



PRUDENTIAL FINANCIAL, INC.

FIRST QUARTER 2015
EARNINGS CONFERENCE CALL PRESENTATION

MAY 7, 2015



FIRST QUARTER FINANCIAL HIGHLIGHTS⁽¹⁾



	First Quarter	
	2015	2014
Pre-Tax Adjusted Operating Income (AOI)		
Reported	\$ 1,745	\$ 1,571
Market driven and discrete items ⁽²⁾	97	(45)
Excluding market driven and discrete items	\$ 1,648	\$ 1,616
Earnings Per Share (EPS)		
Reported	\$ 2.79	\$ 2.40
Market driven and discrete items ⁽²⁾	0.14	(0.06)
Excluding market driven and discrete items	\$ 2.65	\$ 2.46
Operating Return on Average Equity⁽³⁾		
Reported	16.9%	16.0%
Excluding market driven and discrete items⁽²⁾	16.1%	16.4%
Net Income		
Reported	\$ 2,036	\$ 1,225
Book Value Per Share of Common Stock		
	March 31, 2015	December 31, 2014
Reported (including AOCI)	\$ 98.16	\$ 88.80
Excluding AOCI and adjusted to remove amount included for foreign currency exchange rate remeasurement	\$ 69.01	\$ 64.75

- 1) Amounts attributable to Prudential Financial, Inc. (PFI); represents results of Financial Services Businesses for periods prior to first quarter 2015. Dollar amounts in millions except per share. Per share data amounts on diluted basis.
- 2) Market driven and discrete items as disclosed on page 3; based on application of 35% tax rate for EPS and ROE calculations.
- 3) Annualized; based on after-tax adjusted operating income; gives effect to direct equity adjustment for earnings per share calculation for periods prior to first quarter 2015. Based on average attributed equity excluding accumulated other comprehensive income and adjusted to remove amount included for foreign currency exchange rate remeasurement.

IMPACT OF MARKET DRIVEN AND DISCRETE ITEMS



	First Quarter			
	2015		2014	
	Pre-tax Adjusted Operating Income ⁽¹⁾	Earnings Per Share ⁽²⁾	Pre-tax Adjusted Operating Income ⁽¹⁾	Earnings Per Share ⁽²⁾
Reported Results⁽³⁾	\$ 1,745	\$ 2.79	\$ 1,571	\$ 2.40
Market driven and discrete items:				
Individual Annuities - Market unlockings and experience true-ups ⁽⁴⁾	106	0.15	(21)	(0.03)
Individual Life - Integration costs for Hartford Life acquisition	(9)	(0.01)	(8)	(0.01)
International Insurance - Life Planner - Reserve refinements and related items	-	-	(16)	(0.02)
Subtotal	97	0.14	(45)	(0.06)
Results excluding market driven and discrete items	\$ 1,648	\$ 2.65	\$ 1,616	\$ 2.46

1) In millions.

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

3) Represents results of Financial Services Businesses for periods prior to first quarter 2015.

4) Includes adjustments to reflect updated estimates of profitability based on market performance in relation to our assumptions.

FIRST QUARTER NON-AOI ITEMS⁽¹⁾



(\$ millions)

	First Quarter	
	2015	2014
Pre-tax realized investment gains (losses), net, and related charges and adjustments included in net income:		
Changes in market value of derivatives used in risk management activities including asset/liability duration management	\$ 565	\$ 275
Product related embedded derivatives and hedging activities	265	(657)
General investment portfolio activities	227	180
Foreign currency exchange rate remeasurement	25	231
Impairments and credit losses	(31)	(37)
Total	\$ 1,051	\$ (8)

1) See earnings release tables for additional items excluded from adjusted operating income and related tax effect.

