



4Q24 EARNINGS CALL

FEBRUARY 5, 2025

Expanding access to investing, insurance, and retirement security

KEY MESSAGES

Becoming a higher growth, more capital efficient company

Maintaining disciplined capital deployment

Supported by our rock solid balance sheet

**WE MAKE LIVES
BETTER BY SOLVING
THE FINANCIAL
CHALLENGES OF OUR
CHANGING WORLD**



BECOMING A HIGHER GROWTH, MORE CAPITAL EFFICIENT COMPANY

**SIGNIFICANT
2024 PROGRESS
POSITIONS US WELL
FOR THE FUTURE**

Growing our market leading businesses

- PGIM benefitted from its diversified private alternatives platform, the growing global retirement opportunity, and the growth of our insurance and retirement businesses
- Retirement Strategies continued to address the growing retirement needs of the market as a leader in Pension Risk Transfer and Individual Annuities
- Group Insurance and Individual Life diversified product offerings and expanded distribution
- International launched new products in Japan and continued to expand distribution in Brazil

Increasing capital flexibility and improving the quality of earnings

- Completed two Guaranteed Universal Life reinsurance transactions
- Announced second Prismic transaction to reinsure \$7 billion Japanese Whole Life block

MAINTAINING DISCIPLINED CAPITAL DEPLOYMENT



(1) Capital returned to shareholders in 2024 of nearly \$3 billion includes share repurchases of \$1 billion and dividends of \$1.9 billion.

SUPPORTED BY OUR ROCK SOLID BALANCE SHEET



● Capital supports AA financial strength rating as of December 31, 2024

● Highly liquid assets of \$4.6 billion⁽¹⁾

● High quality, well diversified investment portfolio

● Disciplined Asset Liability Management



(1) Parent company 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.

FULL YEAR & FOURTH QUARTER 2024 HIGHLIGHTS

Financial Highlights

(\$ millions, except per share amounts)

	<u>2024</u>	<u>4Q24</u>
Pre-Tax Adjusted Operating Income ⁽¹⁾	\$5,926	\$1,371
Adjusted Operating Income Per Share ⁽¹⁾	\$12.62	\$2.96
GAAP Net Income Per Share	\$7.50	(\$0.17)
Adjusted Operating ROE ⁽²⁾	13.1%	
Adjusted Book Value Per Share ⁽¹⁾	\$95.82	

Earnings Drivers

(\$ millions, pre-tax adjusted operating income)

<u>PGIM</u>	<u>U.S. Businesses</u>	<u>International Businesses</u>
+ Higher asset management fees	– One-time transaction costs	– Less favorable underwriting
+ Higher other related revenues	– Lower fee income	– Higher expenses
– Higher expenses	– Less favorable underwriting	+ Higher spread income
	+ Higher spread income	



Note: See Appendix for segment results.

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

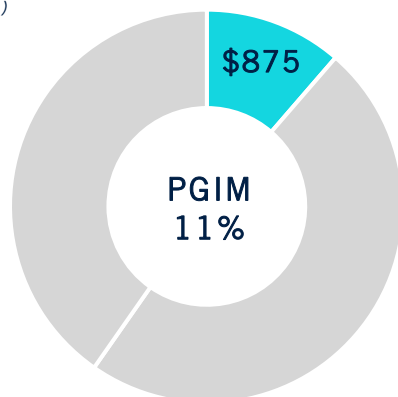
(2) Based on 2024 after-tax Adjusted Operating Income and average Adjusted Book Value. See Appendix for more information.

PGIM

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

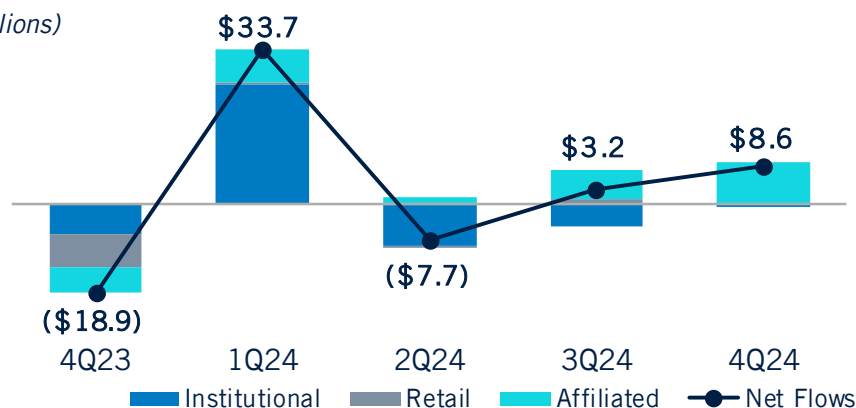
Earnings Contribution to Prudential

Trailing twelve months⁽¹⁾
(\$ millions)



Total Net Flows

(\$ billions)

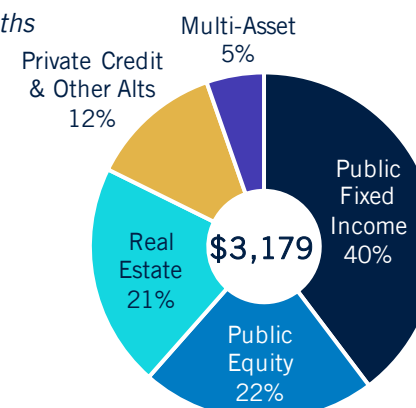


Key Priorities

- Maintain strong investment performance⁽²⁾
 - Percentage of AUM⁽³⁾ outperforming public benchmarks:
3 Year: 67%, 5 Year: 78%, 10 Year: 85%
- Leverage leading asset management capabilities to grow our mutually reinforcing business system
- Globalize both product and client footprint and continue to add capabilities
- Grow in alternatives, including private credit, and other high margin areas
- Selectively acquire new capabilities through programmatic M&A

Asset Management Fees

Trailing twelve months
(\$ millions)



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

(2) PGIM calculations as of December 31, 2024 for \$812 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 (76% of total third-party AUM is benchmarked over 3 years, 66% over 5 years, and 49% 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, and PGIM Investments.

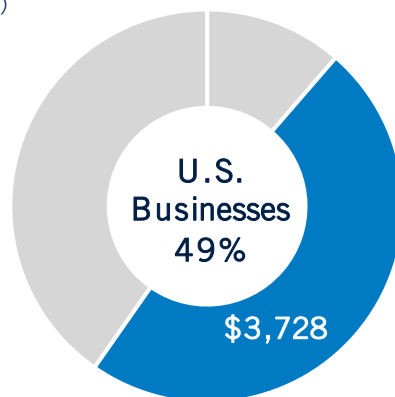


U.S. BUSINESSES

Diversified Portfolio with Favorable Growth Opportunities

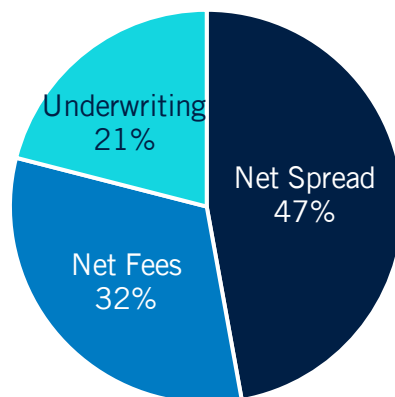
Earnings Contribution to Prudential

Trailing twelve months⁽¹⁾
(\$ millions)



Diversified Sources of Earnings

Trailing twelve months⁽²⁾



Key Priorities

- Drive higher value and higher growth with a complementary mix of businesses and diversified sources of earnings
- Transform our capabilities to improve customer experiences
- Expand our addressable market with new financial solutions leveraging the capabilities across Prudential
- Continue to grow our businesses by leveraging our strong brand, product breadth, and distribution strength

Performance Highlights

- Institutional Retirement Strategies sales of \$10 billion contribute to strong full year sales of \$36 billion, the second-best year in history
- Continued Individual Retirement Strategies sales growth, with sales of \$3.6 billion representing our best quarter in over a decade for the fourth straight quarter
- Favorable Group Insurance benefits ratio of 83.1%, at the low-end of our target range
- Individual Life achieved record 4Q sales, significantly exceeding industry growth, reflecting the strength of diversified product offering and distribution breadth

Note: See Appendix for segment results.

