



2Q25 EARNINGS CALL

JULY 31, 2025

Expanding access to investing, insurance, and retirement security

SECOND QUARTER 2025 PERFORMANCE

FINANCIAL HIGHLIGHTS

(\$ millions, except per share amounts)

	<u>YTD 2025</u>	<u>2Q25</u>
Pre-Tax Adjusted Operating Income ⁽¹⁾	\$3,185	\$1,665
Adjusted Operating Income Per Share ⁽¹⁾	\$6.87	\$3.58
GAAP Net Income Per Share	\$3.44	\$1.48
Adjusted Operating ROE ⁽²⁾	14.4%	
Adjusted Book Value Per Share ⁽¹⁾	\$96.41	

BUSINESS HIGHLIGHTS

U.S. Businesses

- Robust Longevity Risk Transfer transactions
- Less active Pension Risk Transfer market
- Ongoing product and segment diversification in Group and Individual Life

International Businesses

- Benefit from retirement and savings product launches in Japan
- Continued distribution expansion in Brazil

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 year-to-date 2025 after-tax Adjusted Operating Income and average Adjusted Book Value. See Appendix for more information.



PROGRESS ON DRIVING SUSTAINABLE, PROFITABLE GROWTH

KEY PRIORITIES



DEMONSTRATED PROGRESS

Integrating PGIM's multi-manager model into a unified business, including a \$1 trillion public and private credit platform, to drive operating efficiencies, cross-selling opportunities, and increased revenue

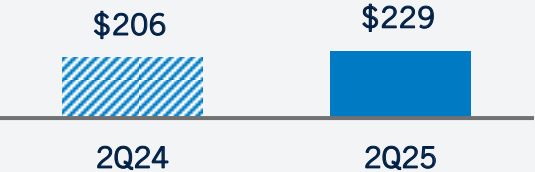
OPERATING RESULTS BY BUSINESS

EARNINGS DRIVERS

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

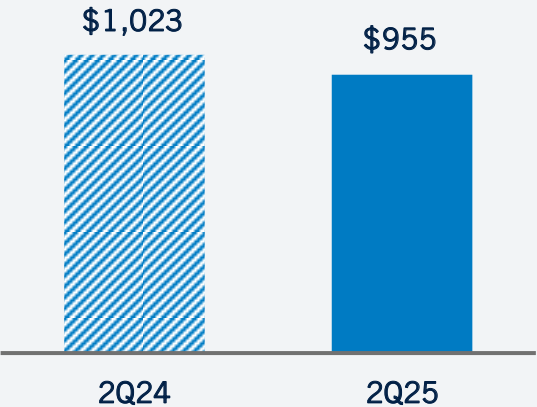
PGIM

- + Higher asset management fees
- Higher expenses



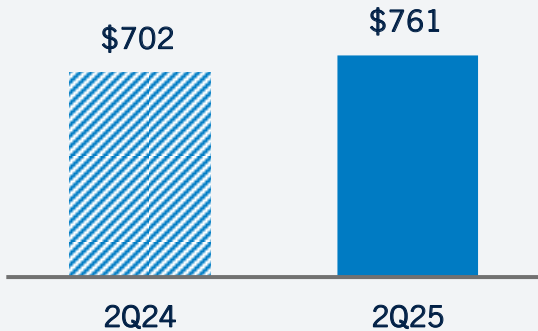
U.S. Businesses

- Less favorable assumption update
- Lower fee income
- + More favorable underwriting



International Businesses

- + More favorable assumption update
- + More favorable underwriting
- + Higher spread income
- Higher expenses



Corporate & Other results reflect lower expenses and higher net investment income compared to 2Q24

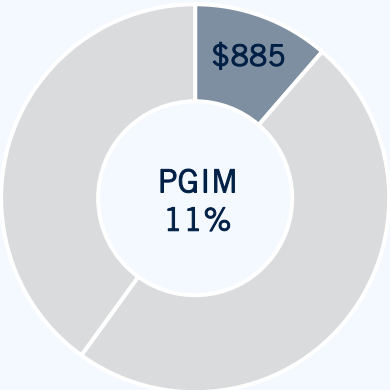


Note: See Appendix for segment results.

