



2Q21 Earnings Call

August 4, 2021

Key Messages

**Executing on
divestitures**

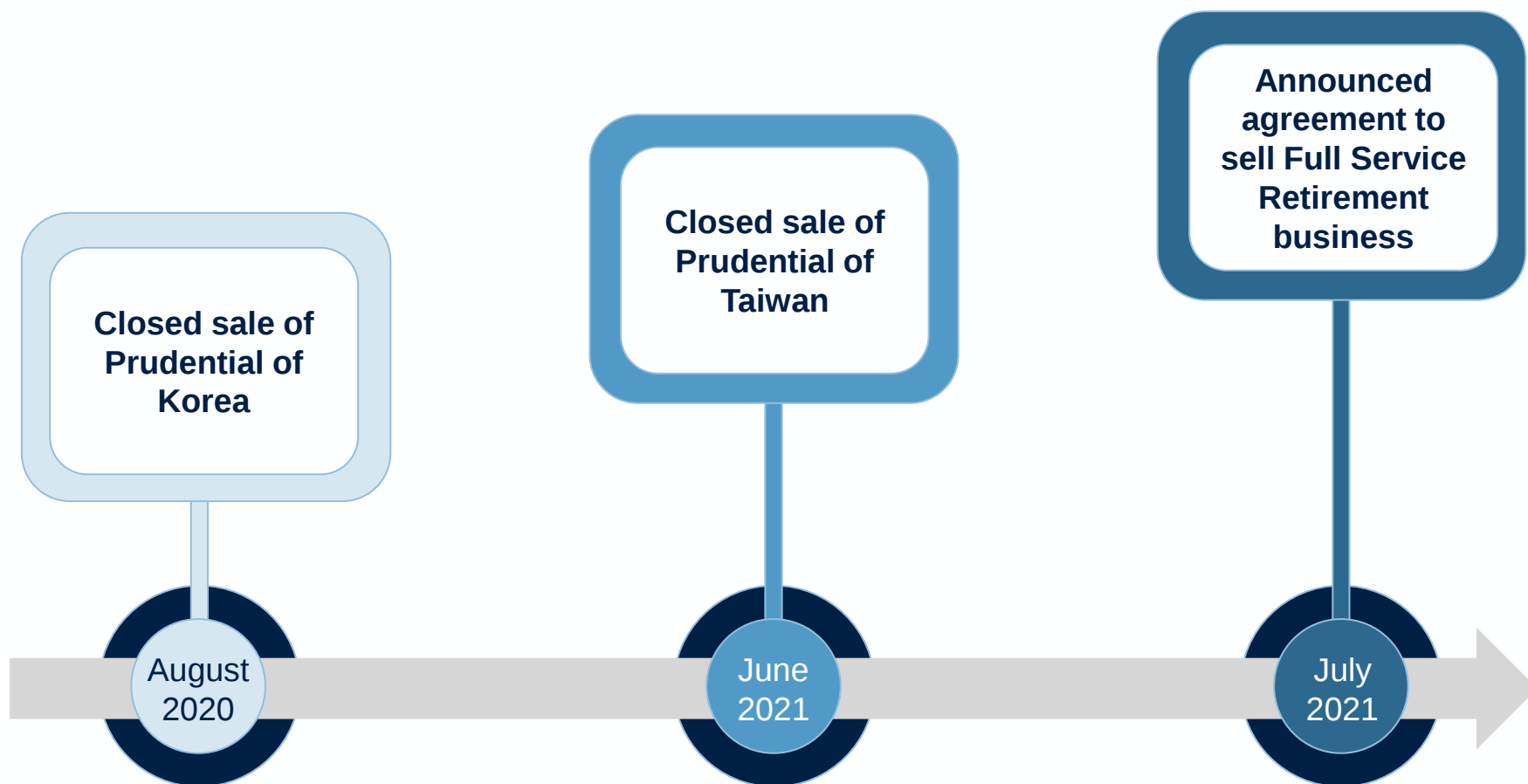
**Ahead of schedule
on cost savings
initiative**

**Thoughtfully
redeploying capital**

**WE MAKE LIVES BETTER *by*
SOLVING *the* FINANCIAL CHALLENGES
of our CHANGING WORLD**



Executing on Divestitures



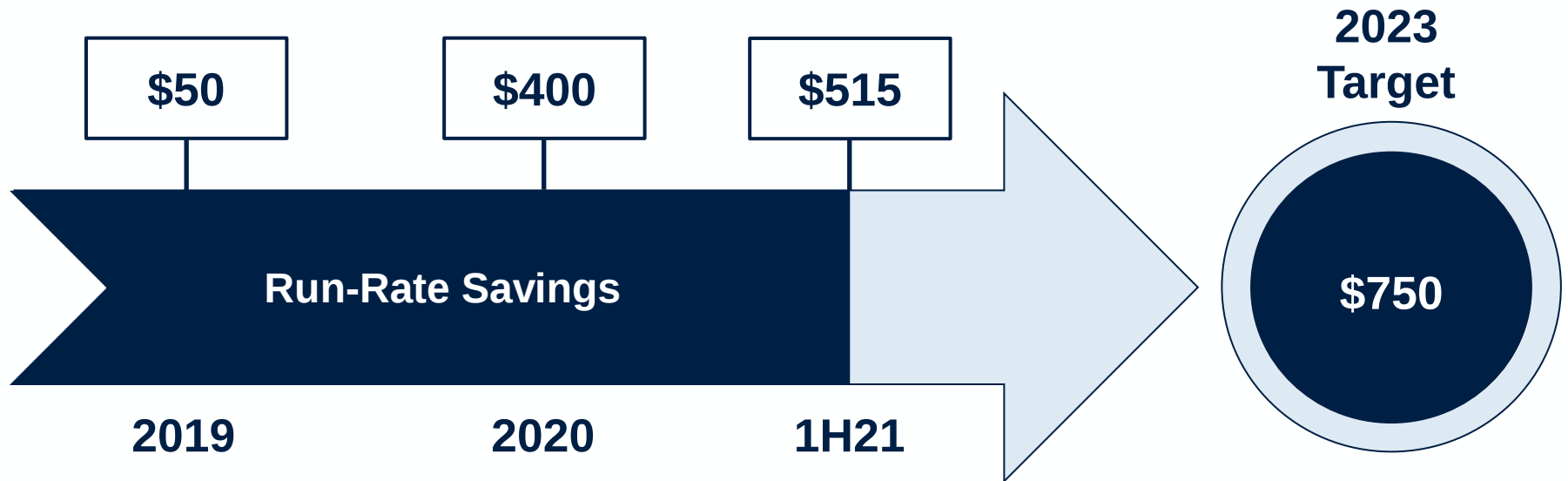
\$4.2 billion of proceeds from sales to date⁽¹⁾

(1) Includes proceeds expected to be received in connection with the closing of the sale of our Full Service Retirement business, which is expected to occur by the first quarter of 2022.