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

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

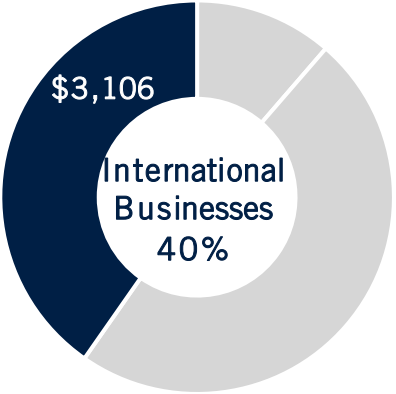


INTERNATIONAL BUSINESSES

Market Leader in Japan with Expanding Presence in Growth Markets

Earnings Contribution to Prudential

Trailing twelve months⁽¹⁾
(\$ millions)

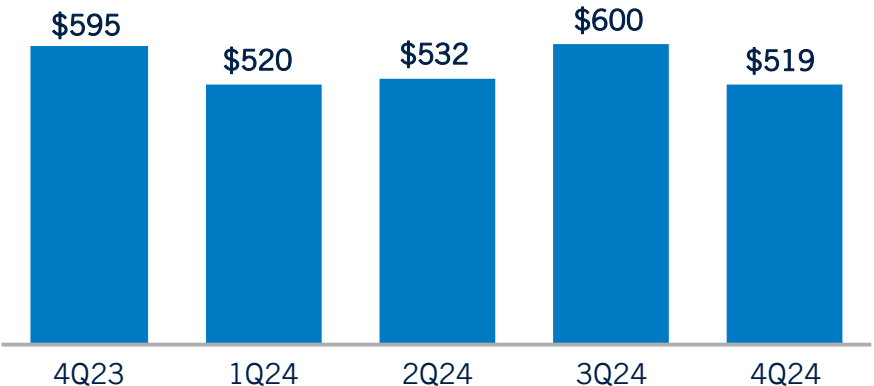


Key Priorities

- Expand product and business capabilities to meet customers' evolving insurance and retirement security needs
- Enhance customer experience and deliver differentiated distribution leveraging digital tools
- Optimize capital and operational efficiency
- Expand in select high growth emerging markets through investments in organic growth and selective M&A

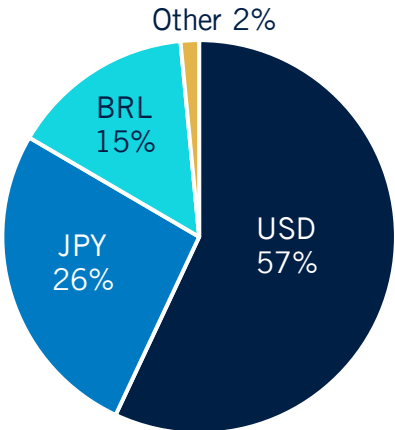
Sales⁽²⁾

(\$ 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) 129 per USD and Brazilian Real (BRL) 6 per USD. USD-denominated activity is included based on the amounts as transacted in USD. Sales represented by annualized new business premiums.



SIGNIFICANT CAPITAL POSITION

	Objectives	Position
Highly Liquid Assets	> \$3 billion	\$4.6 billion ⁽¹⁾
Regulatory Capital Ratios	Consistent with AA objectives PICA RBC ratio > 375% Japan solvency margin ratios > 700%	Ratios remain in excess of our objectives ⁽²⁾

Off-Balance Sheet Resources		
Resource	Capacity	Maturity Date
Credit Facility	\$4.0 billion	July 2029
Contingent Capital	\$1.5 billion \$1.5 billion	May 2030 February 2033 and 2053
Prudential Holdings of Japan Facility	¥100 billion	September 2029

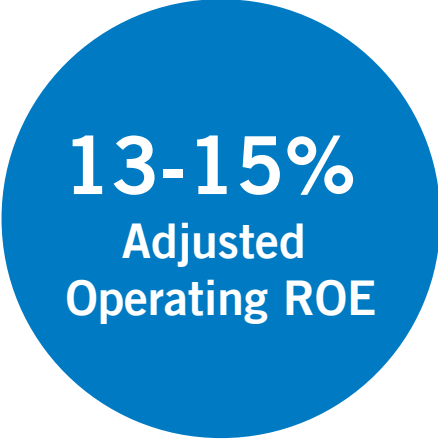
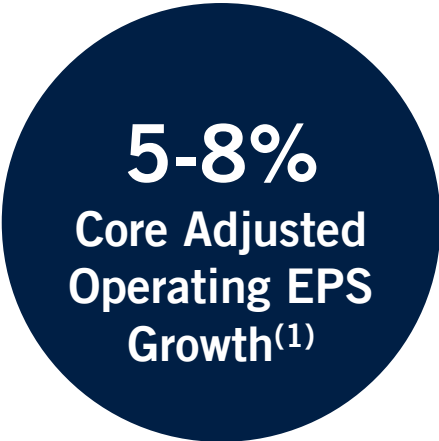
As of December 31, 2024 unless otherwise noted.

(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.

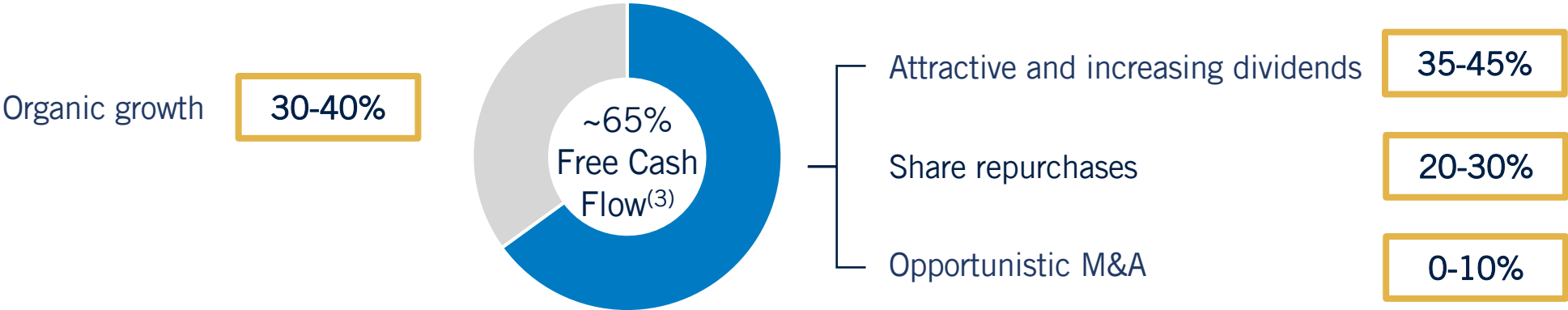
(2) PICA RBC ratio is disclosed in annual statutory statement. Japan solvency margin ratios are disclosed quarterly in Prudential's Form 10-Q/10-K.



ENTERPRISE FINANCIAL TARGETS AND CAPITAL PRIORITIES



Capital Allocation Priorities



Note: Targets and capital allocation priorities are for 2025-2027. See economic assumptions on slide 24.

(1) Represents compound annual after-tax core Adjusted Operating Income per share growth with 2024 after-tax core Adjusted Operating Income per share as the base year. See Appendix for a reconciliation of reported 2024 after-tax Adjusted Operating Income per share to 2024 after-tax core Adjusted Operating Income per share as well as a discussion of forward-looking non-GAAP information.

