



# 1Q25 EARNINGS CALL

MAY 1, 2025

Expanding access to investing, insurance, and retirement security

# REFLECTING ON STRATEGIC PROGRESS, OPPORTUNITIES, AND CHALLENGES

## STRATEGIC PROGRESS

Significantly reduced exposure to market sensitive products

Benefiting from diversified product mix with strong sales and flows

## OPPORTUNITIES

Leveraging unique combination of scale, distribution, brand, and talent to meet customers' evolving needs

Capitalizing on global demand for retirement, insurance, and asset management

## CHALLENGES

Run-off of legacy traditional variable annuity block

Weaker Yen driving U.S. Dollar product surrenders

**Confident in our ability to be a global leader in investing, insurance, and retirement security**



# PRIORITIES TO DRIVE SUSTAINABLE, PROFITABLE GROWTH

**1**

**EVOLVING AND  
DELIVERING ON  
OUR STRATEGY**

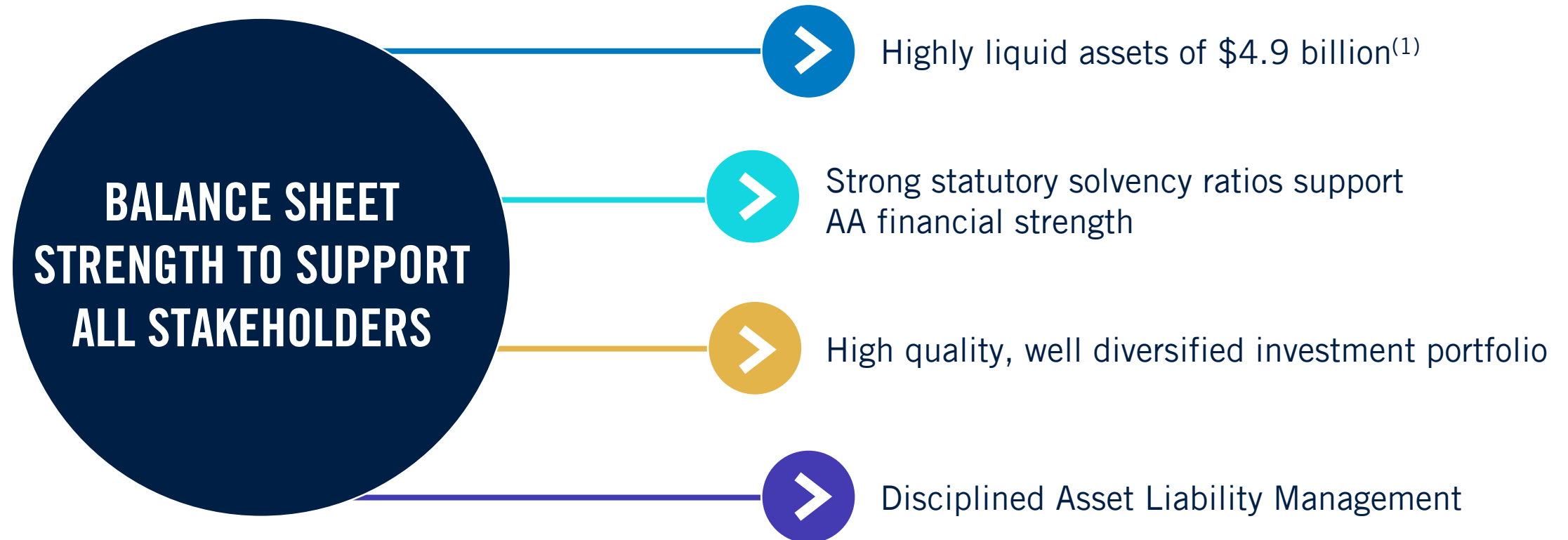
**2**

**IMPROVING OUR  
EXECUTION**

**3**

**FOSTERING A HIGH-  
PERFORMANCE  
CULTURE**

# WELL POSITIONED IN CURRENT MACRO ENVIRONMENT



(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.