U.S. RETIREMENT SOLUTIONS AND INVESTMENT MANAGEMENT DIVISION – INDIVIDUAL ANNUITIES

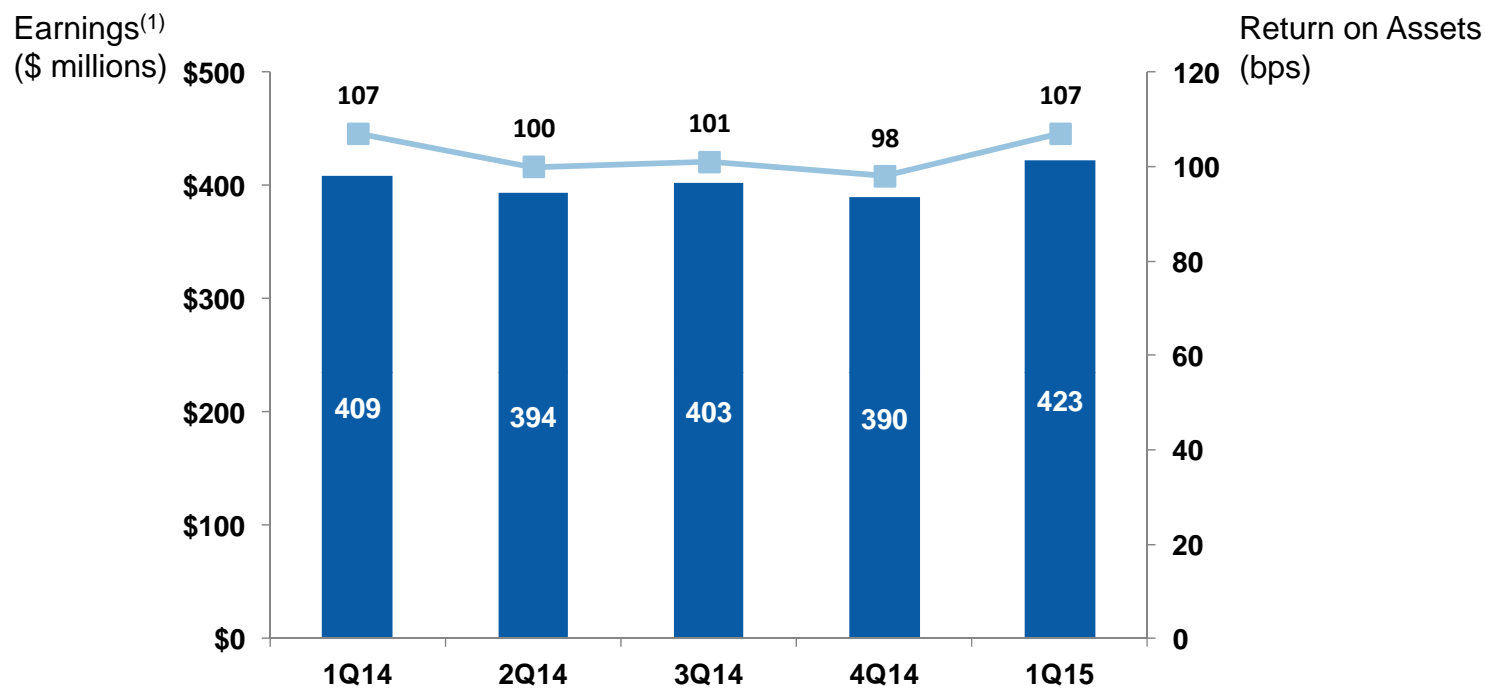


(\$ millions)

	Individual Annuities	Retirement	Asset Management
First Quarter 2015			
Reported pre-tax adjusted operating income	\$ 529	\$ 284	\$ 205
Market driven and discrete items ⁽¹⁾	106	-	-
Excluding impact of market driven and discrete items	\$ 423	\$ 284	\$ 205
First Quarter 2014			
Reported pre-tax adjusted operating income	\$ 388	\$ 364	\$ 193
Market driven and discrete items ⁽¹⁾	(21)	-	-
Excluding impact of market driven and discrete items	\$ 409	\$ 364	\$ 193

1) As disclosed on page 3.

