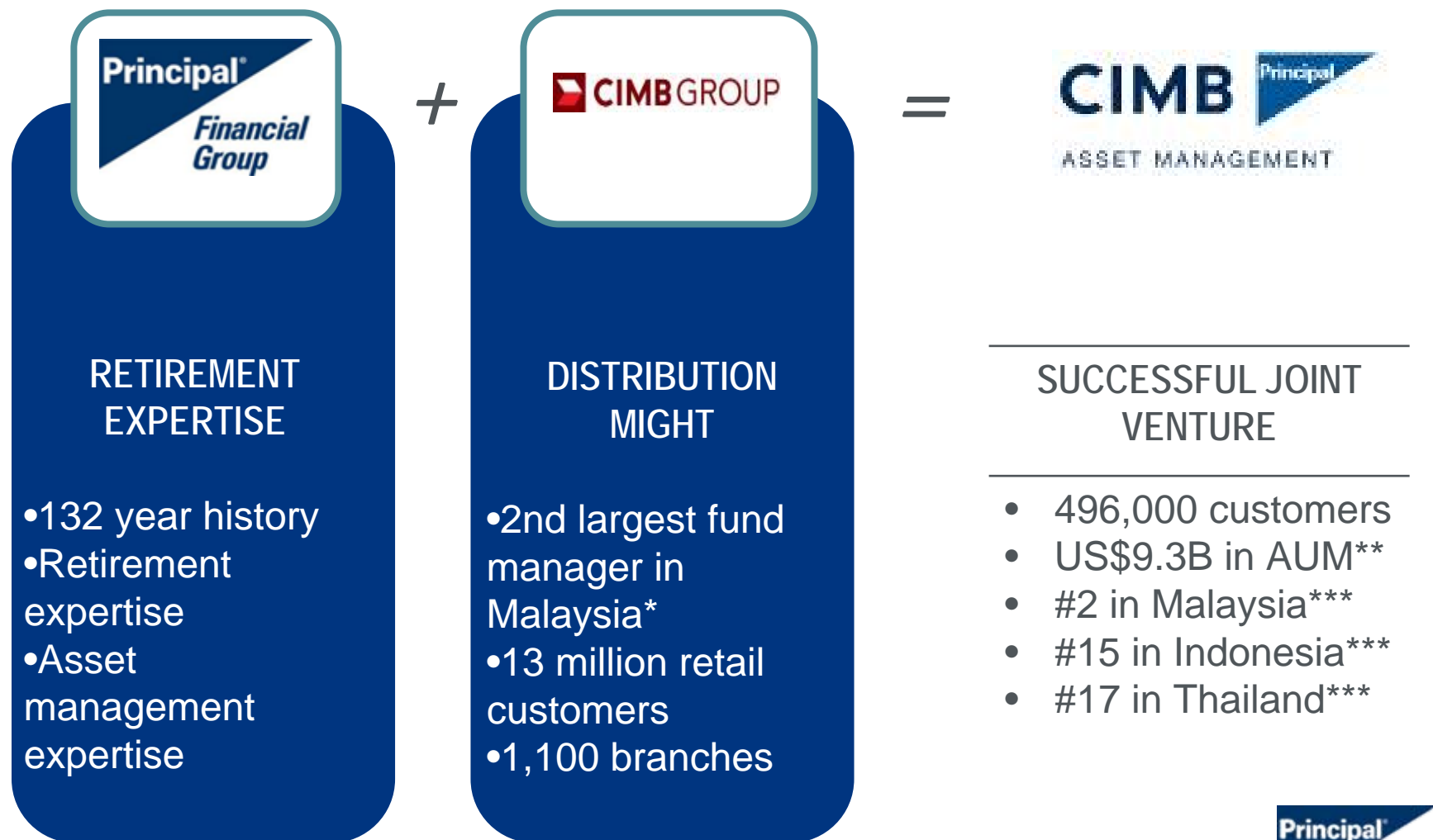
SE ASIA: MUTUAL FUND INDUSTRY OVERVIEW



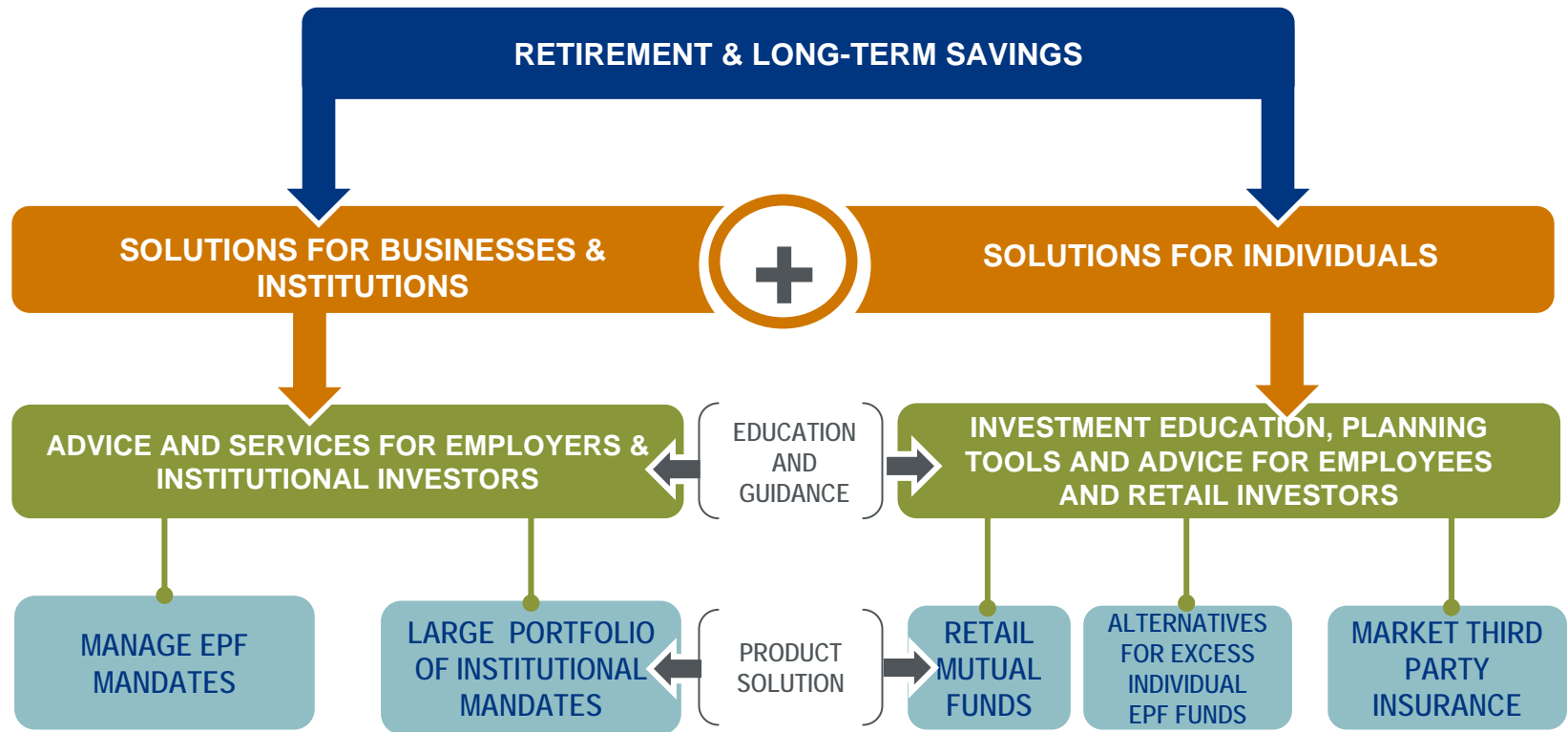
14% mutual fund market
growth projection*
(2010-2015E CAGR)

