



3Q21 Earnings Call

November 3, 2021

Key Messages

**Executing on
divestitures**

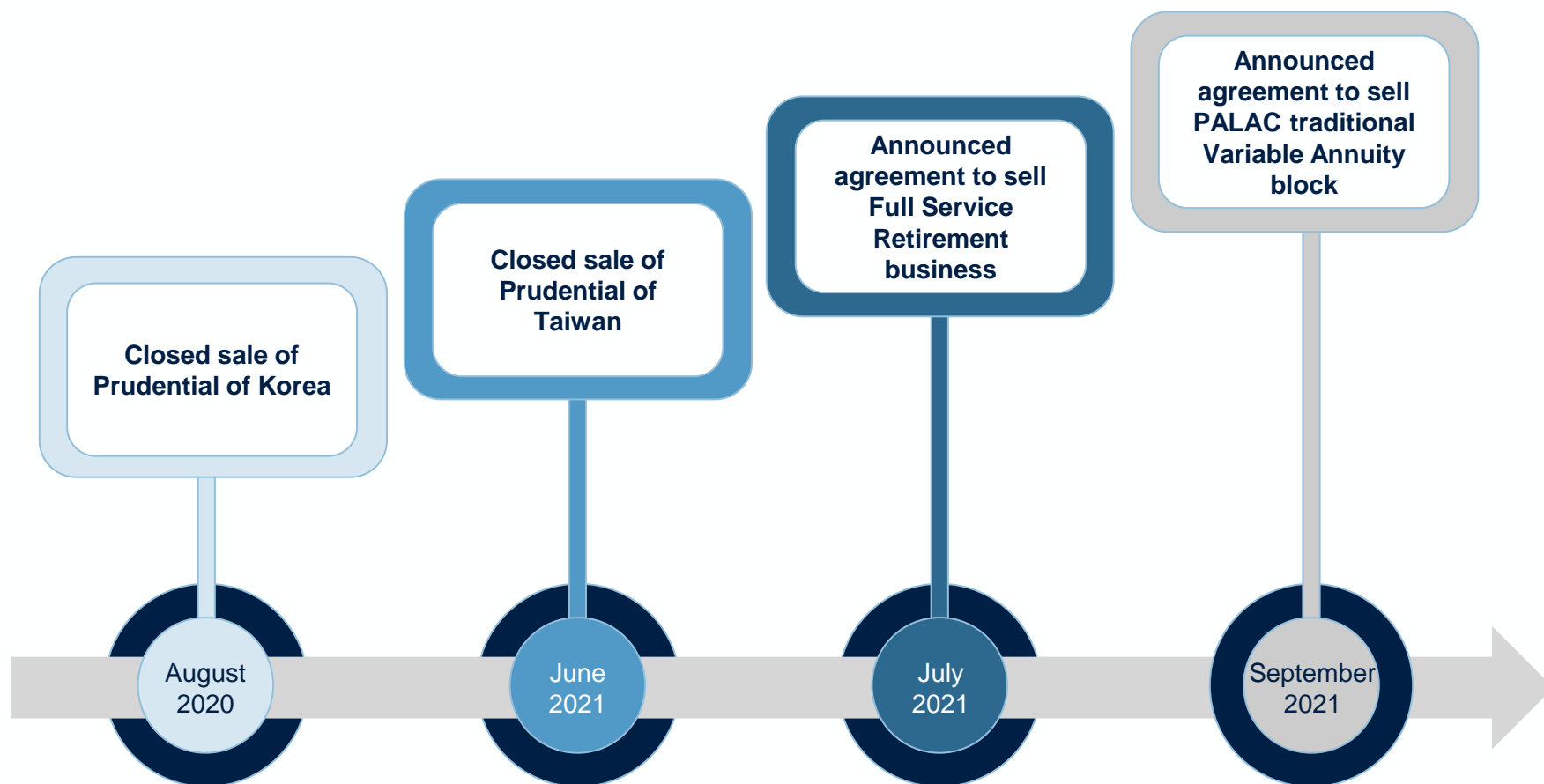
**On track to achieve
\$750 million of cost
savings**

**Thoughtfully
redeploying capital**

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



Executing on Divestitures



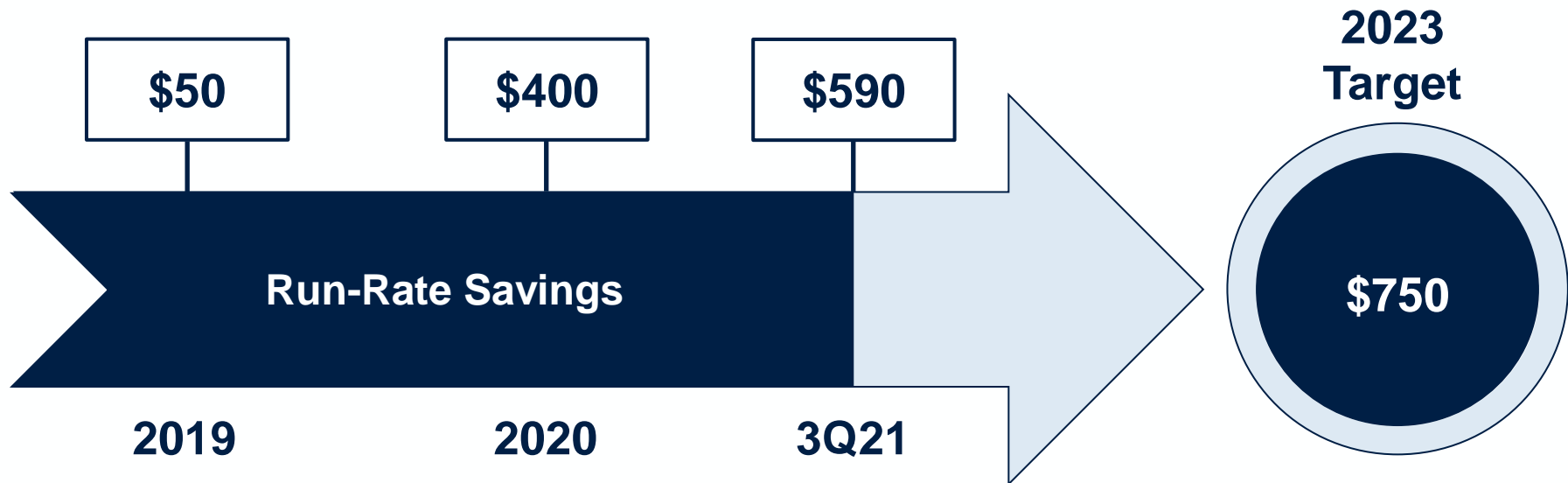
Over \$6 billion of proceeds from sales to date⁽¹⁾