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

EARNINGS CONTRIBUTION

Trailing twelve months⁽¹⁾
(\$ millions)

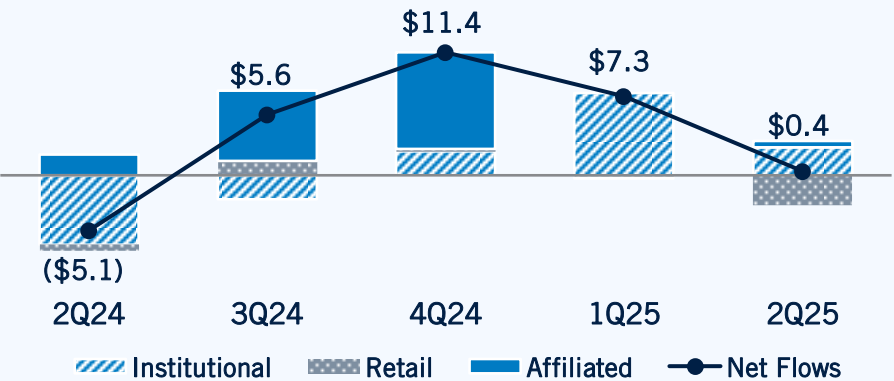


KEY PRIORITIES

- Maintain strong investment performance⁽²⁾
 - Percentage of AUM⁽³⁾ outperforming public benchmarks:
3 Year: 87%, 5 Year: 75%, 10 Year: 76%
- Leverage diversified asset management capabilities to grow our industry leading businesses
- 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

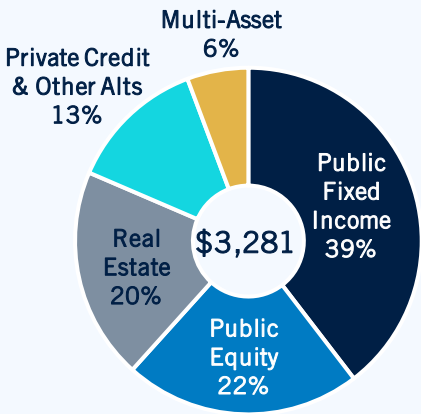
TOTAL NET FLOWS

(\$ 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 June 30, 2025 for \$879 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).

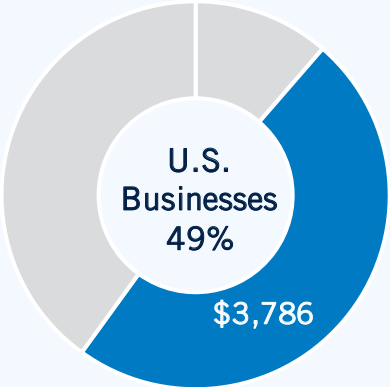
(3) Represents PGIM's benchmarked AUM (77% of total third-party AUM is benchmarked over 3 years, 66% over 5 years, and 50% over 10 years). This calculation does not include non-benchmarked assets (including general account assets and assets not managed by PGIM). Returns are calculated gross of investment 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

Trailing twelve months⁽¹⁾
(\$ millions)

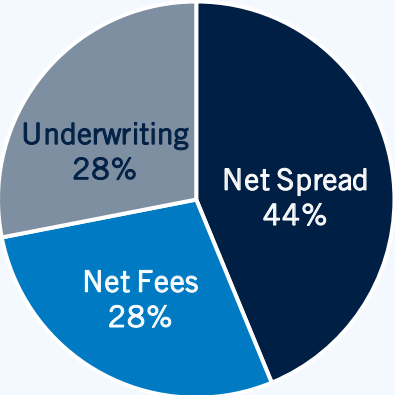


KEY PRIORITIES

- Leverage strong brand, product breadth, and distribution strength to grow our businesses
- Expand our addressable market with new financial solutions leveraging the capabilities across Prudential and our complementary mix of businesses with diversified sources of earnings
- Transform our capabilities to increase efficiency and improve customer experiences

DIVERSIFIED SOURCES OF EARNINGS

Trailing twelve months⁽²⁾



PERFORMANCE HIGHLIGHTS

- Institutional Retirement Strategies sales of \$9 billion, including \$5.6 billion in Longevity Risk Transfer transactions
- Continued success in Individual Retirement Strategies with sales of \$3.1 billion, reflecting strong results in both fixed annuities and registered index-linked annuities
- Solid year-to-date sales growth of 13% in Group Insurance, with a favorable 2Q benefits ratio of 80.9%⁽³⁾
- Individual Life sales increased 10% compared to 2Q24, driven by accumulation focused products

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.

(3) Benefits ratio excluding the impact of assumption updates and other refinements.



INTERNATIONAL BUSINESSES | Market Leader in Japan with Expanding Presence in Growth Markets

EARNINGS CONTRIBUTION

Trailing twelve months⁽¹⁾
(\$ millions)