- ▶ Over 50% of funds distributed through banks
- ▶ Malaysian fund AUM grew 12% in 2010**
- ▶ Islamic mutual fund AUM expected to reach US\$1 trillion 4Q2011**
- ▶ Majority of assets invested within region

PRINCIPAL IN SOUTHEAST ASIA



PRINCIPAL IN SOUTHEAST ASIA: OUR STRATEGIC FOCUS



PRINCIPAL IN SOUTHEAST ASIA: EXECUTION EXCELLENCE

CORE PRODUCTS

- Mutual funds
- Islamic funds
- Global asset management

COMPETITIVE ADVANTAGE

- Extensive regional bank distribution network
- Proprietary agency distribution in Malaysia (5,200 advisors)
- Shariah-compliant fund offerings
- Global asset management platform



PRINCIPAL IN SOUTHEAST ASIA: SUCCESS TO DATE

- **AUM:** 5-year CAGR of 38%
- 2011 Best Asset Manager in SE Asia – *Alpha SE Asia*
- 2011 Asia Manager Power 50 – *Asia Asset Manager*
- 2011 Best Onshore Fund House – *Asian Investor*

Equally strong in both retail mutual funds and institutional mandates capturing several marquee clients



PRINCIPAL IN SOUTHEAST ASIA: FUTURE OPPORTUNITY



+14%
FINANCIAL ASSET
GROWTH*

114
MILLION
middle class
by 2015**



PRINCIPAL IN SOUTHEAST ASIA: EXTENDING OUR SUCCESS

1

Private Retirement Schemes (PRS)

**New voluntary
employer-based
defined contribution
pension in Malaysia**

2

Grow Indonesia and Thailand

**Maintain
leadership in
Malaysia**

PRINCIPAL IN SOUTHEAST ASIA: PRIVATE RETIREMENT

- New employer-based defined contribution pension in Malaysia expected to be introduced in 2012
- Leverages our experience in investments/services to defined contribution pension plans

Government actively promoting development of Malaysia as a regional center for Islamic finance

PRINCIPAL IN SOUTHEAST ASIA: GROW INDONESIA & THAILAND

- Entered these markets via CIMB Bank acquisition
- With bank integration complete, can now focus on mutual fund distribution via the banks
- Leverages our Malaysian expertise in asset management and product development
- Serves as entry into immature defined contribution pension markets

INDONESIA: 12% mutual fund market growth projection (2009-2012E CAGR)*

THAILAND: 5% mutual fund market growth projection (2009-2012E CAGR)*

PRINCIPAL IN ASIA

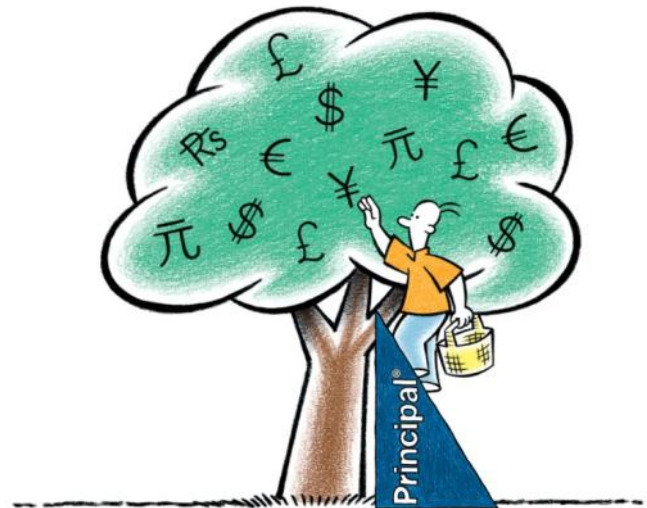


- Leverage US and Latin America expertise and experience
- Expand marquee partner relationships
- Continue mutual fund and distribution build out (China)
- Build scale (Hong Kong)
- Grow asset management company (India)
- Maintain leadership (Malaysia)
- Grow Indonesia & Thailand

