

4Q17 INVESTOR BRIEF



Our mission is to help customers achieve financial prosperity and peace of mind

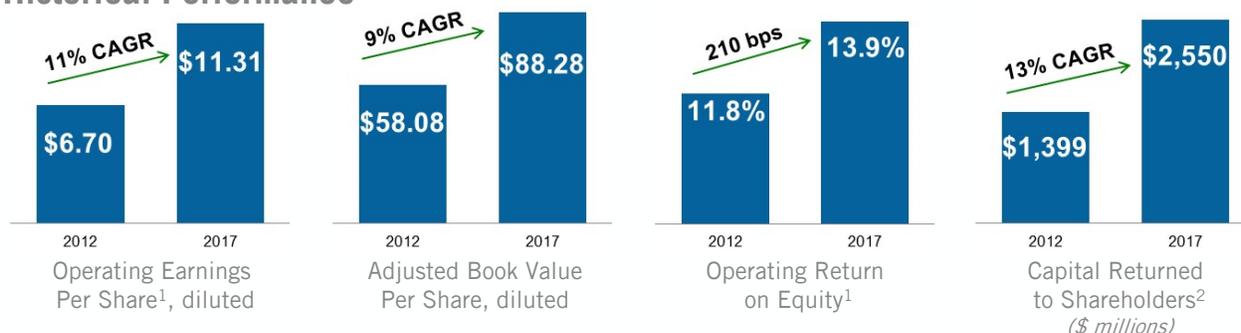


“Our consistency in strategy, superior mix of high-quality businesses, strong capital position, and focus on innovation and risk management, position us to grow and generate strong cash flows through economic cycles.”
– John Strangfeld, Chairman and CEO



“We believe that our shareholder value is enhanced by the purpose of the company, not just by the commercial results that we produce.”
– Mark Grier, Vice Chairman

Historical Performance



Strategic Targets and Objectives

12-13%
Operating ROE¹
over the near to intermediate term

~65%
Deployable cash flow
of after-tax adjusted operating income on average over time

Financial Strength⁴

Prudential Insurance Company of America

AA- S&P **A+** A.M. Best **AA-** Fitch **A1** Moody's

4Q17 Highlights

“Prudential had a solid finish to a strong year. While earnings were impacted by higher expenses in the quarter, underlying fundamentals in our businesses are robust, as evidenced by record assets under management and account values across our operations and solid core growth. As we look to 2018, we see good momentum and opportunities for growth while continuing to focus on key strategic long-term initiatives.”

– John Strangfeld, Chairman and CEO

13.9%
2017 Operating Return on Equity¹

\$1,394
Billion
Assets Under Management (AUM)

	4Q17	Per share	4Q16	Per share
Net Income³	\$3,765 M	\$8.61	\$284 M	\$0.65
After-Tax Adjusted Operating Income	\$1,173 M	\$2.69	\$1,090 M	\$2.46
Adjusted Book Value	\$37,964 M	88.28	\$34,441 M	78.95

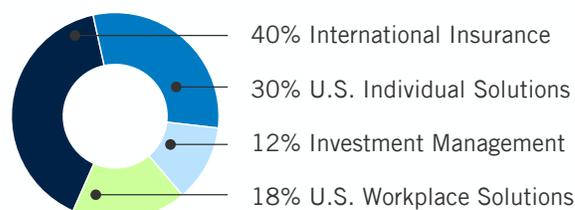
2016 Sustainability Highlights

Stability, security and sustainability underpin Prudential's business model, ensuring that Prudential can continue to deliver on the long-term promises we make to our customers. Prudential has been headquartered in Newark, NJ since our founding in 1875.



Superior business mix combined with a culture focused on talent and collaboration has led to consistent execution and differentiated financial performance.

2017
Pre-tax Operating
Earnings ^{1,5}
\$6.7 Billion



Business Highlights

International Insurance **Top 5** Japan Life company⁶ Investment Management **Top 10** global Asset Manager⁷

- Industry's highest quality captive agency force – leads in retention, productivity and persistency.
- Long-term association relationships including Japan Teachers Union.
- Multi-channel including captive, independent distribution and unique secondment model for bank distribution.
- Continuity of teams and consistency of performance which have produced 15 consecutive years of positive 3rd party institutional net in-flows.
- Multi-asset manager model with strengths in Fixed Income, Real Estate Equity and Debt, Private Placements, and active and quantitative Equities.
- Expanding our international and retail distribution capabilities as well as filling in targeted investment strategies.

U.S. Individual Solutions

Individual Annuities **Top 5** Annuity company⁸

- Among industry's largest with a wide distribution platform.
- Product diversification reduces risk profile and expanding portfolio of solutions includes simplified and lower cost products.
- Broadening buyer universe, including worksite access.

