1Q22 Investor Update

Prudential
Bring Your Challenges®

Prudential Investment Thesis

ROCK SOLID
Demonstrated financial strength

DIFFERENTIATED
Thoughtful strategies and business design produce differentiated outcomes

DISCIPLINED
Positioned for long-term growth

TRANSFORMING TO BECOME A HIGHER GROWTH, LESS MARKET SENSITIVE, MORE NIMBLE BUSINESS

14%
Adjusted Operating ROE(1)

10%
5-yr Annual Dividends Per Share CAGR(2)

7%
5-yr Adjusted BVPS CAGR(3)

(1) Based on 2021 after-tax adjusted operating income and average adjusted book value. Adjusted operating income reflects the reclassification of results of Full Service Retirement from the Retirement business to Divested and Run-off Businesses in Corporate & Other. Full Service Retirement results are excluded from adjusted operating income as a result of the operation being held-for-sale. See reconciliation of non-GAAP measures in Appendix for more information.
(2) From 2016 to 2021; based on annual dividend per share.
(3) From 2016 to 2021; based on adjusted book value. See reconciliation of non-GAAP measures in Appendix for more information.

Complementary Businesses at Scale with Long-Term Growth Potential

Earnings Contribution(1)

Key Statistics

Revenues(2):	$60B
Adjusted Book Value Per Share(3):	$107.16
Employees(4):	Approx. 40,000
Adjusted Dividend Yield(5):	4%

Note: Prior periods restated for reclassification of results of Full Service Retirement from the Retirement business to Divested and Run-off Businesses in Corporate & Other.

(1) Based on last twelve months of pre-tax adjusted operating income through 1Q22. Pie chart percentages exclude Corporate & Other operations loss of $1,651 million. See reconciliation of non-GAAP measures in Appendix for more information.
(2) Based on last twelve months of revenue on a pre-tax adjusted operating income basis through 1Q22.
(3) As of March 31, 2022. See reconciliation of non-GAAP measures in Appendix for more information.
(4) As of December 31, 2021.
(5) Based on 1Q22 annualized dividend per share divided by adjusted book value per share.

Executing on Plans to Reposition the Business

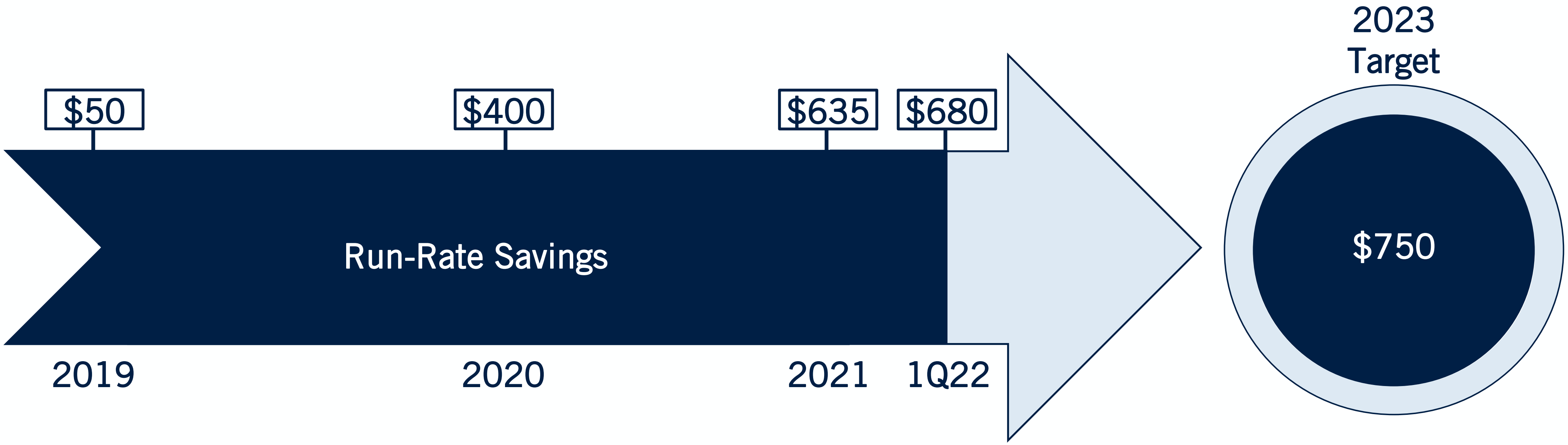
Divestitures	Acquisitions	Business Investment
• Full Service Retirement business[1] • PALAC traditional Variable Annuity block[1]	• Programmatic acquisitions and investments in asset management and emerging markets: – Alexander Forbes[2]	• Enhance customer experience through digital tools • Expand solutions to support sustainable growth

Becoming a higher growth, less market sensitive company

(1) Completed sales of the Full Service Retirement business and the PALAC traditional Variable Annuity block in April 2022.
(2) Expected to complete acquisition of strategic minority interest of Alexander Forbes in South Africa in 2Q22.

On Track to Achieve $750 Million of Cost Savings

($ in millions)



Reducing costs while improving employee and customer experience

Note: Realized cost savings of ~$170 million in 1Q22.

Rock Solid Balance Sheet Provides Financial Flexibility

Maintain robust balance sheet position

- Well-diversified investment portfolio
- Capital continues to support AA rating level as of March 31, 2022
- Highly liquid assets of $3.6 billion[(1)]
- Proceeds from divestitures of over $4 billion received in 2Q22

Return $11 billion of capital to shareholders

(2021 to 2023)

- Returned over $800 million in 1Q22[(2)]
- Increased our dividend by 4% in 1Q22
  - 14th consecutive annual dividend increase

Creating sustainable, profitable growth and shareholder returns

(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) Capital returned to shareholders in the first quarter of $837 million includes share repurchases of $375 million and dividends of $462 million.

Continued Commitment to Long-Term Sustainability

ENVIRONMENTAL	SOCIAL	GOVERNANCE
2050 Net Zero emissions across primary global operations expands and accelerates climate actions	**$1B Invested[1]** by The Prudential Foundation works to eliminate barriers for underserved and underrepresented populations	**82%** of Independent Directors are diverse which enhances collaboration and results in varied points of view
Thermal Coal Restriction[2] on new direct investments in companies that derive 25% or more of revenues from thermal coal	**$1B in AUM** for impact investment portfolio makes Prudential one of the first institutional investors to reach this milestone	**Diversity Modifier** for '21-'23 performance period ensures transparency and accountability toward I&D performance targets

Fortune® Magazine's 2022 World's Most Admired Companies® List *for 9 consecutive years*	Ethisphere 2022 World's Most Ethical Companies® List *for 8 consecutive years*	Barron's 2022 100 Most Sustainable Companies in America List *for 5 consecutive years*	FTSE4GOOD Index Series *for 11 consecutive years*

(1) First grant in 1978.
(2) Exceptions may apply for issuers with a low carbon transition strategy and green bonds of restricted issuers.