# FIRST QUARTER 2025 HIGHLIGHTS

## FINANCIAL HIGHLIGHTS

(\$ millions, except per share amounts)

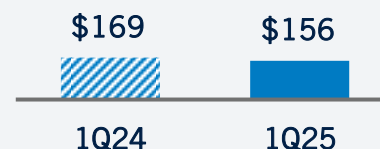
	<u>1Q25</u>
Pre-Tax Adjusted Operating Income <sup>(1)</sup>	\$1,520
Adjusted Operating Income Per Share <sup>(1)</sup>	\$3.29
GAAP Net Income Per Share	\$1.96
Adjusted Operating ROE <sup>(2)</sup>	13.8%
Adjusted Book Value Per Share <sup>(1)</sup>	\$96.37

## EARNINGS DRIVERS

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

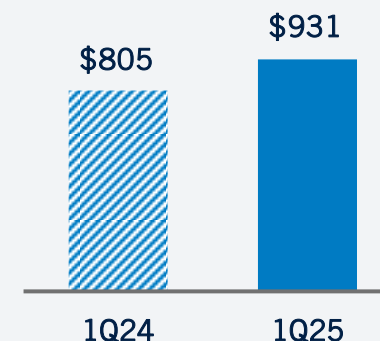
### PGIM

- Lower other related revenues
- + Higher asset management fees, net of expenses



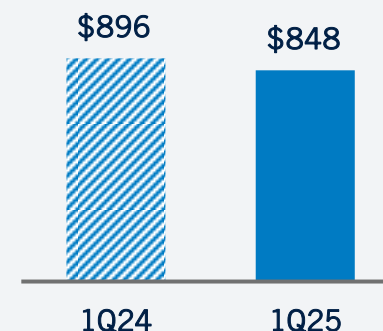
### U.S. Businesses

- + More favorable underwriting
- + Lower expenses
- Lower fee income
- Lower spread income



### International Businesses

- Lower spread income
- Lower JV earnings
- Unfavorable FX impact



Note: See Appendix for segment results.

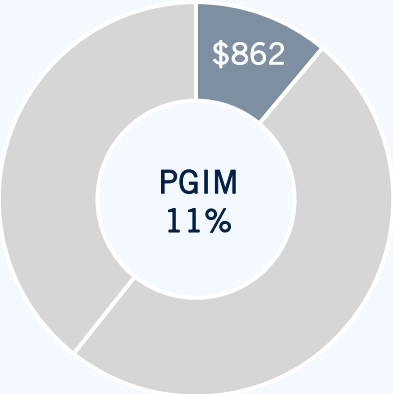
(1) See reconciliation in Appendix for non-GAAP measures Adjusted Operating Income, Adjusted Operating Income Per Share, and Adjusted Book Value Per Share.

(2) Based on 1Q25 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

Trailing twelve months<sup>(1)</sup>  
(\$ millions)



## KEY PRIORITIES

- Maintain strong investment performance<sup>(2)</sup>
  - Percentage of AUM<sup>(3)</sup> outperforming public benchmarks:  
3 Year: 72%, 5 Year: 81%, 10 Year: 79%
- 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

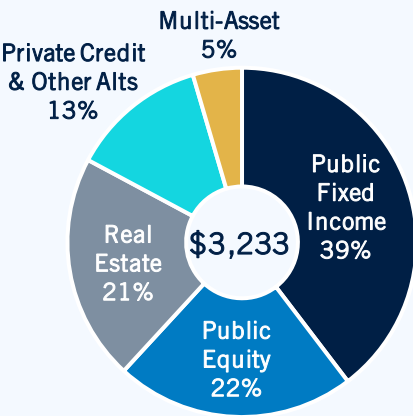
## TOTAL NET FLOWS

(\$ 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 March 31, 2025 for \$838 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).