Individual Life **Top 5** U.S. Life company¹⁰

- Multi-channel distribution network and distinctive product portfolio provide broad market access and risk diversification.
- Leadership positions across products support strong sales as marketplace demands pivot.

U.S. Workplace Solutions

Retirement **Top 10** Retirement player⁹

- Leading provider in chosen Institutional and Full Service retirement markets with broad range of retirement products and services.
- Best in class PRT capabilities gaining momentum with both funded and longevity reinsurance.
- Expanding and deepening relationships with workplace consumers.

Group Insurance **Top 5** Life carrier & **top 10** Disability carrier¹¹

- Leading U.S. provider of group life and disability insurance.
- Broad product portfolio providing coverage to over 15 million U.S. workers.
- Expanding margins through revenue growth and expense efficiencies.
- Deepening customer relationships through Financial Wellness platforms.

Accolades

FORTUNE® Magazine 2017 World's Most Admired Companies® #1 Insurance: Life/Health	Forbes® & JUST Capital 2017 America's JUST 100 Companies Industry Leader: Insurance	Ethisphere Institute 2017 World's Most Ethical Companies® 3 years running	Pensions & Investments #9 2017 Top Money Managers List ¹²	DiversityInc Top 50 Companies for Diversity 2017 16 years running
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Upcoming Events

1Q18 Earnings Call
5/3/18 at 11 a.m. ET

2Q18 Earnings Call
8/2/18 at 11 a.m. ET

2018 Tokyo Investor Day
9/27/18

Forward-Looking Statements and Non-GAAP Measures. This Investor Brief includes forward-looking statements. It is possible that actual results may differ materially from these predictions. In addition, this Investor Brief includes references to non-GAAP measures, including Adjusted Operating Income and Adjusted Book Value. The appendix includes a reconciliation of such measures to the comparable GAAP measures and information about factors that could cause actual results to differ materially from those in the forward-looking statements. For more information on 4Q17 results, including the appendix, see www.investor.prudential.com.

1) Based on adjusted operating income (AOI) excluding market driven and discrete items. 2) Reflects share repurchases and dividends. 3) Based on Net Income attributable to Prudential Financial, Inc. 4) Ratings as of February 7, 2018. The above ratings are subject to change and do not reflect any subsequent rating agency actions. 5) Includes Corporate and Other operations loss of \$(1,421) million which is excluded from pie chart. 6) Based on inforce from Life Insurance Association of Japan, Insurance Business in 2016 for the fiscal year ended March 31, 2017. 7) *Pensions & Investments* Top Money Manager's list, May 30, 2017. AUM as of December 31, 2016. 8) Based on Total Annuity AUM, LIMRA U.S. Individual Annuity Yearbook 2016. 9) Based on DC Recordkeeping Assets, PlanSponsor Survey as of December 31, 2016. 10) Based on statutory net written premiums and recurring premiums, as of December 31, 2016, ranking for Prudential Financial through its life insurance companies according to A.M. Best. 11) Based on in force premiums, 2016 LIMRA Studies. 12) Ranked by total worldwide institutional AUM as of December 31, 2016.

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Prudential Investor Relations

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APPENDIX



Forward-Looking Statements and Non-GAAP Measures

Certain of the statements included in this document 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. 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. Prudential Financial, Inc. does not intend, and is under no obligation, to update any particular forward-looking statement included in this document.

This document includes references to adjusted operating income (AOI) and adjusted book value, as well as operating return on average equity, which is based on adjusted operating income and adjusted book value. Consolidated adjusted operating income and adjusted book value 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 the comparable GAAP measures, including a reconciliation between the comparable measures, please refer to our quarterly results news releases, which are available on our Web site at www.investor.prudential.com. Reconciliations are also included as part of this document.

Please also refer to our February 7, 2018 earnings release for important information about the estimated impact of the Tax Cuts and Jobs Act on Prudential Financial, Inc.’s results of operations and financial condition.

Reconciliations between Adjusted Operating Income and the Comparable GAAP Measure ⁽¹⁾

(\$ in millions)