INDIVIDUAL ANNUITIES – EARNINGS AND RETURN ON ASSETS



Average Account Values (\$ billions)	1Q14	2Q14	3Q14	4Q14	1Q15
	\$154.7	\$157.4	\$158.2	\$157.7	\$159.9

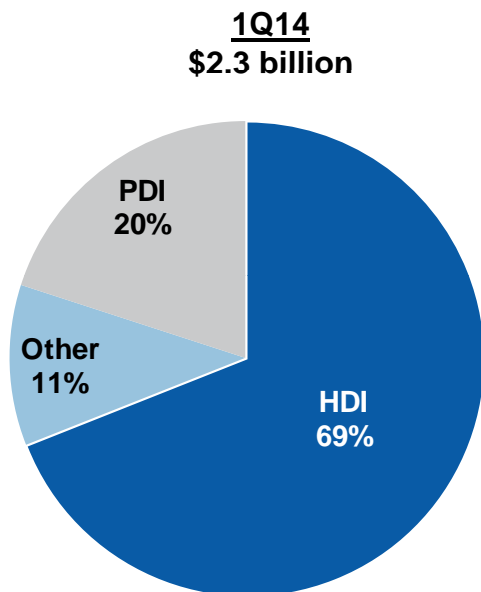
AOI excluding market driven and discrete items
 Return on Assets (ROA)⁽²⁾

- 1) Pre-tax AOI excluding market driven and discrete items as disclosed on page 28.
- 2) Annualized pre-tax AOI excluding market driven and discrete items divided by average account values.

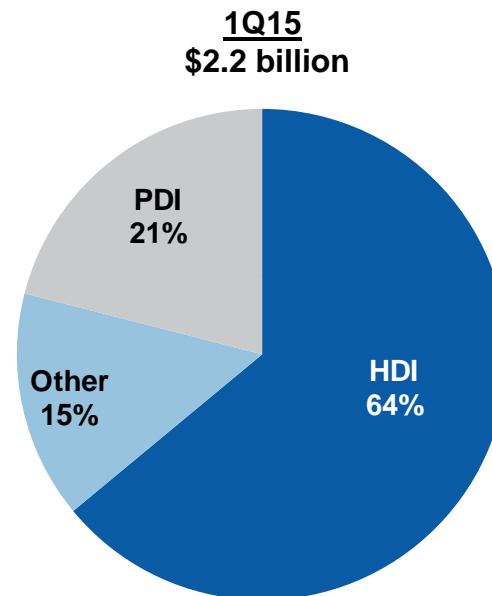
INDIVIDUAL ANNUITIES – SALES AND PRODUCT MIX



Gross Sales



Net Sales
\$128 million



Net Sales
\$31 million

U.S. RETIREMENT SOLUTIONS AND INVESTMENT MANAGEMENT DIVISION – RETIREMENT



(\$ millions)

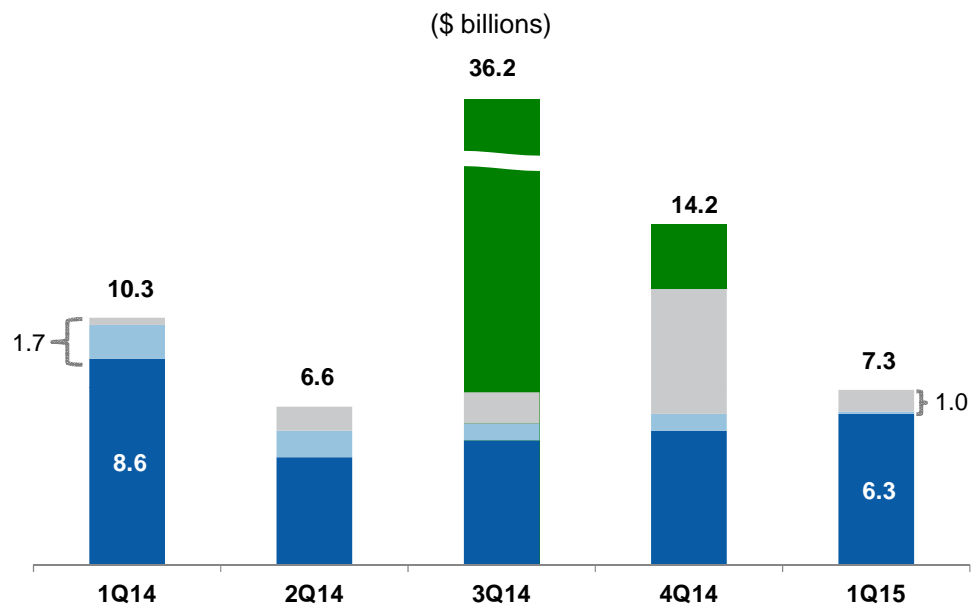
	Individual Annuities	Retirement	Asset Management
First Quarter 2015			
Reported pre-tax adjusted operating income	\$ 529	\$ 284	\$ 205
Market driven and discrete items ⁽¹⁾	106	-	-
Excluding impact of market driven and discrete items	\$ 423	\$ 284	\$ 205
First Quarter 2014			
Reported pre-tax adjusted operating income	\$ 388	\$ 364	\$ 193
Market driven and discrete items ⁽¹⁾	(21)	-	-
Excluding impact of market driven and discrete items	\$ 409	\$ 364	\$ 193