(1) Includes proceeds expected to be received in connection with the closings of the sales of our Full Service Retirement business and PALAC (Prudential Annuities Life Assurance Corporation) traditional Variable Annuity block, which are expected to occur by the first quarter of 2022 and first half of 2022, respectively.



On Track to Achieve \$750 Million of Cost Savings

(\$ in millions)



Exceeded run-rate savings target of \$500 million for 2021

Note: Realized cost savings of ~\$145 million in 3Q21 for a total of ~\$385 million year-to-date.

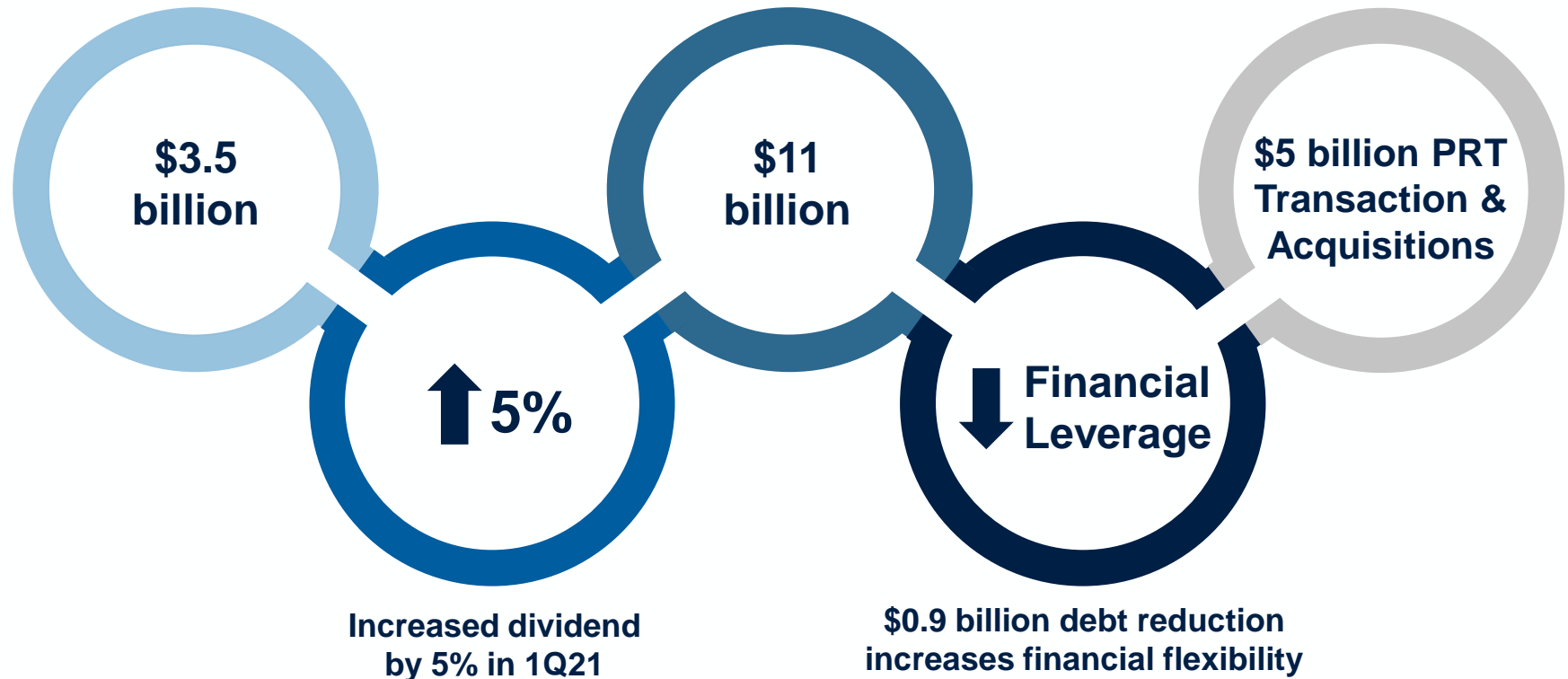


Thoughtfully Redeploying Capital

Year-to-date capital
returned to shareholders

Target capital to be returned to
shareholders by end of 2023

Continued investment
in our business



Supported by our rock solid balance sheet

Note: Capital returned to shareholders in the third quarter of \$1.3 billion includes share repurchases of \$875 million and dividends of \$451 million.