(2) Operating Expense Ratio excludes PGIM and is calculated on a constant exchange rate basis. Reflects general and administrative expenses excluding variable expenses and certain other items as a percentage of revenues excluding Pension Risk Transfer premiums and certain other items.

(3) Net free cash flows as a percentage of Net Income.



INTERMEDIATE TERM FINANCIAL TARGETS BY BUSINESS

	Earnings Growth ⁽¹⁾	Drivers												
PGIM	Low Double Digit	6-9% Asset Management Fee Growth 25-30% Adjusted Operating Margin ⁽²⁾												
U.S. Businesses	Mid Single Digit	<table border="1"> <tbody> <tr> <td>Institutional Retirement</td> <td>2-4%</td> <td>Account Value Growth⁽³⁾</td> </tr> <tr> <td>Individual Retirement</td> <td>20-25%</td> <td>Actively-Sold Account Value Growth⁽³⁾</td> </tr> <tr> <td>Group Insurance</td> <td>2-4%</td> <td>Premium Growth</td> </tr> <tr> <td>Individual Life</td> <td>0-5%</td> <td>Sales Growth</td> </tr> </tbody> </table>	Institutional Retirement	2-4%	Account Value Growth ⁽³⁾	Individual Retirement	20-25%	Actively-Sold Account Value Growth ⁽³⁾	Group Insurance	2-4%	Premium Growth	Individual Life	0-5%	Sales Growth
Institutional Retirement	2-4%	Account Value Growth ⁽³⁾												
Individual Retirement	20-25%	Actively-Sold Account Value Growth ⁽³⁾												
Group Insurance	2-4%	Premium Growth												
Individual Life	0-5%	Sales Growth												
International Businesses	Low-to-Mid Single Digit	4-6% Constant Currency Sales Growth												

Note: Targets are for 2025-2027.

(1) Represents compound annual pre-tax core Adjusted Operating Income growth with 2024 pre-tax core Adjusted Operating Income as the base year. See Appendix for a reconciliation of reported 2024 pre-tax Adjusted Operating Income to 2024 pre-tax core Adjusted Operating Income as well as a discussion of forward-looking non-GAAP information.

(2) Represents pre-tax Adjusted Operating Income as a percentage of adjusted revenues. Adjusted revenues exclude passthrough distribution revenue and revenue associated with consolidations.

(3) Assumes Retirement Strategies annual gross sales of \$35-45 billion. Annual run-off is \$8-10 billion for Pension Risk Transfer/Longevity Risk Transfer and \$12-16 billion for Legacy Variable Annuities.



KEY MESSAGES

Becoming a higher growth, more capital efficient company

Maintaining disciplined capital deployment

Supported by our rock solid balance sheet

**WE MAKE LIVES
BETTER BY SOLVING
THE FINANCIAL
CHALLENGES OF OUR
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APPENDIX

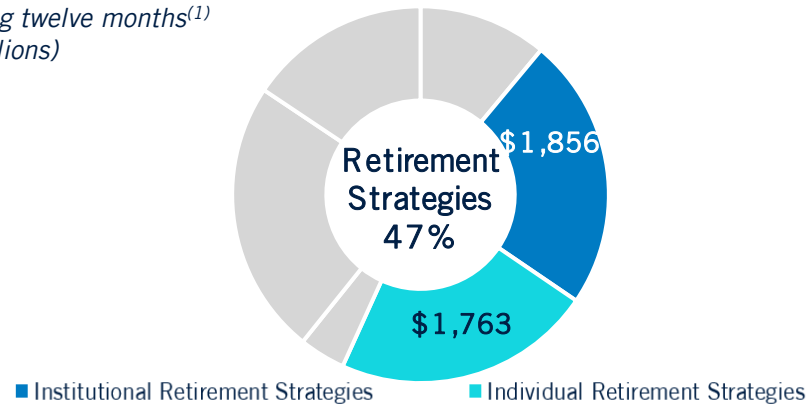


RETIREMENT STRATEGIES

Expanding Access to Retirement Security

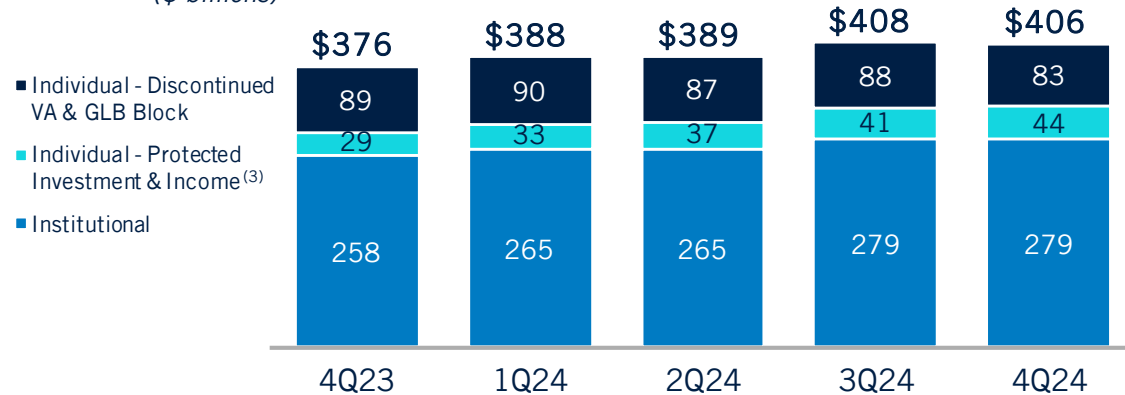
Earnings Contribution to Prudential

Trailing twelve months⁽¹⁾
(\$ millions)



Account Values⁽²⁾ – Product Mix

(\$ billions)



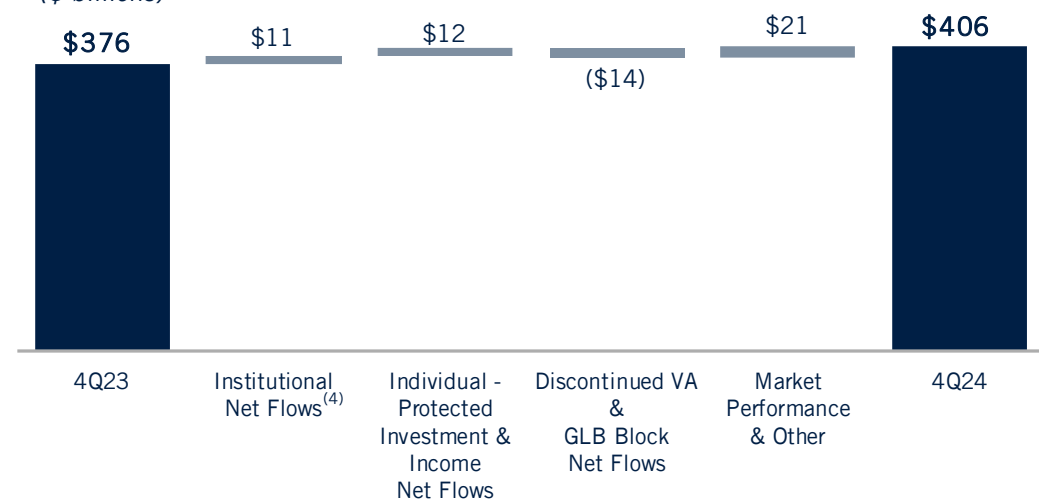
Bar order corresponds with the order of the legend to the left of the chart

Key Priorities

- Continue market leadership and flawless execution in Institutional retirement while expanding in new products, customer sets, and geographies
- Increase access to Individual retirement solutions and improve ease of doing business to become the partner of choice for retail wealth managers
- Deliver retirement income through innovative, tech-forward solutions

Account Values⁽²⁾ and Trailing 12 Month Net Flows

(\$ billions)



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

(2) Represents account values net of reinsurance ceded.