	2012	2017	4Q16	4Q17
Net income attributable to Prudential Financial, Inc.	\$ 479	\$ 7,863	\$ 284	\$ 3,765
Income attributable to noncontrolling interests	50	111	9	100
Net income	529	7,974	293	3,865
Less: Income from discontinued operations, net of taxes	17	-	-	-
Income from continuing operations (after-tax)	512	7,974	293	3,865
Less: Income attributable to noncontrolling interests	50	111	9	100
Income from continuing operations attributable to Prudential Financial, Inc.	462	7,863	284	3,765
Equity in earnings of operating joint ventures, net of taxes and earnings attributable to noncontrolling interests	10	(62)	2	(109)
Income from continuing operations (after-tax) before equity in earnings of operating joint ventures	452	7,925	282	3,874
Reconciling items:				
Realized investment gains (losses), net, and related charges and adjustments	(2,809)	(58)	(824)	(581)
Investment gains (losses) on trading account assets supporting insurance liabilities, net	610	336	(378)	6
Change in experience-rated contractholder liabilities due to asset value changes	(540)	(151)	283	37
Divested businesses:				
Closed Block division	-	45	(58)	(4)
Other divested businesses	(615)	38	(160)	(13)
Equity in earnings of operating joint ventures and earnings attributable to noncontrolling interests	(29)	33	(5)	99
Total reconciling items, before income taxes	(3,383)	243	(1,142)	(456)
Income taxes, not applicable to adjusted operating income	(816)	(3,030)	(334)	(3,157)
Total reconciling items, after income taxes	(2,567)	3,273	(808)	2,701
After-tax adjusted operating income	3,019	4,652	1,090	1,173
Income taxes, applicable to adjusted operating income	1,008	1,592	369	399
Adjusted operating income before income taxes	\$ 4,027	\$ 6,244	\$ 1,459	\$ 1,572

1) Represents results of the former Financial Services Business (FSB) for 2012.

Reconciliations for Pre-tax AOI Excluding Market Driven and Discrete Items

	2012		2017	
	Pre-Tax AOI ⁽¹⁾	EPS ⁽²⁾	Pre-Tax AOI ⁽¹⁾	EPS ⁽²⁾
Reported Results ⁽³⁾	\$ 4,027	\$ 6.40	\$ 6,244	\$ 10.58
Market driven and discrete items:				
Unlockings and experience true-ups ⁽⁴⁾	(10)	(0.02)	(485)	(0.72)
Intergration costs for Hartford Life acquisition	(15)	(0.02)	-	-
Gains on sales of business/investments ⁽⁵⁾	26	0.03	-	-
Debt extinguishment and debt exchange costs	(31)	(0.04)	(12)	(0.01)
Integration costs for Star/Edison	(138)	(0.19)	-	-
Other ⁽⁶⁾	(43)	(0.06)	-	-
Subtotal	(211)	(0.30)	(497)	(0.73)
Results excluding market driven and discrete items	\$ 4,238	\$ 6.70	\$ 6,741	\$ 11.31

1) In millions.

2) Diluted; based on after-tax AOI; tax effect for market driven and discrete items at 35%.

3) Represents results of the former FSB for 2012.

4) Includes adjustments to reflect updated estimates of profitability based on market performance in relation to our assumptions in each period, as well as annual reviews of actuarial assumptions and refinements of reserves and amortization of deferred policy acquisition and other costs.

5) Includes impairment and gains on certain other investments.

6) Includes charges related to true-up of legal reserves and employee benefit accruals, and impairments and write offs of intangible assets.

Reconciliations between Adjusted Book Value and the Comparable GAAP Measure⁽¹⁾

(\$ in millions, except per share data)

	December 31,		
	2012	2016	2017
GAAP book value	\$ 37,006	\$ 45,863	\$ 54,069
Less: Accumulated other comprehensive income (AOCI)	9,990	14,621	17,074
GAAP book value excluding AOCI	27,016	31,242	36,995
Less: Cumulative effect of remeasurement of foreign currency and certain deferred taxes ⁽²⁾	(179)	(3,199)	(969)
Adjusted book value	\$ 27,195	\$ 34,441	\$ 37,964
Number of diluted shares	468.2	436.2	435.7
GAAP book value per common share - diluted ⁽³⁾	\$ 79.04	\$ 104.91	\$ 125.24
GAAP book value excluding AOCI per share - diluted ⁽³⁾	\$ 57.70	\$ 71.62	\$ 86.06
Adjusted book value per common share - diluted ⁽³⁾	\$ 58.08	\$ 78.95	\$ 88.28

1) Represents results of the former FSB for 2012.

2) Includes \$1,678 million impact reported in net income for the fourth quarter of 2017 from the remeasurement of deferred tax assets and liabilities originally established through accumulated other comprehensive income, related to a change in the U.S. tax rate enacted with the Tax Cuts and Jobs Act on December 22, 2017.

3) As of December 31, 2017, exchangeable surplus notes are dilutive when book value per share is greater than \$85.00 (equivalent to an additional 5.88 million in diluted shares and an increase of \$500 million in equity). As of December 31, 2016, exchangeable surplus notes are dilutive when book value per share is greater than \$86.92 (equivalent to 5.75 million in diluted shares and an increase of \$500 million in equity). Book value per share as of December 31, 2012 excludes the impact of exchangeable surplus notes due to the anti-dilutive impact of conversion.

Prudential Financial, Inc. of the United States is not affiliated with Prudential plc which is headquartered in the United Kingdom