

PRINCIPAL FINANCIAL GROUP INC  
Form 4  
December 10, 2002

**FORM 4**

UNITED STATES SECURITIES AND EXCHANGE  
COMMISSION  
Washington, D.C. 20549

OMB APPROVAL

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

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Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

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|  |  |  |   |  |  |  |  |  |
|--|--|--|---|--|--|--|--|--|
| 1. Name and Address of Reporting Person*<br><b>Shaff, Karen E.</b><br>(Last) (First) (Middle)<br><b>711 High Street</b><br><br>(Street)<br><b>Des Moines, IA 50392</b> |  |  | 2. Issuer Name and Ticker or Trading Symbol<br><b>Principal Financial Group, Inc. (PFG)</b> |  |  | 6. Relationship of Reporting Person(s) to Issuer (Check all applicable)<br><input type="checkbox"/> Director<br><input type="checkbox"/> 10% Owner<br><input checked="" type="checkbox"/> Officer (give title below)<br><input type="checkbox"/> Other (specify below)<br><b>Senior Vice President and General Counsel</b> |  |  |
|  |  |  | 3. I.R.S. Identification Number of Reporting Person, if an entity (voluntary)               |  |  | 4. Statement for Month/Day/Year<br><b>December 6, 2002</b>   |  |  |
|  |  |  |   |  |  | 5. If Amendment, Date of Original (Month/Day/Year)   |  |  |
|  |  |  |   |  |  | 7. Individual or Joint/Group Filing (Check Applicable Line)<br><input checked="" type="checkbox"/> Form filed by One Reporting Person<br><input type="checkbox"/> Form filed by More than One Reporting Person   |  |  |

| 1. Title of Security (Instr. 3) |         |       | 2. Transaction Date (Month/Day/Year) |   | 2A. Deemed Execution Date, if any (Month/Day/Year) |            | 3. Transaction Code (Instr. 8) |          | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 & 5) |  |              | 5. Amount of Securities Beneficially Owned Following Reported Transactions(s) (Instr. 3 & 4) |                       | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) |  | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|---------|-------|--------------------------------------|---|--|------------|--------------------------------|----------|---|--|--------------|--|-----------------------|--|--|-----------------------------------|
| (City)                          | (State) | (Zip) | Code                                 | V | Amount   | (A) or (D) | Price                          |          |   |  |              |  |                       |  |  |                                   |
| <b>Common Stock</b>             |         |       | <b>Dec. 9, 02</b>                    |   | <b>P<sup>(1)</sup></b>                             |            | <b>340</b>                     | <b>A</b> | <b>29.55</b>  |  | <b>2,800</b> | <b>D</b>   |                       |  |  |                                   |
| <b>Common Stock</b>             |         |       |                                      |   |  |            |                                |          |   |  | <b>2,801</b> | <b>I</b>   | <b>By Spouse</b>      |  |  |                                   |
| <b>Common Stock</b>             |         |       |                                      |   |  |            |                                |          |   |  | <b>523</b>   | <b>I</b>   | <b>By 401(k) Plan</b> |  |  |                                   |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.  
\* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

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**FORM 4 (continued) Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

| 1. Title of Derivative | 2. Conversion or | 3. Transaction | 3A. Deemed | 4. Trans- | 5. Number | 6. Date Exercisable and Expiration | 7. Title and Amount of | 8. Price of Derivative | 9. Number of Derivative | 10. Owner- | 11. Nature of Indirect |
|------------------------|------------------|----------------|------------|-----------|-----------|------------------------------------|------------------------|------------------------|-------------------------|------------|------------------------|
|------------------------|------------------|----------------|------------|-----------|-----------|------------------------------------|------------------------|------------------------|-------------------------|------------|------------------------|

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| Security (Instr. 3)        | Exercise Price of Derivative Security | Date (Month/Day/Year) | Execution Date, if any (Month/Day/Year) | Action of Derivative Securities |   |              | Date (Month/Day/Year) |                  | Underlying Securities (Instr. 3 & 4) |                            | Security (Instr. 5) | Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | ship Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4) | Beneficial Ownership (Instr. 4) |
|----------------------------|---------------------------------------|-----------------------|---|---------------------------------|---|--------------|-----------------------|------------------|--------------------------------------|----------------------------|---------------------|--|---|---------------------------------|
|                            |                                       |                       |   | Code (Instr. 8)                 | V | (A) or (D)   | Date Exer-cisable     | Expira-tion Date | Title                                | Amount or Number of Shares |                     |  |   |                                 |
| <b>Phantom Stock Units</b> | <b>1 for 1</b>                        | <b>12/06/02</b>       |   | <b>A<sup>(2)</sup></b>          |   | <b>35.69</b> | <b>(3)</b>            | <b>(3)</b>       | <b>Common Stock</b>                  | <b>35.69</b>               | <b>29.58</b>        | <b>786.05</b>  | <b>D</b>  |                                 |

Explanation of Responses:

(1) Pursuant to 10b5-1 Plan adopted November 7, 2002.

(2) Pursuant to 10b5-1 Plan adopted March 25, 2002.

(3) The reported phantom stock units were acquired pursuant to the Principal Select Savings Excess Plan and may be transferred at any time into another investment alternative under the Plan. Interests under the Plan will be settled upon the reporting person's retirement or other termination of service.

By: /s/ **Joyce N. Hoffman**  
**Attorney-in-Fact**

**December 10, 2002**  
 Date

\*\*Signature of Reporting Person

\*\*Intentional misstatements or omissions of facts constitute Federal Criminal Violations.  
 See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed.  
 If space is insufficient, See Instruction 6 for procedure.

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