Ahead of Schedule on Cost Savings Initiative

(\$ in millions)



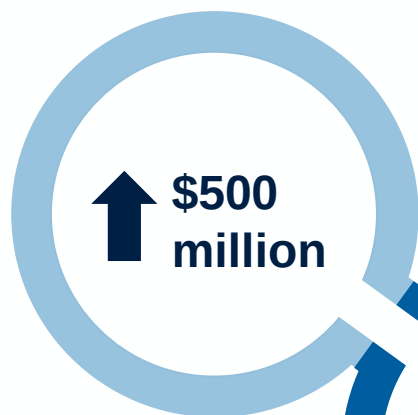
Exceeded original run-rate savings target of \$500 million 18 months ahead of schedule

Note: Realized cost savings of \$130 million in 2Q21 for a total of \$240 million in 1H21.



Thoughtfully Redeploying Capital

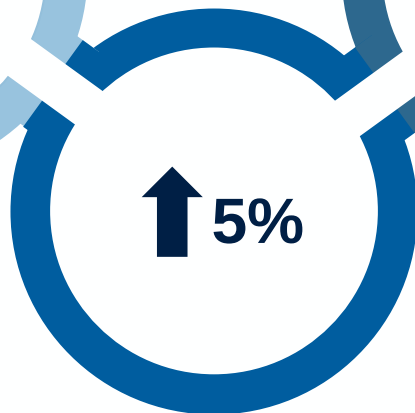
Increased share
repurchase authorization
for 2nd time in 2021



Increased 2021-2023 expected total
capital returned to shareholders,
up from \$10 billion



Disciplined
approach to
acquisitions



Increased dividend
by 5% in 1Q21



\$0.9 billion debt reduction
increases financial flexibility

Supported by our rock solid balance sheet

Note: Capital returned to shareholders in the second quarter of \$1.3 billion includes share repurchases of \$875 million and dividends of \$460 million.



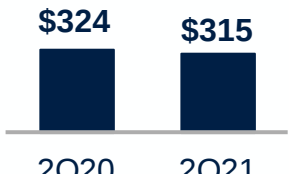
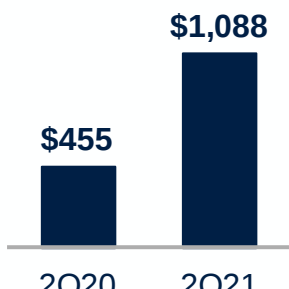
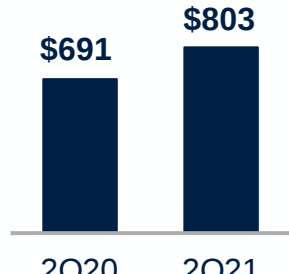
Second Quarter 2021 Highlights

(\$ millions, except per share amounts)

Financial Highlights

	<u>YTD 2021</u>	<u>2Q21</u>
Pre-Tax Adjusted Operating Income⁽¹⁾	\$3,994	\$1,906
Adjusted Operating Income Per Share⁽¹⁾	\$7.90	\$3.79
GAAP Net Income Per Share	\$12.39	\$5.40
Adjusted Operating ROE⁽²⁾	16.0%	
Adjusted Book Value Per Share⁽¹⁾	\$104.39	

Earnings Drivers

<u>PGIM</u>	<u>U.S. Businesses</u>	<u>International Businesses</u>
+ Higher asset management fees – Lower Other Related Revenues – Higher expenses	+ Higher spread income + Higher fee income + More favorable assumption update – Less favorable underwriting	+ Higher spread income + Business growth + Lower expenses + More favorable assumption update – Lower JV earnings – Less favorable underwriting
		

Note: See Appendix for segment results.

(1) See reconciliation in Appendix for Adjusted Operating Income, Adjusted Operating Income Per Share, and Adjusted Book Value Per Share.

(2) Based on year-to-date 2021 after-tax Adjusted Operating Income and average Adjusted Book Value. See Appendix for more information.

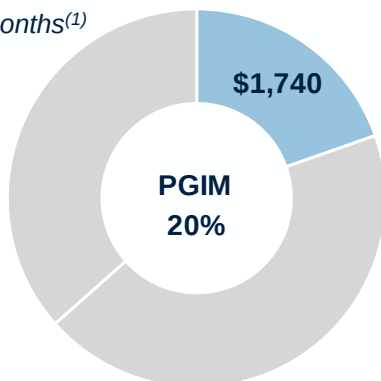


PGIM

Active Global Investment Manager Across a Broad Range of Private and Public Asset Classes

Earnings Contribution to Prudential

Trailing twelve months⁽¹⁾
(\$ millions)



3rd Party Net Flows

(\$ billions)

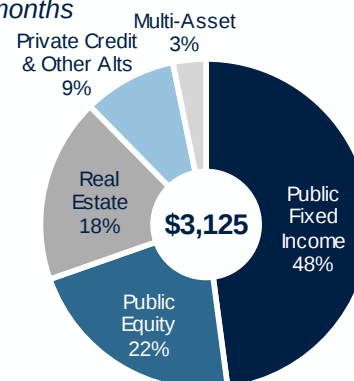


Key Priorities

- Maintain strong investment performance⁽²⁾
 - Percentage of AUM⁽³⁾ outperforming public benchmarks: 3 Year: 93%, 5 Year: 95%, 10 Year: 95%
- Capture synergies with broader Prudential enterprise and leverage scale to drive operating leverage
- Globalize the product and client footprint and continue to diversify into alternatives and other high margin areas
- Selectively acquire new capabilities through programmatic M&A opportunities

Asset Management Fees

Trailing twelve months
(\$ millions)



(1) Based on pre-tax adjusted operating income excluding Corporate & Other operations.