Expanding Our Climate Commitments

Net Zero Emissions by 2050⁽¹⁾

- Increased commitment to reduce greenhouse gas (GHG) emissions for our primary home office operations globally
- In line with latest climate science of limiting global warming to 1.5°C

Interim Emission Targets

- GHG reductions: 55% by 2030 and 97% by 2040
- Carbon neutral by 2040

Investment Actions⁽²⁾

- Implementing restrictions on investments in thermal coal⁽³⁾
- Plan to assess and establish steps to reduce emissions in our General Account portfolio

These actions accelerate and build upon Prudential's 2019 Global Environmental Commitment

(1) Relates to Scope 1 and Scope 2 emissions. Scope 1 results from "direct" GHG emissions that occur from sources that are controlled or owned by an organization. Scope 2 results from "indirect" GHG emissions associated with the purchase of electricity, steam, heat, or cooling.

(2) Relates to Scope 3 emissions. Scope 3 results from activities or sources that are not owned or directly controlled by an organization but occur based on a company's operations.

(3) Restrictions relate to new direct investments in mining or utility companies that derive a material portion of their revenues from thermal coal. Exceptions may apply for issuers with a low carbon transition strategy and green bonds of restricted issuers.



Third Quarter 2021 Highlights

(\$ millions, except per share amounts)

Financial Highlights

	<u>YTD 2021</u>	<u>3Q21</u>
Pre-Tax Adjusted Operating Income⁽¹⁾	\$5,716	\$1,844
Adjusted Operating Income Per Share⁽¹⁾	\$11.38	\$3.78
GAAP Net Income Per Share	\$16.32	\$3.90
Adjusted Operating ROE⁽²⁾	15.1%	
Adjusted Book Value Per Share⁽¹⁾	\$106.85	

Earnings Drivers

PGIM

- + Higher asset management fees
- Lower Other Related Revenues
- Higher expenses

Period	Adjusted Operating Income
3Q20	\$370
3Q21	\$327

U.S. Businesses

- + Higher spread income
- + Higher fee income
- Less favorable underwriting driven by COVID-19

Period	Adjusted Operating Income
3Q20	\$848
3Q21	\$1,090

International Businesses

- + Business growth
- + Higher spread income
- + Lower expenses
- + Higher JV earnings
- Less favorable underwriting driven by COVID-19

Period	Adjusted Operating Income
3Q20	\$775
3Q21	\$887

Note: See Appendix for segment results. Prior period restated for reclassification of results of Full Service Retirement. Adjusted operating income reflects the reclassification of results of Full Service Retirement from the Retirement business to Divested and Run-off Businesses in Corporate & Other. Full Service results are excluded from adjusted operating income as a result of the operation being held-for-sale.

(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.

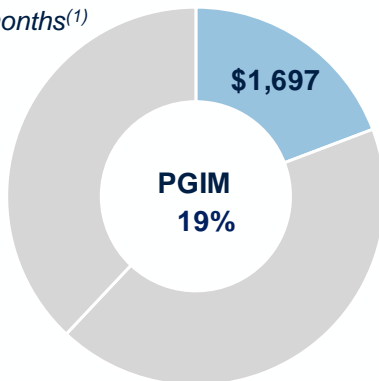


PGIM

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

Earnings Contribution to Prudential

Trailing twelve months⁽¹⁾
(\$ millions)

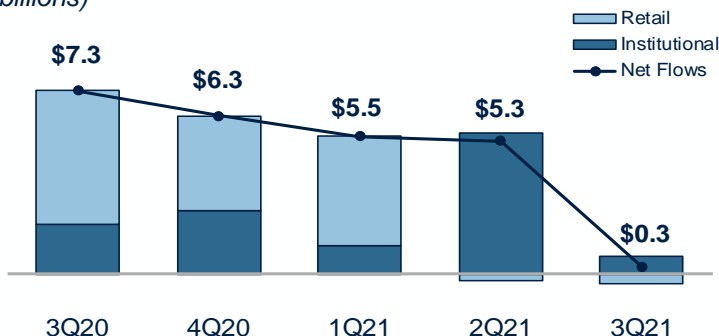


Key Priorities

- Maintain strong investment performance⁽²⁾
 - Percentage of AUM⁽³⁾ outperforming public benchmarks: 3 Year: 94%, 5 Year: 97%, 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 add capabilities and grow in alternatives and other high margin areas
- Selectively acquire new capabilities through programmatic M&A

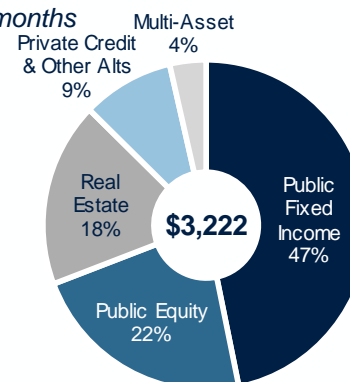
3rd Party Net Flows

(\$ billions)



Asset Management Fees

Trailing twelve months
(\$ millions)



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

(2) PGIM calculations as of September 30, 2021 for \$865 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). 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, PGIM Quantitative Solutions, 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.