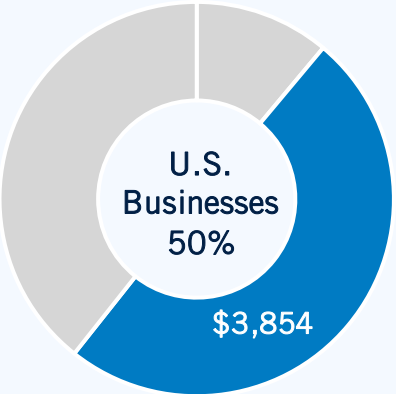
(3) Represents PGIM's benchmarked AUM (75% of total third-party AUM is benchmarked over 3 years, 66% over 5 years, and 49% over 10 years). This calculation does not include non-benchmarked assets (including general account assets and assets not managed by PGIM). Returns are calculated gross of investment 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

Trailing twelve months<sup>(1)</sup>  
(\$ millions)

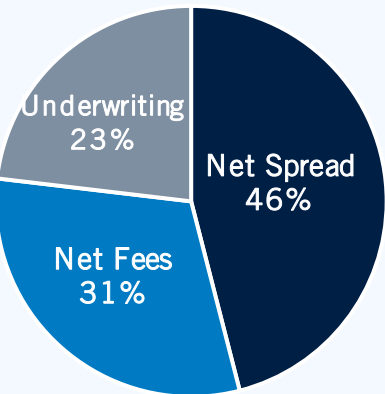


## KEY PRIORITIES

- 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<sup>(2)</sup>



## PERFORMANCE HIGHLIGHTS

- Institutional Retirement Strategies sales of \$7 billion, driven by two Longevity Reinsurance transactions, and Structured Settlement sales, finishing #1 in the market
- Continued momentum in Individual Retirement Strategies with sales of \$3.5 billion, reflecting strong results in both registered index-linked annuities and fixed annuities
- Solid sales growth of 6% compared to 1Q24 in Group Insurance, with a favorable benefits ratio of 81.3%
- Increase in Individual Life sales of 26% compared to 1Q24, driven by accumulation focused products, reflecting our pivot to more capital efficient solutions



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

Trailing twelve months<sup>(1)</sup>  
(\$ millions)

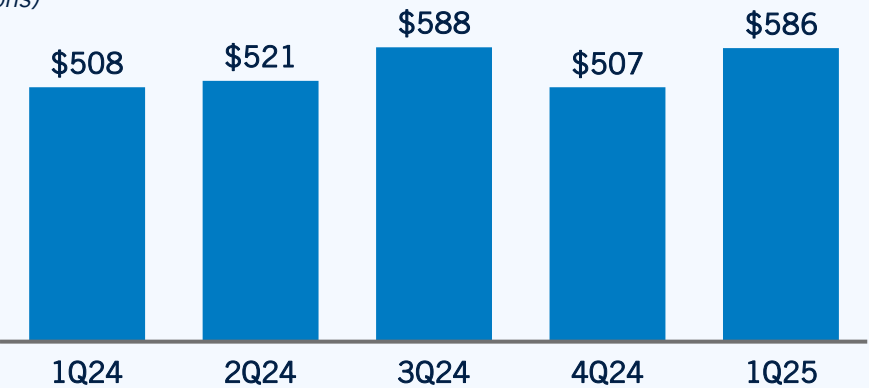


## KEY PRIORITIES

- 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

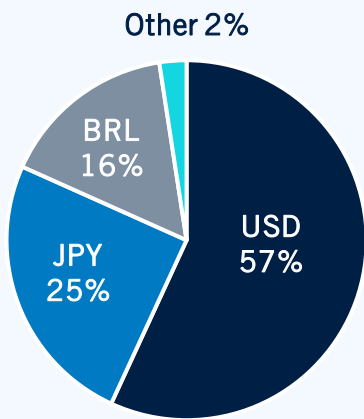
## SALES<sup>(2)</sup>

(\$ millions)



## SALES – CURRENCY MIX<sup>(2)</sup>

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	> \$3 billion	\$4.9 billion <sup>(1)</sup>
Regulatory Capital Ratios	Consistent with AA objectives PICA RBC ratio > 375% Japan solvency margin ratios > 700%	Ratios remain in excess of our objectives <sup>(2)</sup>
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 March 31, 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.