ROCK SOLID

Demonstrated financial strength

Robust Approach to Capital & Liquidity Management

Financial Strength

"AA" standards
for capital

Liquidity

Significant resources
available

Risk Appetite Framework

Capitalized to remain
competitive under
stress scenarios

Demonstrated Financial Strength

Capital Position	Sources of Funding
• Parent company liquid assets within \$3 to \$5 billion liquidity target range • PICA RBC ratio > 400% • Japan solvency margin ratios > 700%	• Parent company highly liquid assets of \$3.6 billion(1) • Free cash flow(2) ~65% of earnings over time • Proceeds from sale of Full Service business and traditional Variable Annuity block received in April 2022(1)

Off-Balance Sheet Resources

Resource	Capacity	Maturity Date
Sustainability-Linked Credit Facility	\$4.0 billion	July 2026
Contingent Capital	\$1.5 billion \$1.5 billion	November 2023 May 2030
Prudential Holdings of Japan Facility	¥100 billion	September 2024

As of March 31, 2022.

(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. Total proceeds from sale of Full Service Retirement business and PALAC traditional Variable Annuity block were \$4.5 billion with \$300 million received in the first quarter of 2022.

(2) Management view of free cash flow as a percentage of after-tax adjusted operating income includes dividends and returns of capital, net receipts from capital related intercompany loans, capital contributions to subsidiaries, and adjustments for M&A funding. Percentage is not intended to report results over any given time period.

Preserving Balance Sheet Strength, as We Have Done for 145+ Years

Stress Parameters

- Equity Market Decline
- Pandemic Insurance Shock
- Interest Rate Shock
- Credit Shock
- Currency Shock

Our Toolbox

- Disciplined ALM and hedging
- On balance sheet capital capacity
- Off-balance sheet resources
  - Credit facilities
  - Contingent capital
- Shift in our product mix
- Ability to adjust product pricing
- Reinsurance
- Prudent management

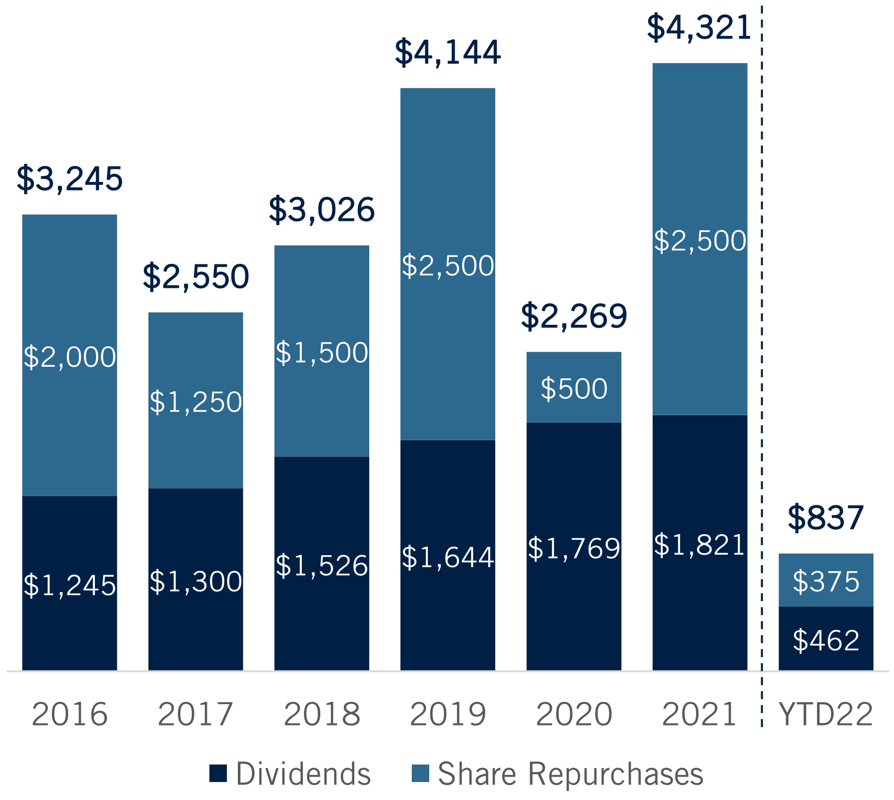
Outcomes

- Maintain appropriate and competitive regulatory capital levels at insurance companies
- Maintain adequate cash position at parent company
- Relatively resilient to equity market and interest rates declines
- Highly effective variable annuity hedging program