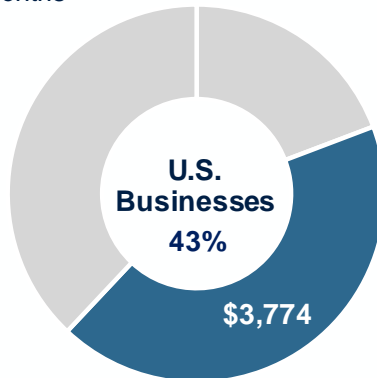


U.S. Businesses

Diversified Portfolio with Expanding Market Opportunities and Improving Risk Profile

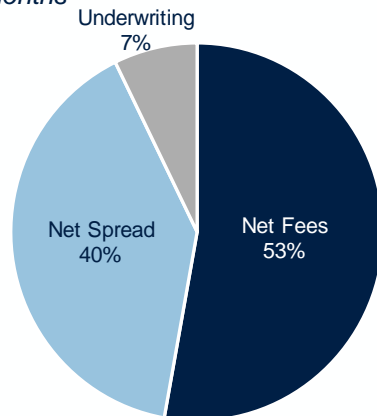
Earnings Contribution to Prudential

Trailing twelve months⁽¹⁾
(\$ millions)



Diversified Sources of Earnings

Trailing twelve months⁽²⁾



Key Priorities

- Create higher value, higher growth, and 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 products, representing 88% of 3Q21 sales
- Strong Individual Life sales results with a different mix, with variable products representing 76% of 3Q21 sales
- \$5.2 billion Funded PRT transaction, 4th largest in the history of PRT market
- Strong persistency in Group Insurance
- Assurance IQ revenue growth of 47% over prior year quarter
- On track to deliver targeted efficiencies

Note: See Appendix for segment results. Prior periods restated for reclassification of results of Full Service Retirement from the Retirement business to Divested and Run-off Businesses in Corporate & Other.

(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.



International Businesses

Market Leader in Japan with Expanding Presence in Growth Markets

Earnings Contribution to Prudential

Trailing twelve months⁽¹⁾
(\$ millions)

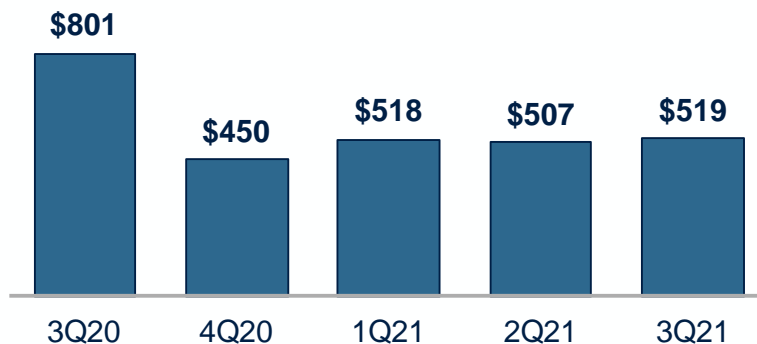


Key Priorities

- 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

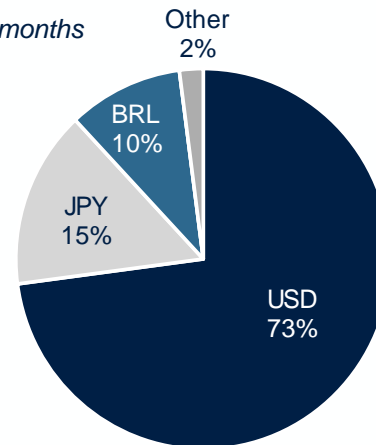
Sales⁽²⁾

(\$ 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
3Q21 Reported⁽¹⁾		\$1,844	\$3.78
Variable Investment Income	<ul style="list-style-type: none"> Assumes a normalized level 	(570)	(1.17)
Underwriting	<ul style="list-style-type: none"> 3Q21 normalized and 4Q21 adjusted for seasonal and estimated COVID-19 impacts 	5	0.01
Expenses & Other	<ul style="list-style-type: none"> Net earnings impacts from certain segments 	(140)	(0.28)
Interest Rates⁽²⁾	<ul style="list-style-type: none"> 4Q21 quarterly reduction in net investment income from portfolio reinvestment 	(10)	(0.02)
Tax Rate	<ul style="list-style-type: none"> Normalized for 3Q21 items 	0	(0.05)
4Q21 Baseline⁽³⁾		\$1,129	\$2.27

4Q21 baseline includes items specific to the fourth quarter that reduce EPS by \$0.78⁽⁴⁾

Note: See Appendix for segment detail.

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

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

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

(4) Items specific to the fourth quarter include expenses, seasonality, estimated COVID-19 impacts, and other one-time items. See Appendix for details.



Robust Capital Position Supports Increased Shareholder Distributions

Capital Position

- Parent company liquid assets > 3x annual fixed charges
- PICA RBC ratio > 400%
- Japan solvency margin ratios > 700%

Sources of Funding

- Parent company highly liquid assets of \$3.8 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 September 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**

**On track to achieve
\$750 million of cost
savings**

**Thoughtfully
redeploying capital**

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





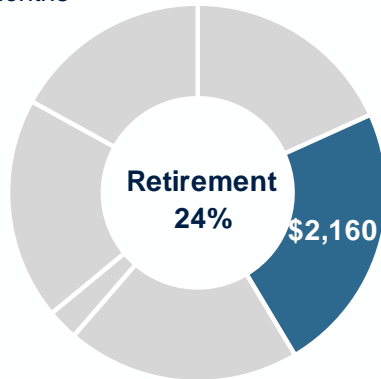
Appendix

Retirement

Differentiated Capabilities Drive Growth in PRT, and International Reinsurance

Earnings Contribution to Prudential

Trailing twelve months⁽¹⁾
(\$ millions)