1) As disclosed on page 3.

RETIREMENT – SALES AND ACCOUNT VALUES

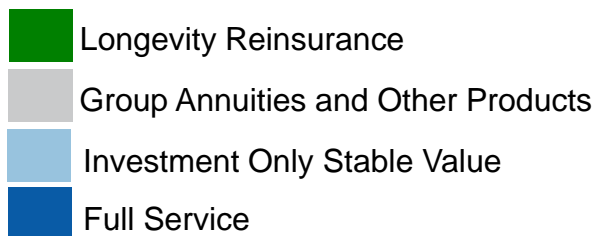
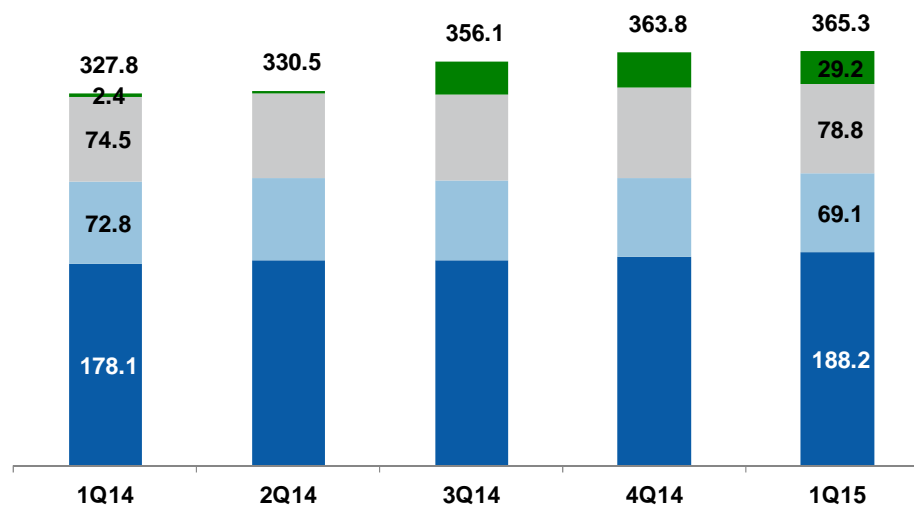


Gross Deposits and Sales



Account Values⁽¹⁾

(\$ billions)



1) At end of period.

U.S. RETIREMENT SOLUTIONS AND INVESTMENT MANAGEMENT DIVISION – ASSET MANAGEMENT



(\$ millions)

	Individual Annuities		Retirement		Asset Management	
First Quarter 2015						
Reported pre-tax adjusted operating income	\$	529	\$	284	\$	205
Market driven and discrete items ⁽¹⁾		106		-		-
Excluding impact of market driven and discrete items	\$	423	\$	284	\$	205
First Quarter 2014						
Reported pre-tax adjusted operating income	\$	388	\$	364	\$	193
Market driven and discrete items ⁽¹⁾		(21)		-		-
Excluding impact of market driven and discrete items	\$	409	\$	364	\$	193

1) As disclosed on page 3.