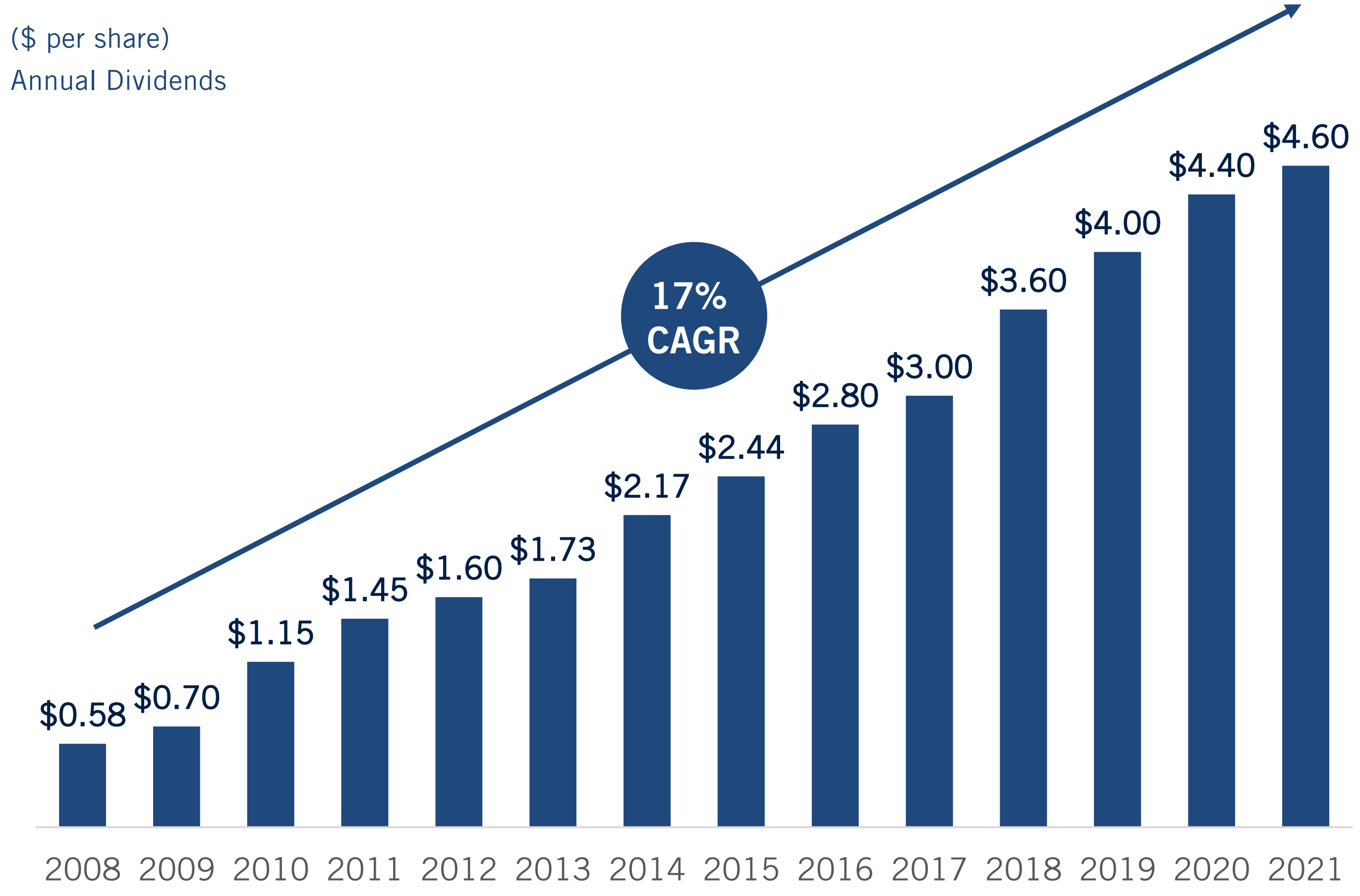
Balanced Approach to Capital Allocation

1. **Maintain Strong Capital Position**
2. **Organic Growth at Attractive Returns**
3. **Sustainable and Growing Dividends**
4. **Acquisitions**
5. **Share Repurchases**

Shareholder Distributions
($ millions)



Double-Digit Dividend Growth Supported by Strong Earnings and Cash Flow Coverage



32%

2021 Dividend Payout Ratio(1)

(1) Based on annual dividend per share divided by annual after-tax adjusted operating income per share. See reconciliation of non-GAAP measures in Appendix for more information.

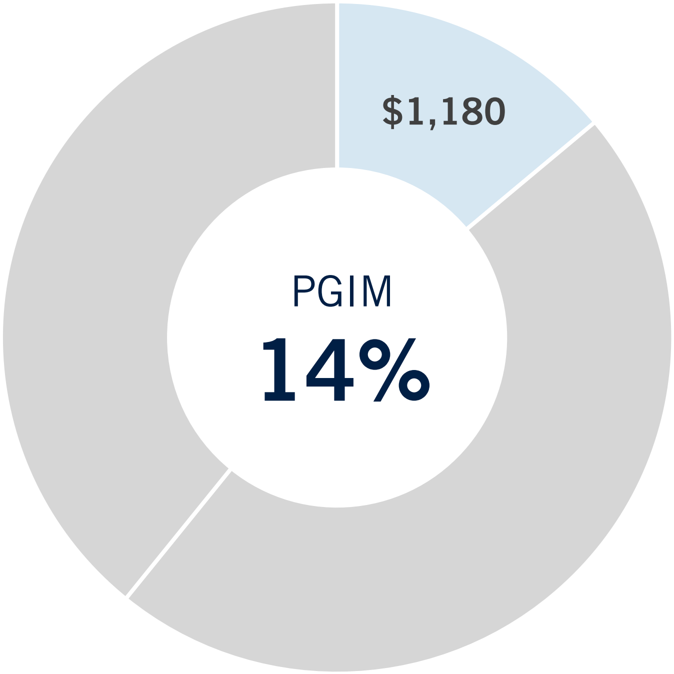
DIFFERENTIATED

Thoughtful strategies and business design produce differentiated outcomes

Diversified Top 10 Global Asset Manager Across a Broad Range of Private and Public Asset Classes

Earnings Contribution[(1)]

($ millions)



Business Highlights:

- Diverse offering with scale – Attractive asset classes, client segments, and worldwide geographic presence
- Proven ability to capture industry flows and market share while preserving fee levels
- Alignment of incentive – Pay for performance model

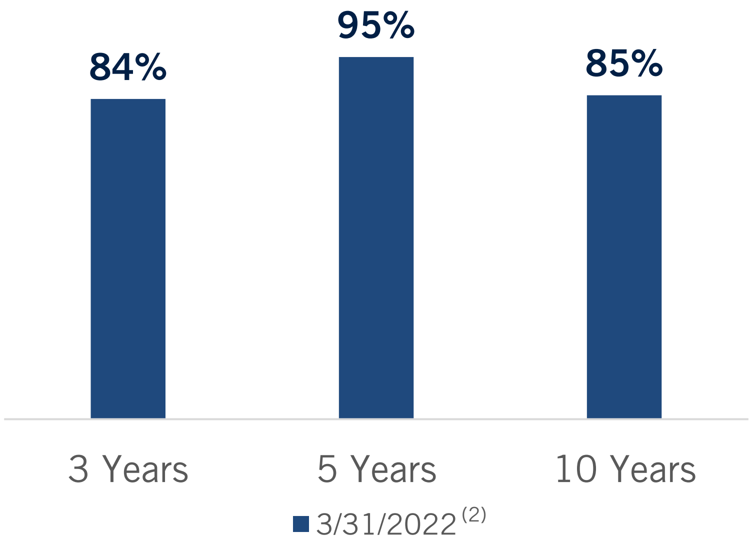
Stable earnings, strong operating margin, and sustained cash flows to PFI

Note: See Appendix for sources of rankings.
(1) Based on last twelve months of pre-tax adjusted operating income through 1Q22 excluding Corporate & Other operations.

PGIM

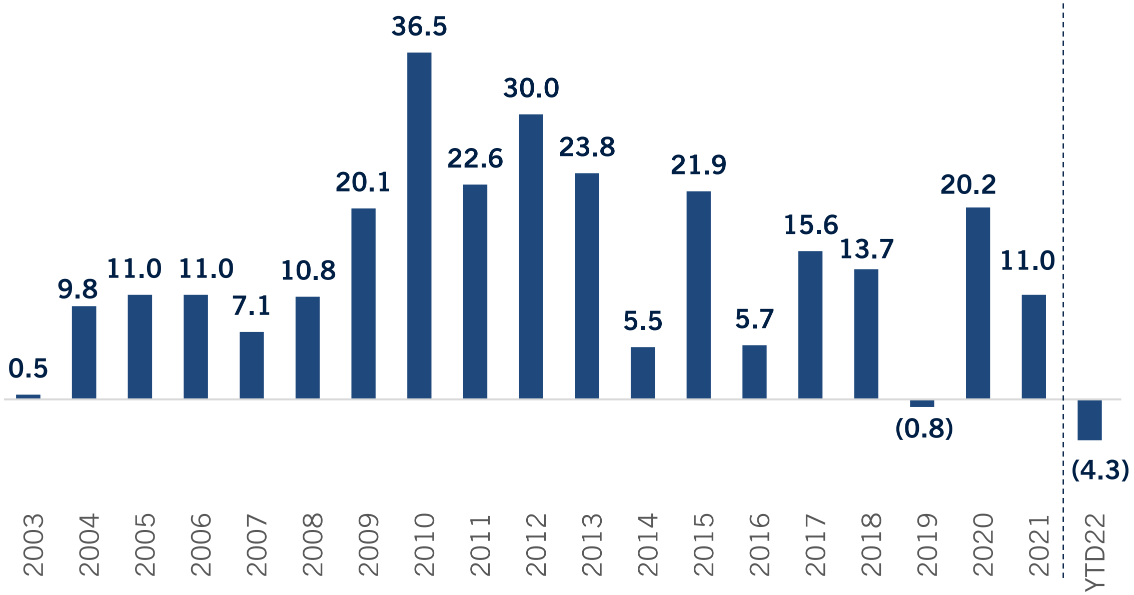
Strong Investment Performance Across Attractive Asset Classes Leads to Significant Organic Growth