(2) PGIM calculations as of June 30, 2021 for \$874 billion of third-party AUM managed against public benchmarks. Past performance is not a guarantee or reliable indicator of future results. All investments involve risk, including the possible loss of capital. Performance is defined as outperformance (gross of fees) relative to each individual strategy's respective benchmark(s).

(3) Represents PGIM's benchmarked AUM (77% of total third-party AUM is benchmarked over 3 years, 68% over 5 years, and 44% over 10 years respectively). This calculation does not include non-benchmarked assets (including general account assets and assets not managed by PGIM). Returns are calculated gross of investment management fees, which would reduce an investor's net return. Excess performance is based on all actively managed Fixed Income, Equity and Real Estate AUM for Jennison Associates, PGIM Fixed Income, Quantitative Management Associates (QMA), PGIM Real Estate, PGIM Private Capital, PGIM Global Partners, and PGIM Real Estate Finance. Due to timing, performance for some real estate funds is preliminary.

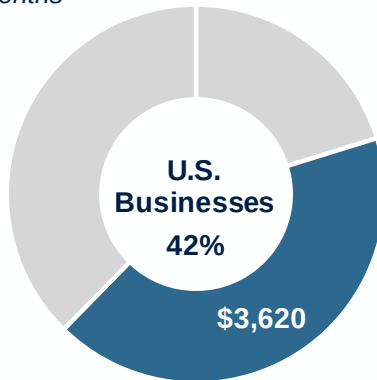


U.S. Businesses

Diversified Portfolio with Expanding Market Opportunities and Improving Risk Profile

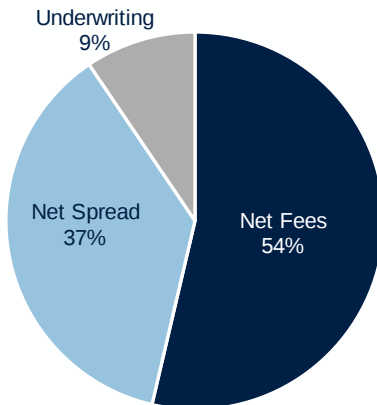
Earnings Contribution to Prudential

Trailing twelve months⁽¹⁾
(\$ millions)



Diversified Sources of Earnings

Trailing twelve months⁽²⁾



Note: See Appendix for segment results.

(1) Based on pre-tax adjusted operating income excluding Corporate & Other operations. U.S. Businesses include Retirement, Group Insurance, Individual Annuities, Individual Life, and Assurance IQ.

(2) Based on net fee income, net spread income, and underwriting margin and claims experience gross of expenses. Excludes assumption updates and other refinements and market experience updates.

Key Priorities

- Create higher value, less market sensitive sources of earnings through product pivots and de-risking actions
- Deliver on savings commitments while transforming our capabilities to improve customer experiences
- Leverage the capabilities of Prudential and Assurance IQ to expand our addressable market

Key Performance Indicators

- Continued success of Annuities FlexGuard product, representing 87% of 2Q21 sales
- Strong Individual Life sales results but with a different mix, reflecting our product repricing and pivot strategy
- Record account values in Retirement
- Strong persistency in Group Insurance
- Assurance IQ revenue growth of 92% over prior year quarter
- On track to deliver targeted efficiencies

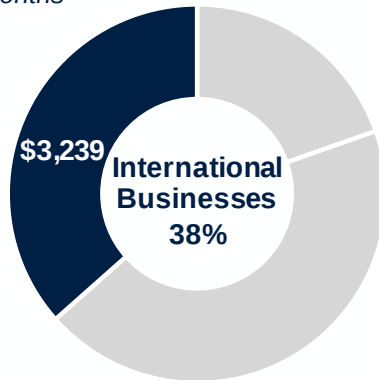


International Businesses

Market Leader in Japan with Expanding Presence in Growth Markets

Earnings Contribution to Prudential

Trailing twelve months⁽¹⁾
(\$ millions)

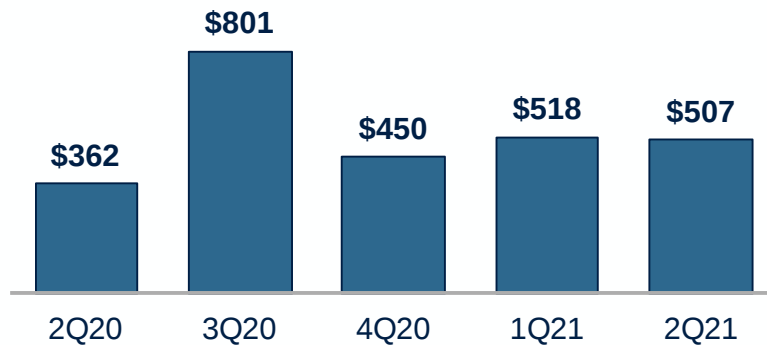


Key Priorities

- Continue to leverage our unique distribution model to capture market share and expand product offerings to meet customers' evolving needs
- Expand existing emerging market platforms including through selective programmatic M&A opportunities
- Optimize operating model and seek efficiencies

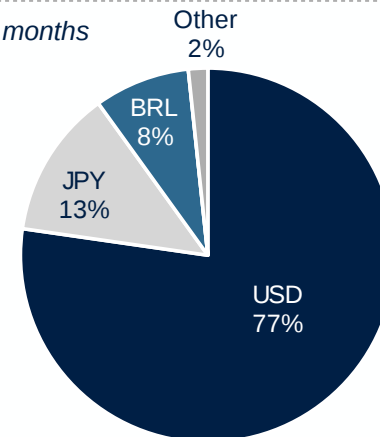
Sales⁽²⁾

(\$ millions)



Sales – Currency Mix⁽²⁾

Trailing twelve months



(1) Based on pre-tax adjusted operating income excluding Corporate & Other operations.

(2) Constant exchange rate basis. Foreign denominated activity translated to U.S. Dollars (USD) at uniform exchange rates for all periods presented, including Japanese Yen (JPY) 103 per USD and Brazilian Real (BRL) 4.1 per USD. USD-denominated activity is included based on the amounts as transacted in USD. Sales represented by annualized new business premiums.