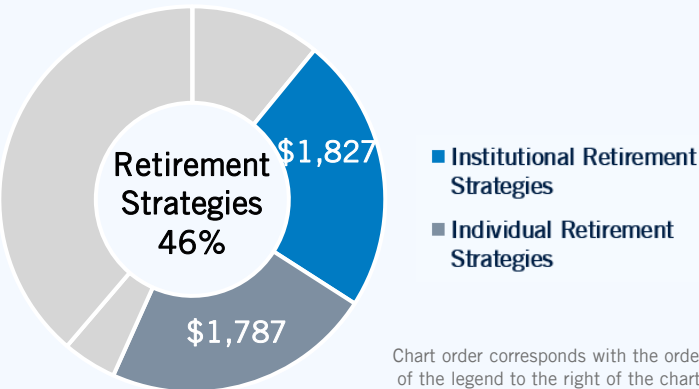
# APPENDIX



# RETIREMENT STRATEGIES | Expanding Access to Retirement Security

## EARNINGS CONTRIBUTION

Trailing twelve months<sup>(1)</sup>  
(\$ millions)

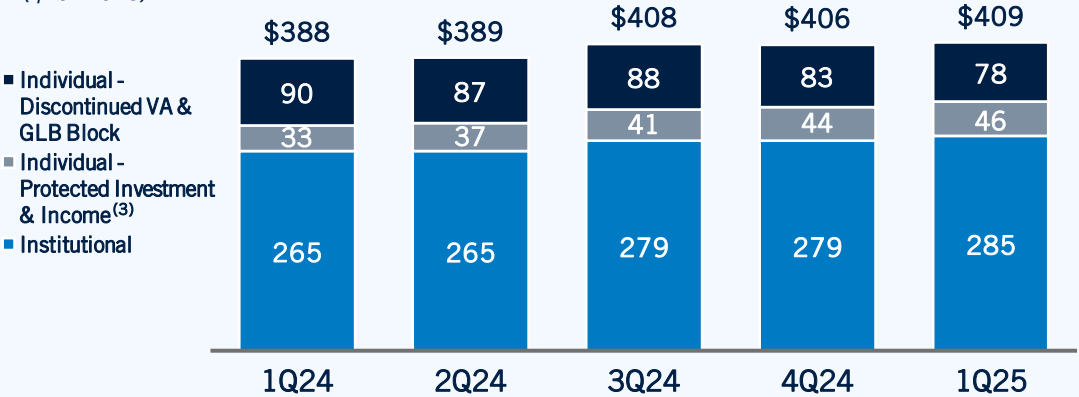


## KEY PRIORITIES

- 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

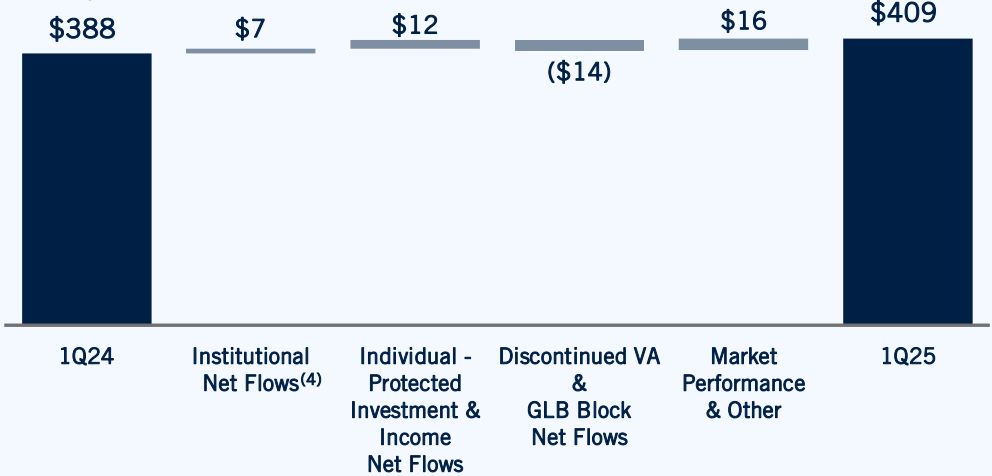
## ACCOUNT VALUES - PRODUCT MIX<sup>(2)</sup>