U.S. INDIVIDUAL LIFE AND GROUP INSURANCE DIVISION – INDIVIDUAL LIFE



(\$ millions)

	Individual Life	Group Insurance
First Quarter 2015		
Reported pre-tax adjusted operating income	\$ 116	\$ 30
Market driven and discrete items ⁽¹⁾	(9)	-
Excluding impact of market driven and discrete items	\$ 125	\$ 30
First Quarter 2014		
Reported pre-tax adjusted operating income	\$ 125	\$ 6
Market driven and discrete items ⁽¹⁾	(8)	-
Excluding impact of market driven and discrete items	\$ 133	\$ 6

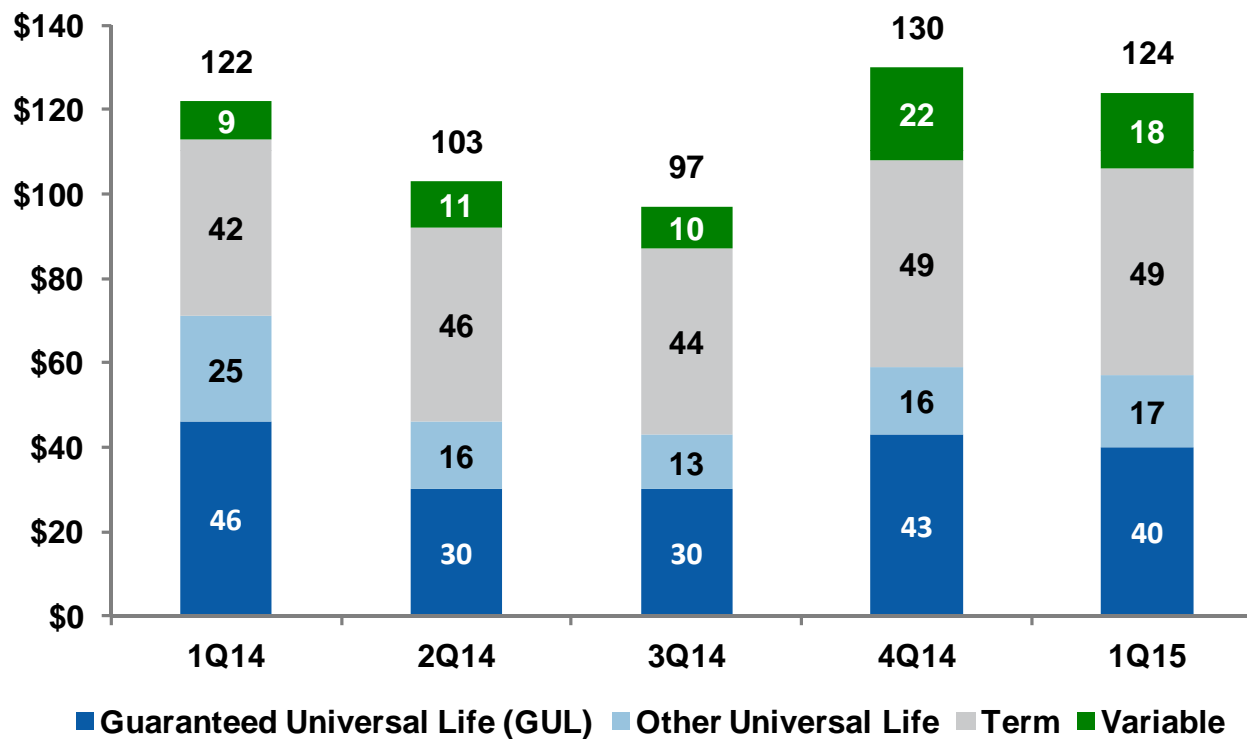
1) As disclosed on page 3.

INDIVIDUAL LIFE – SALES TREND



Annualized New Business Premiums

(\$ millions)



