
Soft yen cited as cause of first-quarter losses for Prudential

By Editor Test Tue, May 8, 2012

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A weakening of the Japanese yen in relation to the U.S. dollar and certain other currencies was cited as the reason for the net loss of \$988 million (\$2.09 per common share) of financial services businesses attributable to Prudential Financial, Inc., the company reported.

The company took a pre-tax charge of approximately \$1.5 billion from net changes in value relating to foreign currency exchange rates and changes in market value of derivatives. The currency-driven value changes were largely offset by corresponding adjustments to accumulated other comprehensive income which are not reflected in net income or loss.

After-tax adjusted operating income for Prudential's Financial Services Businesses was \$741 million, or \$1.56 per Common share, compared to \$1.62 per Common share for year-ago quarter. In other items from Prudential's quarterly report:

- Individual annuities: Account values reach \$124.1 billion at March 31, up 9% from a year earlier; gross sales for the quarter of \$5.0 billion; net sales \$3.2 billion.
- Retirement accounts: Values reach \$239.8 billion at March 31, up 12% from a year earlier; total retirement gross deposits and sales of \$9.0 billion and net additions of \$404 million for the quarter.
- Individual Life annualized new business premiums of \$79 million, up 22% from a year ago.
- Assets under management: \$636.8 billion at March 31, up 12% from a year earlier; net institutional additions for the quarter, excluding money market activity, \$5.4 billion.
- Group insurance: annualized new business premiums of \$313 million, compared to \$500 million a year ago.
- International insurance: constant dollar basis annualized new business premiums of \$819 million, up 24% from a year ago.