(3) Includes Prudential FlexGuard and FlexGuard Income, Prudential Premier Investment, MyRock, Private Placement Variable Annuity, and all fixed annuity products. Excludes discontinued traditional variable annuities and guaranteed living benefits.

(4) Institutional net flows include sales of \$36 billion and outflows of (\$25 billion).

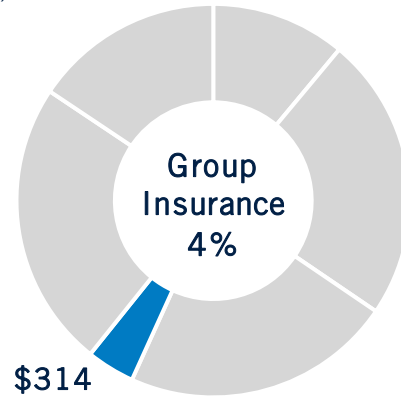


GROUP INSURANCE

Leading Group Benefits Provider with Opportunity to Further Diversify

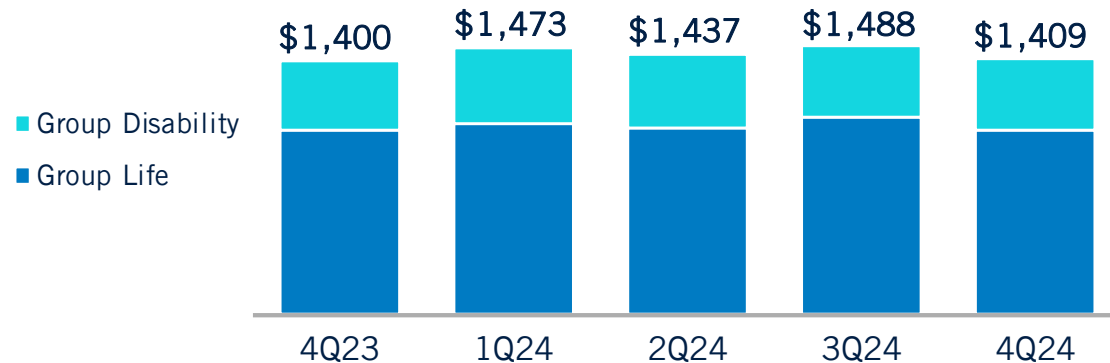
Earnings Contribution to Prudential

Trailing twelve months⁽¹⁾
(\$ millions)



Earned Premiums & Fees

(\$ millions)

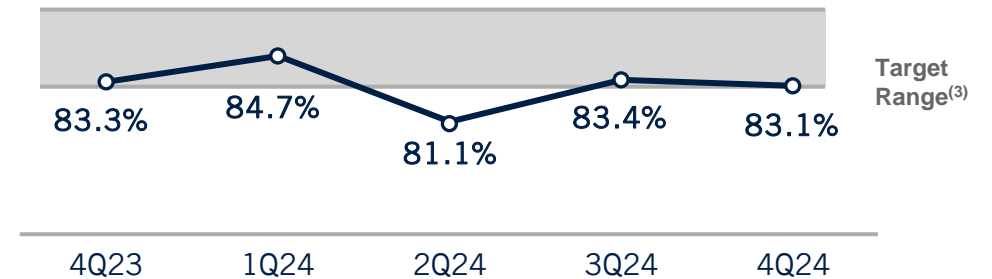


Bar order corresponds with the order of the legend to the left of the chart

Key Priorities

- Execute on diversification strategy while maintaining pricing discipline
 - Maintain National segment market share (>5,000 lives) and grow both Premier (100 to 5,000 lives) and Association segments
 - Further diversify product mix by expanding Disability and Supplemental Health
- Enhance employer and participant experience through strategic partnerships
- Improve organizational and process efficiencies by leveraging technology to strengthen capabilities

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 benefits ratio range of 83% - 87%.

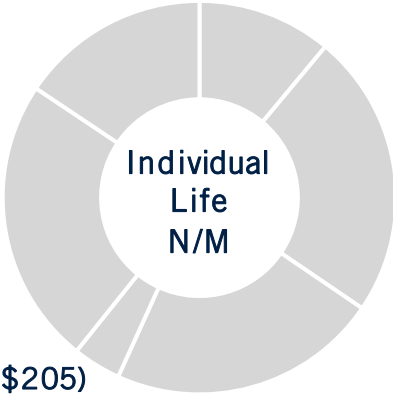


INDIVIDUAL LIFE

Broad Product Portfolio and Multi-Channel Distribution

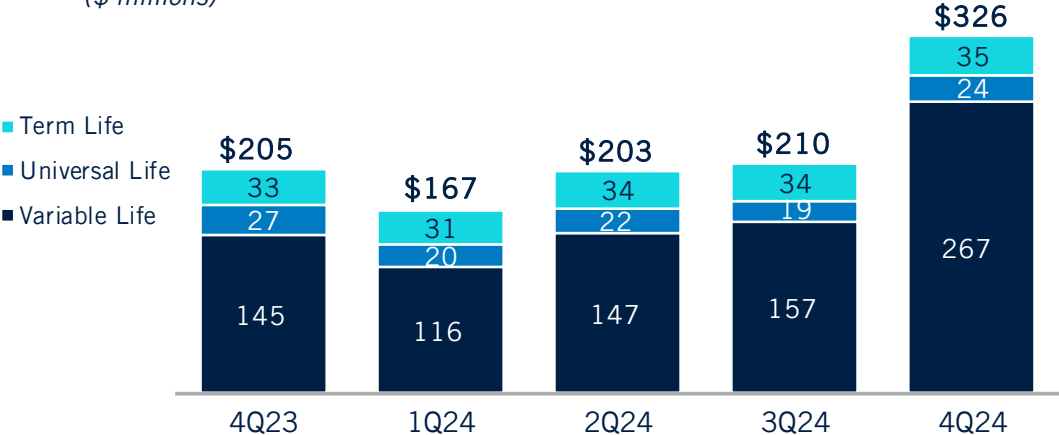
Earnings Contribution to Prudential

Trailing twelve months⁽¹⁾
(\$ millions)



Sales⁽²⁾ – Product Mix

(\$ millions)



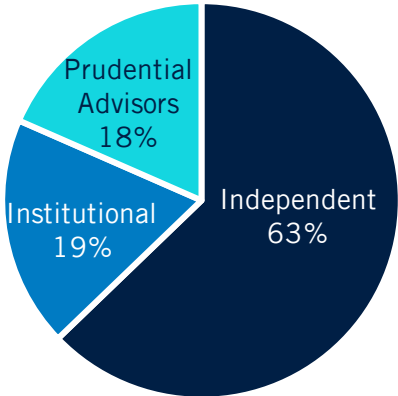
Bar order corresponds with the order of the legend to the left of the chart

Key Priorities

- Improve profitability through disciplined pricing, expense management, and optimizing inforce business
- Expand digital capabilities to drive operating efficiencies and deepen distribution relationships
- Continue growth of simplified term protection solutions that expand our addressable market and achieve a lower risk financial profile

Sales⁽²⁾ – Distribution Mix

Trailing twelve months



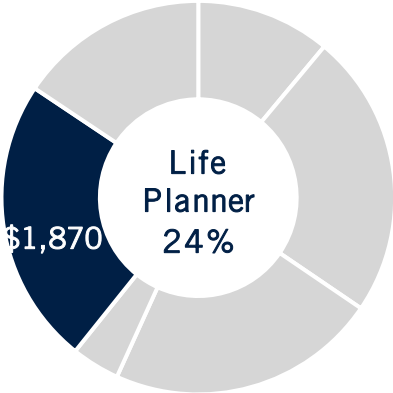
(1) Based on pre-tax adjusted operating income excluding Corporate & Other operations.
 (2) Sales represented by annualized new business premiums.

