

THE PRINCIPAL FINANCIAL GROUP INDIVIDUAL ANNUITY INTEREST RATES EFFECTIVE 01/01/2012.

Principal Secure Fixed Annuity

Fixed Deferred Annuity Products with NO MVA Guaranteed Minimum Interest Rate (GMIR) = 1%	Effective December 15				Effective January 01			
	Initial Base Rate	Year 1 Premium Credit	1st Yr. Annual Yield on Initial Premium	Average Annual Yield**	Initial Base Rate	Year 1 Premium Credit	1st Yr. Annual Yield on Initial Premium	Average Annual Yield**
4-year guarantee*								
Initial Premium Less than \$50,000	1.00%	0.50%	1.50%	1.12%	1.00%	0.50%	1.50%	1.12%
Initial Premium \$50,000-\$99,999	1.10%	0.50%	1.60%	1.22%	1.10%	0.50%	1.60%	1.22%
Initial Premium \$100,000 and more	1.20%	1.40%	2.61%	1.55%	1.20%	1.40%	2.61%	1.55%
6-year guarantee*								
Initial Premium Less than \$50,000	1.35%	0.50%	1.85%	1.43%	1.35%	0.50%	1.85%	1.43%
Initial Premium \$50,000-\$99,999	1.45%	0.50%	1.95%	1.53%	1.45%	0.50%	1.95%	1.53%
Initial Premium \$100,000 and more	1.60%	1.40%	3.02%	1.84%	1.60%	1.40%	3.02%	1.84%

*If no additional premiums are made after contract issue, the initial base rate is guaranteed until the end of the initial guaranteed period.

**Represents the average annual interest rate earned during the guarantee period.

Principal Guaranteed Fixed Annuity

Fixed Deferred Annuity Products with no MVA Guaranteed Minimum Interest Rate (GMIR) = 1%	Initial Premium	Effective December 15			Effective January 01		
		Initial Base Rate	Year 1 Premium Credit	1st Yr. Annual Yield on Initial Premium	Initial Base Rate	Year 1 Premium Credit	1st Yr. Annual Yield on Initial Premium
1-year guarantee**	<\$100,000	1.05%	0.00%	1.05%	1.05%	0.00%	1.05%
1-year guarantee**	\$100,000 or more	1.05%	0.00%	1.05%	1.05%	0.00%	1.05%
3-year guarantee*	All premiums	1.00%	NA	1.00%	1.00%	NA	1.00%
5-year guarantee*	All premiums	1.00%	NA	1.00%	1.00%	NA	1.00%

*If no additional premiums are made after contract issue, the initial base rate is guaranteed until the end of the initial guaranteed period.

**Principal Guaranteed Annuity 1-year guarantee Includes an Interest Rate Bail-Out rider, which gives clients the ability to surrender the entire accumulated value without surrender charges if their current renewal rate is less than the Bail-Out Rate stated in their contract. Note: this rider is not available in New York and effective May 15, 2010 is not available in Washington.

**Bail-Out Rate is 1.01% effective 01/01/2012.

Principal FPDA Plus

Fixed Deferred Annuity Products with no MVA Guaranteed Minimum Interest Rate (GMIR) = 1%	Initial Premium	Effective December 15			Effective January 01		
		Initial Base Rate	Year 1 Premium Credit	1st Yr. Annual Yield on Initial Premium	Initial Base Rate	Year 1 Premium Credit	1st Yr. Annual Yield on Initial Premium
1-year guarantee	<\$100,000	1.00%	0.50%	1.50%	1.00%	0.50%	1.50%
1-year guarantee	\$100,000 or more	1.00%	1.50%	2.51%	1.00%	1.50%	2.51%
5-year guarantee*	All premiums	1.30%	NA	1.30%	1.30%	NA	1.30%
7-year guarantee*	All premiums	1.20%	NA	1.20%	1.20%	NA	1.20%

*If no additional premiums are made after contract issue, the initial base rate is guaranteed until the end of the initial guaranteed period.

Principal FPDA

Fixed Deferred Annuity Products with no MVA Guaranteed Minimum Interest Rate (GMIR) = 4%	Initial Premium	Effective December 15			Effective January 01		
		Initial Base Rate	Year 1 Premium Credit	1st Yr. Annual Yield on Initial Premium	Initial Base Rate	Year 1 Premium Credit	1st Yr. Annual Yield on Initial Premium
(no longer available for new sales)	All premiums	4.00%	NA	4.00%	4.00%	NA	4.00%