FINANCIAL METRICS

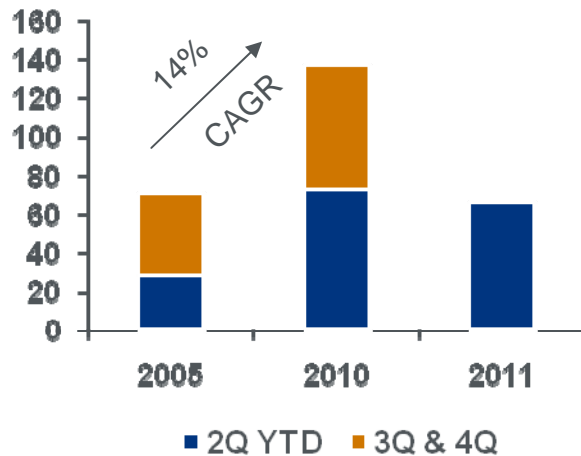
Ned Burmeister

SVP & Chief Operating Officer
Principal International

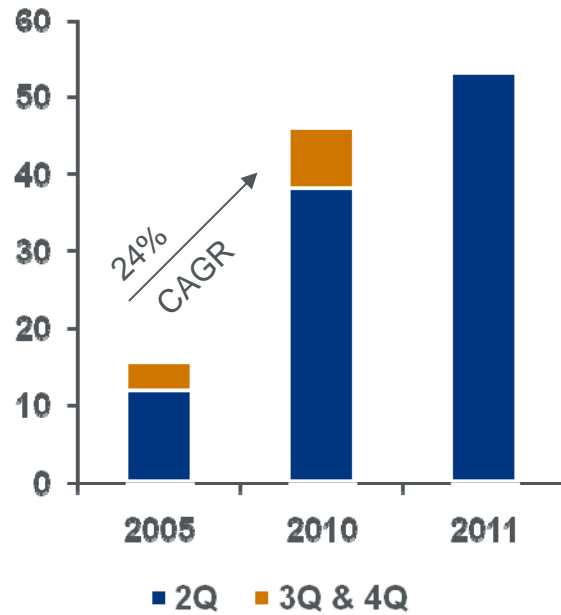


PROVEN TRACK RECORD

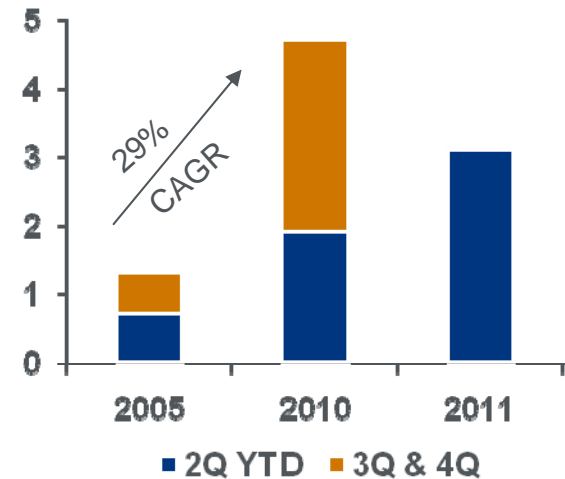
Operating Earnings (US\$M)¹



AUM (US\$B)²



Net Customer Cash flows (US\$B)²

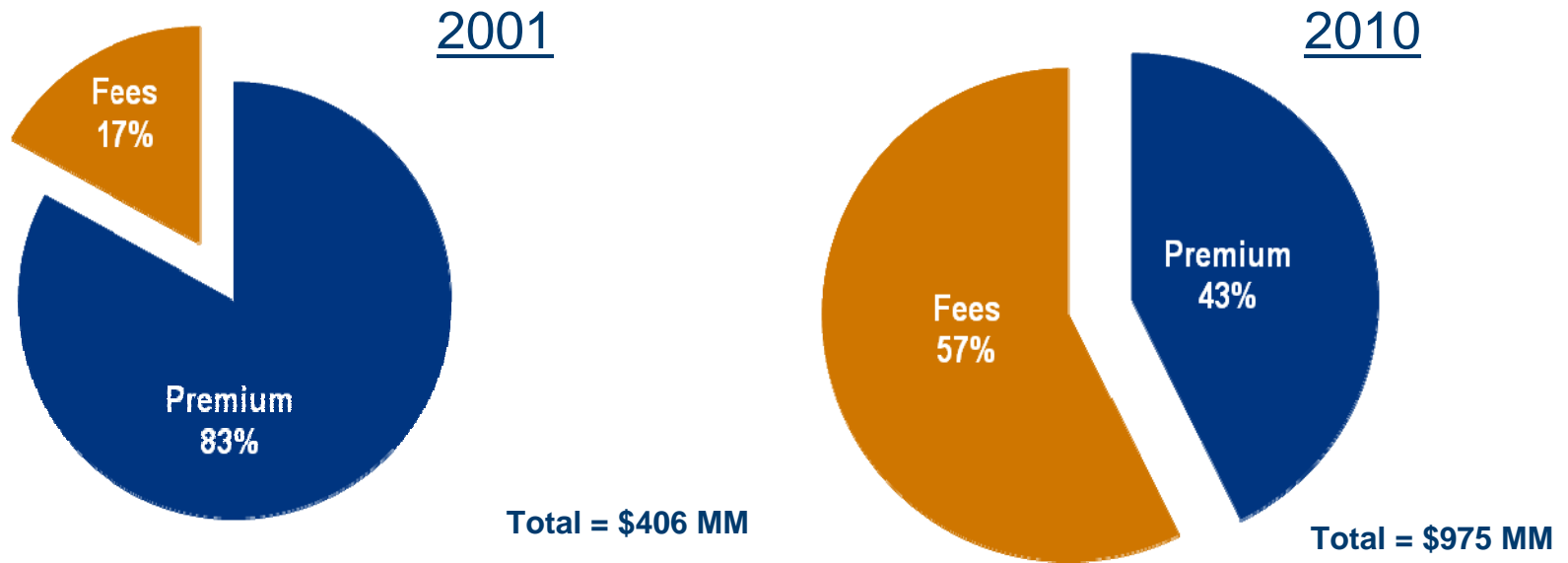


¹ Operating earnings reflect the impact of the ownership change in Brazil from 46% to 25% in June 2010.

² AUM and Net Customer Cash flows exclude China.

SHIFT TO FEE-BASED BUSINESS

Premium & Fees*



*Excludes discontinued operations (Argentina, Indonesia, and Spain)

Premium & Fees are shown on a combined basis which includes 100% of the premiums and fees from unconsolidated subsidiaries (Brazil; China; Malaysia; and India through June '03; and Japan through '05) and consolidated subsidiaries (Chile; Mexico; Hong Kong; and India beginning July '03).



JOINT VENTURE ACCOUNTING TREATMENT

Joint ventures show up on income statement as either...

Line by line (consolidated)

or

Our share of net income is included in the net investment income line (non-consolidated)

JOINT VENTURE ACCOUNTING TREATMENT

Consolidated Joint Ventures:

- Majority ownership with full operational control
- Report all line items at 100%
- Remove partners' share of operating earnings (noncontrolling interest)

India

Non-consolidated Joint Ventures:

- Own more than 20% without full operational control
- Report our share of the JV's net income including realized gains/losses in net investment income

**Brazil, China,
Southeast Asia**

PRINCIPAL INTERNATIONAL INCOME STATEMENT

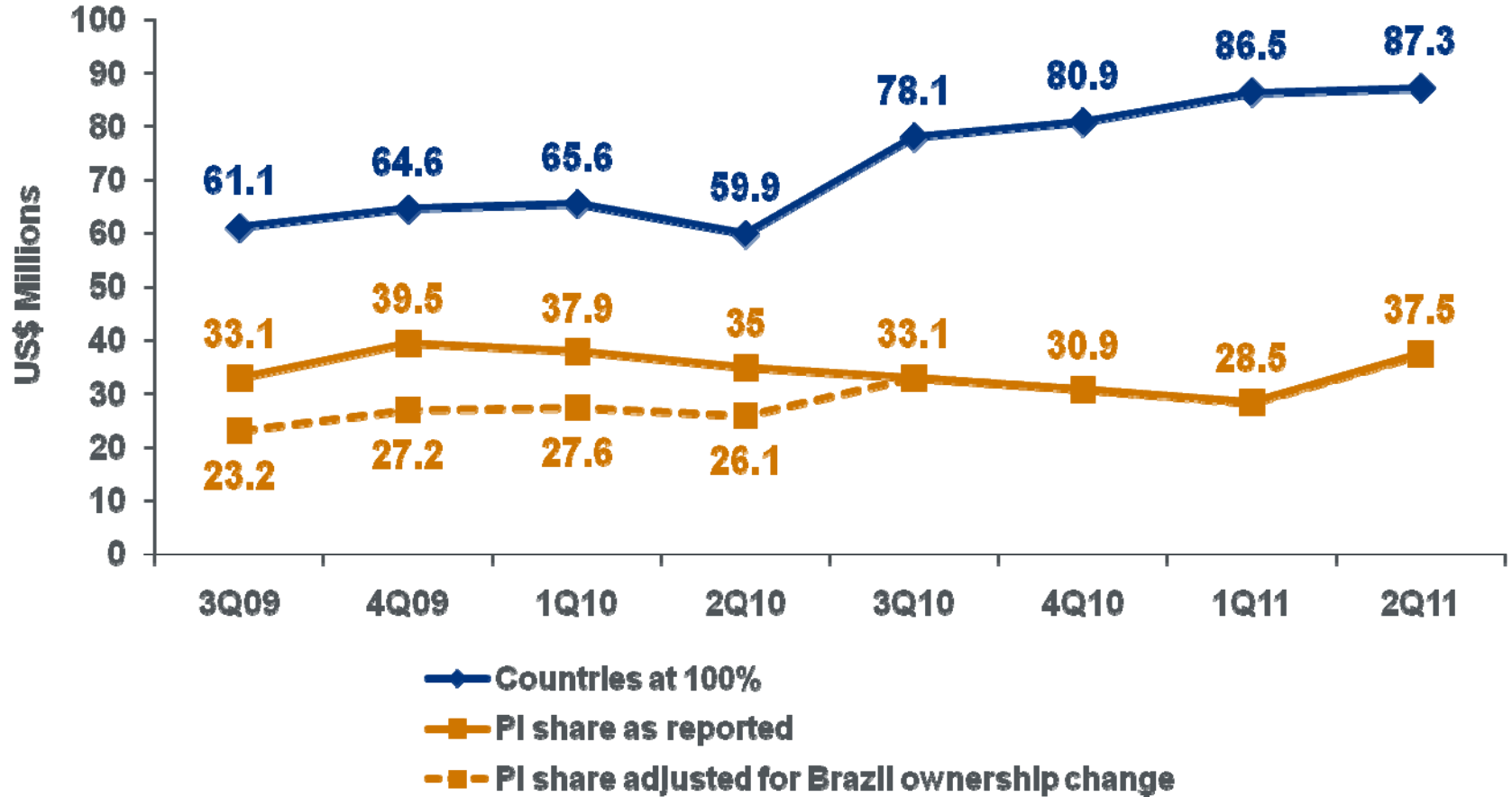
Six months ended
06/30/11
(in US\$ millions)