LIFE PLANNER

Highly Productive Proprietary Distribution with Steady Long-Term Growth Potential

Earnings Contribution to Prudential

Trailing twelve months⁽¹⁾
(\$ millions)

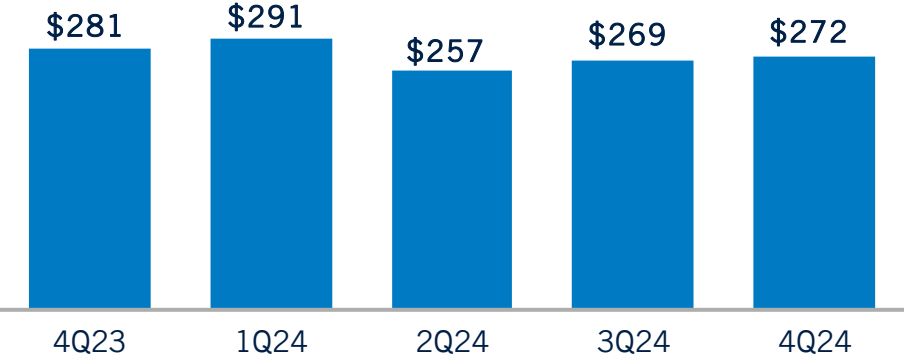


Key Priorities

- Continue to meet customers’ insurance and retirement security needs and expand product and business capabilities
- Nurture and strengthen our highly distinctive Life Planner channels
- Expand our third-party channel capabilities and partnerships within Emerging Markets

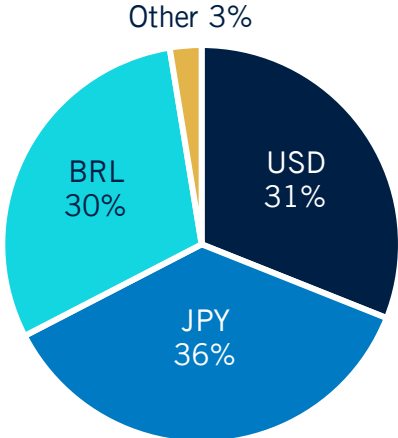
Sales⁽²⁾

(\$ 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) 129 per USD and Brazilian Real (BRL) 6 per USD. USD-denominated activity is included based on the amounts as transacted in USD. Sales represented by annualized new business premiums.

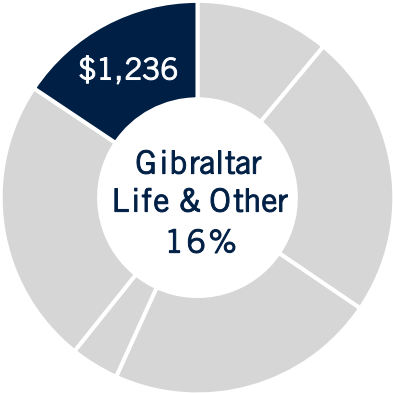


GIBRALTAR LIFE & OTHER

Meeting Client Needs via Multiple Channels

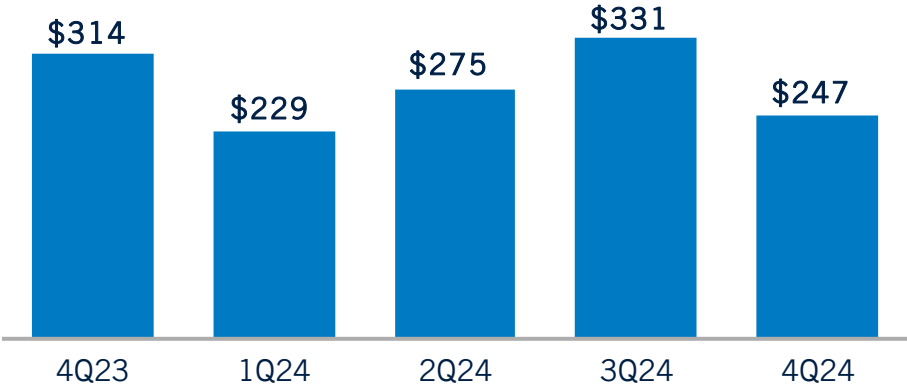
Earnings Contribution to Prudential

Trailing twelve months⁽¹⁾
(\$ millions)



Sales⁽²⁾

(\$ millions)

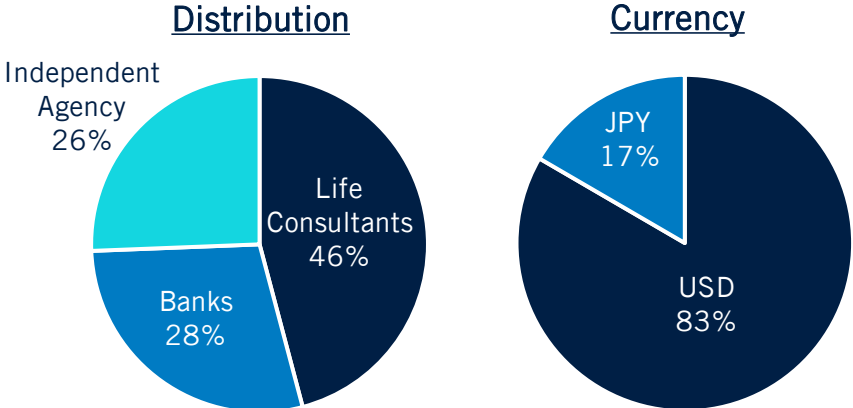


Key Priorities

- Continue to meet customers' insurance and retirement security needs and expand product and business capabilities
- Nurture and strengthen our Life Consultants that serve the broad middle market and affinity groups
- Strategically expand and deepen our third-party relationships in the bank and independent agency channels

Sales Mix⁽²⁾

Trailing twelve months



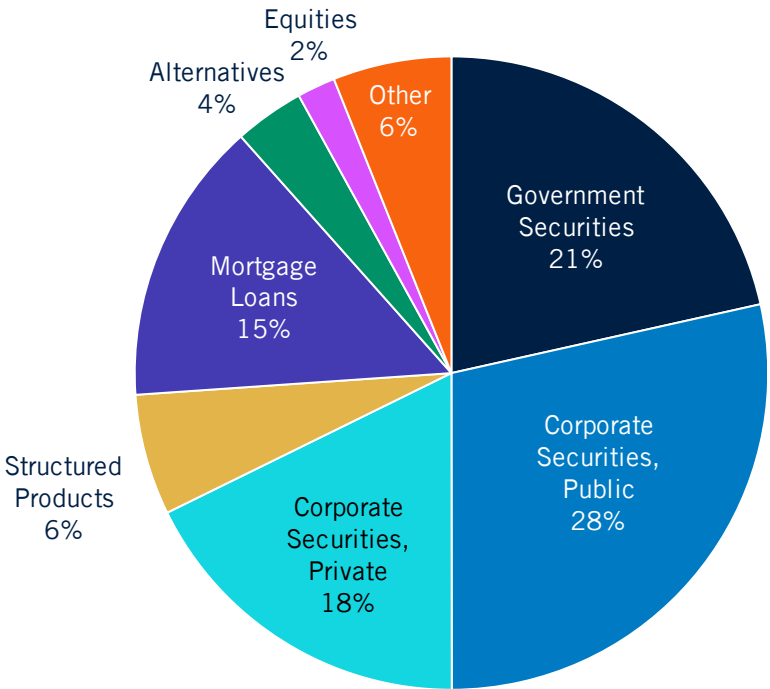
(1) Based on pre-tax adjusted operating income excluding Corporate & Other operations.

(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) 129 per USD. USD-denominated activity is included based on the amounts as transacted in USD. Sales represented by annualized new business premiums.



