

UNITED STATES
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 27, 2018**

(Date of earliest event reported)

PRINCIPAL FINANCIAL GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware	1-16725	42-1520346
(State or other jurisdiction of incorporation)	(Commission file number)	(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))
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Item 2.02 Results of Operations and Financial Condition

The slide presentation attached hereto as Exhibit 99, and incorporated herein by reference, will be presented at Principal Financial Group, Inc.'s Tokyo Investor Event on September 28, 2018, and may be used by the company in various other presentations to investors. The slide presentation is furnished and not filed pursuant to instruction B.2 of Form 8-K.

Item 7.01 Regulation FD Disclosure

The slide presentation attached hereto as Exhibit 99, and incorporated herein by reference, will be presented at Principal Financial Group, Inc.'s Tokyo Investor Event on September 28, 2018, and may be used by the company in various other presentations to investors. The slide presentation is furnished and not filed pursuant to Instruction B.2 of Form 8-K.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit No.	Description
<u>99</u>	<u>Slide presentation presented at Principal Financial Group, Inc.'s Tokyo Investor Event on September 28, 2018. The slide presentation is furnished and not filed pursuant to Instruction B.2 of Form 8-K.</u>

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PRINCIPAL FINANCIAL GROUP, INC.

By: /s/ John Egan

Name: John Egan

Title: Vice President - Investor Relations

Date: September 27, 2018





Tokyo investor day

September 28, 2018



Welcome

Tim Dunbar
President, Global Asset Management

John Egan
Vice President, Investor Relations

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, however, a substitute for U.S. GAAP financial measures. Therefore, at the end of this 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 these adjusting items have occurred in the past and could recur in future reporting periods. Management also uses non-GAAP financial measures for goal setting, as a basis for determining employee and senior management awards and compensation, and evaluating performance on a basis comparable to that used by investors and securities analysts.

The company also uses a variety of other operational measures that do not have U.S. GAAP counterparts, and therefore do not fit the definition of non-GAAP financial measures. Account value is an example of an operational measure that is not considered a non-GAAP financial measure.

Non-GAAP financial measure reconciliations

\$ in millions

Trailing 12 months
6/30/2018

Non-GAAP pre-tax operating earnings (losses)	
Income before income taxes	\$2,445.0
Net realized capital gains	(679.0)
Net realized capital gains pre-tax adjustments	(16.4)
Non-GAAP pre-tax operating earnings attributable to noncontrolling interest	(13.3)
Income taxes related to equity method investments	82.3
Principal Financial Group Foundation, Inc. contribution	70.0
Non-GAAP pre-tax operating earnings	\$1,888.6
Impact of actuarial assumption review	66.4
Less: Corporate operating losses	196.0
Non-GAAP pre-tax operating earnings excluding Corporate and the impact of the actuarial assumption review	\$2,151.0