	Reported	=	100% owned, Consolidated JVs, & PI Corporate	+	Non- Consolidated JVs		Non- Consolidated JVs	
Premiums and other considerations	\$ 123.8		\$ 123.8		\$ -		\$ 75.4	Companies at 100%
Fees and other revenues	75.5		75.5		-		274.6	
Net investment income	234.3		193.3		41.0		1,268.1	
Total operating revenues	433.6		392.6		41.0		1,618.1	
Benefits, claims and settlement expenses	281.6		281.6		-		1,218.2	
Other expenses	84.0		84.0		-		161.3	
Total expenses	365.6		365.6		-		1,379.5	
Operating earnings (losses) before tax and NCI*	68.0		27.0		41.0		238.6	
Income tax	2.0		2.0		-		89.8	
Operating earnings (losses) after tax, including NCI	66.0		25.0		41.0		148.8	
Operating earnings (losses) attributable to NCI	-		-		-		110.3	Partners' share
Operating earnings (losses)	66.0		25.0		41.0		38.5	Prin Intl share
Net realized capital gains (losses)	(1.1)		(1.1)		-		2.5	Prin Intl share
Net income (loss) available to common stockholders	\$ 64.9		\$ 23.9		\$ 41.0		\$ 41.0	

Chile
Hong Kong
India
Mexico

Brazil
China
SE Asia

OPERATING EARNINGS

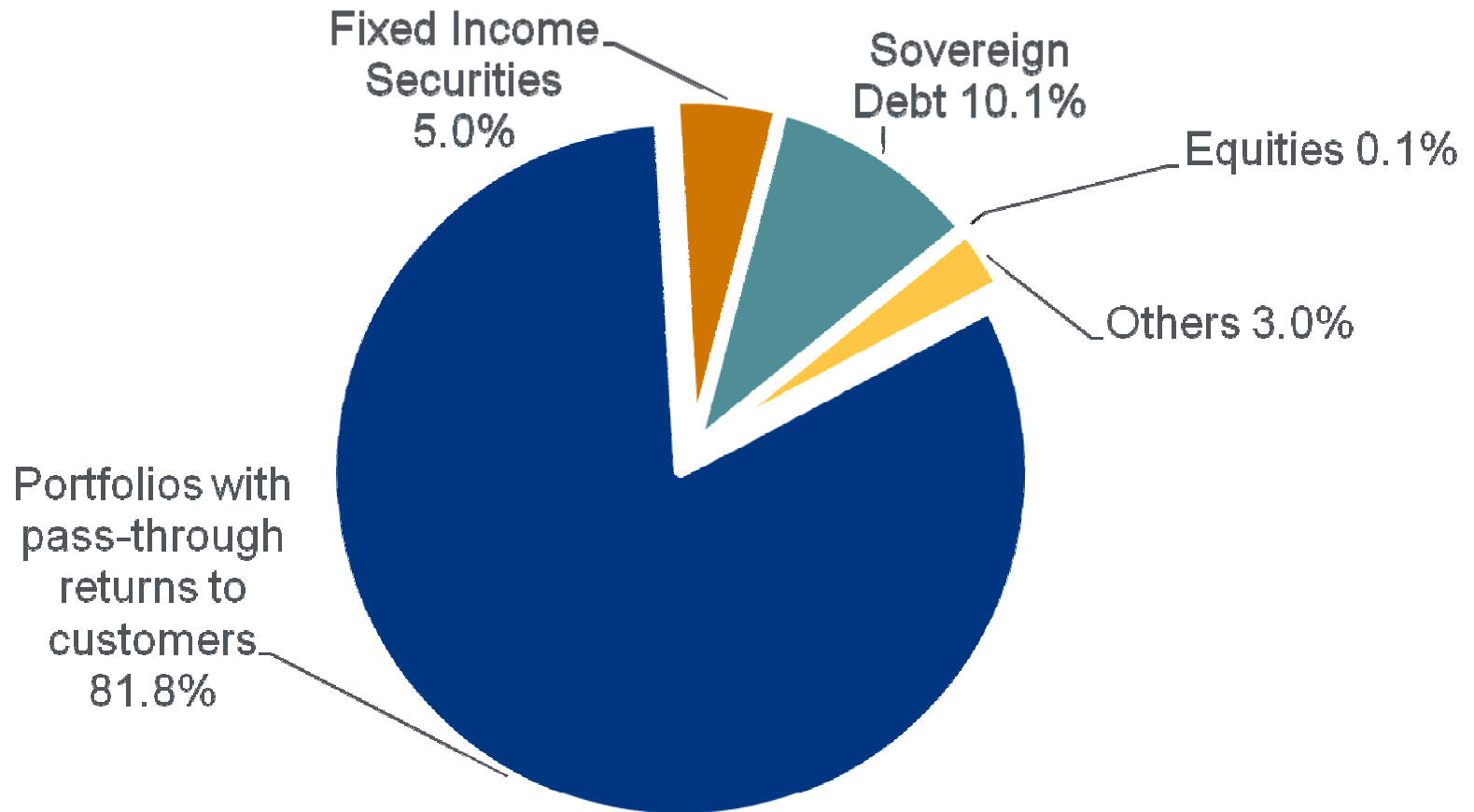


ACCOUNTING FOR AUM

Include AUM of country if we have majority ownership in the joint venture or significant management influence

AUM for all countries is included, except China which is excluded due to limited management control