BROADLY DIVERSIFIED, HIGH QUALITY INVESTMENT PORTFOLIO

Portfolio Composition⁽¹⁾ \$372 billion



Highlights:

- Broadly diversified, high quality portfolio with strong Asset Liability Management
 - High allocation to government securities (mostly U.S. and Japan)
 - Significant protections with private credit
- Benefits from PGIM’s expertise and direct origination capabilities
- Disciplined framework for credit management

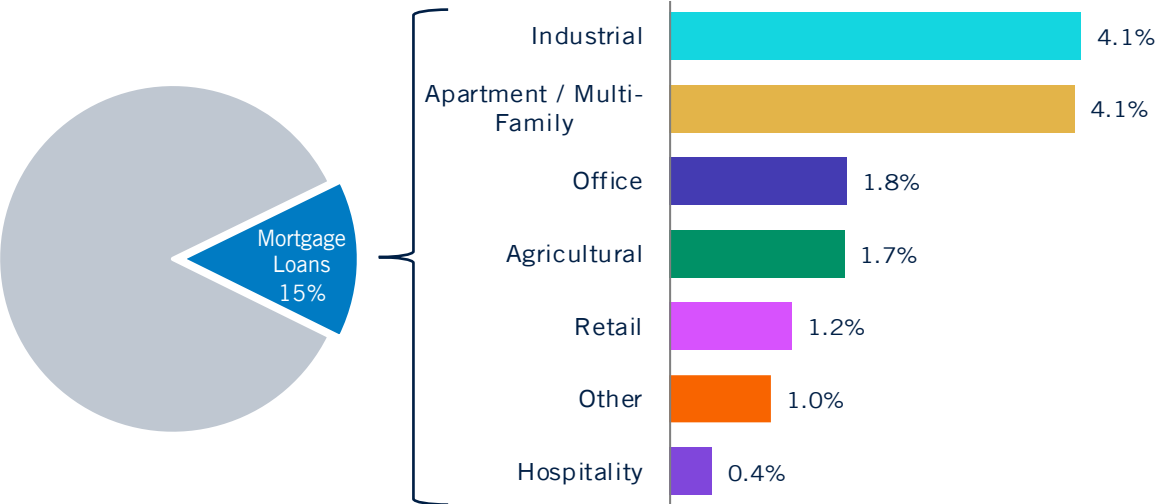
(1) General Account excluding the Closed Block Division, funds withheld, and assets supporting experience-related contractholder liabilities as of December 31, 2024, on a U.S. GAAP carrying value basis. Mortgage loans include commercial, agricultural, residential, and other loans. Structured products include commercial and residential mortgage-backed securities, collateralized loan obligations, and other asset-backed securities. Alts include investments in LPs/LLCs, and real estate held through direct ownership. Other includes policy loans, fixed maturities - trading, short-term investments, derivatives, and other miscellaneous assets.



MORTGAGE LOAN PORTFOLIO

- Conservative underwriting with a weighted average loan-to-value (LTV) of 59% and debt service coverage ratio (DSCR) of 2.38x as well as a prudent loan monitoring process with loan evaluations occurring at least annually
 - 90% of mortgage loans have LTVs less than 80%
 - 91% of mortgage loans have DSCRs greater than or equal to 1.2x
 - 56% rated CM1 and 33% rated CM2

Exposure by Property Type⁽¹⁾



	Debt Service Coverage Ratio			Total
	≥ 1.2x	1.0x to < 1.2x	< 1.0x	
<i>(\$ millions)</i>				
0% - 59.99%	\$25,783	\$780	\$218	\$26,781
60% - 69.99%	14,521	727	170	15,418
70% - 79.99%	5,517	362	203	6,082
80% or greater	2,889	1,181	1,033	5,103
Total⁽¹⁾	\$ 48,710	\$ 3,050	\$ 1,624	\$ 53,384

Loans with LTV ≥ 70% and DSCR < 1.2x are 5% of the mortgage portfolio



(1) General Account excluding the Closed Block Division, funds withheld, and assets supporting experience-related contractholder liabilities as of December 31, 2024, on a U.S. GAAP carrying value basis. Excludes \$1.1B of uncollateralized, residential, and other collateralized loans.

ADJUSTED OPERATING INCOME RECONCILIATION BY BUSINESS

<i>(\$ millions, pre-tax)</i>	4Q24 Reported	Alternative Investment Income ⁽²⁾	Underwriting	Expenses & Other ⁽³⁾	4Q24 Core
PGIM	\$259	-	-	(15)	\$244
Institutional Retirement Strategies	\$427	(5)	15	20	\$457
Individual Retirement Strategies	\$424	-	-	10	\$434
Group Insurance	\$66	-	15	-	\$81
Individual Life	(\$57)	5	35	65	\$48
Life Planner	\$461	(10)	10	35	\$496
Gibraltar Life & Other	\$281	(15)	10	20	\$296
Corporate & Other	(\$490)	10	-	70	(\$410)
Prudential Financial, Inc.⁽¹⁾	\$1,371	(\$15)	\$85	\$205	\$1,646

Note: Adjustments for alternative investment income, underwriting, and certain expenses & other items reflect variances from the Company's expectations.

(1) See Appendix for reconciliation of non-GAAP measures, including Adjusted Operating Income and core Adjusted Operating Income, to the most comparable GAAP measures.

(2) Alternative investment income includes the adjusted operating income of the GA Portfolio's interests in private equity, hedge fund and real estate-related investments, as well as real estate investments held through direct ownership, and excludes the results from those interests held by Divested Businesses and third parties that have been consolidated on the Company's balance sheet.

(3) PGIM includes \$25 million of Other Related Revenues above a normalized level. PGIM, Institutional Retirement Strategies, and Individual Retirement Strategies include higher than typical expenses and one-off items. Individual Life reflects the one-time closing costs related to the GUL reinsurance transaction and the consolidation of captive financing arrangements. Life Planner and Gibraltar Life & Other include seasonally lower annual premiums. Gibraltar Life & Other includes lower joint venture earnings of \$10 million. Corporate & Other reflects the timing of investments in enterprise initiatives.



SEASONALITY OF KEY FINANCIAL ITEMS

<i>(\$ millions, pre-tax adjusted operating income)</i>	1Q25		2Q25		3Q25		4Q25	
PGIM	(\$45)	Higher compensation expense ⁽¹⁾						
Group Insurance	(\$20)	Lowest underwriting gains	\$10	Higher underwriting gains	\$10	Higher underwriting gains		
Individual Life	(\$25)	Lowest underwriting gains			\$20	Highest underwriting gains		
Life Planner	\$60	Highest premiums	(\$20)	Lower premiums			(\$40)	Lowest premiums
Gibraltar Life & Other	\$25	Highest premiums	(\$15)	Lowest premiums			(\$10)	Lower premiums
Corporate & Other	(\$40)	Higher compensation expense ⁽¹⁾					(\$40)	Higher expenses



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

2025 EARNINGS & OTHER CONSIDERATIONS

PGIM Other Related Revenues \$160-200 million

Corporate & Other Operating Loss⁽¹⁾ \$1.8 billion

Share Repurchase Authorization \$1 billion

Effective Tax Rate 22-23%

Intermediate Term Economic Assumptions

S&P 500 Annual
Growth⁽²⁾ of 5%

Return on Alternative
Investment Income⁽³⁾
of 7-9%

Long Term Rates Remain
Relatively Flat with Yield
Curve Steepening

Yen Exchange Rate
Strengthens to
135 per USD

(1) Corporate & Other's expected quarterly run-rate loss is ~\$430 million with seasonal expenses reflected on slide 23.

(2) S&P 500 annual growth assumption of 5% excludes return on dividends.

(3) Alternative investment income includes the adjusted operating income of the GA Portfolio's interests in private equity, hedge fund and real estate-related investments, as well as real estate investments held through direct ownership, and excludes the results from those interests held by Divested Businesses and third parties that have been consolidated on the Company's balance sheet. As of December 31, 2024 these investments in total were ~\$13 billion.