Forward looking statements

Certain statements made by the company which are not historical facts may be considered forward-looking statements, including, without limitation, statements as to non-GAAP operating earnings, net income attributable to PFG, net cash 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, 2017, and in the company's quarterly report on Form 10-Q for the quarter ended Jun. 30, 2018, filed by the company with the U.S. Securities and Exchange Commission, as updated or supplemented from time to time in subsequent filings. These risks and uncertainties include, without limitation: adverse capital and credit market conditions may significantly affect the company's ability to meet liquidity needs, access to capital and cost of capital; conditions in the global capital markets and the economy generally; volatility or declines in the equity, bond or real estate markets; changes in interest rates or credit spreads or a sustained low interest rate environment; the company's investment portfolio is subject to several risks that may diminish the value of its invested assets and the investment returns credited to customers; the company's valuation of investments and the determination of the amount of allowances and impairments taken on such investments may include methodologies, estimations and assumptions that are subject to differing interpretations; any impairments of or valuation allowances against the company's deferred tax assets; the company's actual experience could differ significantly from its pricing and reserving assumptions; the pattern of amortizing the company's DAC and other actuarial balances on its universal life-type insurance contracts, participating life insurance policies and certain investment contracts may change; changes in laws, regulations or accounting standards; the company may not be able to protect its intellectual property and may be subject to infringement claims; the company's ability to pay stockholder dividends and meet its obligations may be constrained by the limitations on dividends Iowa insurance laws impose on Principal Life; litigation and regulatory investigations; from time to time the company may become subject to tax audits, tax litigation or similar proceedings, and as a result it may owe additional taxes, interest and penalties in amounts that may be material; applicable laws and the company's certificate of incorporation and by-laws may discourage takeovers and business combinations that some stockholders might consider in their best interests; competition, including from companies that may have greater financial resources, broader arrays of products, higher ratings and stronger financial performance; a downgrade in the company's financial strength or credit ratings; client terminations, withdrawals or changes in investor preferences; inability to attract and retain qualified employees and sales representatives and develop new distribution sources; an interruption in telecommunication, information technology or other systems, or a failure to maintain the confidentiality, integrity or availability of data residing on such systems; international business risks; fluctuations in foreign currency exchange rates; the company may need to fund deficiencies in its "Closed Block" assets; the company's reinsurers could default on their obligations or increase their rates; risks arising from acquisitions of businesses; and loss of key vendor relationships or failure of a vendor to protect information of our customers or employees.

Agenda

Time (JST)	Topic	Presenter(s)
8:30 am	Welcome	Tim Dunbar President, Global Asset Management John Egan VP, Investor Relations
8:50 am	Principal overview	Renee Schaaf SVP & COO, Principal International Kirk West Executive Director, Investments
9:15 am	Southeast Asia	Pedro Borda President, South Asia & India, Principal International Celestine Khoo MD, Head of Asia ex-Japan
9:45 am	North Asia	Thomas Cheong President, North Asia Celestine Khoo MD, Head of Asia, ex- Japan
10:15 am	Japan	Hitoshi Itagaki Executive Director, CEO, and President, PGI Japan
10:30 am	Q&A	All presenters

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Our businesses



Global Asset Management

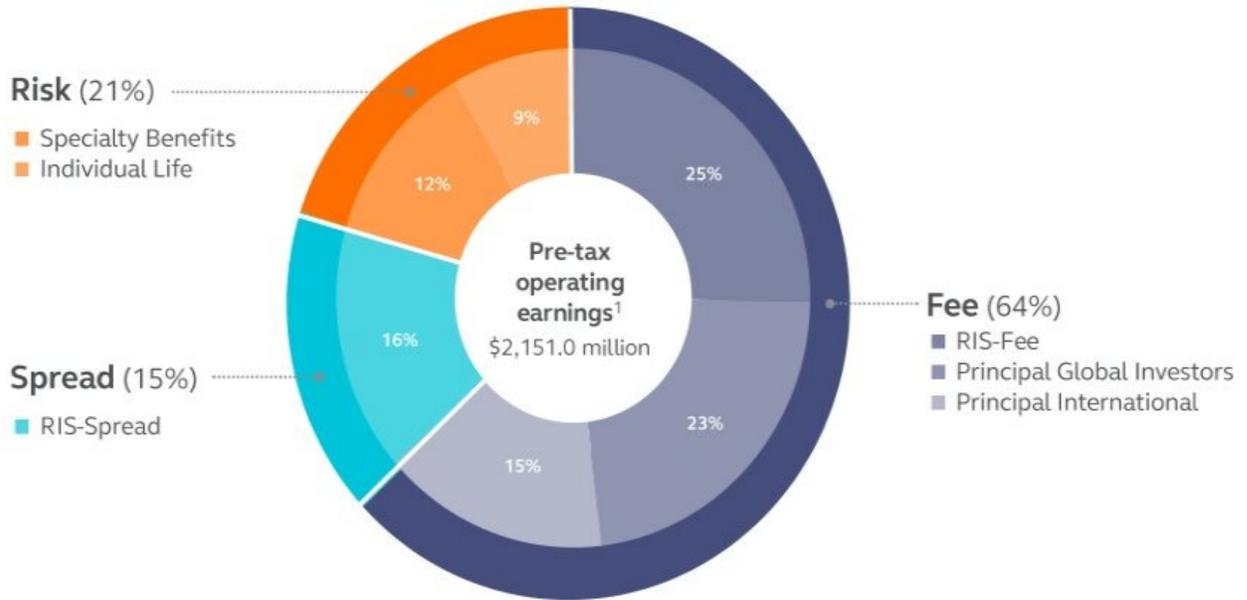
Principal Global Asset Management (GAM)