COMBINED AUM COMPOSITION

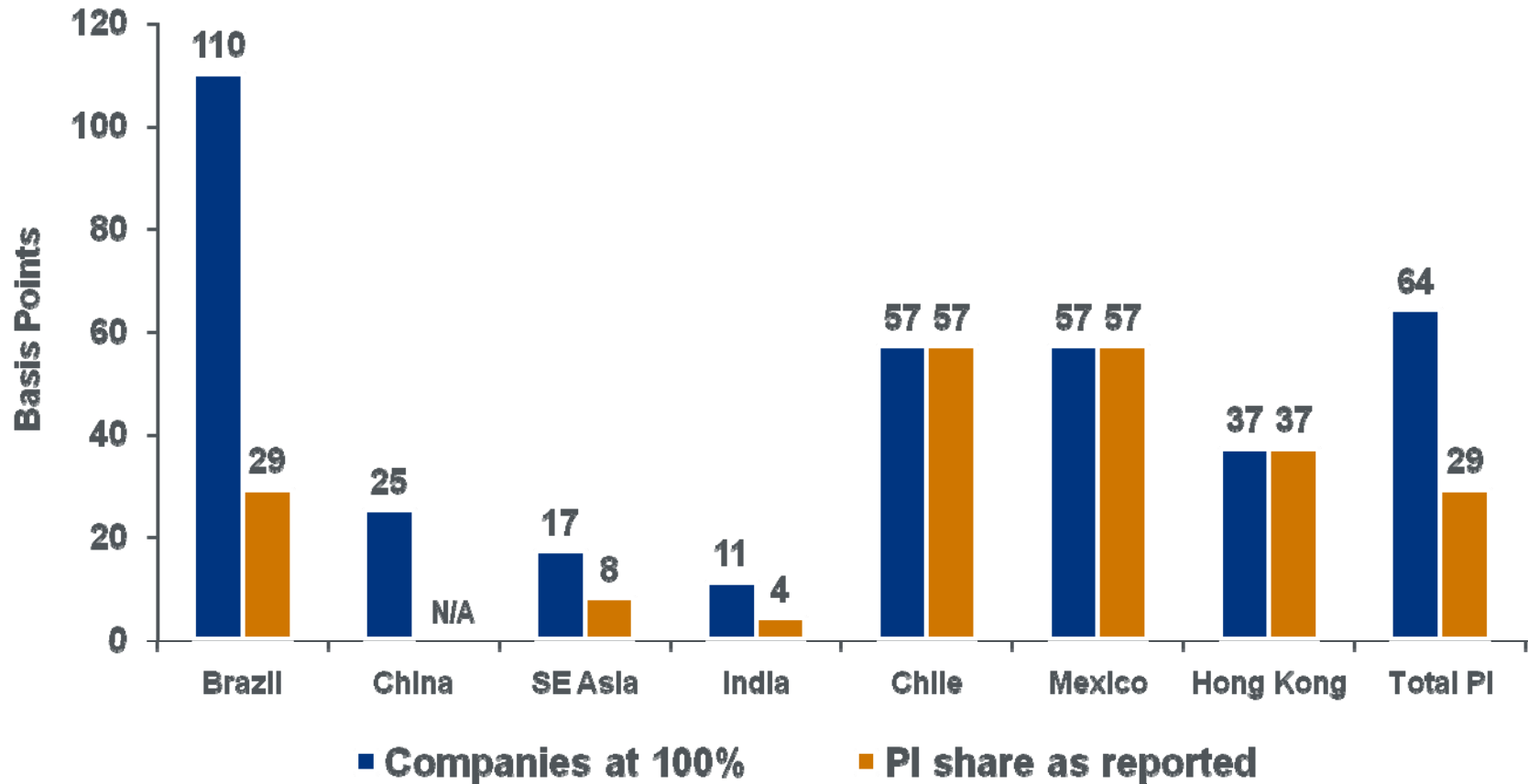


JOINT VENTURE ACCOUNTING SKEWS METRICS

- Masks growth and profitability of operations
- Impacts ROA and Net Revenue
 - Operating earnings reported at ownership share
 - AUM reported at 100%
 - Our share of Brazil, China, and Southeast Asia net income included in net investment income

RETURN ON AVERAGE AUM

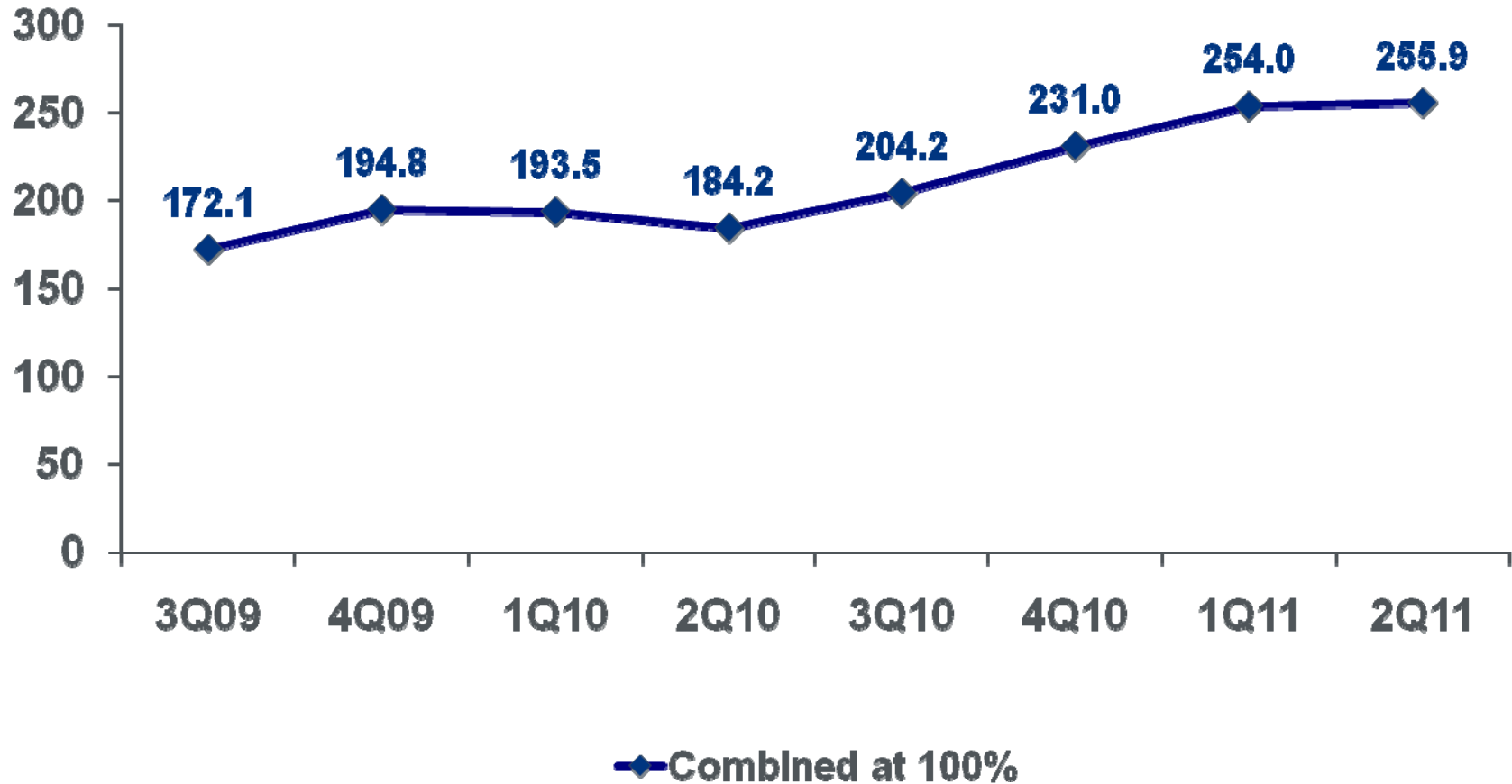
For the trailing 12 months ended 6/30/11



STRONG GROWTH IN NET REVENUE

(Operating Revenue less Benefits and Claims)

US\$ Millions



*Net revenue is defined as total operating revenues less benefits, claims, and settlement expenses and dividends to policy holders.

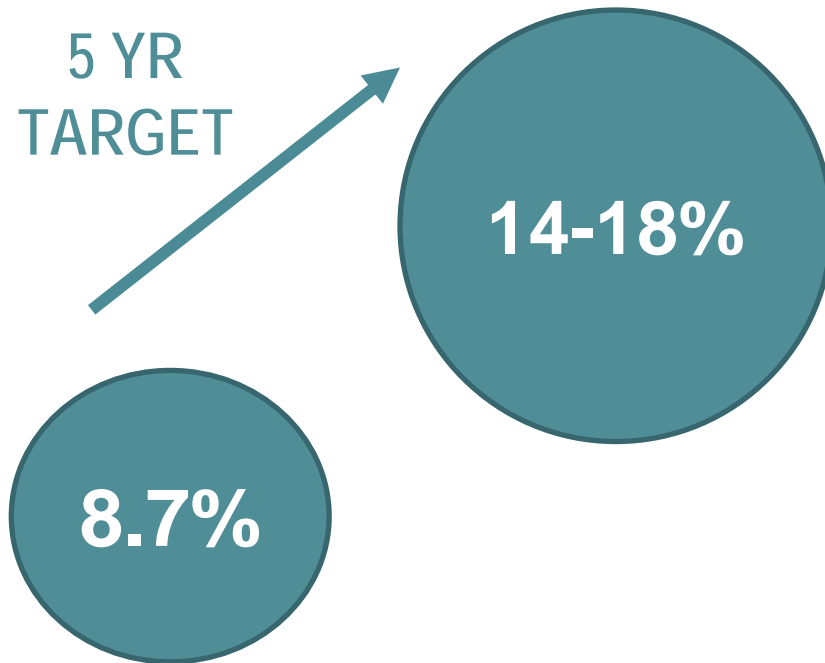


RETURN ON NET REVENUE

FOR THE TRAILING 12 MONTHS ENDED 06/30/11



ROE GROWTH



- Continue to build scale
- Shift to fee-based business model
- Grow into excess capital