FORWARD-LOOKING STATEMENTS

Certain of the statements included in this presentation, including those regarding our plan for sustainable, profitable growth and shareholder returns, our capital deployment strategy, including planned dividends and share repurchases, and those under the headings “Enterprise Financial Targets and Capital Priorities,” “Intermediate Term Financial Targets by Business,” “Key Priorities,” “Adjusted Operating Income Reconciliation by Business,” “Seasonality of Key Financial Items,” and “2025 Earnings & Other Considerations,” 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. 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.

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



NON-GAAP MEASURES

This presentation includes references to adjusted operating income, core adjusted operating income, adjusted book value, and adjusted operating return on equity, which is based on adjusted operating income, core adjusted operating income, and adjusted book value. Consolidated adjusted operating income, core 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, core 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 investor.prudential.com. Reconciliations are also included as part of this presentation.

We have provided estimates regarding core adjusted operating income per share growth, adjusted operating return on equity, and adjusted operating expense ratio in future periods. 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 a reconciliation of our estimated future adjusted operating income per share and adjusted operating return on equity to the most comparable GAAP measures. Moreover, because core adjusted operating income is calculated by excluding from adjusted operating income the amounts by which certain items vary from our expectations, we cannot estimate what those future variances will be.

We believe that our use of these non-GAAP measures helps investors understand and evaluate the Company's performance and financial position. The presentation of adjusted operating income as we measure it for management purposes enhances the understanding of the results of operations by highlighting the results from ongoing operations and the underlying profitability of our businesses. Trends in the underlying profitability of our businesses can be more clearly identified without the fluctuating effects of the items described below. Core adjusted operating income further enhances the understanding of the results of operations and what we believe to be the longer-term earnings capacity of the business, which is facilitated by presenting what adjusted operating income would have been without the impacts of certain unique or unusual items. Adjusted book value augments the understanding of our financial position by providing a measure of net worth that is primarily attributable to our business operations separate from the portion that is affected by capital and currency market conditions, and by isolating the accounting impact associated with insurance liabilities that are generally not marked to market and the supporting investments that are marked to market through accumulated other comprehensive income under GAAP. However, these non-GAAP measures are not substitutes for income and equity determined in accordance with GAAP, and the adjustments made to derive these measures are important to an understanding of our overall results of operations and financial position. The schedules accompanying this presentation provide reconciliations of non-GAAP measures with the corresponding measures calculated using GAAP. Additional historic information relating to our financial performance is located on our website at investor.prudential.com.



NON-GAAP MEASURES (CONTINUED)

Adjusted operating income is a non-GAAP measure used by the Company to evaluate segment performance and to allocate resources. Adjusted operating income excludes “Realized investment gains (losses), net, and related charges and adjustments”. A significant element of realized investment gains and losses are impairments and credit-related and interest rate-related gains and losses. Impairments and losses from sales of credit-impaired securities, the timing of which depends largely on market credit cycles, can vary considerably across periods. The timing of other sales that would result in gains or losses, such as interest rate-related gains or losses, is largely subject to our discretion and influenced by market opportunities as well as capital and other factors.

Realized investment gains (losses) within certain businesses for which such gains (losses) are a principal source of earnings, and those associated with terminating hedges of foreign currency earnings and current period yield adjustments, are included in adjusted operating income. Adjusted operating income generally excludes realized investment gains and losses from products that contain embedded derivatives, and from associated derivative portfolios that are part of an asset-liability management program related to the risk of those products. Adjusted operating income also excludes gains and losses from changes in value of certain assets and liabilities relating to foreign currency exchange movements that have been economically hedged or considered part of our capital funding strategies for our international subsidiaries, as well as gains and losses on certain investments that are designated as trading. Adjusted operating income also excludes investment gains and losses on assets supporting experience-rated contractholder liabilities and changes in experience-rated contractholder liabilities due to asset value changes, because these recorded changes in asset and liability values are expected to ultimately accrue to contractholders. Additionally, adjusted operating income excludes the changes in fair value of equity securities that are recorded in net income. Additionally, adjusted operating income excludes impact of annual assumption updates and other refinements included in the above items.

Adjusted operating income excludes “Change in value of market risk benefits, net of related hedging gains (losses)”, which reflects the impact from changes in current market conditions, and market experience updates, reflecting the immediate impacts in current period results from changes in current market conditions on estimates of profitability, which we believe enhances the understanding of underlying performance trends. Adjusted operating income also excludes the results of Divested and Run-off Businesses, which are not relevant to our ongoing operations, and discontinued operations and earnings attributable to noncontrolling interests, each of which is presented as a separate component of net income under GAAP. Additionally, adjusted operating income excludes other items, such as certain components of the consideration for acquisitions, which are recognized as compensation expense over the requisite service periods, and goodwill impairments. Earnings attributable to noncontrolling interests is presented as a separate component of net income under GAAP and excluded from adjusted operating income. The tax effect associated with pre-tax adjusted operating income is based on applicable IRS and foreign tax regulations inclusive of pertinent adjustments.

Core adjusted operating income excludes the approximate impact attributable to variances from the Company's expectations for alternative investment income, underwriting, and certain expenses and other items. The Company chooses to highlight the impact of these items because it believes their contribution to results in a given period may not be indicative of future performance, however, these adjustments may not encompass all items that could affect earnings trends and include some level of subjectivity.



NON-GAAP MEASURES (CONTINUED)

Adjusted operating income and core adjusted operating income do not equate to “Net income” as determined in accordance with U.S. GAAP. Adjusted operating income and core adjusted operating income are not a substitute for income determined in accordance with U.S. GAAP, and our definition of these non-GAAP measures may differ from that used by other companies. The items above are important to an understanding of our overall results of operations. However, we believe that the presentation of adjusted operating income and core adjusted operating income as we measure it for management purposes enhances the understanding of our results of operations by highlighting the results from ongoing operations and the underlying profitability of our businesses. Trends in the underlying profitability of our businesses can be more clearly identified without the fluctuating effects of the items described above.

Adjusted book value is calculated as total equity (GAAP book value) excluding accumulated other comprehensive income (loss), the cumulative change in fair value of funds withheld embedded derivatives, and the cumulative effect of foreign currency exchange rate remeasurements and currency translation adjustments corresponding to realized investment gains and losses. These items are excluded in order to highlight the book value attributable to our core business operations separate from the portion attributable to external and potentially volatile capital and currency market conditions.



RECONCILIATIONS BETWEEN CORE ADJUSTED OPERATING INCOME AND THE COMPARABLE GAAP MEASURE

(\$ millions)

Net income (loss) attributable to Prudential Financial, Inc.

Income (loss) attributable to noncontrolling interests and redeemable noncontrolling interests

Net income (loss)

Less: Earnings attributable to noncontrolling interests and redeemable noncontrolling interests

Income (loss) attributable to Prudential Financial, Inc.