Adjusted Operating Income & EPS Considerations

(\$ millions, except per share amounts)

		Adjusted Operating Income Pre-Tax	Adjusted Operating Income Per Share After-Tax
2Q21 Reported⁽¹⁾		\$1,906	\$3.79
Assumption Update	One-time impact of 2Q21 assumption updates and other refinements	34	0.07
Variable Investment Income	Assumes a normalized level	(365)	(0.73)
Underwriting	2Q21 normalized and 3Q21 adjusted for seasonal and estimated COVID-19 impacts	30	0.06
Expenses & Other⁽²⁾	Net earnings impacts from certain segments	(290)	(0.58)
Interest Rates⁽³⁾	3Q21 quarterly reduction in net investment income from portfolio reinvestment	(10)	(0.02)
3Q21 Baseline⁽⁴⁾		\$1,305	\$2.59

3Q21 baseline includes items specific to the third quarter that reduce EPS by \$0.41⁽⁵⁾

Note: See Appendix for segment detail.

(1) See reconciliation in Appendix for Adjusted Operating Income and Adjusted Operating Income Per Share.

(2) Includes estimated \$90 million make-whole fee associated with the previously announced redemption of \$0.9 billion of debt in 3Q21.

(3) Impact of low interest rate environment may not be linear and may vary from indicated sensitivities at thresholds greater than those indicated.

(4) EPS rollforward list of considerations not intended to be exhaustive and rollforward is not a projection of 3Q21 results. Does not consider future items such as share repurchases, business growth, and certain market impacts.

(5) Items specific to the third quarter include expenses and underwriting seasonality and estimated COVID-19 impacts. See Appendix for details.



Robust Capital Position Supports Increased Shareholder Distributions

Capital Position

- Parent company liquid assets > 3x annual fixed charges
- PICA RBC ratio > 375%
- Japan solvency margin ratios > 700%

Sources of Funding

- Parent company highly liquid assets of \$4.9 billion⁽¹⁾
- Free cash flow⁽²⁾ ~65% of earnings over time

Off-Balance Sheet Resources

Resource	Capacity	Maturity Date
Sustainability-Linked Credit Facility	\$4.0 billion	July 2026
Contingent Capital	\$1.5 billion \$1.5 billion	November 2023 May 2030
Prudential Holdings of Japan Facility	¥100 billion	September 2024

As of June 30, 2021.

(1) Highly liquid assets predominantly include cash, short-term investments, U.S. Treasury securities, obligations of other U.S. government authorities and agencies, and/or foreign government bonds.

(2) Management view of free cash flow as a percentage of after-tax adjusted operating income includes dividends and returns of capital, net receipts from capital related intercompany loans, capital contributions to subsidiaries, and adjustments for M&A funding. Percentage is not intended to report results over any given time period.



Key Messages

**Executing on
divestitures**

**Ahead of schedule
on cost savings
initiative**

**Thoughtfully
redeploying capital**

WE MAKE LIVES BETTER *by*
SOLVING *the* FINANCIAL CHALLENGES
***of* our CHANGING WORLD**





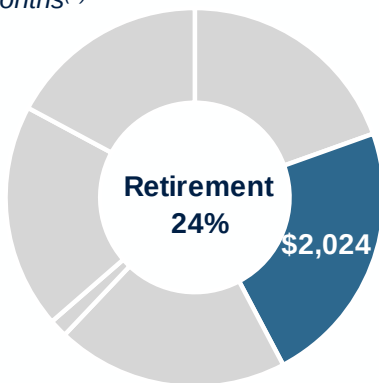
Appendix

Retirement

Differentiated Capabilities Drive Growth in PRT, International Reinsurance, and Institutional Stable Value

Earnings Contribution to Prudential

Trailing twelve months⁽¹⁾
(\$ millions)

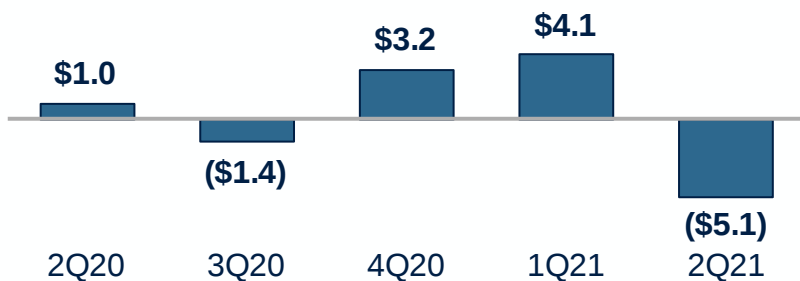


Key Priorities

- Leverage world class talent and market leading capabilities to deliver differentiated product solutions
- Continue to grow profitably through innovation and expansion into adjacent markets and products
- Deploy technology to enhance operating efficiencies and support business growth

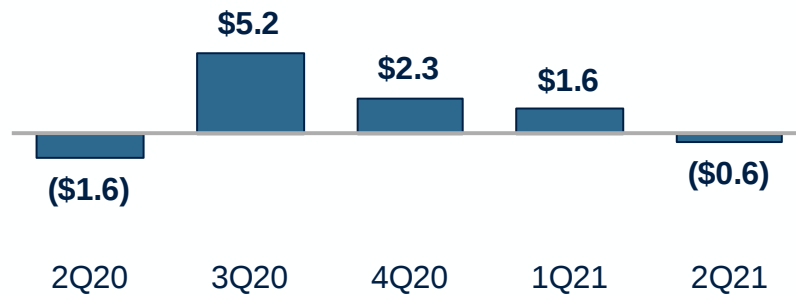
Institutional Investment Products Net Flows

(\$ billions)



Full Service Net Flows

(\$ billions)



(1) Based on pre-tax adjusted operating income excluding Corporate & Other operations.