Tim Dunbar



⁹ *As permitted and in accordance with regulatory guidelines in the markets in which we operate.

Pre-tax operating earnings



10 ¹ Trailing twelve months as of 6/30/2018; excludes the impact of the 2017 actuarial assumption review; excludes Corporate



Principal in Asia

Renee Schaaf

Senior Vice President and Chief Operating Officer, Principal International

Kirk West

Executive Director – Investments, Principal Global Investors

Thinking global, acting local

Leveraging our strengths provides synergies that allow us to better serve our customers



Principal's global presence

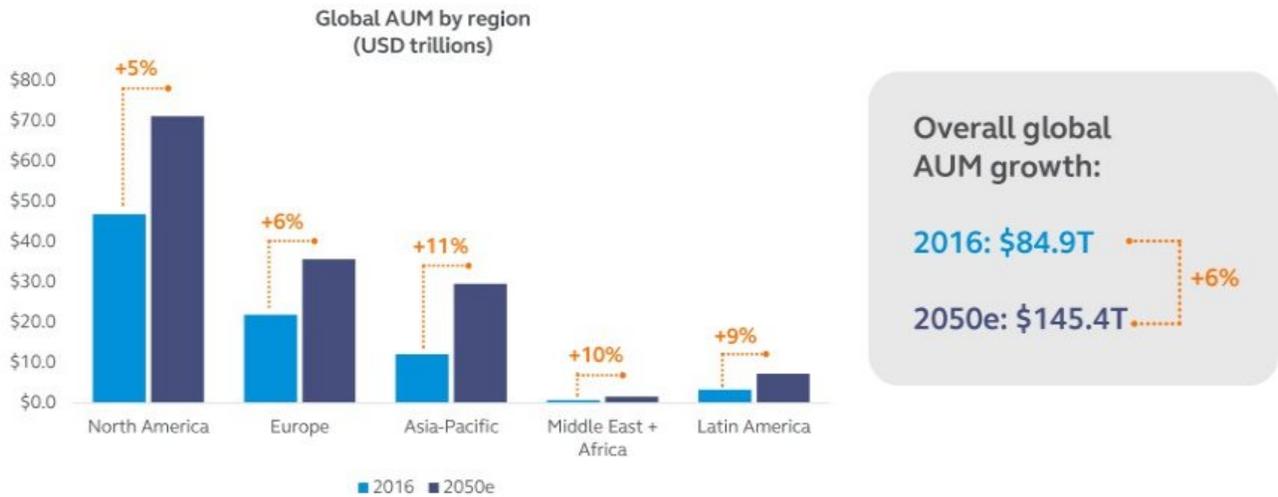
Principal International (PI) and Principal Global Investors (PGI) locations



Our regional financial footprint



Global asset growth = opportunity across regions



Asia opportunity: Retirement and retail savings

Pension evolution & expansion

Increase voluntary savings

Optimize joint venture relationships

Digital disruption

Asia opportunity: Asset management

Investors focused on outcomes & performance

Willing to pay attractive fees for value

Growing demand for cross-border investing

Power of our diversified business model



Spotlight on Southeast Asia and India

Pedro Borda

President – South Asia and India, Principal International

Celestine Khoo

Managing Director – Asia Ex-Japan, Principal Global Investors

Principal's SE Asia presence

UAE

PGI Sales Office
Asset Management (Institutional & HNW)
CIMB Representative Office
(effective 31 May 2018)