U.S. INDIVIDUAL LIFE AND GROUP INSURANCE DIVISION – GROUP INSURANCE

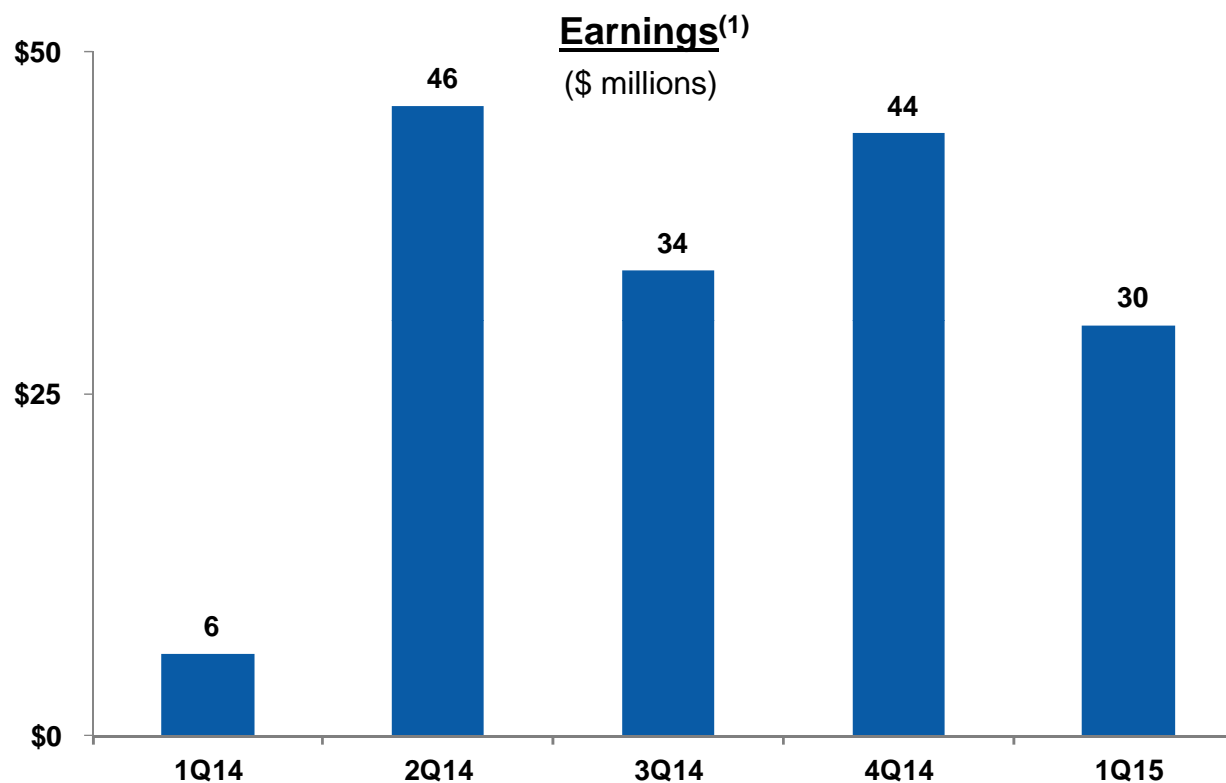


(\$ millions)

	Individual Life	Group Insurance
First Quarter 2015		
Reported pre-tax adjusted operating income	\$ 116	\$ 30
Market driven and discrete items ⁽¹⁾	(9)	-
Excluding impact of market driven and discrete items	\$ 125	\$ 30
First Quarter 2014		
Reported pre-tax adjusted operating income	\$ 125	\$ 6
Market driven and discrete items ⁽¹⁾	(8)	-
Excluding impact of market driven and discrete items	\$ 133	\$ 6

1) As disclosed on page 3.

GROUP INSURANCE – EARNINGS AND BENEFIT RATIOS TRENDS



Benefits Ratios⁽²⁾

Group Life	89.6%	89.3%	89.7%	88.1%	92.8%
Group Disability	100.5%	83.9%	84.6%	79.1%	72.2%

1) Pre-tax AOI excluding market driven and discrete items as disclosed on page 29.

2) Excluding impact of market driven and discrete items as disclosed on page 29.

