

# RECONCILIATIONS BETWEEN AOI AND THE COMPARABLE GAAP MEASURE<sup>(1)</sup>



(\$ millions)

	Year Ended		March 31, 2019
	2018	2013	
<b>Net income attributable to Prudential Financial, Inc.</b>	\$ 4,074	\$ (713)	\$ 932
Income attributable to noncontrolling interests	14	107	5
<b>Net income</b>	4,088	(606)	937
Less: Income from discontinued operations, net of taxes	-	7	-
<b>Income (loss) from continuing operations (after-tax)</b>	4,088	(613)	937
Less: Earnings attributable to noncontrolling interests	14	107	5
<b>Income attributable to Prudential Financial, Inc.</b>	4,074	(720)	932
Less: Equity in earnings of operating joint ventures, net of taxes and earnings attributable to noncontrolling interests	62	(48)	24
<b>Income (after-tax) before equity in earnings of operating joint ventures</b>	4,012	(672)	908
Less: Reconciling Items:			
Realized investment gains (losses), net, and related charges and adjustments	303	(8,149)	(638)
Investment gains (losses) on assets supporting experience rated contractholders liabilities, net	(863)	(250)	454
Change in experience-rated contractholder liabilities due to asset value changes	710	227	(403)
Divested and Run-off Businesses:			
Closed Block Division	(62)	-	(19)
Other Divested and Run-off Businesses	(1,535)	29	174
Equity in earnings of operating joint ventures and earnings attributable to noncontrolling interests	(87)	28	(33)
Total reconciling items, before income taxes	(1,534)	(8,115)	(465)
Less: Income taxes, not applicable to adjusted operating income	(527)	(2,857)	(114)
Total reconciling items, after income taxes	(1,007)	(5,258)	(351)
<b>After-tax adjusted operating income</b>	5,019	4,586	1,259
Income taxes, applicable to adjusted operating income	1,349	1,783	346
<b>Adjusted operating income before income taxes</b>	\$ 6,368	\$ 6,369	\$ 1,605
Adjusted Operating Return on Equity <sup>(2)</sup>	12.7%	16.4%	12.6%

1) Represents results of FSB for 2013.

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

# RECONCILIATIONS BETWEEN ADJUSTED BOOK VALUE AND THE COMPARABLE GAAP MEASURE <sup>(1)</sup>



(\$ millions, except per share data)

	December 31,		March 31, 2019
	2018	2013	
<b>GAAP book value</b>	\$ 48,617	\$ 33,885	\$ 55,010
Less: Accumulated other comprehensive income (AOCI)	10,906	8,586	17,218
<b>GAAP book value excluding AOCI</b>	37,711	25,299	37,792
Less: Cumulative effect of remeasurement of foreign currency and certain deferred taxes	(2,344)	(2,818)	(2,142)
<b>Adjusted book value</b>	<u>\$ 40,055</u>	<u>\$ 28,117</u>	<u>\$ 39,934</u>
Number of diluted shares	422.2	468.7	417.9
GAAP book value per Common share - diluted <sup>(2)</sup>	\$ 116.34	\$ 72.30	\$ 132.83
GAAP book value excluding AOCI per Common share - diluted <sup>(2)</sup>	\$ 90.50	\$ 53.98	\$ 91.63
Adjusted book value per Common share - diluted <sup>(2)</sup>	\$ 96.06	\$ 59.99	\$ 96.76

1) Represents results of FSB for 2013.

2) Book value per share of Common Stock (including AOCI, excluding AOCI, and excluding AOCI and remeasurement of foreign currency). As of December 31, 2018 and March 31, 2019, includes a \$500 million increase in equity and a 6.09 million increase in diluted shares reflecting the dilutive impact of exchangeable surplus notes when book value per share of Common Stock is greater than \$82.16. As of December 31, 2013 excludes the impact of exchangeable surplus notes due to the anti-dilutive impact of conversion.