Malaysia

Principal International South Asia
Regional Office
CIMB-Principal Asset Management
Mutual Funds, Asset Management, Pensions
CIMB-Principal Islamic Asset Management
Islamic Institutional Asset Management

India

Principal Asset Management
Mutual Funds
Principal Retirement Advisors
Advisory

Thailand

CIMB-Principal Asset Management
Mutual Funds, Asset Management, Provident Funds

Singapore

PGI Regional Office
Asset Management (Institutional & HNW)
CIMB-Principal Asset Management
Asset Management

Indonesia

CIMB-Principal Asset Management
Mutual Funds, Asset Management

Better together

2003

Established Joint partnership
with CIMB group
(Principal: 40% ownership)

CIMB's role as a strong partner

- 5th largest banking group in the ASEAN region
- 2nd largest bank in Malaysia
- Locations in Malaysia, Indonesia, Thailand, Singapore, Cambodia, Laos, Brunei, Vietnam, Myanmar + China, Hong Kong, UK, India, Korea, Sri Lanka, and the U.S.

2018

Principal increased
ownership share
to 60%.

Rationale for increased ownership:

- Leverage Principal's global retirement and asset management franchise
- Partnership will continue to leverage CIMB's extensive distribution network
- Ownership change elevates the Principal brand
- Aides in securing additional banking partners

SE Asia: Key business line trends and opportunities

Mutual funds

- **Solid growth across the region**
 - 2013-2017 industry AUM CAGR of 11.3%¹
 - 2017-2022 industry AUM CAGR of 12.9%¹
 - Growth led by Thailand and Indonesia
- **Product innovation and diversification**
- **Government promotion of long-term savings**
- **Malaysia and Indonesia positioned as an Islamic financial center**
- **Emphasis on digital solutions**

Pension

(Malaysia and Thailand)

- **Private retirement scheme (PRS) launched in Malaysia in 2011**
 - Growing quickly; 65.2% industry AUM CAGR²
 - Government promoting long-term savings
 - Complementary to Employee Provident Fund (EPF)
- **Thailand Provident Fund (PF) industry for employees**
 - A complement to the social security system, Provident Funds are an employee retention strategy
 - Industry AUM CAGR of 9.7%²
- **Thai government is working to launch a Mandatory Pension System in 2019**

¹ Source: Cerulli Associates, SE Asia (ex-Singapore) Mutual Fund Industry AUM. Includes Malaysia, Thailand, Indonesia, Philippines, and Vietnam.

² Source: Cerulli Associates, Private Pension Administrator, CAGR shown is from 2013-2017.

SE Asia: Key business line trends and opportunities

Institutional

- More than \$1.4 trillion of institutional addressable assets in the region¹
- Outsourcing opportunities are bright as institutions look to boost allocations to foreign assets
- Central banks and Sovereign Wealth Funds account for more than 45% of addressable assets
- Insurance assets increasingly important, driven by demographic trends and insurers' need for long-term investments
- We are well-placed to provide this diversified investor base with our broad range of capabilities

High net worth

- Asia-Pacific is the global leader in high net worth population and wealth²
- The region is on target to surpass \$40 trillion in HNWI wealth by 2025²
- Singapore and Hong Kong are preferred offshore destinations for HNWI investors across the region
- We offer an array of specialized products that are well-suited for this client segment

Financial highlights: SE Asia

Pre-tax operating earnings-reported in the Principal International segment (USD millions)



Assets under management-reported in the Principal International segment (USD billions)



¹ Pre-tax operating earnings CAGR shown on a constant currency basis. Reported pre-tax operating earnings CAGR for the time period of 2013-2017 was 24.4%.
² Assets under management CAGR shown on a constant currency basis. Reported assets under management CAGR for the time period of 2013-2017 was 11.4%.
 Constant currency basis = prior period results translated using foreign exchange rates from the current period

Principal in India

Principal Asset Management was established via a joint venture

1999

Principal increased ownership share of Principal Asset Management to 100%.