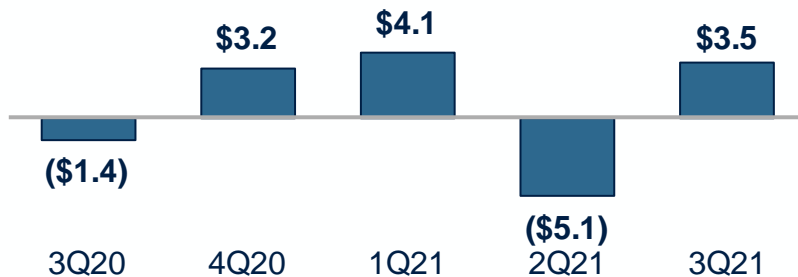


Key Priorities

- 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

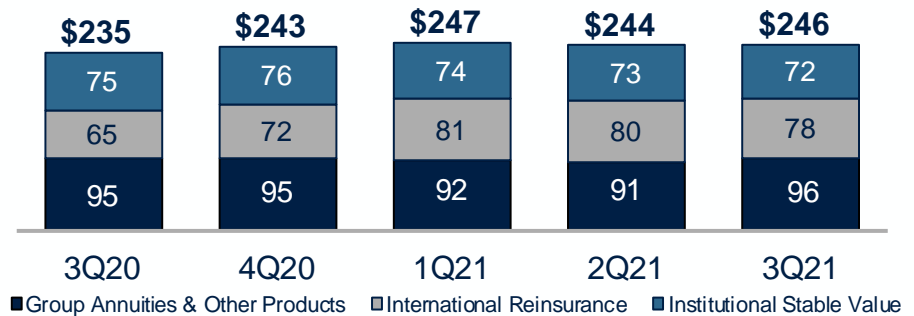
Institutional Investment Products Net Flows

(\$ billions)



Account Value – Product Mix

(\$ millions)



Note: Prior periods restated for reclassification of results of Full Service Retirement from the Retirement business to Divested and Run-off Businesses in Corporate & Other.

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

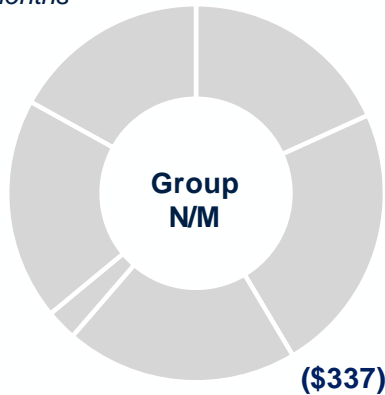


Group Insurance

Leading Group Benefits Provider with Opportunity to Further Diversify

Earnings Contribution to Prudential

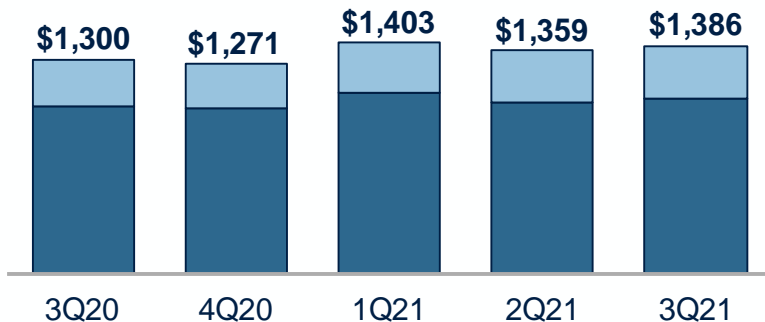
Trailing twelve months⁽¹⁾
(\$ millions)



Earned Premiums & Fees

(\$ millions)

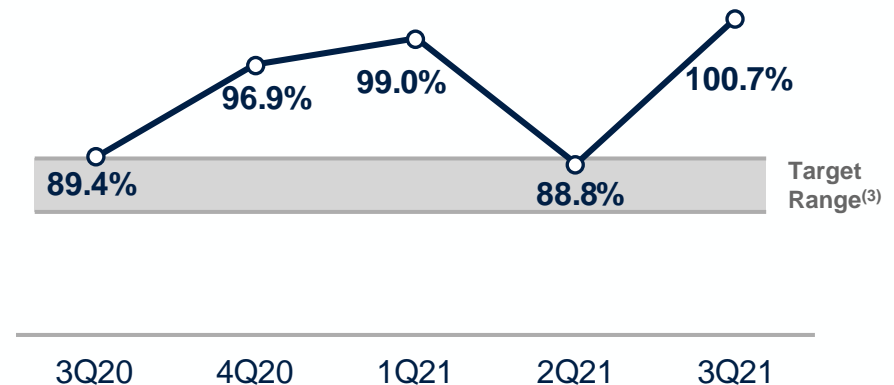
■ Group Life ■ Group Disability



Key Priorities

- 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
- Deepen employer and participant relationships with Financial Wellness programs
- Improve organizational and process efficiencies

Total Group Insurance Benefits Ratio⁽²⁾



(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%.