(\$ billions)



## ACCOUNT VALUES<sup>(2)</sup> AND TRAILING 12 MONTH NET FLOWS

(\$ billions)



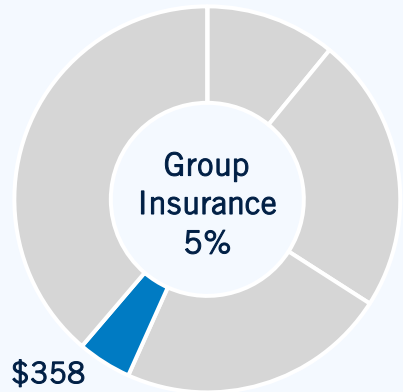
(1) Based on pre-tax adjusted operating income excluding Corporate & Other operations.  
(2) Represents account values net of reinsurance ceded.  
(3) Includes Prudential FlexGuard and FlexGuard Income, Prudential Premier Investment, MyRock, Private Placement Variable Annuity, and all fixed annuity products. Excludes discontinued traditional variable annuities and guaranteed living benefits.  
(4) Institutional net flows include sales of \$32 billion and outflows of (\$25 billion).



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

## EARNINGS CONTRIBUTION

Trailing twelve months<sup>(1)</sup>  
(\$ millions)

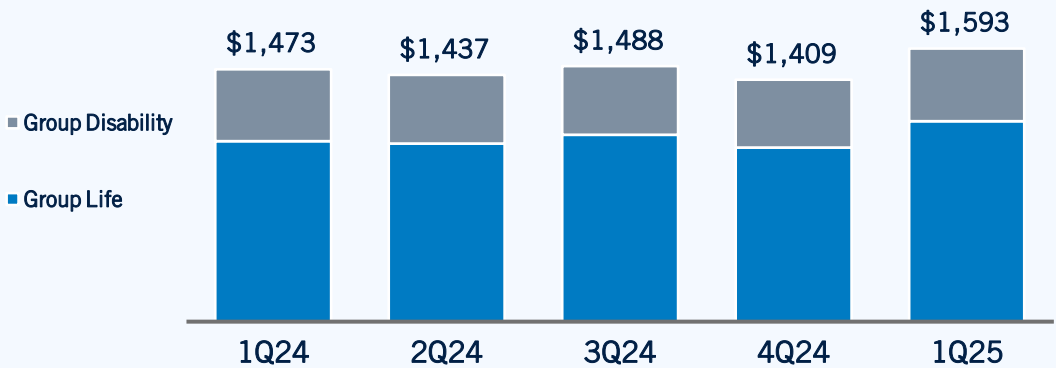


## KEY PRIORITIES

- 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

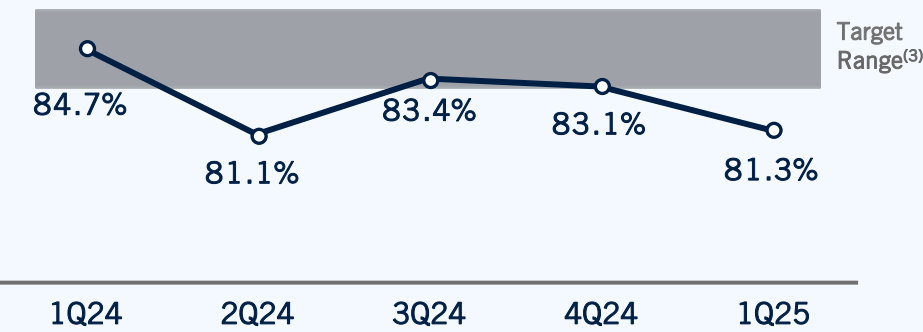
## EARNED PREMIUMS & FEES

(\$ millions)



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

## TOTAL GROUP INSURANCE BENEFITS RATIO<sup>(2)</sup>

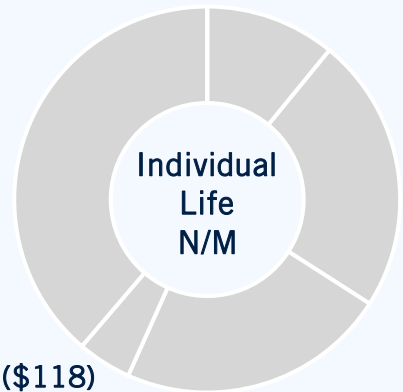


(1) Based on pre-tax adjusted operating income excluding Corporate & Other operations.  
(2) Benefits ratios excluding the impact of assumption updates and other refinements.  
(3) Targeted total benefits ratio range of 83% - 87%.