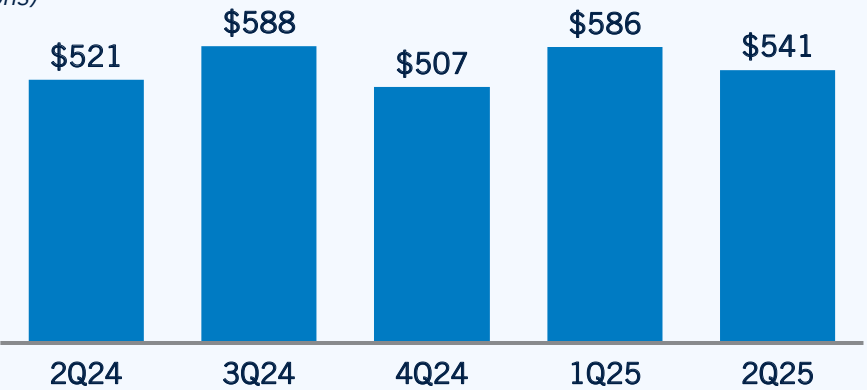


KEY PRIORITIES

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

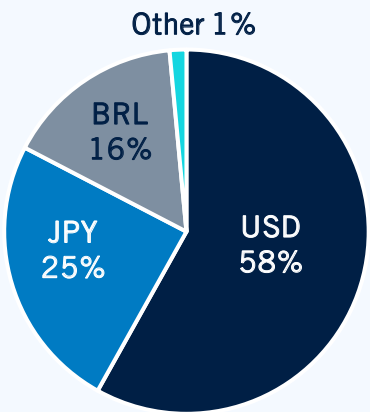
SALES⁽²⁾

(\$ 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) 143 per USD and Brazilian Real (BRL) 5.8 per USD. USD-denominated activity is included based on the amounts as transacted in USD. Sales represented by annualized new business premiums.

SIGNIFICANT FINANCIAL STRENGTH

	Objectives	Position
Highly Liquid Assets ⁽¹⁾	> \$3 billion	\$3.9 billion
Regulatory Capital Ratios ⁽²⁾	Consistent with AA objectives PICA RBC ratio > 375% Japan solvency margin ratios > 700%	Ratios remain in excess of our objectives
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 June 30, 2025 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. Economic Solvency Ratios (ESR) for Prudential of Japan and Gibraltar Life as of March 2025 are estimated to be between 180-200%.



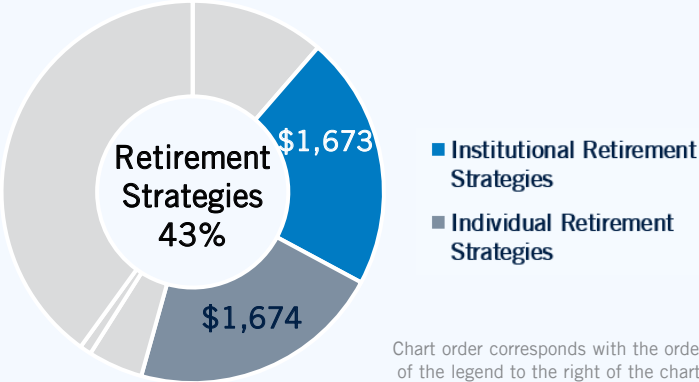
APPENDIX



RETIREMENT STRATEGIES | Expanding Access to Retirement Security

EARNINGS CONTRIBUTION

Trailing twelve months⁽¹⁾
(\$ millions)

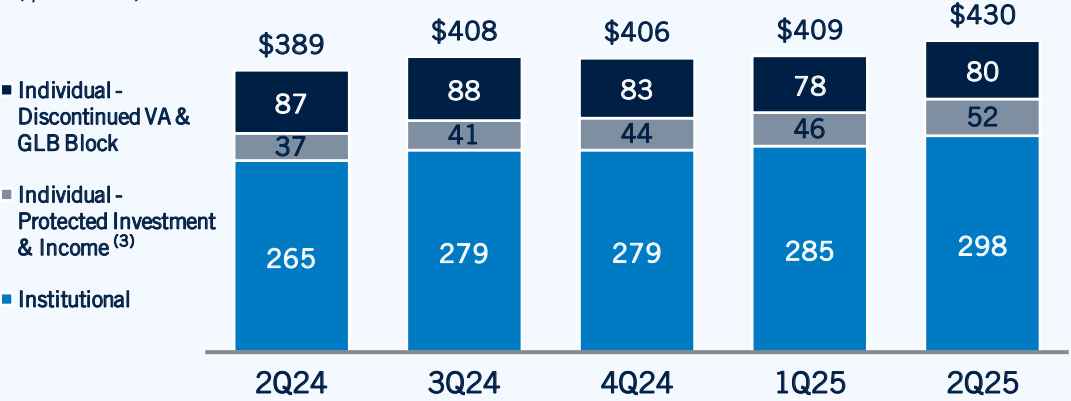


KEY PRIORITIES

- Expand access to retirement security in our current markets by broadening our product offerings and market penetration
- Deliver retirement security through innovative and tech-forward solutions
- Bring additional income protection and increased retirement certainty to retail wealth and workplace retirement opportunities