2017

What we are doing to capture the potential of India:

- Exploring strategies and capabilities that enhance AUM quality
- Digital transformation
- Expanding independent financial advisor (IFA) and bank distribution network
- Refining advisory business strategy
- Transitioning from liquid assets to equity

India: Key business line trends and opportunities

Mutual funds/Asset management

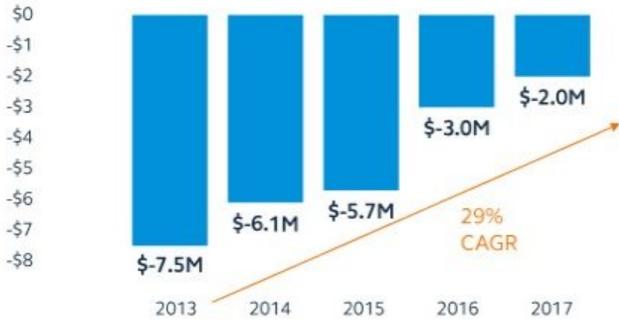
- **Strong growth**
 - 2013-2017 industry AUM CAGR of 26.1%¹
 - 2017-2024 industry AUM CAGR of 22.9%¹
 - Government and industry broadening promotion
- **Growth of middle class**
 - GDP forecasted growth of 7.7% through 2020²
- **SIPs enable sticky flows into mutual funds**
 - 33.8% SIP contribution CAGR¹
 - Nearly 60% of monthly flows are allocated to equities
- **Institutional and HNW segments**
- **Emphasis on providing digital solutions**
 - 1.17 billion mobile users
 - Full implementation of E-Know Your Customer (e-KYC)
 - Digital wallets

Pension

- **Strong growth**
 - March 2014-March 2018 industry AUM CAGR of 40.8%¹
- **National Pension System reform**
- **Demographic explosion**

Financial highlights: India

Pre-tax operating earnings- reported in the Principal International segment (USD millions)



Assets under management- reported in the Principal International segment (USD billions)





Spotlight on North Asia

Thomas Cheong

President – North Asia, Principal International

Celestine Khoo

Managing Director – Asia Ex-Japan, Principal Global Investors

Principal's diversified strategy for China



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- Multiple opportunities exist across four segments, which we are exploring in parallel
- Some will be pursued with China Construction Bank (CCB), others outside of CCB
- We will maintain a relationship of trust and open dialogue with our partner

Our focus in each segment

Retirement

- Broaden and deepen our CCB partnership
- Finalize Pension JV agreement with CCB and gain regulatory approval

Retail Mutual Funds

- Advance multiple initiatives with CCB Principal Asset Management to grow the retail mutual fund business

Institutional/ Sub-advisory

- Build relationships and win mandates with CCB entities
- Build on our success in garnering assets from top tier institutions across Mainland China, Hong Kong, Taiwan, and Korea

HNW/Platform

- Build relationship with foreign banks and local wealth advisory firms
- Leverage Principal's position as leading offshore fund provider to meet HNW investor needs

China Construction Bank + Principal Asset Management (CCBPAM)



50% of its customer base are retail investors

90% of its customer base acquired from digital platforms

50% of its customer base from digital channels are < 35 years old



RQFII equity fund successfully launched by Malaysia & Thailand ventures, sub-advised by China venture