# INDIVIDUAL LIFE | Broad Product Portfolio and Multi-Channel Distribution

## EARNINGS CONTRIBUTION

Trailing twelve months<sup>(1)</sup>  
(\$ millions)

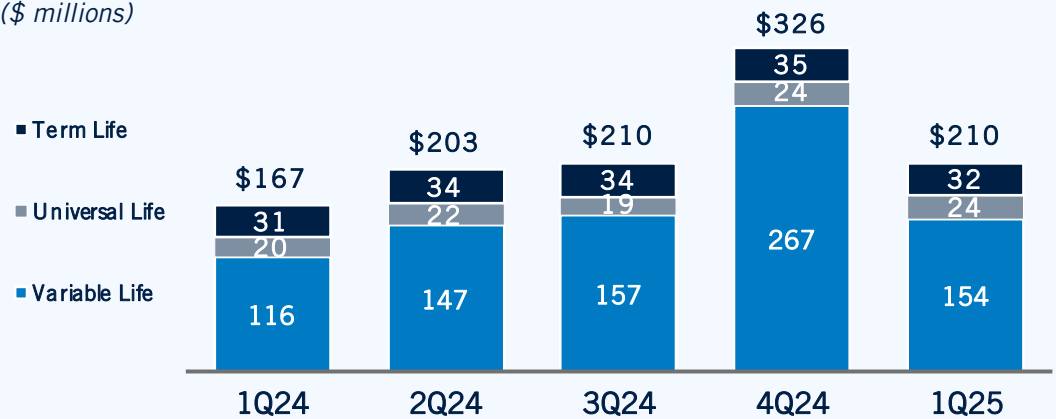


## KEY PRIORITIES

- 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<sup>(2)</sup> – PRODUCT MIX

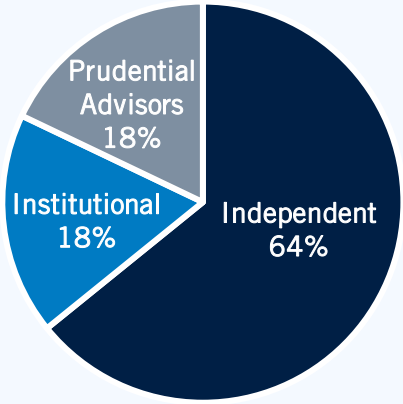
(\$ millions)