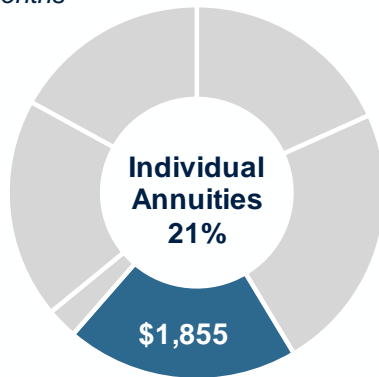


Individual Annuities

Creating Shareholder Value by Protecting Customer Outcomes

Earnings Contribution to Prudential

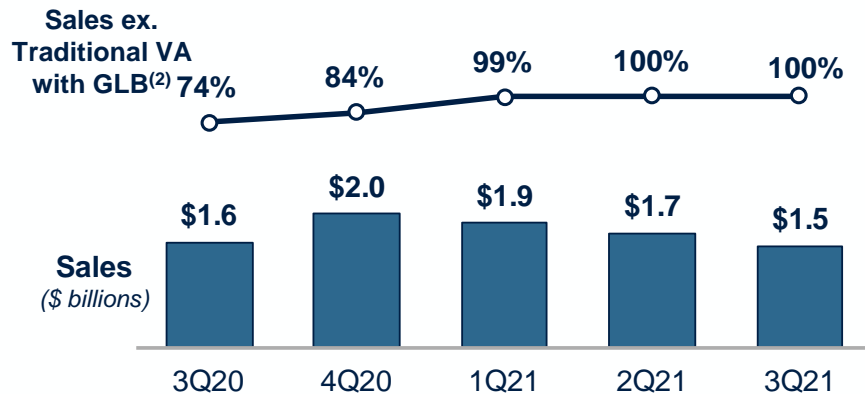
Trailing twelve months⁽¹⁾
(\$ millions)



Key Priorities

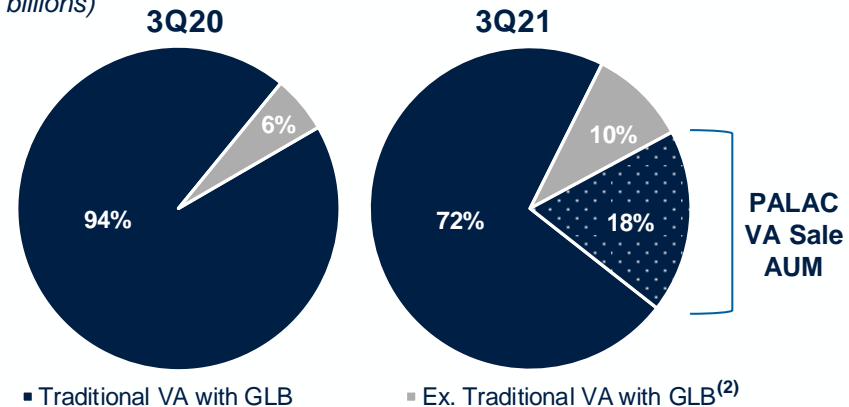
- Deliver investment strategies and income solutions for growth and protection that create stakeholder value across all economic environments
- Transform the customer experience using technology to improve ease of doing business
- Broaden distribution, eliminating barriers to market adoption and expanding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

Sales



Assets Under Management

(\$ billions)



(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.

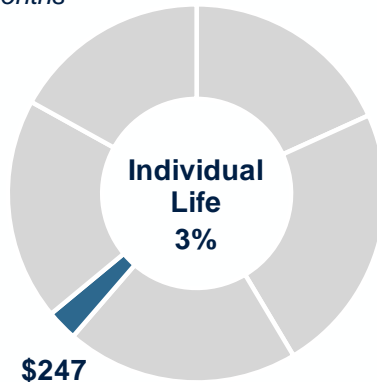


Individual Life

Broad Product Portfolio and Multi-Channel Distribution

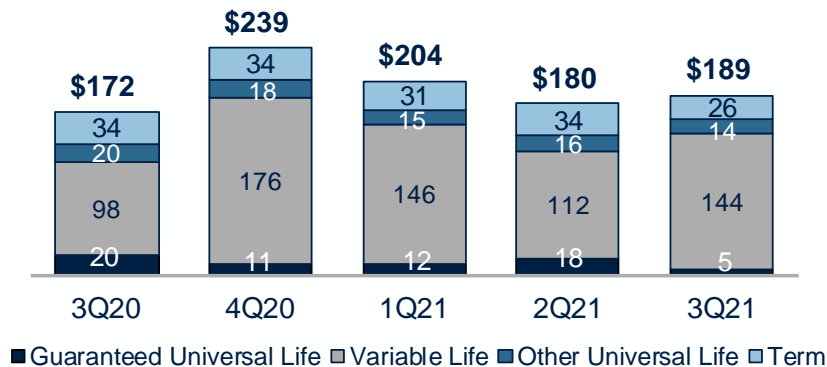
Earnings Contribution to Prudential

Trailing twelve months⁽¹⁾
(\$ millions)



Sales⁽²⁾ – Product Mix

(\$ millions)

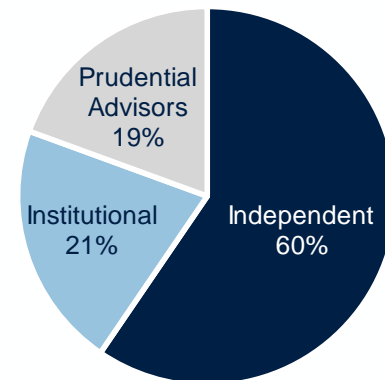


Key Priorities

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

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.