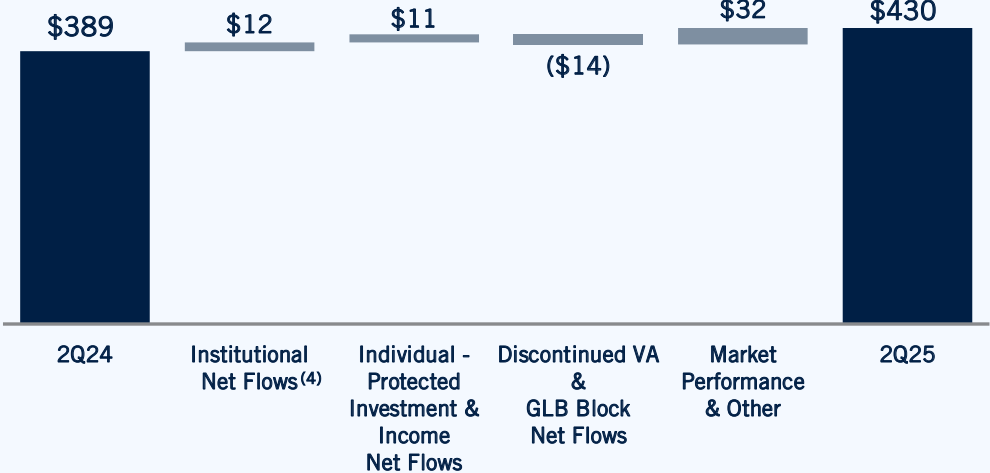
ACCOUNT VALUES - PRODUCT MIX⁽²⁾

(\$ billions)



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.

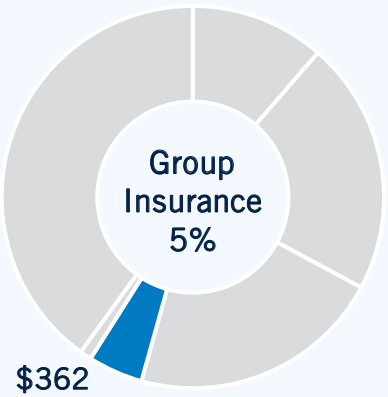
(4) Institutional net flows include sales of \$37 billion and outflows of (\$25 billion).



GROUP INSURANCE | Leading Group Benefits Provider with Opportunity to Further Diversify

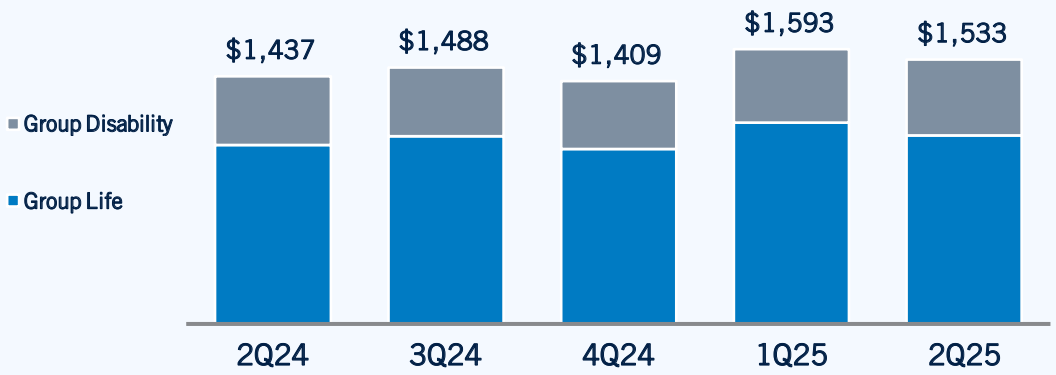
EARNINGS CONTRIBUTION

Trailing twelve months⁽¹⁾
(\$ millions)



EARNED PREMIUMS & FEES

(\$ millions)

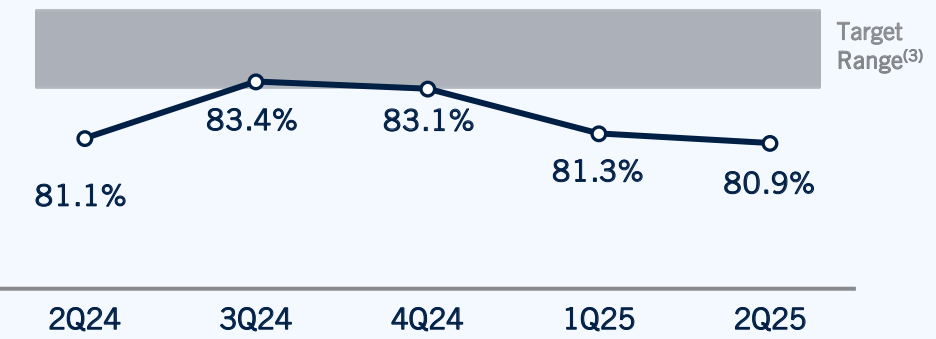


Bar order corresponds with the order of the legend to the left of the chart

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⁾

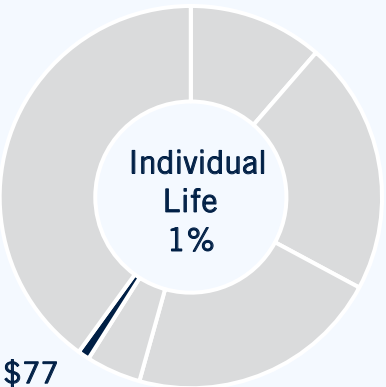


(1) Based on pre-tax adjusted operating income excluding Corporate & Other operations.
(2) Benefits ratios excluding the impact of assumption updates and other refinements.
(3) Targeted total benefits ratio range of 83% - 87%.