Percentage of PGIM AUM(1) Outperforming Benchmark



Successful History with 18 out of 19 Years of Positive Third-Party Net Flows

($ billions)



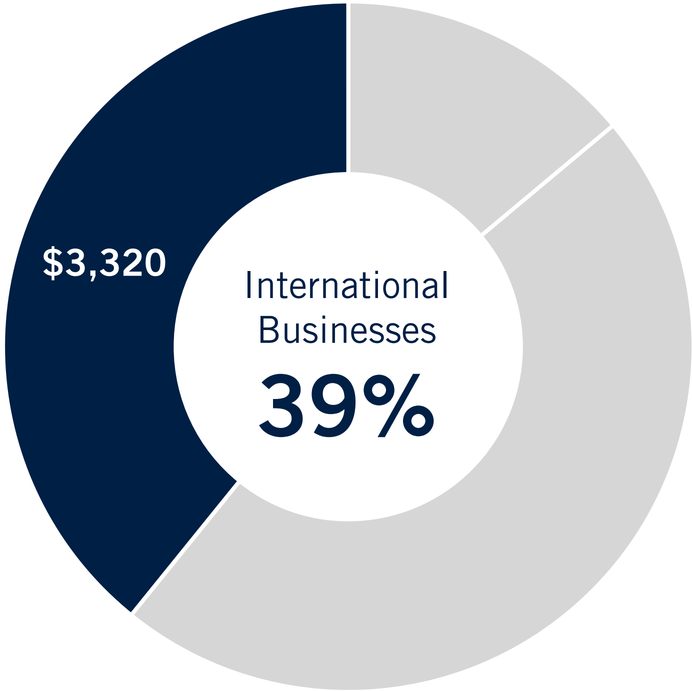
(1) Represents PGIM's benchmarked AUM (77% of total third-party AUM is benchmarked over 3 years, 68% over 5 years, and 44% over 10 years). This calculation does not include non-benchmarked assets (including general account assets and assets not managed by PGIM). Returns are calculated gross of investment 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, PGIM Global Partners, and PGIM Real Estate Finance. Due to timing, performance for some real estate funds is preliminary.

(2) PGIM calculations as of March 31, 2022 for $802 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).

Highly Productive, Elite Proprietary Distribution and Expanding Presence in Growth Markets

Earnings Contribution(1)

($ millions)



Business Highlights:

- Best in class, profitable Japanese franchise consistently maintaining market leadership position
- Continuing rotation from mature to developing markets with greater growth prospects and favorable demographic trends
- Synergies with PGIM's investment expertise

Stable earnings, high returns, and sustained cash flows to PFI

Note: See Appendix for earnings by business.
(1) Based on last twelve months of pre-tax adjusted operating income through 1Q22 excluding Corporate & Other operations.

Attractive Mix of Developed and Emerging Markets Provide Long-term Growth

Developed: Japan

- Highly productive distribution system; world class captive agents, complemented by third-party channels
- Aging population provides opportunity for expanding product solutions
- Wealthy households with significant investable assets

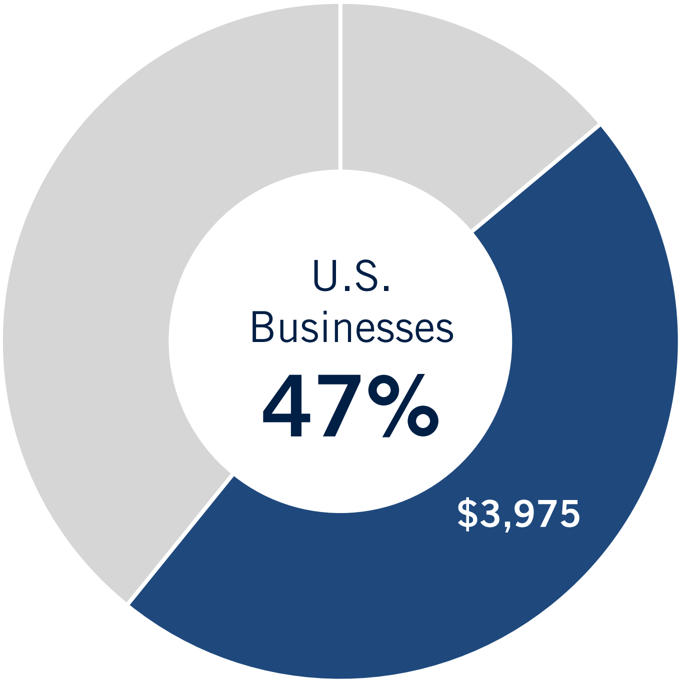
Emerging Markets

- Expanding economies and rising affluent and middle class: Latin America, China, Southeast Asia, Africa
- Low insurance penetration with growing demand for protection and savings products
- Thoughtful ownership approaches and business models tailored to local market dynamics and opportunities

Diversified Business Portfolio with Expanding Market Opportunities

Earnings Contribution[1]

($ millions)



Business Highlights:

- Diversified customer base
- Broad set of complementary solutions
- Strong multi-channel distribution
- Synergies with PGIM's investment expertise

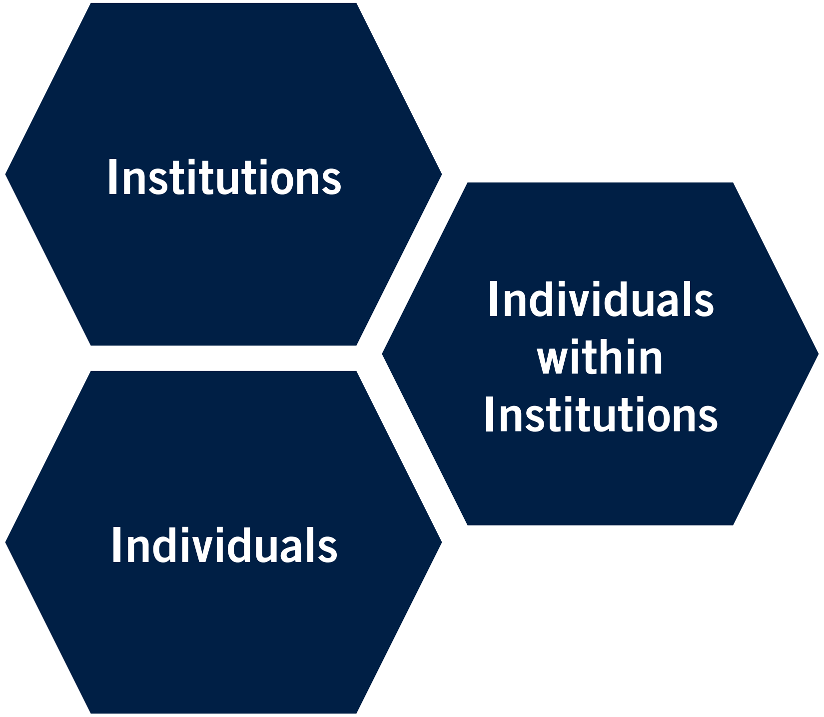
Scaled and diversified businesses with improving risk profile

Note: See Appendix for earnings by business. Prior periods restated for reclassification of results of Full Service Retirement from the Retirement business to Divested and Run-off Businesses in Corporate & Other.