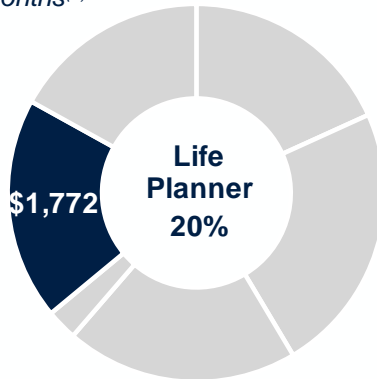


Life Planner

Highly Productive Proprietary Distribution with Steady Long-Term Growth Potential

Earnings Contribution to Prudential

Trailing twelve months⁽¹⁾
(\$ millions)

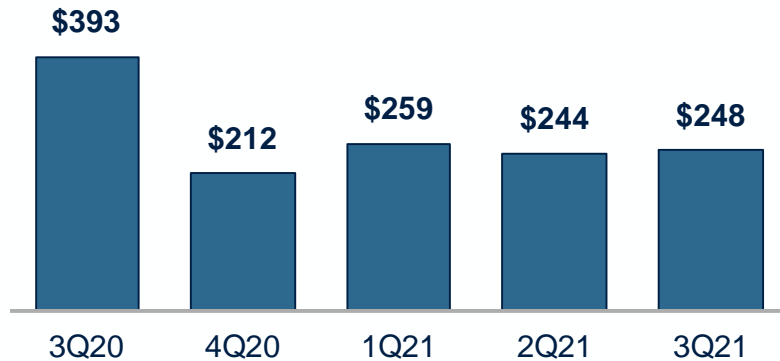


Key Priorities

- 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

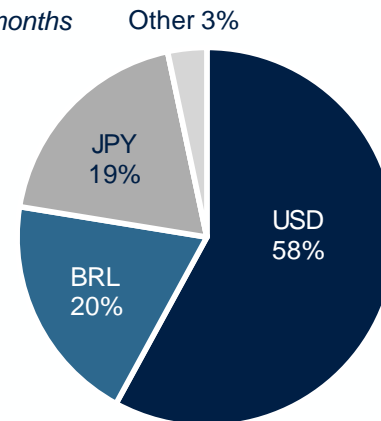
Sales⁽²⁾

(\$ 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.

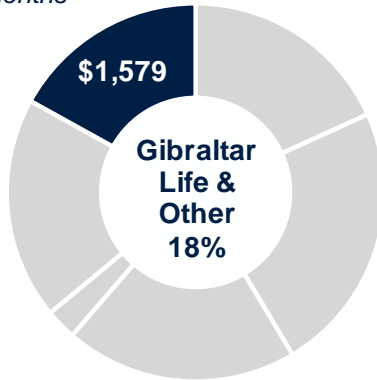


Gibraltar Life and Other

Meeting Client Needs Via Multiple Channels

Earnings Contribution to Prudential

Trailing twelve months⁽¹⁾
(\$ millions)

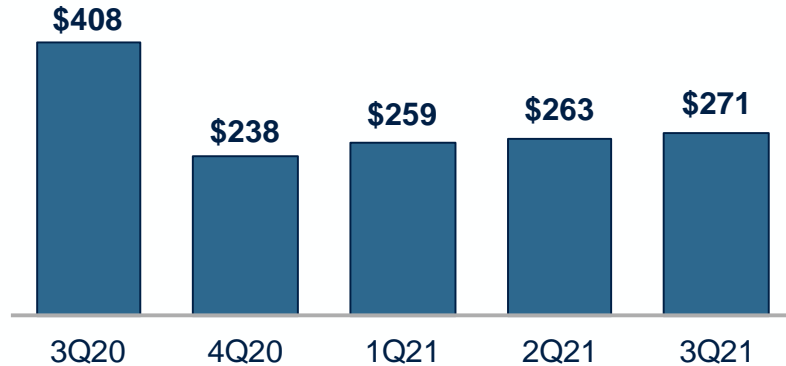


Key Priorities

- 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

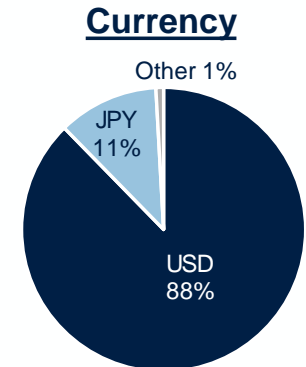
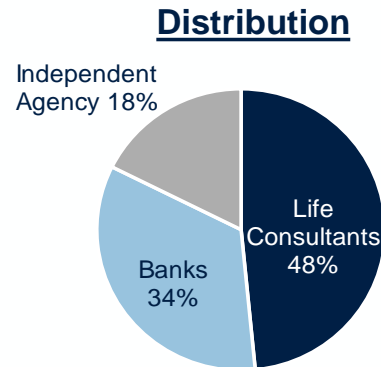
Sales⁽²⁾

(\$ 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)

	3Q21 Reported ⁽¹⁾	3Q21			4Q21			4Q21 Baseline ⁽⁶⁾
		VII	Underwriting	Expenses & Other ⁽²⁾	Underwriting ⁽³⁾	Expenses & Other ⁽⁴⁾	Interest Rates ⁽⁵⁾	
PGIM	\$327	-	-	(15)	-	(10)	-	\$302
Retirement	\$571	(320)	10	-	(5)	-	(3)	\$253
Group Insurance	(\$135)	(30)	215	-	(175)	(10)	(1)	(\$136)
Individual Annuities	\$499	(35)	-	-	-	-	-	\$464
Individual Life	\$210	(85)	(5)	(15)	(35)	(5)	(1)	\$64
Assurance IQ	(\$55)	-	-	-	-	55	-	\$0
Life Planner	\$475	(60)	10	(35)	(15)	(15)	(2)	\$358
Gibraltar Life & Other	\$412	(35)	10	(5)	(5)	(25)	(3)	\$349
Corporate & Other	(\$460)	(5)	-	80	-	(140)	-	(\$525)
Prudential Financial, Inc.	\$1,844	(\$570)	\$240	\$10	(\$235)	(\$150)	(\$10)	\$1,129

Items specific to the fourth quarter totaling
(\$385 million) or (\$0.78)

(1) See reconciliation for Adjusted Operating Income on slide 25.

(2) Reflects higher/(lower) than typical expenses and other items.