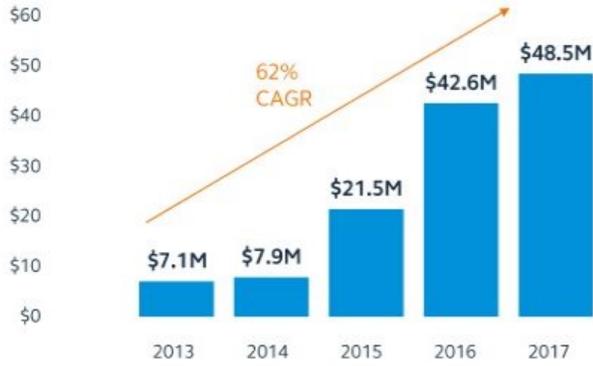
Support & guidance to launch suite of low volatility income-oriented strategies via qualified domestic institutional investor (QDII)



Strategic cooperation facilitates interaction and engagement at multiple levels between PFG & CCB

Financial highlights: China

Pre-tax operating earnings- reported in the Principal International segment (USD millions)



Assets under management- reported in the Principal International segment (USD billions)



Hong Kong: Mandatory Provident Fund (MPF) market update

Key pieces of the MPF market:

- Distribution
- Contribution
- Voluntary savings
- e-MPF

Key trends:

- **Growing awareness of the need to enhance Hong Kong's pension system**
 - MPF remains the centerpiece of Hong Kong retirement system
 - Tax-incentivized voluntary contributions to be launched in 2019
 - eMPF to increase administration efficiencies

Opportunities for Principal in Hong Kong



Financial highlights: Hong Kong

Pre-tax operating earnings- reported in the Principal International segment (USD millions)



Assets under management- reported in the Principal International segment (USD billions)





Spotlight on Japan

Hitoshi Itagaki

CEO and President – Japan, Principal Global Investors

Japan: Evolving with the market

Market Trends

- Total asset management market has grown to US\$5 trillion (JPY 550 trillion)¹
- Despite this growth, Japan remains underpenetrated relative to individual wealth levels
- Primary growth sectors are private investment trusts and discretionary business
- Fee compression and a move to passive are realities

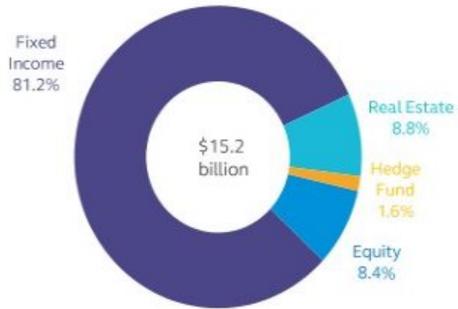
Our Japan Business

- Target markets include Pensions, Financial Institutions, Sub-advisory, and Funds
- Our broad range of specialist capabilities are well matched to investor demand
- AUM of US\$15.2 billion (JPY 1.7 trillion)¹
- While AUM has declined recently, a shift in business mix has improved average fee levels

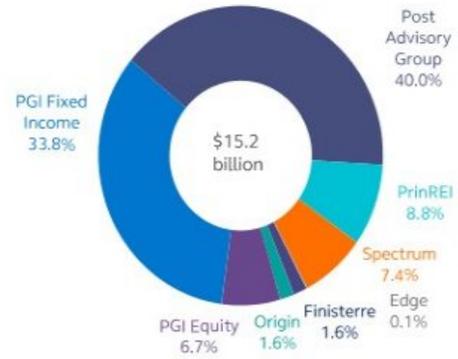
Leveraging PGI's multi-boutique model

Breakdown of Japan-sourced AUM¹

By Asset Class



By Boutique



Investment Trust Management (ITM) capability

- PGI-Japan ITM business started in 2017
- Steady growth to US\$1.5 billion AUM in one year
- The capability opens up new opportunities with:
 - Tax qualified investors through tax-qualified funds
 - Institutions who are not allowed to directly invest to offshore funds
 - Regional banks searching for yield beyond Japan Government Bonds

PGI Japan Investment Trust AUM (USD billions)¹



Opportunities for Principal in Japan



Questions for the panel?