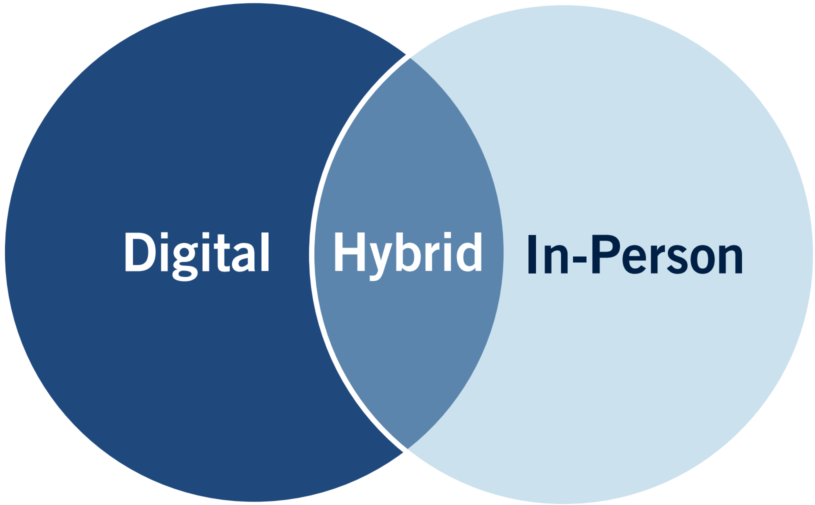
(1) Based on last twelve months of pre-tax adjusted operating income through 1Q22 excluding Corporate & Other operations. U.S. Businesses include Retirement, Group Insurance, Individual Annuities, Individual Life, and Assurance IQ.

Broad, End-to-End Engagement Model

We Can Meet Customers…



… How and Where They Want



Complementary Businesses Amplify Growth and Mitigate Risk

Competitive Synergies

- PGIM is the "investment engine" of Prudential – generates higher returning assets that enhance the competitiveness of U.S. and International Businesses
- U.S. and International Businesses significantly increase PGIM's scale
- Individual businesses enhance Workplace value proposition

Risk Mitigation Synergies

- Diversification of earnings, capital, and risks
- Natural hedging
  - Mortality / Longevity
  - Offsetting equity exposure across businesses

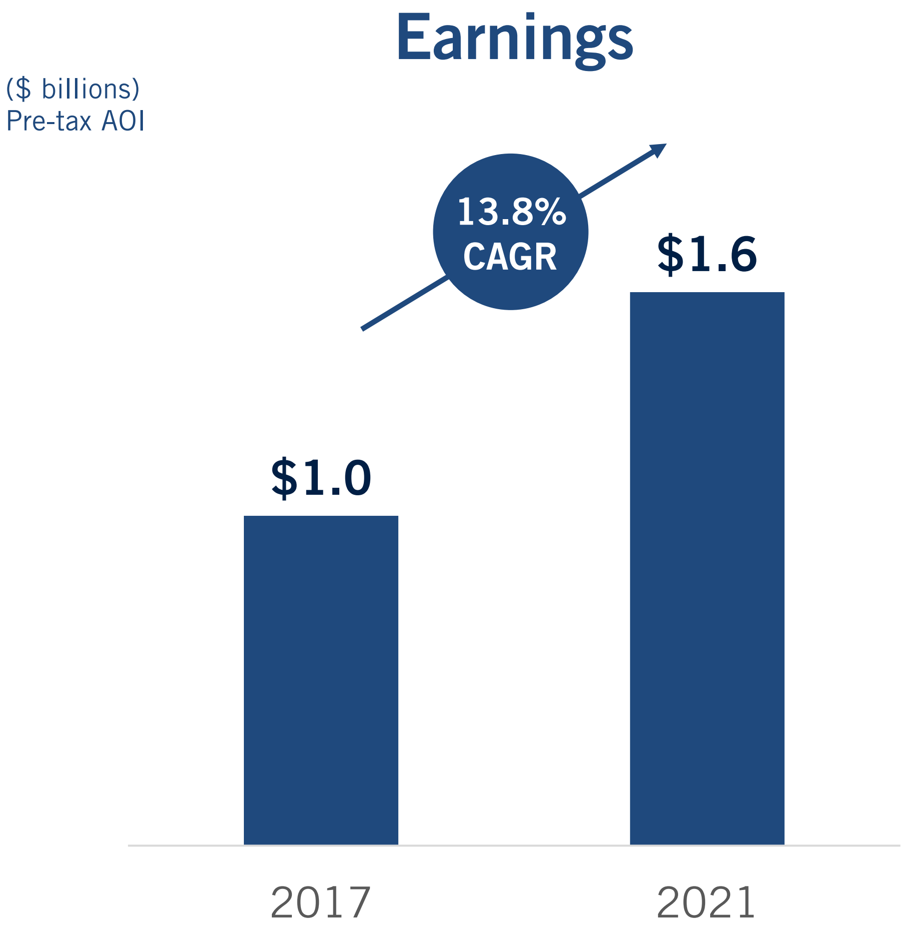
Global Intelligence — Idea Sharing — Common Purpose

DISCIPLINED

Positioned for long-term growth

Prudential
Bring Your Challenges®

Earnings and Margin Continue to Expand



Growth opportunities from:

- Alternatives
- International
- Retail

Margin expansion from positive operating leverage

Broad Geographic Presence in Key Markets

With 1,300+ investment professionals located in 39 offices across 17 countries, our experts are present in key financial centers around the world.

AMERICAS
$1.1
Trillion in AUM

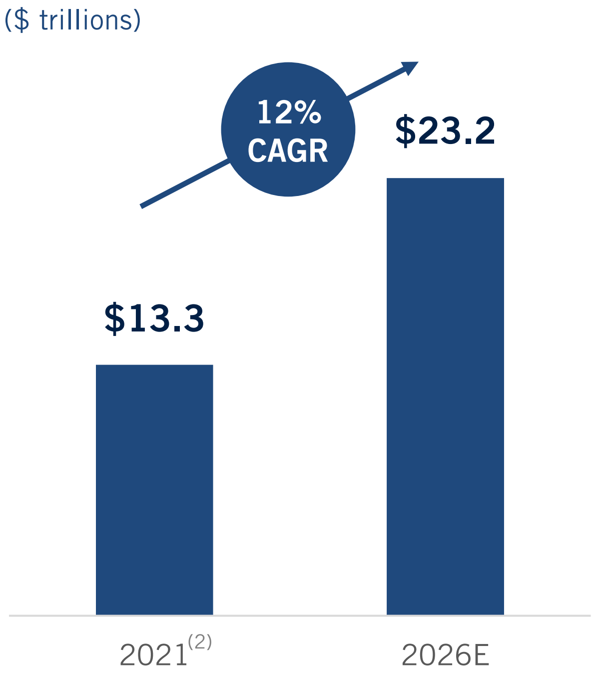
EMEA
$109
Billion in AUM

ASIA PACIFIC
$295
Billion in AUM

Data as of December 31, 2021.