(3) Includes placeholder of 85,000 U.S. fatalities due to COVID-19 and other seasonal impacts.

(4) Reflects seasonal expenses. Assurance IQ includes earnings from seasonally high revenues. Corporate & Other also includes higher than typical expenses.

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

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



Seasonality of Key Financial Items

(\$ millions, pre-tax)	4Q21	1Q22	2Q22	3Q22
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	\$40 Higher reserve gains	\$20 Higher reserve gains	(\$30) Lower reserve gains
Individual Life		(\$30) Lowest underwriting gains		\$20 Highest underwriting gains
Assurance IQ	Higher revenue (annual Medicare enrollment)			Higher expenses ahead of 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 Full Service Retirement fees effective 4/1/2022.

(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

0.45%

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

- Annual net mortality impact on AOI is minimal, ranging from (4.8%) to 2.8%
- Net mortality was a positive contributor to AOI in six out of last nine 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 expected cost savings, the expected closing of each of the sale of our Full Service Retirement business and PALAC traditional Variable Annuity block and the receipt of proceeds therefrom, our plan to reallocate capital and return money to shareholders, share repurchases, our environmental sustainability initiatives and climate change commitments, 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 4Q21 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)

	Third Quarter		Year-to-Date	
	2021	2020	2021	2020
Net income (loss) attributable to Prudential Financial, Inc.	\$ 1,530	\$ 1,487	\$ 6,516	\$ (1,193)
Income attributable to noncontrolling interests	35	20	36	25
Net income (loss)	1,565	1,507	6,552	(1,168)
Less: Earnings attributable to noncontrolling interests	35	20	36	25
Income (loss) attributable to Prudential Financial, Inc.	1,530	1,487	6,516	(1,193)
Less: Equity in earnings of operating joint ventures, net of taxes and earnings attributable to noncontrolling interests	(17)	(10)	27	37
Income (loss) (after-tax) before equity in earnings of operating joint ventures	1,547	1,497	6,489	(1,230)
Less: Reconciling Items:				
Realized investment gains (losses), net, and related charges and adjustments	98	167	1,511	(3,111)
Market experience updates	(199)	(134)	330	(1,016)
Divested and Run-off Businesses:				
Closed Block Division	27	8	92	(15)
Other Divested and Run-off Businesses	48	(83)	432	(567)
Equity in earnings of operating joint ventures and earnings attributable to noncontrolling interests	(3)	1	(53)	(62)
Other adjustments ⁽¹⁾	(9)	(12)	(35)	65
Total reconciling items, before income taxes	(38)	(53)	2,277	(4,706)
Less: Income taxes, not applicable to adjusted operating income	(98)	(312)	333	(693)
Total reconciling items, after income taxes	60	259	1,944	(4,013)
After-tax adjusted operating income	1,487	1,238	4,545	2,783
Income taxes, applicable to adjusted operating income	357	262	1,171	700
Adjusted operating income before income taxes	\$ 1,844	\$ 1,500	\$ 5,716	\$ 3,483
Net Income Return on Equity	9.8%	9.0%	13.9%	-2.5%
Adjusted Operating Return on Equity ⁽²⁾	14.5%	13.3%	15.1%	9.6%

Note: Prior period restated for reclassification of results of Full Service Retirement. Adjusted operating income reflects the reclassification of results of Full Service Retirement from the Retirement business to Divested and Run-off Businesses in Corporate & Other. Full Service results are excluded from adjusted operating income as a result of the operation being held-for-sale.

(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

	Third Quarter		Year-to-Date	
	2021	2020	2021	2020
Net income (loss) per share attributable to Prudential Financial, Inc.	\$ 3.90	\$ 3.70	\$ 16.32	\$ (3.06)
Less: Reconciling Items:				
Realized investment gains (losses), net, and related charges and adjustments	0.25	0.42	3.84	(7.82)
Market experience updates	(0.51)	(0.34)	0.84	(2.56)
Divested and Run-off Businesses:				
Closed Block Division	0.07	0.02	0.23	(0.04)
Other Divested and Run-off Businesses	0.12	(0.21)	1.10	(1.43)
Difference in earnings allocated to participating unvested share-based payment awards	-	(0.01)	(0.07)	0.05
Other adjustments ⁽¹⁾	(0.02)	(0.03)	(0.09)	0.16
Total reconciling items, before income taxes	(0.09)	(0.15)	5.85	(11.64)
Less: Income taxes, not applicable to adjusted operating income	(0.21)	(0.77)	0.91	(1.67)
Total reconciling items, after income taxes	0.12	0.62	4.94	(9.97)
After-tax adjusted operating income per share	\$ 3.78	\$ 3.08	\$ 11.38	\$ 6.91

Note: Prior period restated for reclassification of results of Full Service Retirement. Adjusted operating income reflects the reclassification of results of Full Service Retirement from the Retirement business to Divested and Run-off Businesses in Corporate & Other. Full Service results are excluded from adjusted operating income as a result of the operation being held-for-sale.

(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>September 30, 2021</u>
GAAP book value	\$ 61,887
Less: Accumulated other comprehensive income (AOCI)	<u>21,836</u>
GAAP book value excluding AOCI	40,051
Less: Cumulative effect of remeasurement of foreign currency	<u>(1,205)</u>
Adjusted book value	<u><u>\$ 41,256</u></u>
 Number of diluted shares	 <u>386.1</u>
 GAAP book value per Common share - diluted	 \$ 160.29
GAAP book value excluding AOCI per Common share - diluted	\$ 103.73
Adjusted book value per Common share - diluted	\$ 106.85