Group Insurance

Leading Group Benefits Provider with Opportunity to Further Diversify

Earnings Contribution to Prudential

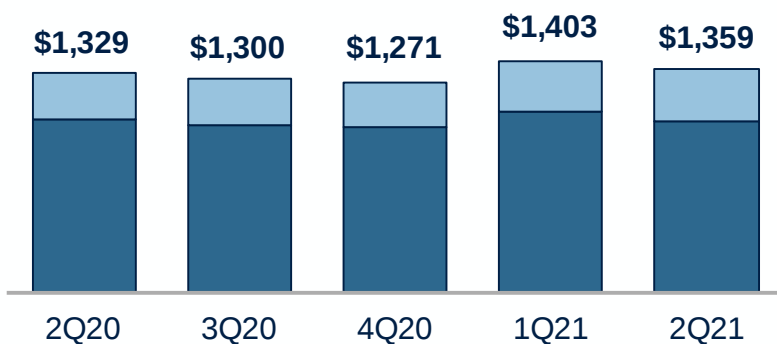
Trailing twelve months⁽¹⁾
(\$ millions)



Earned Premiums & Fees

(\$ millions)

■ Group Life ■ Group Disability

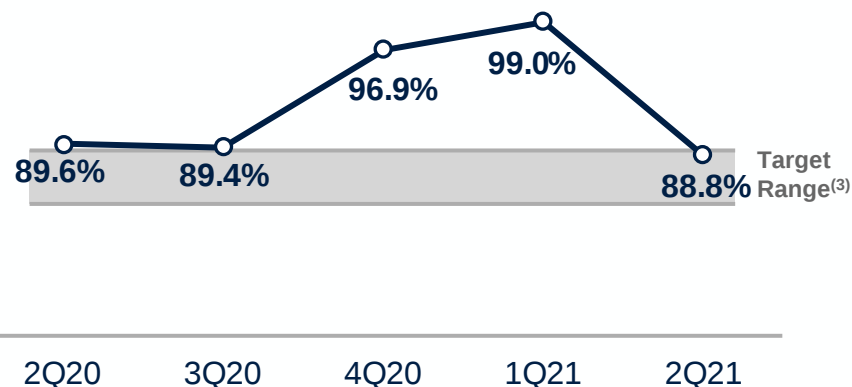


- (1) Based on pre-tax adjusted operating income excluding Corporate & Other operations.
 (2) Benefits ratios excluding the impact of assumption updates and other refinements.
 (3) Targeted total benefit ratio range of 85% - 89%.

Key Priorities

- Deepen employer and participant relationships with Financial Wellness programs
- Execute on diversification strategy while maintaining pricing discipline
 - Maintain National segment share (>5,000 lives) and grow both Premier segment (100 to 5,000 lives) and Association
 - Diversify further into Group Disability and Voluntary products
- Improve organizational and process efficiencies

Total Group Insurance Benefits Ratio⁽²⁾

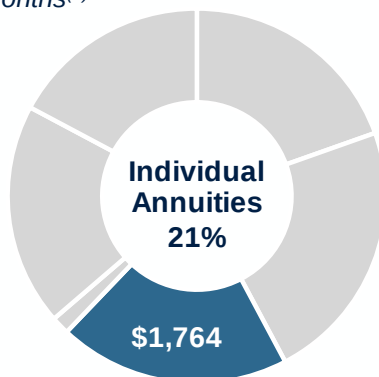


Individual Annuities

Creating Shareholder Value by Protecting Customer Outcomes

Earnings Contribution to Prudential

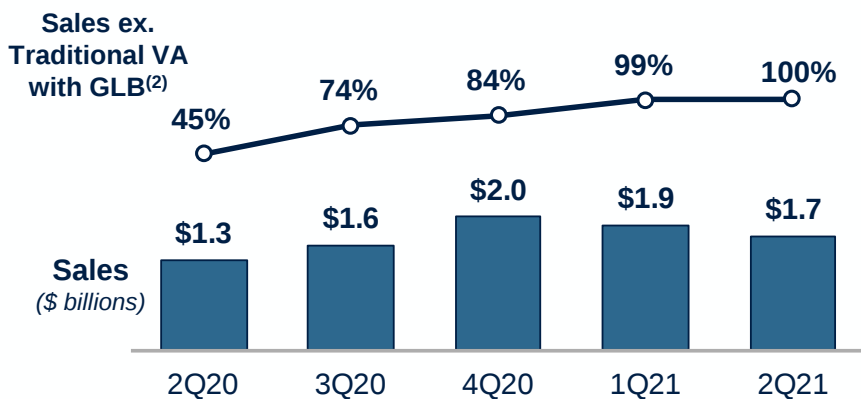
Trailing twelve months⁽¹⁾
(\$ millions)



Key Priorities

- Deliver investment strategies and income solutions for growth and protection that create stakeholder value across all economic environments
- Transform the customer experience using technology to improve ease of doing business
- Broaden distribution, eliminating barriers to market adoption and expanding our reach through new platforms and advisors

Sales



Prudential Annuities Life Assurance Co. Dividends to PFI⁽³⁾

(\$ millions)



(1) Based on pre-tax adjusted operating income excluding Corporate & Other operations.

(2) Includes fixed annuities, our FlexGuard buffered annuity, and other variable annuities without guaranteed living benefits and excludes Highest Daily Suite and Prudential Defined Income.

(3) Dividends include Prudential Annuities Holding Co. but do not include The Prudential Insurance Company of America.

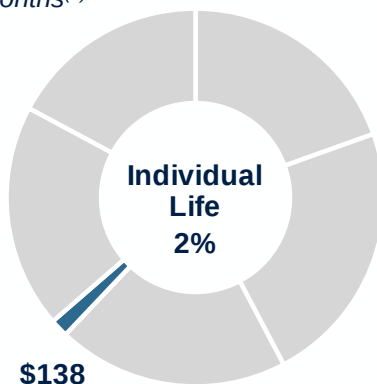


Individual Life

Broad Product Portfolio and Multi-Channel Distribution

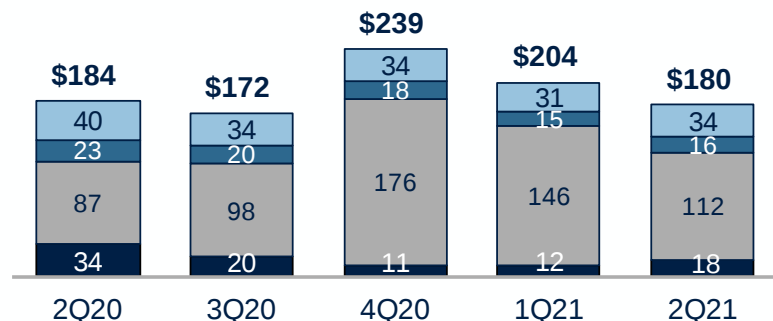
Earnings Contribution to Prudential

Trailing twelve months⁽¹⁾
(\$ millions)



Sales⁽²⁾ – Product Mix

(\$ millions)



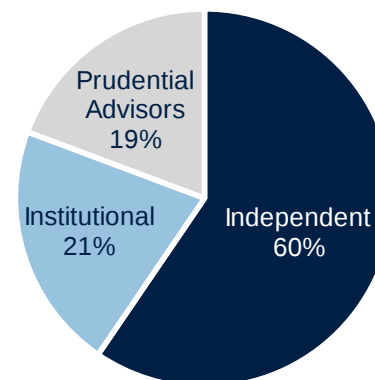
■ Guaranteed Universal Life ■ Variable Life ■ Other Universal Life ■ Term

Key Priorities

- Improve profitability through operating model transformation, expense management, and pricing discipline
- Expand digital capabilities to drive operating efficiencies and deepen distribution relationships, including leveraging the Assurance IQ platform
- Shift business mix to less interest rate sensitive customer solutions, including expansion of simplified protection solutions

Sales⁽²⁾ – Distribution Mix

Trailing twelve months



(1) Based on pre-tax adjusted operating income excluding Corporate & Other operations.