INDIVIDUAL LIFE | Broad Product Portfolio and Multi-Channel Distribution

EARNINGS CONTRIBUTION

Trailing twelve months⁽¹⁾
(\$ millions)

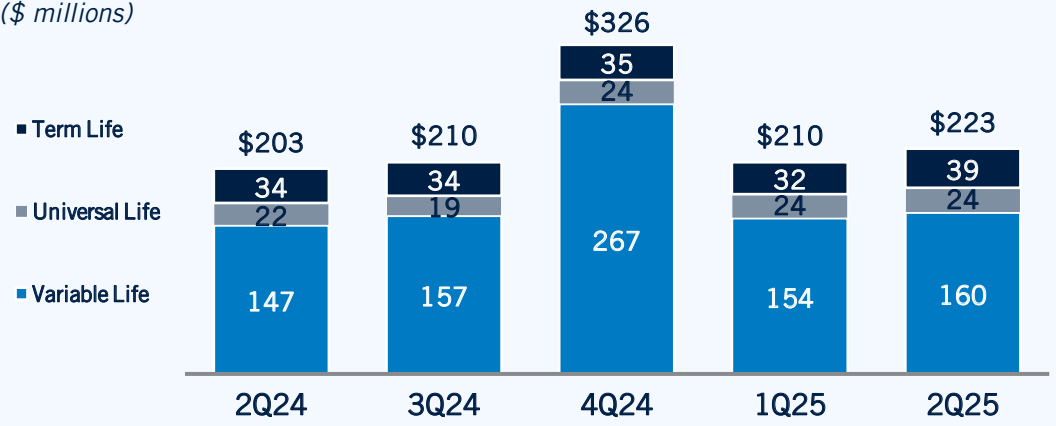


KEY PRIORITIES

- 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⁾ – PRODUCT MIX

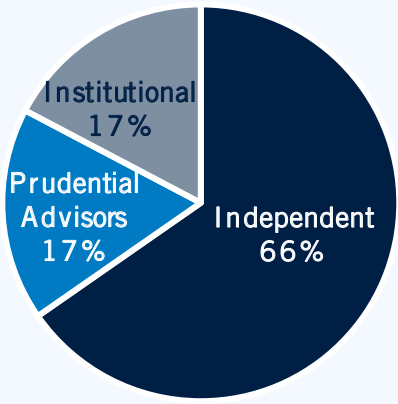
(\$ millions)



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

SALES⁽²⁾ – DISTRIBUTION MIX

Trailing twelve months

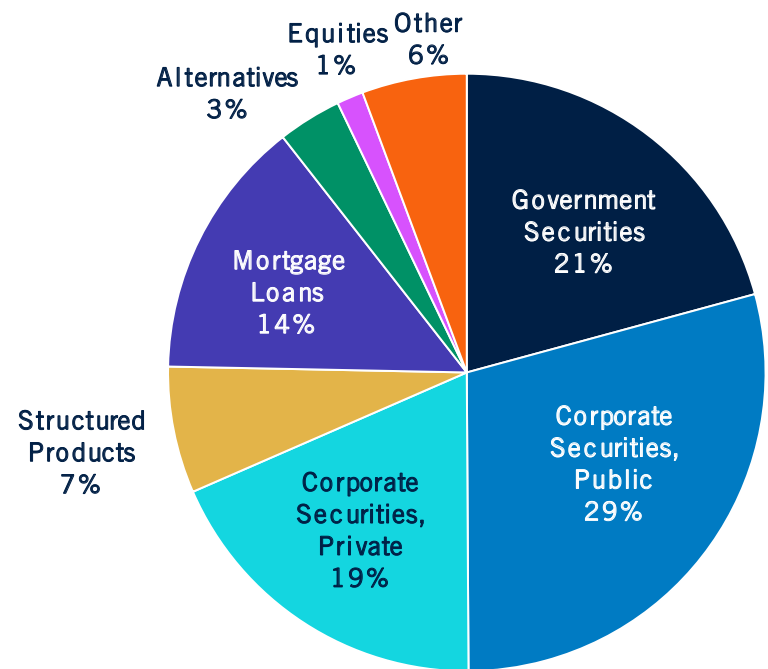


(1) Based on pre-tax adjusted operating income excluding Corporate & Other operations.
(2) Sales represented by annualized new business premiums.