INTERNATIONAL INSURANCE DIVISION – LIFE PLANNER OPERATIONS

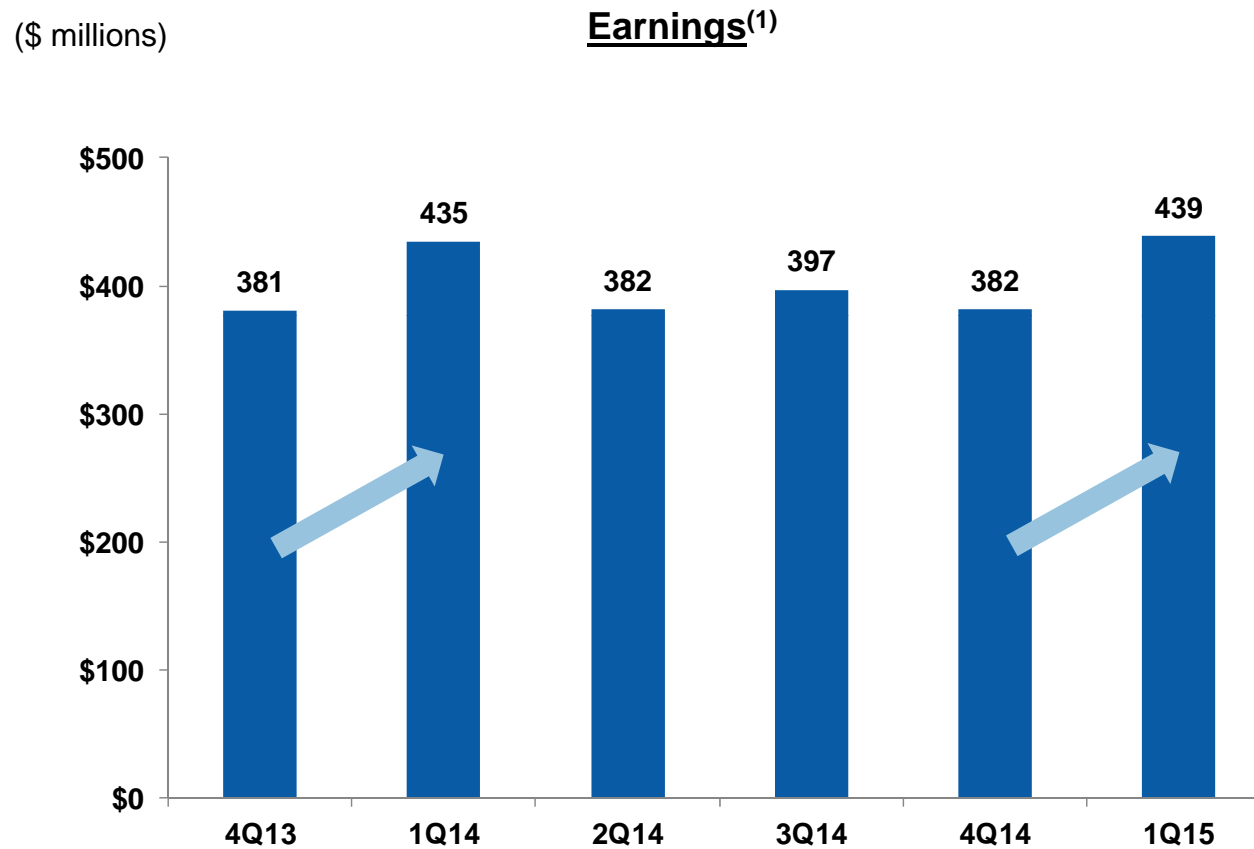


(\$ millions)

	Life Planner Operations	Gibraltar Life & Other Operations
First Quarter 2015		
Reported pre-tax adjusted operating income	\$ 439	\$ 395
Market driven and discrete items ⁽¹⁾	-	-
Excluding impact of market driven and discrete items	\$ 439	\$ 395
First Quarter 2014		
Reported pre-tax adjusted operating income	\$ 419	\$ 418
Market driven and discrete items ⁽¹⁾	(16)	-
Excluding impact of market driven and discrete items	\$ 435	\$ 418

1) As disclosed on page 3.

INTERNATIONAL INSURANCE – LIFE PLANNER OPERATIONS EARNINGS TREND



1) Pre-tax AOI excluding market driven and discrete items as disclosed on page 30.