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

## SALES<sup>(2)</sup> – DISTRIBUTION MIX

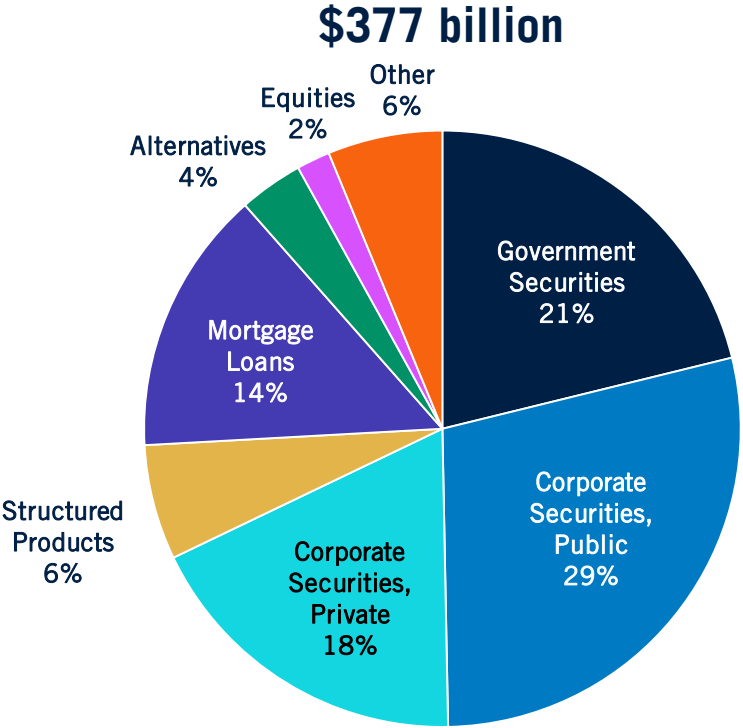
Trailing twelve months



(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<sup>(1)</sup>



## 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

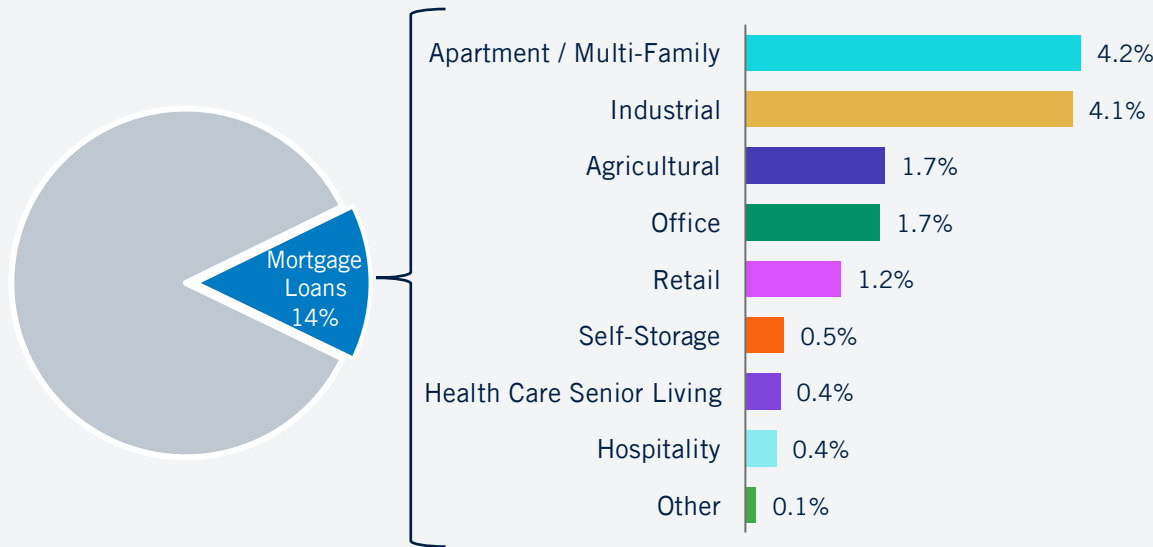


(1) General Account excluding the Closed Block Division, funds withheld, and assets supporting experience-related contractholder liabilities as of March 31, 2025, on a U.S. GAAP carrying value basis. Mortgage loans include commercial, agricultural, residential, and other loans. Structured products include 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 2.36x 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

## EXPOSURE BY PROPERTY TYPE<sup>(1)</sup>



	Debt Service Coverage Ratio			
	≥ 1.2x	1.0x to < 1.2x	< 1.0x	Total
(\$ millions)				
0% - 59.99%	\$25,986	\$868	\$245	\$27,099
60% - 69.99%	14,558	789	140	15,487
70% - 79.99%	5,518	352	290	6,160
80% or greater	2,717	1,165	1,068	4,950
Total <sup>(1)</sup>	\$ 48,779	\$ 3,174	\$ 1,743	\$ 53,696

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 March 31, 2025, on a U.S. GAAP carrying value basis. Excludes \$1B of uncollateralized, residential, and other collateralized loans.