BROADLY DIVERSIFIED, HIGH QUALITY INVESTMENT PORTFOLIO

PORTFOLIO COMPOSITION⁽¹⁾

\$387 billion



HIGHLIGHTS

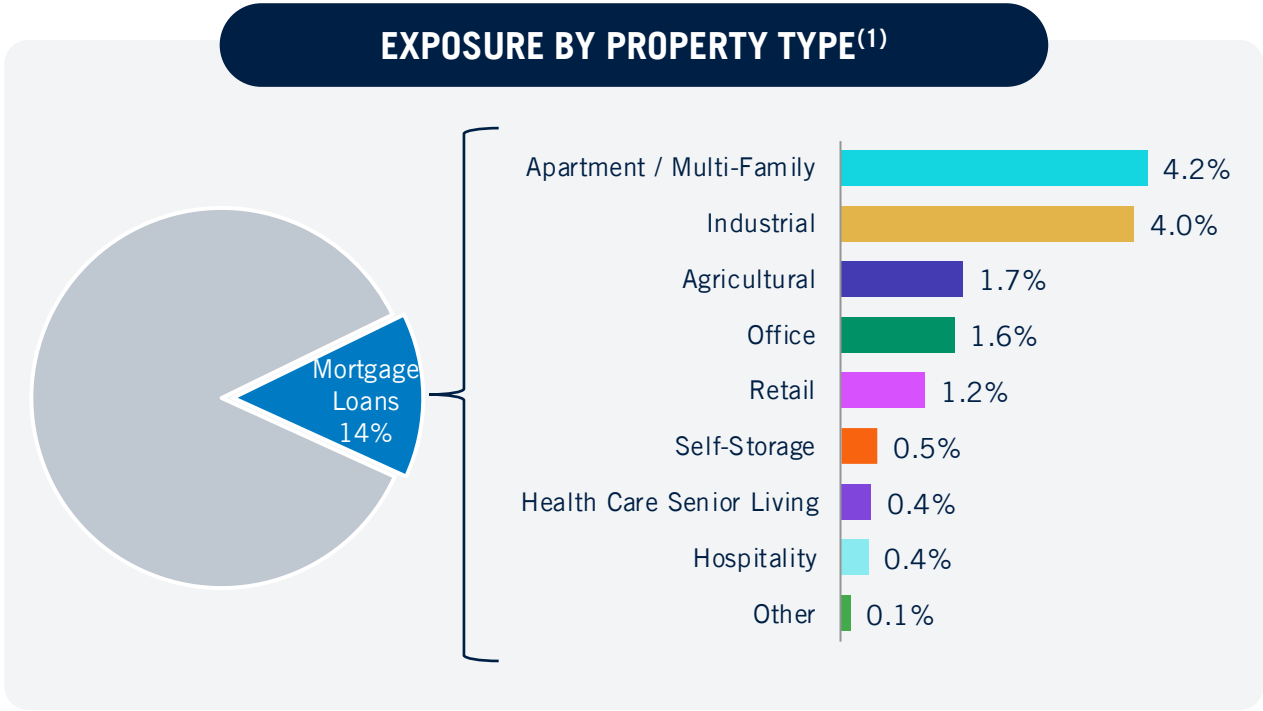
- Broadly diversified, high quality portfolio with strong Asset Liability Management
 - High allocation to government securities (mostly U.S. and Japan)
 - Significant protections with private credit
- Benefits from PGIM’s expertise and direct origination capabilities
- Disciplined framework for credit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

(1) General Account excluding the Closed Block Division, funds withheld, and assets supporting experience-related contractholder liabilities as of June 30, 2025, 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 2.37x as well as a prudent loan monitoring process with loan evaluations occurring at least annually
 - 91% of mortgage loans have LTVs less than 80%
 - 91% of mortgage loans have DSCRs greater than or equal to 1.2x
 - 57% rated CM1 and 34% rated CM2



	Debt Service Coverage Ratio			
	≥ 1.2x	1.0x to < 1.2x	< 1.0x	Total
(\$ millions)				
0% - 59.99%	\$26,934	\$1,006	\$302	\$28,242
60% - 69.99%	14,517	580	117	15,214
70% - 79.99%	5,182	442	363	5,987
80% or greater	2,741	1,036	992	4,769
Total ⁽¹⁾	\$ 49,374	\$ 3,064	\$ 1,774	\$ 54,212

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 June 30, 2025, on a U.S. GAAP carrying value basis. Excludes \$0.9B of uncollateralized, residential, and other collateralized loans.