Growth in Alternatives

Market Opportunity[1]



PGIM's Positioning

Alternatives[3]	$267B
Top 3 in Real Estate[3]	$209B
Private Credit[3]	$101B

Investments for Future Growth

- Acquired Montana Capital Partners, a $3.2B AUM Private Equity Secondaries manager
- Building out private credit capabilities (e.g., mezzanine, direct lending)
- Further scaling and broadening PGIM Fixed Income's suite of hedge funds
- Driving growth of QMA's global macro and managed futures strategies

Note: See Appendix for sources of rankings.
(1) Alternatives AUM from Alternatives in 2022 report, published 2022. Includes private equity, private debt, hedge funds, real estate, infrastructure, and natural resources.
(2) 2021 figure is annualized based on data to March 2021. 2022-2026 are Preqin's forecasted figures.
(3) Data reflects AUM as of December 31, 2021. Alternatives AUM represents hedge fund, mezzanine and other private credit, real asset, and infrastructure products across all PGIM businesses. Real Estate represents gross AUM and AUA of $163B and $46B, respectively; net AUM is $137B.

Significant Opportunity Outside the U.S.

Japan
~$257B in Assets

- **Top 3** foreign manager of Japanese Institutional assets
- Increased appetite for non-Japan assets

Europe
~$88B in Assets

- AUM from European clients grew by **13% CAGR** over the last 5 years
- Significantly increased sales and marketing footprint in Europe across institutional and retail channels

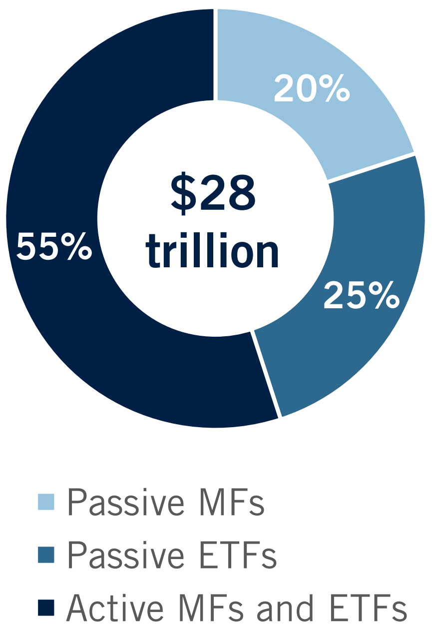
Emerging Markets
~$40B in Assets

- China: **$21B AUM JV** up from **$5B** in 2010; deepening local coverage of top institutions
- Leading manager of active EM strategies across public debt and equities

Note: See Appendix for sources of rankings. Data as of December 31, 2021, unless otherwise stated.

Momentum in U.S. Retail

Market Opportunity[1]



PGIM's Positioning

- 13 consecutive years of positive mutual fund net flows[2]
- Institutional approach to serving retail intermediaries
- Leading Fixed Income franchise meets investors' demand for yield

Investments for Future Growth

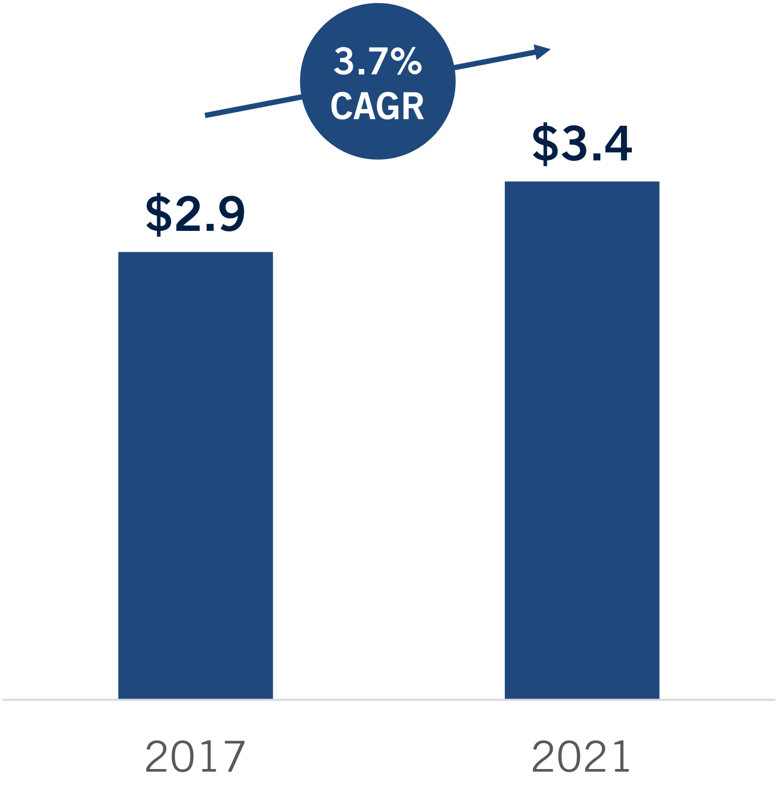
- Continue to build on strategic partner status (e.g., Edward Jones)
- Scale up suite of active ETFs and Retail Separate Accounts

Note: See Appendix for sources of rankings.
(1) Morningstar data as of December 31, 2021 (excludes money market funds and fund of funds).
(2) Based on net flows for long-term mutual funds as of year-to-date December 31, 2021.

Earnings Expansion with Stable Margins

Earnings

($ billions)
Pre-tax AOI



Growth opportunities from:

- Continuing market leadership in Japan
- Expanding our presence in emerging markets

Note: See Appendix for earnings by business.

Well Positioned for Continued Outperformance in Japan

Market Penetration Beyond Tokyo

Highly Skilled Distribution

Adept at Product Evolution

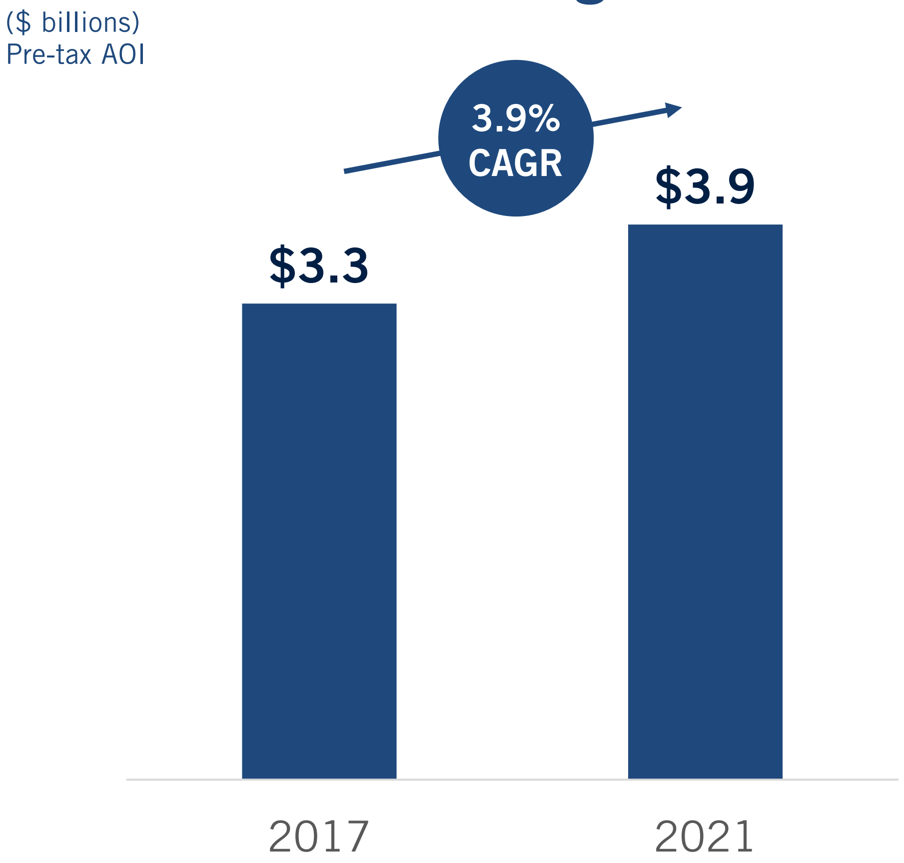
Leverage our Partnerships with Market-Leading Companies for Future Growth in Emerging Markets

