



# Press Release

For Immediate Release

## **Principal and China Construction Bank Sign Agreement to Strengthen Relationship and Grow Pension and Asset Management Business in China**

Hong Kong, [17 March 2016] – Principal Financial Group® ( “Principal” ) and China Construction Bank ( “CCB” ) have announced the signing of a Strategic Cooperation Agreement and memorandum of understanding to develop a new asset management and pension partnership.

The agreement signed on March 4 in Beijing enhances the relationship Principal® has with CCB, the second largest bank in the world, and creates an opportunity for the US-based company to participate in China’s evolving pension and asset management industry.

With the signing, CCB and Principal will strengthen their cooperation in pension and asset management businesses by leveraging their respective expertise and resource advantages. The two companies will seek to set up joint business platforms with product development and market exploration, with a desire of enhancing cross market asset allocation capabilities and client service and achieving win-win for both companies.

In 2005, Principal and CCB jointly created CCB Principal Asset Management Company (CCBPAM). CCBPAM is a leading fund management company in China with 42 billion USD in assets under management (as of 31 December 2015).

“It has been a great privilege to work with our premier partner – CCB – over the past 10 years,” said Larry Zimpleman, Chairman at Principal. “Signing this new agreement allows us to share our pension expertise in China, but more importantly it gives us an opportunity to help people achieve greater financial security in retirement.”

With the agreement, Principal will expand its assistance to CCB beyond asset management, to now also include pension. In November 2015, CCB received an approval from the China State Council to set up a pension company. Principal will share its expertise in pension investment, operations, product design and other areas to help the new organization achieve high global standards and professional service.



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The ceremonial signing included CCB Chairman Wang Hongzhang and Zimpleman along with CCB Governor Wang Zuji, CCB Vice Governor Yang Wensheng, Principal President and Chief Executive Officer Dan Houston and Principal International President Luis Valdes.

“Our vision has remained the same all along – to enter the pension business in China in a partnership with CCB, similar to what we have successfully done in fund management,” said Houston. “This agreement is an important step in our ongoing relationship with CCB and extending our global pension and asset management reach.”

While this agreement does not have any near-term impact to Principal’s earnings, it adds significant value to the company’s long-term growth opportunities and strengthens its position as a global pension leader.

## **About The Principal Financial Group®**

The Principal Financial Group® (The Principal®)<sup>1</sup> is a global investment management leader offering retirement services, insurance solutions and asset management. The Principal offers businesses, individuals and institutional clients a wide range of financial products and services, including retirement, asset management and insurance through its diverse family of financial services companies. Founded in 1879 and a member of the FORTUNE 500®, the Principal Financial Group has US\$527.4 billion in assets under management (as of 31 December 2015) and serves some 19.1 million customers worldwide from offices in Asia, Australia, Europe, Latin America and the United States. Principal Financial Group, Inc. is traded on the New York Stock Exchange under the ticker symbol PFG. For more information, visit [www.principal.com](http://www.principal.com).

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For enquiries, please contact:

Candy Leung  
Manager  
Marketing & Corporate Communications  
Tel: 2263 0280  
Email: [leung.candy@principal.com](mailto:leung.candy@principal.com)

William Ng  
Senior Officer  
Marketing & Corporate Communications  
Tel: 2263 0639  
Email: [ng.william@principal.com](mailto:ng.william@principal.com)

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