(2) Sales represented by annualized new business premiums.

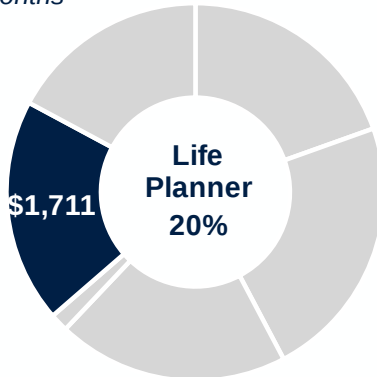


Life Planner

Highly Productive Proprietary Distribution with Steady Long-Term Growth Potential

Earnings Contribution to Prudential

Trailing twelve months⁽¹⁾
(\$ millions)

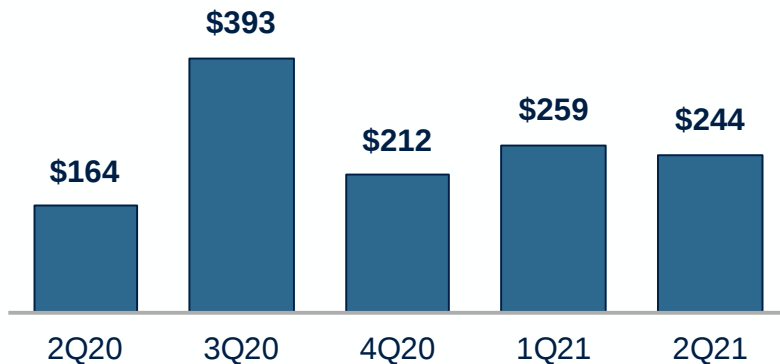


Key Priorities

- Lead with protection solutions and expand product offerings to meet customers' evolving needs
- Nurture and grow Life Planners
- Expand existing emerging market platforms including through selective programmatic M&A opportunities

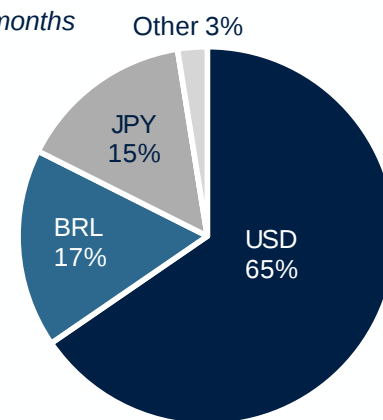
Sales⁽²⁾

(\$ millions)



Sales – Currency Mix⁽²⁾

Trailing twelve months



(1) Based on pre-tax adjusted operating income excluding Corporate & Other operations.

(2) Constant exchange rate basis. Foreign denominated activity translated to U.S. Dollars (USD) at uniform exchange rates for all periods presented, including Japanese Yen (JPY) 103 per USD and Brazilian Real (BRL) 4.1 per USD. USD-denominated activity is included based on the amounts as transacted in USD. Sales represented by annualized new business premiums.

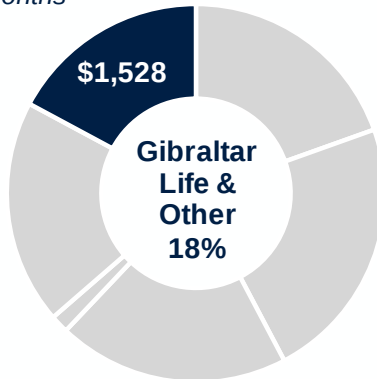


Gibraltar Life and Other

Meeting Client Needs Via Multiple Channels

Earnings Contribution to Prudential

Trailing twelve months⁽¹⁾
(\$ millions)

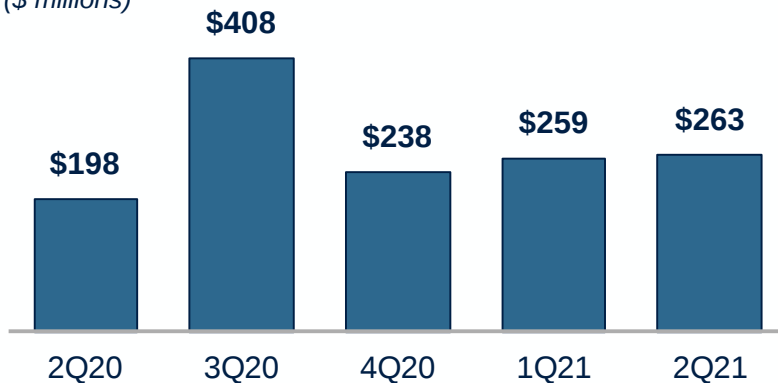


Key Priorities

- Lead with protection solutions and expand product offerings to meet customers' evolving needs
- Optimize Life Consultant force through quality and productivity
- Strategically expand in third-party channels
- Expand existing emerging market platforms including through selective programmatic M&A opportunities

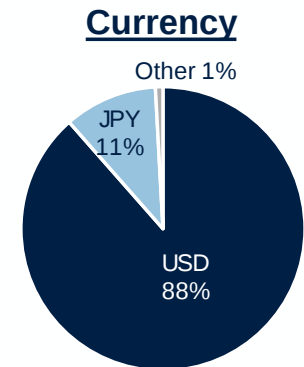
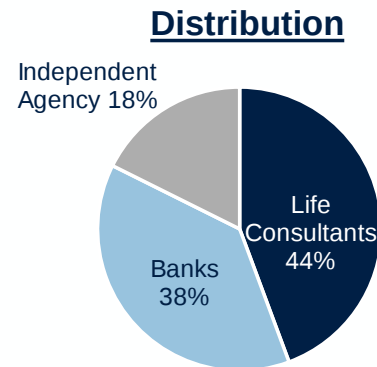
Sales⁽²⁾

(\$ millions)



Sales Mix⁽²⁾

Trailing twelve months



(1) Based on pre-tax adjusted operating income excluding Corporate & Other operations.

