

# Reconciliations between Adjusted Operating Income and the Comparable GAAP Measure

(\$ millions, except per share data)

	Full Year		Year to Date
	2020	2015	2021
<b>Net income (loss) attributable to Prudential Financial, Inc.</b>	\$ (374)	\$ 5,642	\$ 4,986
Income (loss) attributable to noncontrolling interests	228	70	1
<b>Net income (loss)</b>	(146)	5,712	4,987
Less: Earnings attributable to noncontrolling interests	228	70	1
<b>Income (loss) attributable to Prudential Financial, Inc.</b>	(374)	5,642	4,986
Less: Equity in earnings of operating joint ventures, net of taxes and earnings attributable to noncontrolling interests	(132)	(55)	44
<b>Income (loss) (after-tax) before equity in earnings of operating joint ventures</b>	(242)	5,697	4,942
Less: Reconciling Items:			
Realized investment gains (losses), net, and related charges and adjustments <sup>(1)</sup>	(4,315)	1,497	1,389
Market experience updates	(640)	-	529
Divested and Run-off Businesses:			
Closed Block division	(24)	58	65
Other Divested and Run-off Businesses	(629)	194	285
Equity in earnings of operating joint ventures and earnings attributable to noncontrolling interests	90	58	(49)
Other adjustments <sup>(2)</sup>	51	-	(26)
Total reconciling items, before income taxes	(5,467)	1,807	2,193
Less: Income taxes, not applicable to adjusted operating income	(1,114)	551	430
Total reconciling items, after income taxes	(4,353)	1,256	1,763
<b>After-tax adjusted operating income</b>	4,111	4,441	3,179
Income taxes, applicable to adjusted operating income	1,033	1,521	815
<b>Adjusted operating income before income taxes</b>	\$ 5,144	\$ 5,962	\$ 3,994
<b>After-tax adjusted operating income per share</b>	\$ 10.21	\$ 9.59	\$ 7.90
Net Income Return on Equity	-0.6%	13.3%	15.9%
Adjusted Operating Return on Equity <sup>(3)</sup>	10.7%	13.8%	16.0%

Note: Prior periods restated for reclassification of results of Prudential Life Insurance Company of Taiwan Inc. ("POT") and The Prudential Life Insurance Company of Korea, Ltd ("POK"). Adjusted operating income reflects the reclassification of results of POT and POK from International Businesses to Divested and Run-off Businesses in Corporate & Other. The results of these businesses are excluded from adjusted operating income as a result of the operation being held for sale.

(1) Prior period amounts have been updated to conform to current period presentation.

(2) Represents adjustments not included in the above reconciling items. "Other adjustments" include certain components of the consideration for the Assurance IQ acquisition, which are recognized as compensation expense over the requisite service periods, as well as changes in the fair value of contingent consideration.

(3) 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

(\$ millions, except per share data)

	December 31,		June 30,
	2020	2015	2021
<b>GAAP book value</b>	\$ 67,425	\$ 41,890	\$ 63,048
Less: Accumulated other comprehensive income (AOCI)	30,738	12,285	23,277
<b>GAAP book value excluding AOCI</b>	36,687	29,605	39,771
Less: Cumulative effect of remeasurement of foreign currency	(1,399)	(3,747)	(1,287)
<b>Adjusted book value</b>	\$ 38,086	\$ 33,352	\$ 41,058
Number of diluted shares	401.8	453.2	393.3
GAAP book value per Common share - diluted	\$ 167.81	\$ 92.39	\$ 160.31
GAAP book value excluding AOCI per Common share - diluted	\$ 91.31	\$ 65.32	\$ 101.12
Adjusted book value per Common share - diluted	\$ 94.79	\$ 73.59	\$ 104.39