5-YEAR VISION: PRINCIPAL INTERNATIONAL

Principal International will increase its contribution to the Principal Financial Group – reflecting continued execution in high growth emerging markets

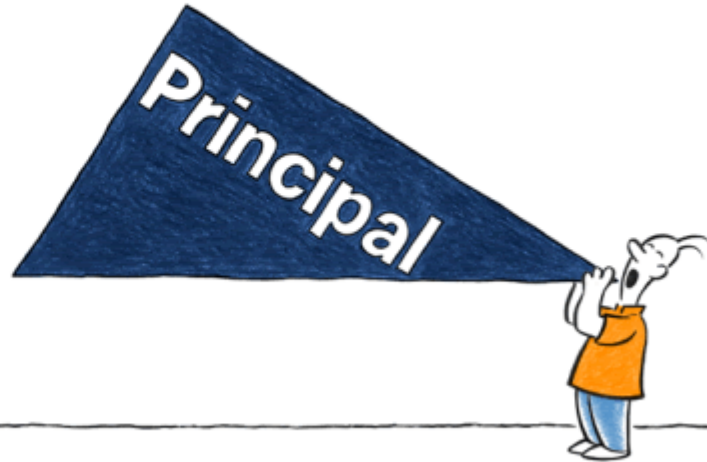
AUM	\$100 B
Net Cash Flow*	8-10%
Operating Earnings growth rate	15-20%
ROE	14–18%

PRINCIPAL INTERNATIONAL & PRINCIPAL GLOBAL INVESTORS: A COMPETITIVE ADVANTAGE

PRINCIPAL GLOBAL
INVESTORS offers
access to world-class
global asset
management

- PGI manages assets of Hong Kong companies; sub-advises offshore in Malaysia, China, India
- Personnel exchanges between PGI & PI
- PGI & PI investment professionals share views and information
- PGI counsels on global investment best practices, including GIPS certification

Thank you!



Evolution of the Defined Contribution Pension Market

Absence

- No dedicated retirement plans beyond minimum basic public pensions.
- Individuals left to save on their own with few or no tax advantages.
- Individuals typically mix retirement savings and other savings.

Introduction

- Feeling or foreseeing the financial pressures and inadequacies of basic public pensions, tax-advantaged defined contribution pension plans have been introduced to the individual and/or employer level.
- Often mandatory, typically at inadequate levels.
- Often government involvement in plan administration.
- Typically government-regulated fees at low levels that often deter private participation, though some enter early on the promise of the future.
- Limited participant choices (e.g. few investment options).
- Often limited coverage of the working population (e.g. exclude government & unorganized employees).
- Raises awareness of the necessity of retirement investing.

Refinement

- Encouragements of private sector involvement often as a result of poor take up of original plan.
- Introduction of greater participant choice.
- Continued fee pressure though more reasonable, which often leads to consolidation of sub-scale players.
- Coverage begins to broaden.

Enhancement

- Rise of supplemental voluntary programs in response to the insufficiencies of the basic pension.
- Greater involvement of employer-based schemes.
- Greater employee choice; expansion to cross-border investing.
- Consolidated market, which rewards efficiency, service and innovation.
- Providers leverage defined contribution plans to meet customers' other investing needs.



Mandatory Defined Contribution Pensions

A brief summary of mandatory pension systems in the markets where we operate today.

Country	Current Market AUM	# of Providers	Contribution Rate Employer (ER)/Employee (EE)	Tax Treatment
China (EA)	US\$43.2 billion*	37 firms with 58 licenses	ER: 4-8% of salary EE: Optional	ER contributions are tax deductible
Hong Kong (MPF)	US\$49 billion*	19	ER: 5% of salary EE: 5% of salary Both with salary cap of HK\$20,000 per month (Total ~US\$250 per month)	ER and EE contributions are tax deductible
India (EPF)	US\$79 billion*	Government	ER: 13.61% of salary EE: 12% of salary cap of INR 6,500 per month (Total ~US\$38 per month)	ER: Contribution to Recognized Provident Fund is exempt from tax EE: Contribution is tax deductible up to INR 100,000.
Malaysia (EPF)	US\$140 billion*	Government/43 private fund managers	ER: 12% of salary EE: 11% of salary	ER: Tax deduction is granted to the employer for contributions EE: The employee is granted tax relief for own contribution up to RM 6,000.
Chile (AFP)	US\$156 billion**	6	ER: 10% of salary EE: 1.23 % - 2% of salary	No contributions are tax deductible
Mexico (AFORE)	US\$118 billion**	12	ER: 5.15% of salary EE: 1.25% of salary	No contributions are tax deductible

* As of June 2011; **As of July 2011

Sources for size of current market:

China: <http://www.chinahourly.com/bizchina/12373/>

Hong Kong: http://www.mpfa.org.hk/english/quicklinks/quicklinks_sta/files/Jun_2011_Issue.pdf

India: <http://in.reuters.com/article/2011/07/14/idINIndia-58259720110714>

Malaysia: http://www.perdana.org.my/index.php?option=com_content&view=article&id=955:the-star-news-nation-sarawak-world-updates-courts-parliament-columnists-opinion-honours-list-sunday-july-31-2011-epf-a-truly-malaysian-icon&catid=64:selected-news&Itemid=180

Chile: www.safp.cl

Mexico: www.consar.gob.mx

Principal International Operating Earnings by Country
(in US\$ Millions)

						Six Months Ended,		Twelve Months Ended,	
	30-Jun-11	31-Mar-11	31-Dec-10	30-Sep-10	30-Jun-10	30-Jun-11	30-Jun-10	31-Dec-10	31-Dec-09
100% Owned Companies									
Chile	\$ 8.8	\$ 6.0	\$ 6.3	\$ 6.3	\$ 7.5	\$ 14.8	\$ 12.6	\$ 25.2	\$ 10.3
Mexico	8.1	6.7	7.3	11.5	7.4	14.8	18.5	37.3	32.0
Hong Kong	2.2	2.3	2.9	2.1	1.8	4.5	4.0	9.0	6.5
	19.1	15.0	16.5	19.9	16.7	34.1	35.1	71.5	48.8
Joint Ventures - Consolidated									
India (primarily 65% owned)	(0.3)	-	1.6	-	0.2	(0.3)	0.6	2.2	(0.3)
Joint Ventures - Non-consolidated @ 100%									
Brazil (25% economic ownership) ⁽¹⁾	61.6	68.9	59.0	55.3	39.1	130.5	86.3	200.6	156.2
China (25% owned)	5.0	4.8	5.0	2.4	3.1	9.8	5.7	13.1	11.7
Southeast Asia (40% owned)	3.9	4.6	2.7	3.7	2.4	8.5	4.3	10.7	9.9
	70.5	78.3	66.7	61.4	44.6	148.8	96.3	224.4	177.8
Subtotal	89.3	93.3	84.8	81.3	61.5	182.6	132.0	298.1	226.3
PI Corporate	(2.0)	(6.8)	(3.9)	(3.2)	(1.6)	(8.8)	(6.5)	(13.6)	(15.2)
Combined Operating Earnings	\$ 87.3	\$ 86.5	\$ 80.9	\$ 78.1	\$ 59.9	\$ 173.8	\$ 125.5	\$ 284.5	\$ 211.1
Adjustments									
Less our partners' share OE									
Consolidated	-	-	0.9	-	0.1	-	0.2	1.1	(0.1)
Non-consolidated	51.4	58.0	49.4	45.4	25.0	110.3	53.6	148.4	99.0
Plus JV realized gains/losses (our share) ⁽²⁾	1.6	-	0.3	0.4	0.2	2.5	1.2	1.9	6.7
Operating Earnings	\$ 37.5	\$ 28.5	\$ 30.9	\$ 33.1	\$ 35.0	\$ 66.0	\$ 72.9	\$ 136.9	\$ 118.9

⁽¹⁾ Economic ownership in Brazil JV changed from 46% to 25% during 2Q10.

