

THE PRINCIPAL FINANCIAL GROUP INDIVIDUAL ANNUITY INTEREST RATES EFFECTIVE 05/01/2012.

FIXED DEFERRED ANNUITIES

Principal Secure Fixed Annuity	Effective April 15				Effective May 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**
Fixed Deferred Annuity Products with NO MVA Guaranteed Minimum Interest Rate (GMIR) = 1%								
4-year guarantee*								
Initial Premium Less than \$50,000	1.00%	0.25%	1.25%	1.06%	1.00%	0.25%	1.25%	1.06%
Initial Premium \$50,000-\$99,999	1.00%	0.25%	1.25%	1.06%	1.00%	0.25%	1.25%	1.06%
Initial Premium \$100,000 and more	1.00%	1.15%	2.16%	1.29%	1.00%	1.15%	2.16%	1.29%
6-year guarantee*								
Initial Premium Less than \$50,000	1.20%	0.25%	1.45%	1.24%	1.20%	0.25%	1.45%	1.24%
Initial Premium \$50,000-\$99,999	1.30%	0.25%	1.55%	1.34%	1.30%	0.25%	1.55%	1.34%
Initial Premium \$100,000 and more	1.45%	1.15%	2.61%	1.64%	1.45%	1.15%	2.61%	1.64%

*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	Effective April 15				Effective May 01		
	Initial Premium	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
Fixed Deferred Annuity Products with no MVA Guaranteed Minimum Interest Rate (GMIR) = 1%							
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 05/01/2012.

Principal FPDA Plus	Effective April 15				Effective May 01		
	Initial Premium	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
Fixed Deferred Annuity Products with no MVA Guaranteed Minimum Interest Rate (GMIR) = 1%							
1-year guarantee	<\$100,000	1.00%	0.25%	1.25%	1.00%	0.25%	1.25%
1-year guarantee	\$100,000 or more	1.00%	1.25%	2.26%	1.00%	1.25%	2.26%
5-year guarantee*	All premiums	1.15%	NA	1.15%	1.15%	NA	1.15%
7-year guarantee*	All premiums	1.05%	NA	1.05%	1.05%	NA	1.05%

*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	Effective April 15				Effective May 01		
	Initial Premium	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
Fixed Deferred Annuity Products with no MVA Guaranteed Minimum Interest Rate (GMIR) = 4% (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	Initial Base Rate	Effective April 15			Effective May 01			
			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	1.00%	0.00%	1.00%	1.00%	1.00%	0.00%	1.00%	1.00%
4-year guarantee *	<\$50,000	1.25%	0.25%	1.50%	1.31%	1.25%	0.25%	1.50%	1.31%
4-year guarantee *	\$50,000-\$99,999	1.35%	0.25%	1.60%	1.41%	1.35%	0.25%	1.60%	1.41%
4-year guarantee *	\$100,000 or more	1.40%	1.15%	2.56%	1.69%	1.40%	1.15%	2.56%	1.69%
6-year guarantee *	<\$50,000	1.75%	0.25%	2.00%	1.79%	1.75%	0.25%	2.00%	1.79%
6-year guarantee *	\$50,000-\$99,999	1.85%	0.25%	2.10%	1.89%	1.85%	0.25%	2.10%	1.89%
6-year guarantee *	\$100,000 or more	1.90%	1.15%	3.07%	2.09%	1.90%	1.15%	3.07%	2.09%
9-year guarantee **	<\$100,000	1.25%	0.00%	1.25%	1.25%	1.25%	0.00%	1.25%	1.25%
9-year guarantee **	\$100,000 or more	1.40%	0.00%	1.40%	1.40%	1.40%	0.00%	1.40%	1.40%

*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.

INDEX ANNUITY

Fixed Indexed Annuity Product# Minimum Index Cap = 3%	Initial Premium	Participation Rate %	Application Signed or Premium Received Dates	
			04/16 to 05/01	05/02 to 05/15
			Index Cap %	Index Cap %
	<\$50,000	100%	3.00%	3.00%
	\$50,000 or more	100%	3.50%	3.50%

*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 ANNUITIES

Income Annuity Payouts (SPIA) Benefit Option	Effective April 15	Effective May 01	
	Monthly Payment	Monthly Payment	
10 Year Fixed Period	\$448.67	\$444.88	change
Male, Life w/Cash Refund, Age 70	\$269.05	\$263.07	change
Female, Life w/Cash Refund, Age 70	\$258.70	\$252.99	change
Male, Life w/Cash Refund, Age 80	\$331.12	\$324.10	change
Female, Life w/Cash Refund, Age 80	\$322.14	\$315.33	change

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.

VARIABLE ANNUITIES

Guaranteed Minimum Interest Rate (GMIR) = 1%	Effective April 15	Effective May 01
	Interest Rate	Interest Rate
Principal Investment Plus VA Fixed Account Rate	1.00%	1.00%
Principal Investment Plus VA DCA - 6 month rate	4.00%	4.00%
Principal Investment Plus VA DCA - 12 month rate	3.00%	3.00%
Principal VA Fixed Account Rate	3.00%	3.00%
Principal VA DCA - 6 month	4.00%	4.00%
Principal VA DCA - 12 month	3.00%	3.00%
Principal Freedom VA	3.00%	3.00%

NOTES: All products may not be available to all distribution channels. Principal Variable Annuity and Principal Freedom VA are no longer available for new sales.

Interest Rate Lock Procedures

Variable Annuity Interest Rate Procedures for the Fixed Account and/or DCA Accounts Initial Premium:	
Interest Rate Lock-In Procedures for Initial Premium	Interest rate is guaranteed only if the application is received in the Principal Home Office (h.o.) within 10 business days from the application signature date and initial premium is received in the h.o. within 90 calendar days of the client's signature date. Notes: If the lock-in box is not checked on the application the interest rate in effect at the time the money is received will apply. The rate lock-in only applies to the first premium payment received in the h.o.
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 payment is received in the h.o.

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
Variable Annuity Fixed Accounts	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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