Significant Partnerships			Market Leadership
Latin America	Itaú	Largest private sector bank in Brazil and a leading financial institution in Latin America	Over 50 million retail clients
Latin America	AFP HABITAT Seguridad y Confianza	Pension provider with business across Chile, Peru, and Colombia	#1 in Chile by AUM(1) #2 in Latin America by AUM(2)
China	FOSUN 复星	Innovation-driven consumer group creating high-quality products and services in Health, Happiness, Wealth, and Intelligent Manufacturing sectors	Global ecosystem fulfilling the needs of one billion families
India	Piramal	Global business conglomerate with diverse interests in Pharma, Financial Services, and Real Estate	Offices in over 30 countries and a global brand presence in more than 100 markets
Indonesia	CTCORP	Indonesian holding company with businesses across several industries, including financial services	Over 200 million customers and users
Ghana	enterprise GROUP	Financial services provider with multiline presence, including life, general insurance, and pensions	#1 in life insurance(3) #1 in general insurance(3) #1 in pensions(4)
Kenya	ICEA LION GROUP	Financial services provider with multiline presence, including life, general insurance, pensions, and asset management	#3 in life insurance(5) #1 in pension administration(6)

(1) Superintendencia de Pensiones (Chilean Pension Regulator). As of March 31, 2022.
(2) Superintendencia de Pensiones (Pension Regulator) of each country. As of March 31, 2022.
(3) Ghanaian National Insurance Commission. Based on gross premiums as of 3Q21.
(4) National Pensions Regulatory Authority (NPRA). Based on AUM as of year-end 2018.
(5) Kenya Insurance Regulatory Authority (IRA). As of December 31, 2020.
(6) Kenya Insurance Regulatory Authority (IRA). As of December 31, 2020.

Executing Against Three Strategic Pillars

Earnings



Growth opportunities from:

- Strengthening our foundational businesses
- Transforming capabilities and efficiency
- Expanding addressable markets to accelerate growth

Note: See Appendix for earnings by business. Prior periods restated for reclassification of results of Full Service Retirement from the Retirement business to Divested and Run-off Businesses in Corporate & Other.

Strengthening Our Foundational Businesses

Retirement

- Pursue disciplined growth in PRT
- Continue to grow profitably through innovation and expansion into adjacent markets and products

Group Insurance

- Expand in target customer segments
- Enhance voluntary platform and products

Individual Annuities & Individual Life

- Expand in target distribution and customer segments
- Pivot to less interest rate sensitive solutions

Transforming Capabilities and Efficiency

Changing the way we work to improve the customer experience…

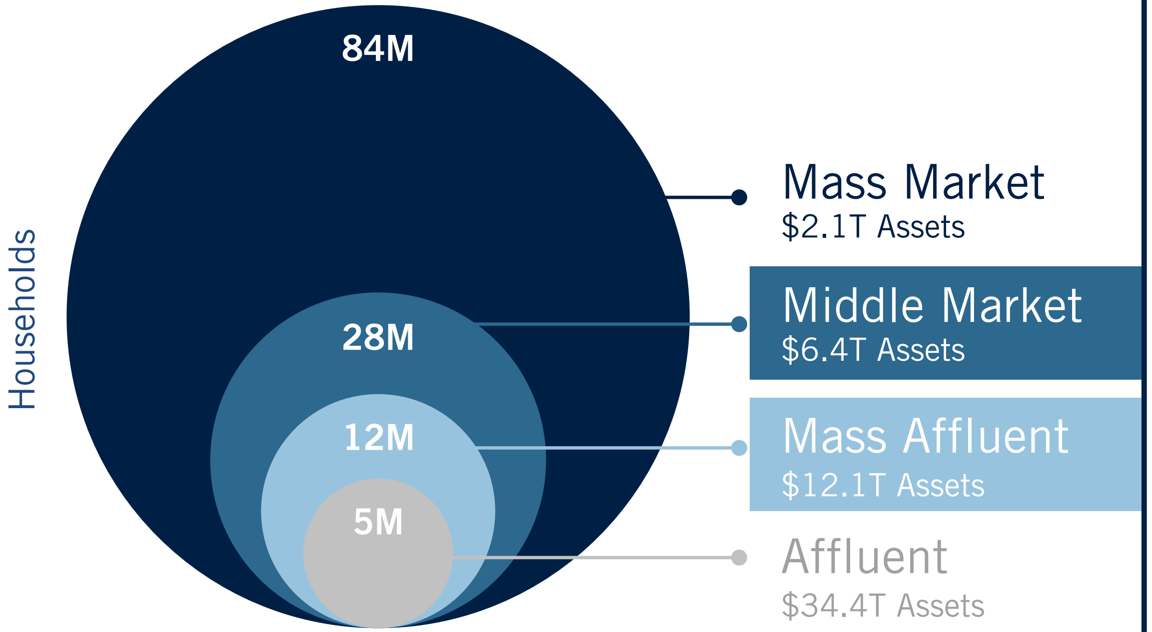
Call Center Optimization	Process Automation	Technology Enablement (Digital, Mobile)

…resulting in ~$750 million of annual run-rate cost savings by year-end 2023(1)

(1) Run-rate at the end of the year. Earnings impact includes U.S. Businesses, PGIM, and Corporate & Other and is subject to timing.

Expanding Addressable Markets to Accelerate Growth

Opportunity to Accelerate Growth in Mass Affluent and Middle Market



Significant opportunity to expand and grow:

- Underserved markets with significant gaps for protection and retirement

How we make it happen:

- Simplified and affordable products
- Alternative distribution channels
  - Workplace Financial Wellness
  - Prudential Advisors
  - Hybrid Advisors
  - Assurance IQ

Sources: Cerulli 2021 Retail Asset Management Report; Prudential 2018 Financial Wellness Survey.

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(2) From 2016 to 2021; based on annual dividend per share.
(3) From 2016 to 2021; based on adjusted book value. See reconciliation of non-GAAP measures in Appendix for more information.