⁽²⁾ Add back as realized gains from unconsolidated JVs are included in net investment income under US GAAP.

Principal International Net Revenue¹ by Country
(in US\$ Millions)

	Three Months Ended,					Six Months Ended,		Twelve Months Ended,	
	30-Jun-11	31-Mar-11	31-Dec-10	30-Sep-10	30-Jun-10	30-Jun-11	30-Jun-10	30-Dec-10	30-Dec-09
100% Owned Companies									
Chile	\$ 21.5	\$ 18.5	\$ 20.9	\$ 17.8	\$ 17.9	\$ 40.0	\$ 32.7	\$ 71.4	\$ 43.7
Mexico	22.7	24.1	26.3	23.5	19.9	46.8	42.8	92.6	73.3
Hong Kong	10.1	9.7	9.8	9.2	8.4	19.8	16.9	35.9	31.0
	54.3	52.3	57.0	50.5	46.2	106.6	92.4	199.9	148.0
Joint Ventures - Consolidated									
India (primarily 65% owned)	2.2	1.9	2.2	2.3	2.8	4.1	4.9	9.4	7.0
Joint Ventures - Non-consolidated @ 100%									
Brazil (25% economic ownership) ⁽²⁾	152.3	152.9	132.9	116.3	100.8	305.2	213.0	462.2	367.3
China (25% owned)	24.1	22.7	20.9	17.0	16.6	46.8	33.6	71.5	61.7
Southeast Asia (40% owned)	23.2	24.7	18.7	18.7	18.2	47.9	34.9	72.3	56.4
	199.6	200.3	172.5	152.0	135.6	399.9	281.5	606.0	485.4
Subtotal	256.1	254.5	231.7	204.8	184.6	510.6	378.8	815.3	640.4
PI Corporate	(0.2)	(0.5)	(0.7)	(0.6)	(0.4)	(0.7)	(1.1)	(2.4)	(1.3)
Combined Net Revenue	\$ 255.9	\$ 254.0	\$ 231.0	\$ 204.2	\$ 184.2	\$ 509.9	\$ 377.7	\$ 812.9	\$ 639.1
Adjustments									
Less non-consolidated JVs' net revenue @ 100%	199.6	200.3	172.5	152.0	135.6	399.9	281.5	606.0	485.4
Plus our share of non-consolidated JVs' net income	20.7	20.3	17.6	16.4	19.8	41.0	44.0	78.0	85.5
Less other adjustments	(1.3)	0.3	0.3	0.2	0.6	(1.0)	1.7	2.2	4.7
Reported Net Revenue	\$ 78.3	\$ 73.7	\$ 75.8	\$ 68.4	\$ 67.8	\$ 152.0	\$ 138.5	\$ 282.7	\$ 234.5

⁽¹⁾ Net revenue is defined as total operating revenues less benefits, claims, and settlement expenses and dividends to policyholders.

⁽²⁾ Economic ownership in Brazil JV changed from 46% to 25% during 2Q10.

Principal International Assets Under Management (AUM) Rollforward Detail by Country (In US\$ Billions)

	Hong Kong					Six Months Ended,		Twelve Months Ended,	
	Three Months Ended,					30-Jun-11	30-Jun-10	31-Dec-10	31-Dec-09
	30-Jun-11	31-Mar-11	31-Dec-10	30-Sep-10	30-Jun-10				
AUM, beginning of period	2.64	2.61	2.52	2.30	2.32	2.61	2.26	2.26	1.64
Deposits	0.13	0.11	0.11	0.20	0.10	0.24	0.19	0.50	0.48
Withdrawals	(0.13)	(0.11)	(0.12)	(0.12)	(0.09)	(0.24)	(0.16)	(0.40)	(0.26)
Net Cash Flow	-	-	(0.01)	0.08	0.01	-	0.03	0.10	0.22
Investment performance	-	0.03	0.09	0.13	(0.02)	0.03	0.02	0.24	0.43
Operations acquired	-	-	-	-	-	-	-	-	-
Other	-	-	0.01	-	-	-	-	0.01	(0.03)
Effect of exchange rate	-	-	-	0.01	(0.01)	-	(0.01)	-	-
AUM, end of period	2.64	2.64	2.61	2.52	2.30	2.64	2.30	2.61	2.26

	India					Six Months Ended,		Twelve Months Ended,	
	Three Months Ended,					30-Jun-11	30-Jun-10	31-Dec-10	31-Dec-09
	30-Jun-11	31-Mar-11	31-Dec-10	30-Sep-10	30-Jun-10				
AUM, beginning of period	1.02	1.29	1.16	1.40	1.30	1.29	1.55	1.55	1.30
Deposits	1.78	1.26	2.04	2.80	4.08	3.04	8.45	13.29	24.24
Withdrawals	(1.70)	(1.49)	(1.93)	(3.16)	(3.96)	(3.19)	(8.65)	(13.74)	(24.40)
Net Cash Flow	0.08	(0.23)	0.11	(0.36)	0.12	(0.15)	(0.20)	(0.45)	(0.16)
Investment performance	-	(0.04)	0.01	0.08	0.03	(0.04)	0.05	0.14	0.34
Operations acquired	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Effect of exchange rate	-	-	0.01	0.04	(0.05)	-	-	0.05	0.07
AUM, end of period	1.10	1.02	1.29	1.16	1.40	1.10	1.40	1.29	1.55

	SE Asia					Six Months Ended,		Twelve Months Ended,	
	Three Months Ended,					30-Jun-11	30-Jun-10	31-Dec-10	31-Dec-09
	30-Jun-11	31-Mar-11	31-Dec-10	30-Sep-10	30-Jun-10				
AUM, beginning of period	8.92	9.06	8.48	7.59	6.52	9.06	6.39	6.39	4.70
Deposits	0.87	0.52	1.02	0.73	0.67	1.39	1.02	2.77	2.09
Withdrawals	(0.73)	(0.80)	(0.85)	(0.51)	(0.37)	(1.53)	(1.05)	(2.41)	(1.54)
Net Cash Flow	0.14	(0.28)	0.17	0.22	0.30	(0.14)	(0.03)	0.36	0.55
Investment performance	0.23	0.02	0.30	0.28	0.02	0.25	0.17	0.75	1.00
Operations acquired	-	-	-	-	0.69	-	0.69	0.69	-
Other	(0.01)	(0.02)	0.07	(0.01)	0.01	(0.03)	0.01	0.07	-
Effect of exchange rate	0.03	0.14	0.04	0.40	0.05	0.17	0.36	0.80	0.14
AUM, end of period	9.31	8.92	9.06	8.48	7.59	9.31	7.59	9.06	6.39