ADJUSTED OPERATING INCOME RECONCILIATION BY BUSINESS

(\$ millions, pre-tax)	2Q25 Reported	Assumption Update	Alternative Investment Income ⁽²⁾	Underwriting	Expenses & Other ⁽³⁾	2Q25 Core
PGIM	\$229	-	-	-	-	\$229
Institutional Retirement Strategies	\$396	32	30	(5)	-	\$453
Individual Retirement Strategies	\$326	81	5	-	15	\$427
Group Insurance	\$125	(11)	-	(25)	(5)	\$84
Individual Life	\$108	(58)	5	5	(10)	\$50
International	\$761	2	10	(10)	20	\$783
Corporate & Other	(\$280)	-	10	-	(155)	(\$425)
Prudential Financial, Inc.⁽¹⁾	\$1,665	\$46	\$60	(\$35)	(\$135)	\$1,601

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) Individual Retirement Strategies reflects lower earnings from joint venture investments. Group Insurance and Individual Life reflect lower than typical expenses. International includes seasonally lower annual premiums, partially offset by higher earnings from joint venture investments. Corporate & Other reflects lower than typical expenses, related to timing and a reduction in legal reserves. Corporate & Other now expects full year 2025 loss of \$1.6 billion.



SEASONALITY OF KEY FINANCIAL ITEMS

(\$ millions, pre-tax adjusted operating income)	3Q25		4Q25		1Q26		2Q26	
PGIM	\$10	Lower compensation expense	\$10	Lower compensation expense	(\$30)	Higher compensation expense ⁽¹⁾	\$10	Lower compensation expense
Group Insurance	\$10	Higher underwriting gains			(\$20)	Lowest underwriting gains	\$10	Higher underwriting gains
Individual Life	\$20	Highest underwriting gains	(\$5)	Lower underwriting gains	(\$25)	Lowest underwriting gains	\$10	Higher underwriting gains
International	(\$10)	Lower premiums	(\$40)	Lowest premiums	\$80	Highest premiums	(\$30)	Lower premiums
Corporate & Other	\$25	Lower expenses	(\$20)	Higher expenses	(\$30)	Higher compensation expense ⁽¹⁾	\$25	Lower expenses



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

FORWARD-LOOKING STATEMENTS

Certain of the statements included in this presentation, including those regarding our strategy and the execution thereof, our financial targets and capital priorities, our commitment to improving financial performance and creating or delivering shareholder and stakeholder value, our expectation of future growth, our financial strength objectives, those under the headings “Key Priorities” and “Seasonality of Key Financial Items,” the expected impact of the organizational changes within PGIM, and the expected impact to the Company of the new economic capital standard in Japan, 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 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 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 items that we believe are not typically indicative of our ongoing operations or future performance and/or that can vary significantly from period to period, including seasonal items and market driven variances that are beyond our control. 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.

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.



NON-GAAP MEASURES (CONTINUED)

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 the 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 amount attributable to our annual review and update of actuarial assumptions and other refinements and 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)

During the second quarter of each year, we perform an annual comprehensive review of the assumptions we use for estimating future premiums, benefits and other cash flows, including reviews related to mortality, morbidity, lapse, surrenders and other contractholder behavior, and economic assumptions, including expected future rates of returns on investments. Following this process, we may update these assumptions and refine our models based upon emerging experience, future expectations and other data, including any observable market data we believe is indicative of a long-term trend. The quantitative results of these assumption updates and other refinements is generally recorded as an adjustment in the second quarter of each year. We believe the financial impact of these assumption updates and other refinements is not indicative of future performance trends because the updates represent adjustments based on our most current view of long-term assumptions and future assumption updates and refinements that are inherently uncertain and unpredictable. Our assumptions incorporate our forward-looking view on the basis of currently known facts and circumstances. And if those facts and circumstances change, we may update our assumptions. Therefore, we believe that presenting our financial performance without the impact of these assumption updates and other refinements, as we do with core adjusted operating income, is useful for investors in assessing our underlying financial performance. For this item, the amount excluded is the actual amount attributable to the update recorded during the relevant period. It is not the variance of the actual amount compared to the Company's expectations.

Alternative investment income includes the adjusted operating income of our general account 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 unaffiliated investors consolidated in the Company's balance sheet. The variance in quarterly performance of these assets compared to our expected return is largely caused by period-to-period fluctuations in financial markets. We cannot know or reliably predict this volatility. Therefore, we believe that presenting our financial performance without the impact of the volatility is useful for investors in assessing our underlying financial performance. As of March 31, 2025, the total value of these investments equaled approximately \$13 billion, and we expect a return of 7-9% across the intermediate term, which, at the midpoint, would equal approximately \$250 million of adjusted operating income before income taxes per quarter. The amount excluded is the difference between the actual result and our expectations.