APPENDIX

Sources of Rankings

Business	Market Position	Source
PGIM	Top 10 Global Asset Manager	Pensions & Investments Top Money Managers list, May 31, 2021; based on Prudential Financial, Inc. (PFI) total worldwide assets under management as of December 31, 2020.
	Top 3 Real Estate Manager	Pensions & Investments Top Real Estate Managers list, published October 4, 2021. AUM as of June 30, 2021.
	Top 3 Foreign Manager of Japanese Institutional Assets	PGIM Japan, based on the total AUM for discretionary managed accounts as of June 30, 2021 provided by R&I's Nenkin Joho #871.
	13 consecutive years of positive mutual fund net flows	Strategic Insight/Simfund as of December 31, 2021. Ranking only references net flows for long-term mutual funds and excludes ETF and money markets. Results may differ from PGIM Investments (Strategic Insight/Simfund excludes Day One and private funds).

Forward-Looking Statements

Certain of the statements included in this presentation, including those relating to Prudential Financial, Inc.'s and its subsidiaries' financial strength, strategy and long-term growth prospects, ability to manage risk associated with equity market decline, pandemic insurance shock, interest rate shock, credit shock or currency shock, capital allocation strategy (including the payment of dividends, acquisitions, and repurchase of shares), our ability to complete the transaction with Alexander Forbes, expected cost savings, and our goals related to long-term sustainability, 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. Our financial strength, strategy and long-term growth prospects, ability to manage risk associated with equity market decline, pandemic insurance shock, interest rate shock, credit shock or currency shock, capital allocation strategy (including the payment of dividends, acquisitions, and repurchase of shares), our ability to complete the transaction with Alexander Forbes, expected cost savings, and our goals related to long-term sustainability, are subject to the risk that we will be unable to execute our strategy because of economic, market, or competitive conditions or other factors. 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, adjusted book value, and adjusted operating return on equity, which is based on adjusted operating income and adjusted book value. Consolidated 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, 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 www.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. 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.

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," as adjusted, 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 our tax and capital profile.

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.

Adjusted operating income excludes 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, as well as changes in the fair value of contingent consideration. 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.

Adjusted operating income does not equate to “Net income” as determined in accordance with U.S. GAAP. Adjusted operating income is not a substitute for income determined in accordance with U.S. GAAP, and our definition of adjusted operating income 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 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) 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.

Earnings by Business

($ millions)	Full Year 2021	Full Year 2017[1]	Twelve Months Ended 3/31/2022
Adjusted operating income (loss) before income taxes			
PGIM	$ 1,643	$ 979	$ 1,180
U.S. Businesses:			
Retirement	2,178	1,063	2,132
Group Insurance	(455)	253	(434)
Individual Annuities	1,901	2,198	1,929
Individual Life	393	(191)	488
Assurance IQ	(142)	-	(140)
Total U.S. Businesses	3,875	3,323	3,975
International Businesses:			
Life Planner	1,774	1,224	1,788
Gibraltar Life & Other	1,616	1,705	1,532
Total International Businesses	3,390	2,929	3,320
Corporate & Other	(1,607)	(1,578)	(1,651)
Total adjusted operating income before income taxes	7,301	5,653	6,824
Income taxes, applicable to adjusted operating income	1,529	1,461	1,452
After-tax adjusted operating income	$ 5,772	$ 4,192	$ 5,372

Note: Prior periods restated for reclassification of results of Full Service Retirement. Adjusted operating income reflects the reclassification of results of Full Service Retirement from the Retirement business to Divested and Run-off Businesses in Corporate & Other. Full Service Retirement results 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.

Reconciliations between Adjusted Operating Income and the Comparable GAAP Measure

($ millions, except per share data)	Full Year 2021	Full Year 2017[1]	Twelve Months Ended 3/31/2022
Net income attributable to Prudential Financial, Inc.	$ 7,724	$ 7,863	$ 4,865
Income attributable to noncontrolling interests	70	111	81
Net income	7,794	7,974	4,946
Less: Earnings attributable to noncontrolling interests	70	111	81
Income attributable to Prudential Financial, Inc.	7,724	7,863	4,865
Less: Equity in earnings of operating joint ventures, net of taxes and earnings attributable to noncontrolling interests	17	(62)	(18)
Income (after-tax) before equity in earnings of operating joint ventures	7,707	7,925	4,883
Less: Reconciling Items:			
Realized investment gains, net, and related charges and adjustments	1,627	47	(788)
Market experience updates	750	-	440
Divested and Run-off Businesses:			
Closed Block division	140	45	129
Other Divested and Run-off Businesses	716	709	372
Equity in earnings of operating joint ventures and earnings attributable to noncontrolling interests	(41)	33	(9)
Other adjustments[2]	(1,112)	-	(1,116)
Total reconciling items, before income taxes	2,080	834	(972)
Less: Income taxes, not applicable to adjusted operating income	145	(2,899)	(483)
Total reconciling items, after income taxes	1,935	3,733	(489)
After-tax adjusted operating income	5,772	4,192	5,372
Income taxes, applicable to adjusted operating income	1,529	1,461	1,452
Adjusted operating income before income taxes	$ 7,301	$ 5,653	$ 6,824
After-tax adjusted operating income per share	$ 14.58	$ 9.54	
Net Income Return on Equity	12.4%	16.0%	
Adjusted Operating Return on Equity[3]	14.3%	11.6%	

Note: Prior periods restated for reclassification of results of Full Service Retirement. Adjusted operating income reflects the reclassification of results of Full Service Retirement from the Retirement business to Divested and Run-off Businesses in Corporate & Other. Full Service Retirement results 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, including a goodwill impairment that resulted in a charge of $837 million after-tax, $1,060 million pre-tax, in fourth quarter of 2021 related to Assurance IQ. Also includes certain components of consideration for business acquisitions, which are recognized as compensation expense over the requisite service periods, as well as changes in the fair value of the associated 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, 2021	December 31, 2016	March 31, 2022
GAAP book value	$ 61,876	$ 46,030	$ 43,978
Less: Accumulated other comprehensive income (AOCI)	21,324	14,621	4,205
GAAP book value excluding AOCI	40,552	31,409	39,773
Less: Cumulative effect of remeasurement of foreign currency	(1,164)	(3,199)	(1,107)
Adjusted book value	$ 41,716	$ 34,608	$ 40,880
Number of diluted shares	383.7	436.2	381.5
GAAP book value per Common share - diluted[(1)]	$ 161.26	$ 105.28	$ 115.28
GAAP book value excluding AOCI per Common share - diluted	$ 105.69	$ 72.01	$ 104.25
Adjusted book value per Common share - diluted	$ 108.72	$ 79.33	$ 107.16

Note: 2016 amounts have been revised resulting from the elimination of Gibraltar Life's one-month reporting lag.

(1) Book value per share of Common Stock, including accumulated other comprehensive income, for the period ended December 31, 2016 includes a $500 million increase in equity and a 5.75 million increase in diluted shares, reflecting the dilutive impact of exchangeable surplus notes when book value per share is greater than $86.92. The $500 million of exchangeable surplus notes were converted into 6.2 million shares of Common Stock in the third quarter of 2019.