Less: Equity in earnings of joint ventures and other operating entities, net of taxes and earnings attributable to noncontrolling interests and redeemable noncontrolling interests

Income (loss) (after-tax) before equity in earnings of operating joint ventures

Less: Reconciling Items:

Realized investment gains (losses), net, and related charges and adjustments

Change in value of market risk benefits, net of related hedging gains (losses)

Market experience updates

Divested and Run-off Businesses:

Closed Block Division

Other Divested and Run-off Businesses

Equity in earnings of joint ventures and other operating entities and earnings attributable to noncontrolling interests and redeemable noncontrolling interests

Other adjustments⁽¹⁾

Total reconciling items, before income taxes

Less: Income taxes, not applicable to adjusted operating income

Total reconciling items, after income taxes

After-tax adjusted operating income

Income taxes, applicable to adjusted operating income

Adjusted operating income before income taxes

Net Income (loss) Return on Equity

Adjusted Operating Return on Equity⁽²⁾

	Fourth Quarter		Year-to-Date	
	2024	2023	2024	2023
Net income (loss) attributable to Prudential Financial, Inc.	\$ (57)	\$ 1,317	\$ 2,727	\$ 2,488
Income (loss) attributable to noncontrolling interests and redeemable noncontrolling interests	130	9	119	20
Net income (loss)	73	1,326	2,846	2,508
Less: Earnings attributable to noncontrolling interests and redeemable noncontrolling interests	130	9	119	20
Income (loss) attributable to Prudential Financial, Inc.	(57)	1,317	2,727	2,488
Less: Equity in earnings of joint ventures and other operating entities, net of taxes and earnings attributable to noncontrolling interests and redeemable noncontrolling interests	(94)	14	25	29
Income (loss) (after-tax) before equity in earnings of operating joint ventures	37	1,303	2,702	2,459
Less: Reconciling Items:				
Realized investment gains (losses), net, and related charges and adjustments	(1,525)	338	(2,150)	(2,510)
Change in value of market risk benefits, net of related hedging gains (losses)	(77)	216	(397)	56
Market experience updates	60	(78)	(52)	110
Divested and Run-off Businesses:				
Closed Block Division	(52)	(50)	(113)	(100)
Other Divested and Run-off Businesses	(20)	43	30	21
Equity in earnings of joint ventures and other operating entities and earnings attributable to noncontrolling interests and redeemable noncontrolling interests	97	(26)	(16)	(68)
Other adjustments ⁽¹⁾	(3)	(12)	(19)	(36)
Total reconciling items, before income taxes	(1,520)	431	(2,717)	(2,527)
Less: Income taxes, not applicable to adjusted operating income	(489)	54	(831)	(606)
Total reconciling items, after income taxes	(1,031)	377	(1,886)	(1,921)
After-tax adjusted operating income	1,068	926	4,588	4,380
Income taxes, applicable to adjusted operating income	303	305	1,338	1,219
Adjusted operating income before income taxes	\$ 1,371	\$ 1,231	\$ 5,926	\$ 5,599
Net Income (loss) Return on Equity	-0.8%	19.6%	9.6%	8.6%
Adjusted Operating Return on Equity ⁽²⁾	12.2%	10.7%	13.1%	12.4%

(1) Represents adjustments not included in the above reconciling items, including certain components of consideration for business acquisitions, which are recognized as compensation expense over the requisite service periods.

(2) Represents adjusted operating income after-tax, annualized for interim periods, divided by average Prudential Financial, Inc. equity excluding accumulated other comprehensive income, adjusted to remove amounts included for foreign currency exchange rate remeasurement and the cumulative change in fair value of funds withheld embedded derivatives related to unrealized gains and losses on available-for-sale securities and certain derivatives.



RECONCILIATIONS BETWEEN CORE ADJUSTED OPERATING INCOME AND THE COMPARABLE GAAP MEASURE (CONTINUED)

(\$ millions)

Adjusted operating income before income taxes

Less:

- Annual review and update of actuarial assumptions and other refinements
- Returns on alternative investment income above / (below) average expectations
- Underwriting experience above / (below) average expectations
- (Higher) / lower than expected expenses and other items

Core adjusted operating income before income taxes

	Fourth Quarter		Year-to-Date	
	2024	2023	2024	2023
Adjusted operating income before income taxes	\$ 1,371			
Less:				
Annual review and update of actuarial assumptions and other refinements	-			
Returns on alternative investment income above / (below) average expectations	15			
Underwriting experience above / (below) average expectations	(85)			
(Higher) / lower than expected expenses and other items	(205)			
Core adjusted operating income before income taxes	<u>\$ 1,646</u>			



RECONCILIATIONS BETWEEN CORE ADJUSTED OPERATING INCOME PER SHARE AND THE COMPARABLE GAAP MEASURE

	Fourth Quarter		Year-to-Date	
	2024	2023	2024	2023
Net income (loss) per share attributable to Prudential Financial, Inc.	\$ (0.17)	\$ 3.61	\$ 7.50	\$ 6.74
Less: Reconciling Items:				
Realized investment gains (losses), net, and related charges and adjustments	(4.27)	0.94	(5.98)	(6.88)
Change in value of market risk benefits, net of related hedging gains (losses)	(0.22)	0.60	(1.10)	0.15
Market experience updates	0.17	(0.22)	(0.14)	0.30
Divested and Run-off Businesses:				
Closed Block Division	(0.15)	(0.14)	(0.31)	(0.27)
Other Divested and Run-off Businesses	(0.06)	0.12	0.08	0.06
Difference in earnings allocated to participating unvested share-based payment awards	0.02	(0.01)	0.06	0.06
Other adjustments ⁽¹⁾	(0.01)	(0.03)	(0.05)	(0.10)
Total reconciling items, before income taxes	(4.52)	1.26	(7.44)	(6.68)
Less: Income taxes, not applicable to adjusted operating income	(1.39)	0.19	(2.32)	(1.54)
Total reconciling items, after income taxes	(3.13)	1.07	(5.12)	(5.14)
After-tax adjusted operating income per share	<u>\$ 2.96</u>	<u>\$ 2.54</u>	<u>\$ 12.62</u>	<u>\$ 11.88</u>
Less:				
Annual review and update of actuarial assumptions and other refinements			0.01	
Returns on alternative investment income above / (below) average expectations			(0.28)	
Underwriting experience above / (below) average expectations			(0.35)	
(Higher) / lower than expected expenses and other items			(0.70)	
Core after-tax adjusted operating income per share			<u>\$ 13.94</u>	



(1) Represents adjustments not included in the above reconciling items, including certain components of consideration for business acquisitions, which are recognized as compensation expense over the requisite service periods.

RECONCILIATION BETWEEN ADJUSTED OPERATING INCOME AND CORE ADJUSTED OPERATING INCOME

(\$ millions)	<u>2024</u>
PGIM adjusted operating income	\$ 875
Less:	
(Higher) / lower than expected expenses and other items	(45)
PGIM core adjusted operating income	<u>\$ 920</u>
U.S. Businesses adjusted operating income	\$ 3,728
Less:	
Annual review and update of actuarial assumptions and other refinements	67
Returns on alternative investment income above / (below) average expectations	(110)
Underwriting experience above / (below) average expectations	(115)
(Higher) / lower than expected expenses and other items	(210)
U.S. Businesses core adjusted operating income	<u>\$ 4,096</u>
International Businesses adjusted operating income	\$ 3,106
Less:	
Annual review and update of actuarial assumptions and other refinements	(55)
Underwriting experience above / (below) average expectations	(50)
(Higher) / lower than expected expenses and other items	55
International Businesses core adjusted operating income	<u>\$ 3,156</u>



RECONCILIATION BETWEEN ADJUSTED BOOK VALUE AND THE COMPARABLE GAAP MEASURE

(\$ millions, except per share data)

	<u>December 31, 2024</u>
GAAP book value	\$ 27,872
Less: Accumulated other comprehensive income (AOCI)	(6,711)
GAAP book value excluding AOCI	<u>34,583</u>
Less: Cumulative change in fair value of funds withheld embedded derivatives ⁽¹⁾	141
Less: Cumulative effect of foreign exchange rate remeasurement and currency translation adjustments corresponding to realized gains (losses)	34
Adjusted book value	<u><u>\$ 34,408</u></u>
Number of diluted shares	<u>359.1</u>
GAAP book value per Common share - diluted	\$ 77.62
GAAP book value excluding AOCI per Common share - diluted	\$ 96.30
Adjusted book value per Common share - diluted	\$ 95.82



(1) Amount represents the cumulative change in fair value of funds withheld embedded derivatives related to unrealized gains and losses on available-for-sale securities and certain derivatives associated with customer liabilities reinsured under coinsurance with funds withheld and modified coinsurance arrangements.