	Principal International - Corporate and Eliminations					Six Months Ended,		Twelve Months Ended,	
	Three Months Ended,					30-Jun-11	30-Jun-10	31-Dec-10	31-Dec-09
	30-Jun-11	31-Mar-11	31-Dec-10	30-Sep-10	30-Jun-10				
AUM, beginning of period	(0.03)	(0.06)	(0.01)	(0.07)	-	(0.06)	0.02	0.02	0.02
Deposits	-	0.02	0.10	(0.02)	-	0.02	0.01	0.09	-
Withdrawals	-	0.01	(0.11)	0.04	-	0.01	-	(0.07)	-
Net Cash Flow	-	0.03	(0.01)	0.02	-	0.03	0.01	0.02	-
Investment performance	(0.03)	-	0.01	-	0.02	(0.03)	-	0.01	0.01
Operations acquired	-	-	-	-	-	-	-	-	-
Other	-	0.03	(0.10)	0.02	0.01	0.03	0.01	(0.07)	(0.01)
Effect of exchange rate	0.09	(0.03)	0.05	0.02	(0.10)	0.06	(0.11)	(0.04)	-
AUM, end of period	0.03	(0.03)	(0.06)	(0.01)	(0.07)	0.03	(0.07)	(0.06)	0.02

	China (not included in reported AUM)					Six Months Ended,		Twelve Months Ended,	
	Three Months Ended,					30-Jun-11	30-Jun-10	31-Dec-10	31-Dec-09
	30-Jun-11	31-Mar-11	31-Dec-10	30-Sep-10	30-Jun-10				
AUM, beginning of period	7.75	6.96	6.07	5.40	5.44	6.96	6.03	6.03	4.56
Deposits	2.39	3.66	2.84	1.99	2.53	6.05	5.29	10.12	13.92
Withdrawals	(2.65)	(3.02)	(2.47)	(1.67)	(2.21)	(5.67)	(5.35)	(9.49)	(14.19)
Net Cash Flow	(0.26)	0.64	0.37	0.32	0.32	0.38	(0.06)	0.63	(0.27)
Investment performance	(0.31)	0.04	0.38	0.33	(0.35)	(0.26)	(0.56)	0.15	1.73
Operations acquired	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	(0.01)	-	(0.01)	(0.01)	0.01
Effect of exchange rate	0.10	0.11	0.14	0.02	-	0.21	-	0.16	-
AUM, end of period	7.28	7.75	6.96	6.07	5.40	7.29	5.40	6.96	6.03

Principal International Total										
Three Months Ended,										
	30-Jun-11	31-Mar-11	31-Dec-10	30-Sep-10	30-Jun-10	Six Months Ended,		Twelve Months Ended,		
						30-Jun-11	30-Jun-10	31-Dec-10	31-Dec-09	
AUM, beginning of period	48.47	45.78	42.25	38.05	35.69	45.78	34.58	34.58	23.12	
Deposits	5.70	5.09	6.09	6.24	6.73	10.79	13.49	25.82	32.85	
Withdrawals	(3.89)	(3.76)	(4.33)	(5.23)	(5.23)	(7.65)	(11.58)	(21.14)	(29.65)	
Net Cash Flow	1.81	1.33	1.76	1.01	1.50	3.14	1.91	4.68	3.20	
Investment performance	1.14	0.55	1.14	1.44	0.75	1.69	1.56	4.14	3.96	
Operations acquired	-	-	-	-	0.69	-	0.69	0.69	-	
Other	(0.10)	(0.23)	(0.05)	(0.01)	(0.03)	(0.33)	(0.11)	(0.17)	(0.23)	
Effect of exchange rate	1.67	1.04	0.68	1.76	(0.55)	2.71	(0.58)	1.86	4.53	
AUM, end of period	52.99	48.47	45.78	42.25	38.05	52.99	38.05	45.78	34.58	
China	7.28	7.75	6.96	6.04	5.40	7.28	5.40	6.96	6.03	
Eliminations	(0.05)	(0.07)	(0.08)	-	-	(0.05)	-	(0.08)	-	
Combined AUM	60.22	56.15	52.66	48.29	43.45	60.22	43.45	52.66	40.61	

Brazil										
Three Months Ended,										
	30-Jun-11	31-Mar-11	31-Dec-10	30-Sep-10	30-Jun-10	Six Months Ended,		Twelve Months Ended,		
						30-Jun-11	30-Jun-10	31-Dec-10	31-Dec-09	
AUM, beginning of period	24.80	22.01	19.66	17.60	16.42	22.01	15.87	15.87	9.03	
Deposits	2.05	2.13	1.78	1.47	1.17	4.18	2.27	5.52	3.08	
Withdrawals	(0.62)	(0.55)	(0.44)	(0.55)	(0.31)	(1.17)	(0.58)	(1.57)	(0.87)	
Net Cash Flow	1.43	1.58	1.34	0.92	0.86	3.01	1.69	3.95	2.21	
Investment performance	0.62	0.57	0.67	0.54	0.38	1.19	0.71	1.92	1.48	
Operations acquired	-	-	-	-	-	-	-	-	-	
Other	(0.03)	(0.20)	-	(0.01)	(0.01)	(0.23)	(0.10)	(0.11)	(0.16)	
Effect of exchange rate	1.34	0.84	0.34	0.61	(0.05)	2.18	(0.57)	0.38	3.31	
AUM, end of period	28.16	24.80	22.01	19.66	17.60	28.16	17.60	22.01	15.87	

Chile										
Three Months Ended,										
	30-Jun-11	31-Mar-11	31-Dec-10	30-Sep-10	30-Jun-10	Six Months Ended,		Twelve Months Ended,		
						30-Jun-11	30-Jun-10	31-Dec-10	31-Dec-09	
AUM, beginning of period	4.99	4.98	4.70	4.01	4.01	4.98	3.96	3.96	2.87	
Deposits	0.24	0.25	0.22	0.28	0.19	0.49	0.38	0.88	0.74	
Withdrawals	(0.21)	(0.19)	(0.18)	(0.22)	(0.13)	(0.40)	(0.29)	(0.69)	(0.65)	
Net Cash Flow	0.03	0.06	0.04	0.06	0.06	0.09	0.09	0.19	0.09	
Investment performance	0.08	0.08	0.10	0.09	0.13	0.16	0.25	0.44	0.21	
Operations acquired	-	-	-	-	-	-	-	-	-	
Other	(0.04)	(0.01)	(0.01)	0.01	(0.02)	(0.05)	0.01	0.01	0.02	
Effect of exchange rate	0.11	(0.12)	0.15	0.53	(0.17)	(0.01)	(0.30)	0.38	0.77	
AUM, end of period	5.17	4.99	4.98	4.70	4.01	5.17	4.01	4.98	3.96	

Mexico										
Three Months Ended,										
	30-Jun-11	31-Mar-11	31-Dec-10	30-Sep-10	30-Jun-10	Six Months Ended,		Twelve Months Ended,		
						30-Jun-11	30-Jun-10	31-Dec-10	31-Dec-09	
AUM, beginning of period	6.13	5.89	5.74	5.22	5.12	5.89	4.53	4.53	3.56	
Deposits	0.63	0.80	0.82	0.78	0.52	1.43	1.17	2.77	2.22	
Withdrawals	(0.50)	(0.63)	(0.70)	(0.71)	(0.37)	(1.13)	(0.85)	(2.26)	(1.93)	
Net Cash Flow	0.13	0.17	0.12	0.07	0.15	0.30	0.32	0.51	0.29	
Investment performance	0.24	(0.11)	(0.04)	0.32	0.19	0.13	0.36	0.64	0.49	
Operations acquired	-	-	-	-	-	-	-	-	-	
Other	(0.02)	(0.03)	(0.02)	(0.02)	(0.02)	(0.05)	(0.04)	(0.08)	(0.05)	
Effect of exchange rate	0.10	0.21	0.09	0.15	(0.22)	0.31	0.05	0.29	0.24	
AUM, end of period	6.58	6.13	5.89	5.74	5.22	6.58	5.22	5.89	4.53	