# ADJUSTED OPERATING INCOME RECONCILIATION BY BUSINESS

<i>(\$ millions, pre-tax)</i>	1Q25 Reported	Alternative Investment Income <sup>(2)</sup>	Underwriting	Expenses & Other <sup>(3)</sup>	1Q25 Core
PGIM	\$156	-	-	75	\$231
Institutional Retirement Strategies	\$412	35	(15)	-	\$432
Individual Retirement Strategies	\$464	10	-	-	\$474
Group Insurance	\$89	-	(20)	10	\$79
Individual Life	(\$34)	10	65	10	\$51
International	\$848	15	10	(105)	\$768
Corporate & Other	(\$415)	20	-	(30)	(\$425)
<b>Prudential Financial, Inc.<sup>(1)</sup></b>	<b>\$1,520</b>	<b>\$90</b>	<b>\$40</b>	<b>(\$40)</b>	<b>\$1,610</b>

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 below a normalized level and seasonally high compensation and other expenses. Group Insurance and Individual Life include higher than typical expenses. International primarily includes seasonally higher annual premiums and lower than typical expenses. Corporate & Other reflects the timing of investments in enterprise initiatives, partially offset by seasonally high compensation expenses. Corporate & Other expects full year 2025 loss of \$1.7 billion.





# SEASONALITY OF KEY FINANCIAL ITEMS

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

Note: PGIM and Corporate & Other expense seasonality has been refined and is now normalized throughout the year.



(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 earnings growth, our financial strength objectives, and those under the headings “Key Priorities” 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. 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.

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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](http://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 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](http://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 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<sup>(1)</sup>

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<sup>(2)</sup>

First Quarter	
2025	2024
\$ 707	\$ 1,138
35	13
742	1,151
35	13
707	1,138
(6)	37
713	1,101
(246)	(63)
(351)	123
39	(32)
(22)	(3)
(51)	(35)
3	(27)
28	(8)
(600)	(45)
(125)	(31)
(475)	(14)
1,188	1,115
332	320
\$ 1,520	\$ 1,435
9.8%	16.5%
13.8%	12.7%

(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)

	First Quarter	
(\$ millions)	2025	2024
Adjusted operating income before income taxes	\$ 1,520	
Less:		
Annual review and update of actuarial assumptions and other refinements	-	
Returns on alternative investment income above / (below) average expectations	(\$90)	
Underwriting experience above / (below) average expectations	(\$40)	
(Higher) / lower than expected expenses and other items	\$40	
Core adjusted operating income before income taxes	\$ 1,610	



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

	First Quarter	
	2025	2024
Net income (loss) per share attributable to Prudential Financial, Inc.	\$ 1.96	\$ 3.12
Less: Reconciling Items:		
Realized investment gains (losses), net, and related charges and adjustments	(0.69)	(0.17)
Change in value of market risk benefits, net of related hedging gains (losses)	(0.99)	0.34
Market experience updates	0.11	(0.09)
Divested and Run-off Businesses:		
Closed Block Division	(0.06)	(0.01)
Other Divested and Run-off Businesses	(0.14)	(0.10)
Difference in earnings allocated to participating unvested share-based payment awards	0.02	-
Other adjustments <sup>(1)</sup>	0.08	(0.02)
Total reconciling items, before income taxes	(1.67)	(0.05)
Less: Income taxes, not applicable to adjusted operating income	(0.34)	(0.12)
Total reconciling items, after income taxes	(1.33)	0.07
After-tax adjusted operating income per share	\$ 3.29	\$ 3.05



(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)

	March 31, 2025
<b>GAAP book value</b>	\$ 29,883
Less: Accumulated other comprehensive income (AOCI)	(4,741)
<b>GAAP book value excluding AOCI</b>	34,624
Less: Cumulative change in fair value of funds withheld embedded derivatives <sup>(1)</sup>	62
Less: Cumulative effect of foreign exchange rate remeasurement and currency translation adjustments corresponding to realized gains (losses)	108
<b>Adjusted book value</b>	<u>\$ 34,454</u>
 Number of diluted shares	 <u>357.5</u>
 GAAP book value per Common share - diluted	 \$ 83.59
GAAP book value excluding AOCI per Common share - diluted	\$ 96.85
Adjusted book value per Common share - diluted	\$ 96.37



(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.