Principal Select Series Annuity

Fixed Deferred Annuity Products with MVA Guaranteed Minimum Interest Rate (GMIR) = 1%	Initial Premium	Effective December 15				Effective January 01			
		Initial Base Rate	Year 1 Premium Credit	1st Yr. Annual Yield on Initial Premium	Average Annual Yield***	Initial Base Rate	Year 1 Premium Credit	1st Yr. Annual Yield on Initial Premium	Average Annual Yield***
3-year guarantee *	<\$100,000	1.00%	0.00%	1.00%	1.00%	1.00%	0.00%	1.00%	1.00%
3-year guarantee *	\$100,000 or more	1.15%	0.00%	1.15%	1.15%	1.15%	0.00%	1.15%	1.15%
4-year guarantee *	<\$50,000	N/A	N/A	N/A	N/A	1.50%	0.50%	2.00%	1.62%
4-year guarantee *	\$50,000-\$99,999	N/A	N/A	N/A	N/A	1.60%	0.50%	2.10%	1.72%
4-year guarantee *	\$100,000 or more	N/A	N/A	N/A	N/A	1.65%	1.40%	3.07%	2.00%
6-year guarantee *	<\$50,000	1.50%	0.00%	1.50%	1.50%	1.90%	0.50%	2.40%	1.98%
6-year guarantee *	\$50,000-\$99,999	1.50%	0.00%	1.50%	1.50%	2.00%	0.50%	2.51%	2.08%
6-year guarantee *	\$100,000 or more	1.65%	0.00%	1.65%	1.65%	2.05%	1.40%	3.47%	2.29%
9-year guarantee **	<\$100,000	1.40%	0.00%	1.40%	1.40%	1.40%	0.00%	1.40%	1.40%
9-year guarantee **	\$100,000 or more	1.55%	0.00%	1.55%	1.55%	1.55%	0.00%	1.55%	1.55%

*Approved in all states except: DE, MN, MO, and PA. **Approved in all states except: DE, MN, MO, NY, PA and WA.

***Represents the average annual interest rate earned during the guarantee period.

Principal Performance Annuity 7*

Fixed Indexed Annuity Product# Minimum Index Cap = 3%	Initial Premium	Participation Rate %	Application Signed or Premium Received Dates	
			12/16 to 1/01	1/02 to 1/16
			Index Cap %	Index Cap %
	<\$50,000	100%	3.50%	3.50%
	\$50,000 or more	100%	4.00%	4.00%

*Approved in all states except: NY. The rate lock-in procedures give the client the better of the index cap when the application is signed and the index cap when the money is received in the home office.

#Contracts are only issued on the 2nd, 9th, 16th and 23rd of each month.

Income Annuity Payouts (SPIA)

Benefit Option	Effective December 15	Effective January 01
	Monthly Payment	Monthly Payment
10 Year Fixed Period	\$444.35	\$444.35
Male, Life w/Cash Refund, Age 70	\$253.67	\$253.67
Female, Life w/Cash Refund, Age 70	\$244.40	\$244.40
Male, Life w/Cash Refund, Age 80	\$321.08	\$321.08
Female, Life w/Cash Refund, Age 80	\$312.97	\$312.97

Based on \$50,000 nonqualified premium, issued to an Iowa resident; payments are assumed to be monthly and deferred one period.

The change in income annuity payouts vary by income benefit option selected (i.e. some may increase, some may decrease, or remain unchanged). Please contact the Principal Salesdesk for a current illustration.

Interest Rate Lock Procedures

Fixed Deferred Annuity Interest Rate Procedures	
Interest Rate Lock-In Procedures for Initial Premium	Interest Rate Lock-In will be the greater of: 1) the initial base interest rate in effect on the date the client signs the application, or 2) the initial base interest rate in effect on the date the funds arrive in the Principal home office (h.o.) Applications and funds must be received in the h.o. within 14 calendar days following the client's signature date on the application of the client will receive the current initial base interest rate in effect at the time the funds are received in the h.o.
Interest Rate Lock-In Procedures for Initial Premium - 1035 Exchanges/Rollovers/Direct Transfers	Interest Rate Lock-In will be the greater of: 1) the initial base interest rate in effect on the date the client signs the application, or 2) the initial base interest rate in effect on the date the funds arrive in the Principal home office (h.o.) Applications must be received in the h.o. within 14 calendar days following the client's signature date on the application and funds must be received in the h.o. within 60 calendar days following the application signature date or the client will receive the current initial base interest rate in effect at the time the funds are received.
Interest Rate Procedures for Additional Premiums	If additional premiums are allowed, the interest rate for the additional premium will be based on the rate in effect on the date the premium is received in the home office.

NOTE: for products with a premium credit, the 1st year annual yield on initial premium is used instead of the initial base rate.

Guaranteed Minimum Interest Rate (GMIR) Rates and Effective Dates

Product	Rate	Effective Date
Principal Secure Fixed Annuity, Principal Guaranteed Fixed Annuity, and Principal FPDA Plus	1.00%	08/15/2010
Principal Select Series	1.00%	08/01/2010

NOTE: the GMIR is set at contract issue and is set for the life of the contract.

Guaranteed Minimum Cap and Effective Date

Product	Cap	Effective Date
Principal Performance Annuity 7	3.00%	01/04/2011

NOTE: All products may not be available to all distribution channels.

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