(2) Constant exchange rate basis. Foreign denominated activity translated to U.S. Dollars (USD) at uniform exchange rates for all periods presented, including Japanese Yen (JPY) 103 per USD. USD-denominated activity is included based on the amounts as transacted in USD. Sales represented by annualized new business premiums.



Adjusted Operating Income Rollforward by Business

(\$ millions, pre-tax)

	2Q21 Reported ⁽¹⁾	2Q21					3Q21				3Q21 Baseline ⁽⁸⁾
		Assumption Update	VII	Underwriting	Expenses ⁽²⁾	Other ⁽³⁾	Underwriting ⁽⁴⁾	Expenses ⁽⁵⁾	Other ⁽⁶⁾	Interest Rates ⁽⁷⁾	
PGIM	\$315	-	-	-	(10)	(5)	-	-	-	-	\$300
Retirement	\$491	18	(190)	(20)	(10)	(10)	(30)	-	(15)	(3)	\$231
Group Insurance	\$17	(1)	(20)	50	-	-	(15)	-	-	(1)	\$30
Individual Annuities	\$472	15	(15)	-	(10)	-	-	-	-	-	\$462
Individual Life	\$146	(7)	(45)	30	(25)	-	10	-	-	(1)	\$108
Assurance IQ	(\$38)	-	-	-	-	-	-	-	-	-	(\$38)
Life Planner	\$407	(2)	(40)	20	(5)	10	(15)	-	-	(2)	\$373
Gibraltar Life & Other	\$396	16	(45)	5	(5)	15	(5)	-	-	(3)	\$374
Corporate & Other	(\$300)	(5)	(10)	-	(40)	-	-	(150)	(30)	-	(\$535)
Prudential Financial, Inc.	\$1,906	\$34	(\$365)	\$85	(\$105)	\$10	(\$55)	(\$150)	(\$45)	(\$10)	\$1,305

Items specific to the third quarter totaling
(\$205 million) or (\$0.41)

(1) See reconciliation for Adjusted Operating Income on slide 24.

(2) Reflects higher/(lower) than typical expenses.

(3) PGIM reflects Other Related Revenues above a normalized quarterly level. Retirement reflects favorable one-time items. Life Planner reflects seasonally lower premiums, favorable policyholder experience, and other one-time items. Gibraltar Life & Other reflects seasonally lower premiums.

(4) Includes placeholder of 30,000 U.S. fatalities due to COVID-19 and other seasonal impacts.

(5) Reflects higher than typical expenses, including estimated \$90 million make-whole fee associated with the previously announced redemption of \$0.9 billion of debt. Corporate & Other full year 2021 loss is expected to be \$1.65 billion.

(6) Reflects decline in run-rate earnings due to the designation of Retirement Full Service as a divested business beginning in 3Q21. Corporate & Other reflects retained overhead from the sale.

(7) Impact of low interest rate environment may not be linear and may vary from indicated sensitivities at thresholds greater than those indicated.

(8) EPS rollforward list of considerations not intended to be exhaustive and rollforward is not a projection of 3Q21 results. Does not consider future items such as share repurchases, business growth, and certain market impacts.



Seasonality of Key Financial Items

(\$ millions, pre-tax)	3Q21	4Q21	1Q22	2Q22
PGIM		Other Related Revenues tend to be higher driven by Incentive & Agency Fees	(\$40) Higher compensation expense ⁽¹⁾ (\$5) Reduction from sale of Full Service business ⁽²⁾	
Retirement	(\$30) Lower reserve gains	(\$30) Lower reserve gains	\$40 Higher reserve gains	\$20 Higher reserve gains
Individual Life	\$20 Highest underwriting gains		(\$30) Lowest underwriting gains	
Assurance IQ	Higher expenses ahead of annual Medicare enrollment	Higher revenue (annual Medicare enrollment)		
Life Planner			\$25 Highest premiums	(\$25) Lowest premiums
Gibraltar Life & Other			\$15 Highest premiums	(\$15) Lowest premiums
Corporate & Other		(\$75) Higher expenses ⁽³⁾	(\$30) Higher compensation expense ⁽¹⁾	

(1) Long-term compensation expense for retiree eligible employees is recognized when awards are granted, typically in the first quarter of each year.

(2) Represents the ongoing impact to PGIM's adjusted operating income subsequent to the termination of Retirement Full Service fees effective 1/1/2022.

(3) Total company expenses are typically higher than the quarterly average in the fourth quarter by \$125-\$175 million.



Diverse Businesses Create Complementary Exposures to Mortality and Longevity

0.46%

Cumulative Net
Mortality⁽¹⁾ as % of AOI
(2013 – YTD 2021)

- Annual net mortality impact on AOI is minimal, ranging from (6.9%) to 2.8%
- Net mortality was a positive contributor to AOI in six out of last eight years

(1) Mortality experience compared to expectations includes Individual Life, Group Life, and International Businesses. Longevity experience compared to expectations includes Retirement and Individual Annuities.



Forward-Looking Statements and Non-GAAP Measures

Certain of the statements included in this presentation, including those regarding our plan to reallocate capital and return money to shareholders, expected cost savings, the expected closing of the sale of our Full Service Retirement business, and the receipt of proceeds therefrom, share repurchases, our environmental sustainability initiatives, and those under the headings “Key Priorities”, “Adjusted Operating Income & EPS Considerations”, “Adjusted Operating Income Rollforward by Business”, and “Seasonality of Key Financial Items” constitute forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Words such as “expects”, “believes”, “anticipates”, “includes”, “plans”, “assumes”, “estimates”, “projects”, “intends”, “should”, “will”, “shall”, or variations of such words are generally part of forward-looking statements. Forward-looking statements are made based on management’s current expectations and beliefs concerning future developments and their potential effects upon Prudential Financial, Inc. and its subsidiaries. Prudential Financial, Inc.’s actual results may differ, possibly materially, from expectations or estimates reflected in such forward-looking statements. Certain important factors that could cause actual results to differ, possibly materially, from expectations or estimates reflected in such forward-looking statements can be found in the “Risk Factors” and “Forward-Looking Statements” sections included in Prudential Financial, Inc.’s Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q. Each of our forward looking statements contained herein is subject to the risk that we will be unable to execute our strategy and other risks, including the ongoing impact of the COVID-19 pandemic. In addition, our statements under the heading “Seasonality of Key Financial Items” are subject to the risk that different earnings and expense patterns will emerge. Prudential Financial, Inc. does not undertake to update any particular forward-looking statement included in this presentation.

