

Principal Financial Group® announces Global Financial Inclusion Index

*Inaugural study examines key drivers shaping financial inclusion in 40+ markets,
provides actionable insights to address inclusion gaps and challenges*

Hong Kong, 21 April 2022

Principal Financial Group® today announced it will launch the Global Financial Inclusion Index (“Index”) in collaboration with the [Centre for Economics and Business Research](#) (Cebr). The inaugural Index and its analysis will uncover key drivers shaping financial inclusion and exclusion across governments, employers, and the financial services industry in 40+ markets. The report, scheduled for September, will assess how these systems promote financial inclusion, as well as examine global consumer perspectives on how secure individuals feel. The goal of the Index is to fuel actionable insights that can help improve financial inclusion now and in the future.

Financial insecurity affects billions of people around the globe

Global financial insecurity represents one of the world’s greatest challenges and opportunities. Pre-pandemic, 1.7 billion people globally ^[1] were reportedly not served by a bank or financial institution. The effects of the pandemic brought increased rates of poverty and widened the wealth and income gap, ^[2] further exacerbated by the recent sharp spike in energy prices.

“Financial inclusion is at the foundation of global economic progress,” said Dan Houston, chairman, president, and CEO of Principal®. “When people are excluded from the financial system it hinders their ability to earn, prepare for and recover from crises, as well as build for the future. Our Global Financial Inclusion Index will provide a clear, measurable view of financial inclusion so we can influence change and help more people and businesses have greater access to financial security.”

A commitment to making financial security more accessible

Principal is committed to long-term, responsible, and sustainable actions to create economic opportunity for generations to come. As part of the [Principal environmental, social, and governance \(ESG\) strategy](#), largely aligned to the UN Sustainable Development Goals, the company has outlined measurable commitments to advance inclusive products, services, and communities to meet more individuals and businesses where they are in their financial journey. In addition, The Principal Financial Group Foundation, Inc. is investing \$30 million between 2021 and 2022 to help meet basic needs, develop pathways toward economic mobility, and support financial empowerment and development with a focus on entrepreneurs, small businesses, and diverse populations.

With the Index, Principal will further its focus on seeking to help all people have access to effective systems and affordable resources, solutions, and advice.

A clear understanding of financial inclusion can advance global economic progress

The Index will use employer and consumer surveying alongside verified public data to create a financial inclusion scoring system. Through consideration of these key data points, the Index will evaluate the degree to which governments promote financial inclusion, examine the availability and uptake of financial products and services for populations, and assess the level of support employers provide to their employees in each market.

As such, the Index will serve as a comprehensive and insightful resource used across sectors – from policymakers, academia, and non-governmental organizations (NGOs) to businesses and the financial services industry. It will also serve as an assessment for awareness, action-planning and resource allocation.

The Index will help Principal and key stakeholders:

- Add dimension to the ongoing dialogue on financial inclusion as a core component of financial security.
- Use data-driven insights to have a clear understanding of the barriers to financial security and produce alternate pathways that broaden access to financial solutions and support.
- Advocate for financial systems that enable long-term financial security, stability, and advancement.
- Determine impactful collaboration opportunities to help drive positive change.

To learn more about the Principal commitment to financial security, please visit www.principal.com/financialsecurity.

^[1] UNSGSA, 2017

^[2] World Bank, 2021

About Principal Financial Group®

Principal Financial Group® (Nasdaq: PFG) is a global financial company with 18,500 employees¹ passionate about improving the wealth and well-being of people and businesses. In business for more than 140 years, we're helping more than 51 million customers¹ plan, protect, invest, and retire, while working to support the communities where we do business, and build a diverse, inclusive workforce. Principal® is proud to be recognized as one of America's 100 Most Sustainable Companies², a member of the Bloomberg Gender Equality Index, and a Top 10 "Best Places to Work in Money Management³." Learn more about Principal and our commitment to building a better future at principal.com.

¹ As of December 31, 2021

² Barron's, 2022

³ Pensions & Investments, 2021

Principal Financial Group Foundation, Inc. ("Principal Foundation") is a duly recognized 501(c)(3) entity focused on providing philanthropic support to programs that build financial security in the communities where Principal Financial Group, Inc. ("Principal") operates. While Principal Foundation receives funding from Principal, Principal Foundation is a distinct, independent, charitable entity. Principal Foundation does not practice any form of investment advisory services and is not authorized to do so.

About Centre for Economics and Business Research

The Centre for Economics and Business Research is an independent consultancy with a reputation for sound business advice based on thorough and insightful research. Since 1992, Cebr has been at the forefront of business and public interest research, providing analysis, forecasts and strategic advice to major UK and multinational companies, financial institutions, government departments and agencies and trade bodies. For further information about Cebr please visit www.cebr.com.

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About Principal

In Hong Kong, we are a provider of investment and retirement solutions. Our member companies, including Principal Trust Company (Asia) Limited, Principal Investment & Retirement Services Limited and Principal Asset Management Company (Asia) Limited, combine our capabilities in global investment management, retirement leadership and asset allocation expertise to provide retirement and asset management services as well as award-winning mutual funds and investment products to businesses, individuals and institutional investors. All the above companies are member companies of the Principal Financial Group.

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