Underwriting earnings reflect premiums collected less benefits paid. Underwriting results can vary from quarter to quarter based on actual mortality experience, seasonality and other factors that can differ from our expectations, which are based on our long-term assumptions discussed above. As a result, we do not believe these amounts are indicative of future trends. Our expectations for underwriting experience are based on our long-term assumptions as described above in the annual assumption update process and form the basis of our annual plan. The amounts that are excluded from the calculation of core adjusted operating income reflect the variances relative to that plan.



NON-GAAP MEASURES (CONTINUED)

Adjustments for (higher)/lower than expected expenses and other items relate to expenses and other items that are non-recurring in nature and therefore not indicative of future trends, and include higher or lower than typical expenses that vary by season, higher or lower than expected “other related revenues” in our PGIM business and annual premium seasonality due to the elevated levels of premium renewals that occur in the first quarter of the year in our International Businesses. Similar to the items above, adjusting for this deviation provides investors useful information about our underlying financial performance. With respect to expenses that we consider to be non-recurring, such expenses are by nature unexpected and therefore our expectation for these expenses is zero, and the amounts for which we adjust are the actual expenses incurred during the applicable period. Our expectation of “other related revenues” in our PGIM business is \$40 to 50 million per quarter in 2025.

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⁾

Second Quarter		Year-to-Date	
2025	2024	2025	2024
\$ 533	\$ 1,198	\$ 1,240	\$ 2,336
33	(27)	68	(14)
566	1,171	1,308	2,322
33	(27)	68	(14)
533	1,198	1,240	2,336
(12)	47	(18)	84
545	1,151	1,258	2,252
\$ (516)	\$ 175	\$ (762)	\$ 112
(426)	(297)	(777)	(174)
42	47	81	15
(18)	(60)	(40)	(63)
12	38	(39)	3
(18)	(43)	(15)	(70)
(1)	(5)	27	(13)
(925)	(145)	(1,525)	(190)
(186)	(99)	(311)	(130)
(739)	(46)	(1,214)	(60)
1,284	1,197	2,472	2,312
381	363	713	683
\$ 1,665	\$ 1,560	\$ 3,185	\$ 2,995
7.1%	17.4%	8.4%	16.9%
14.9%	13.5%	14.4%	13.1%

(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⁽¹⁾

Underwriting experience above / (below) average expectations

(Higher) / lower than expected expenses and other items⁽²⁾

Core adjusted operating income before income taxes

Second Quarter	
2025	2024
\$ 1,665	
(46)	
(60)	
35	
135	
<u>\$ 1,601</u>	

(1) 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.

(2) Reflects lower earnings from joint venture investments in Individual Retirement Strategies; lower than typical expenses in Group Insurance and Individual Life; seasonally lower annual premiums, partially offset by higher earnings from joint venture investments in International; and lower than typical expenses, related to timing and a reduction in legal reserves in Corporate & Other.



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

	Second Quarter		Year-to-Date	
	2025	2024	2025	2024
Net income (loss) per share attributable to Prudential Financial, Inc.	\$ 1.48	\$ 3.28	\$ 3.44	\$ 6.40
Less: Reconciling Items:				
Realized investment gains (losses), net, and related charges and adjustments	(1.45)	0.49	(2.14)	0.31
Change in value of market risk benefits, net of related hedging gains (losses)	(1.20)	(0.82)	(2.19)	(0.48)
Market experience updates	0.12	0.13	0.23	0.04
Divested and Run-off Businesses:				
Closed Block Division	(0.05)	(0.17)	(0.11)	(0.17)
Other Divested and Run-off Businesses	0.03	0.11	(0.11)	0.01
Difference in earnings allocated to participating unvested share-based payment awards	0.02	-	0.04	-
Other adjustments ⁽¹⁾	-	(0.01)	0.08	(0.04)
Total reconciling items, before income taxes	(2.53)	(0.27)	(4.20)	(0.33)
Less: Income taxes, not applicable to adjusted operating income	(0.43)	(0.27)	(0.77)	(0.39)
Total reconciling items, after income taxes	(2.10)	-	(3.43)	0.06
After-tax adjusted operating income per share	\$ 3.58	\$ 3.28	\$ 6.87	\$ 6.34



(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 BOOK VALUE AND THE COMPARABLE GAAP MEASURE

(\$ millions, except per share data)

	<u>June 30, 2025</u>
GAAP book value	\$ 30,582
Less: Accumulated other comprehensive income (AOCI)	(3,921)
GAAP book value excluding AOCI	<u>34,503</u>
Less: Cumulative change in fair value of funds withheld embedded derivatives ⁽¹⁾	67
Less: Cumulative effect of foreign exchange rate remeasurement and currency translation adjustments corresponding to realized gains (losses)	144
Adjusted book value	<u>\$ 34,292</u>
 Number of diluted shares	 <u>355.7</u>
 GAAP book value per Common share - diluted	 \$ 85.98
GAAP book value excluding AOCI per Common share - diluted	\$ 97.00
Adjusted book value per Common share - diluted	\$ 96.41



(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.