This presentation includes references to adjusted operating income, adjusted book value, and adjusted operating return on equity, which is based on adjusted operating income and adjusted book value. Consolidated adjusted operating income, adjusted book value, and adjusted operating return on equity are not calculated based on accounting principles generally accepted in the United States of America (GAAP). For additional information about adjusted operating income, adjusted book value, and adjusted operating return on equity and the comparable GAAP measures, including reconciliations between the comparable measures, please refer to our quarterly results news releases, which are available on our website at www.investor.prudential.com. Reconciliations are also included as part of this presentation.

Our 3Q21 earnings rollforward is based on adjusted operating income. Due to the inherent difficulty in reliably quantifying future realized investment gains/losses and changes in asset and liability values given their unknown timing and potential significance, we cannot, without unreasonable effort, provide rollforward based on income from continuing operations, which is the GAAP measure most comparable to adjusted operating income.

Prudential Financial, Inc. of the United States is not affiliated with Prudential plc which is headquartered in the United Kingdom.



Reconciliations between Adjusted Operating Income and the Comparable GAAP Measure

(\$ millions)

	Second Quarter		Year to Date	
	2021	2020	2021	2020
Net income (loss) attributable to Prudential Financial, Inc.	\$ 2,158	\$ (2,409)	\$ 4,986	\$ (2,680)
Income (loss) attributable to noncontrolling interests	25	4	1	5
Net income (loss)	2,183	(2,405)	4,987	(2,675)
Less: Earnings attributable to noncontrolling interests	25	4	1	5
Income (loss) attributable to Prudential Financial, Inc.	2,158	(2,409)	4,986	(2,680)
Less: Equity in earnings of operating joint ventures, net of taxes and earnings attributable to noncontrolling interests	(6)	38	44	47
Income (loss) (after-tax) before equity in earnings of operating joint ventures	2,164	(2,447)	4,942	(2,727)
Less: Reconciling Items:				
Realized investment gains (losses), net, and related charges and adjustments	364	(2,749)	1,389	(3,252)
Market experience updates	225	56	529	(882)
Divested and Run-off Businesses:				
Closed Block Division	31	(22)	65	(23)
Other Divested and Run-off Businesses	255	(524)	285	(593)
Equity in earnings of operating joint ventures and earnings attributable to noncontrolling interests	5	(54)	(49)	(63)
Other adjustments ⁽¹⁾	(13)	32	(26)	77
Total reconciling items, before income taxes	867	(3,261)	2,193	(4,736)
Less: Income taxes, not applicable to adjusted operating income	217	(74)	430	(372)
Total reconciling items, after income taxes	650	(3,187)	1,763	(4,364)
After-tax adjusted operating income	1,514	740	3,179	1,637
Income taxes, applicable to adjusted operating income	392	189	815	429
Adjusted operating income before income taxes	\$ 1,906	\$ 929	\$ 3,994	\$ 2,066
Net Income Return on Equity	14.3%	-15.3%	15.9%	-8.5%
Adjusted Operating Return on Equity ⁽²⁾	14.9%	7.8%	16.0%	8.4%

(1) Represents adjustments not included in above reconciling items. "Other adjustments" include certain components of the consideration for the Assurance IQ acquisition, which are recognized as compensation expense over the requisite service periods, as well as changes in the fair value of the associated contingent consideration.

(2) Represents adjusted operating income after-tax, annualized for interim periods, divided by average Prudential Financial, Inc. equity excluding accumulated other comprehensive income and adjusted to remove amounts included for foreign currency exchange rate remeasurement.



Reconciliations between Adjusted Operating Income Per Share and the Comparable GAAP Measure

	Second Quarter		Year to Date	
	2021	2020	2021	2020
Net income (loss) per share attributable to Prudential Financial, Inc.	\$ 5.40	\$ (6.12)	\$ 12.39	\$ (6.80)
Less: Reconciling Items:				
Realized investment gains (losses), net, and related charges and adjustments	0.92	(6.94)	3.50	(8.17)
Market experience updates	0.57	0.14	1.33	(2.22)
Divested and Run-off Businesses:				
Closed Block Division	0.08	(0.06)	0.16	(0.06)
Other Divested and Run-off Businesses	0.65	(1.32)	0.72	(1.49)
Difference in earnings allocated to participating unvested share-based payment awards	(0.03)	0.01	(0.07)	0.01
Other adjustments ⁽¹⁾	(0.03)	0.08	(0.07)	0.19
Total reconciling items, before income taxes	2.16	(8.09)	5.57	(11.74)
Less: Income taxes, not applicable to adjusted operating income	0.55	(0.12)	1.08	(0.88)
Total reconciling items, after income taxes	1.61	(7.97)	4.49	(10.86)
After-tax adjusted operating income per share	<u>\$ 3.79</u>	<u>\$ 1.85</u>	<u>\$ 7.90</u>	<u>\$ 4.06</u>

(1) Represents adjustments not included in the above reconciling items. "Other adjustments" include certain components of the consideration for the Assurance IQ acquisition, which are recognized as compensation expense over the requisite service periods, as well as changes in the fair value of the associated contingent consideration.



Reconciliations between Adjusted Book Value and the Comparable GAAP Measure

(\$ millions, except per share data)

	<u>June 30, 2021</u>
GAAP book value	\$ 63,048
Less: Accumulated other comprehensive income (AOCI)	<u>23,277</u>
GAAP book value excluding AOCI	39,771
Less: Cumulative effect of remeasurement of foreign currency	<u>(1,287)</u>
Adjusted book value	<u><u>\$ 41,058</u></u>
 Number of diluted shares	 <u>393.3</u>
 GAAP book value per Common share - diluted	 \$ 160.31
GAAP book value excluding AOCI per Common share - diluted	\$ 101.12
Adjusted book value per Common share - diluted	\$ 104.39