INTERNATIONAL INSURANCE DIVISION – GIBRALTAR LIFE & OTHER OPERATIONS



(\$ millions)

	Life Planner Operations	Gibraltar Life & Other Operations
First Quarter 2015		
Reported pre-tax adjusted operating income	\$ 439	\$ 395
Market driven and discrete items ⁽¹⁾	-	-
Excluding impact of market driven and discrete items	\$ 439	\$ 395
First Quarter 2014		
Reported pre-tax adjusted operating income	\$ 419	\$ 418
Market driven and discrete items ⁽¹⁾	(16)	-
Excluding impact of market driven and discrete items	\$ 435	\$ 418

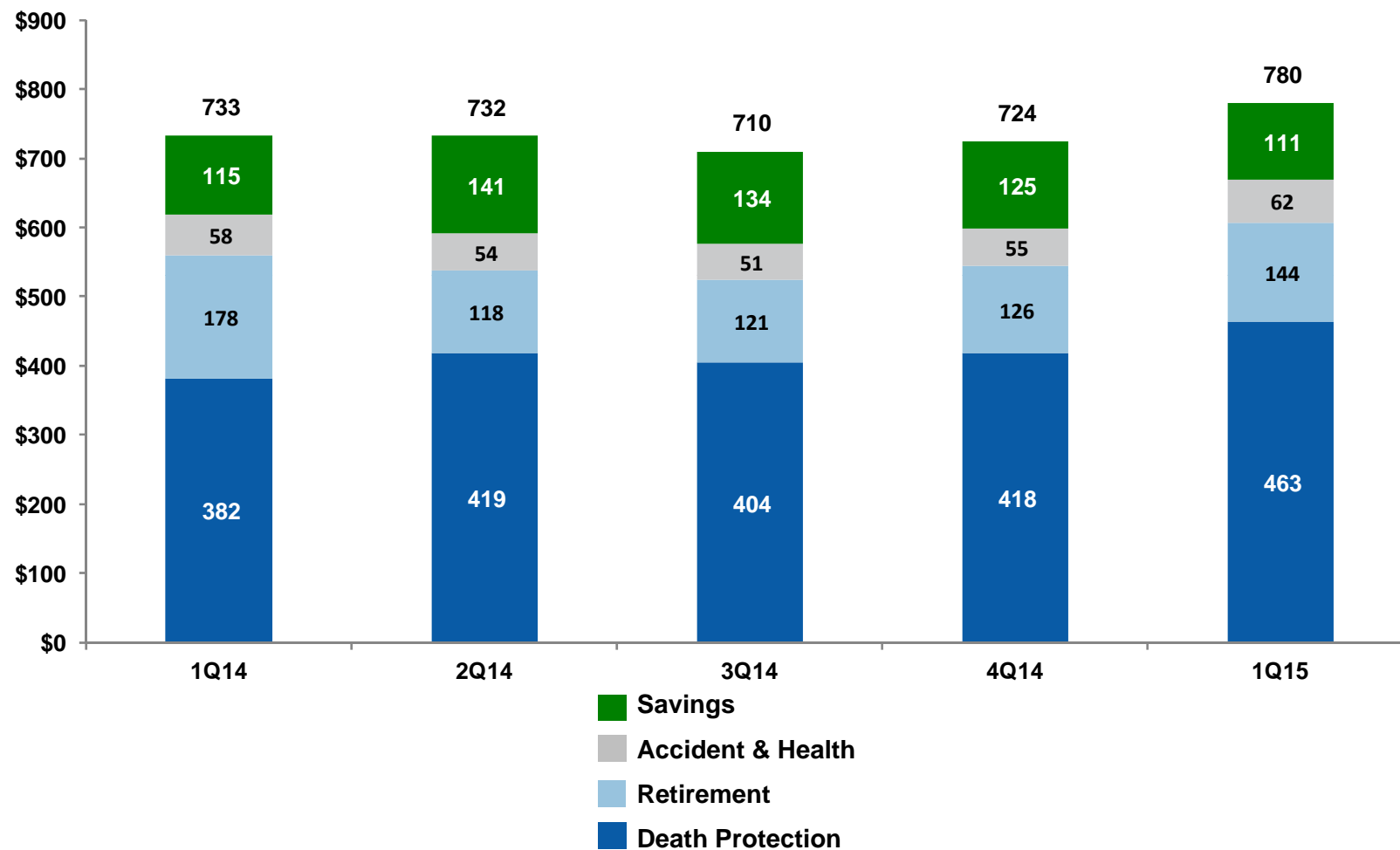
1) As disclosed on page 3.

INTERNATIONAL INSURANCE – SALES TREND



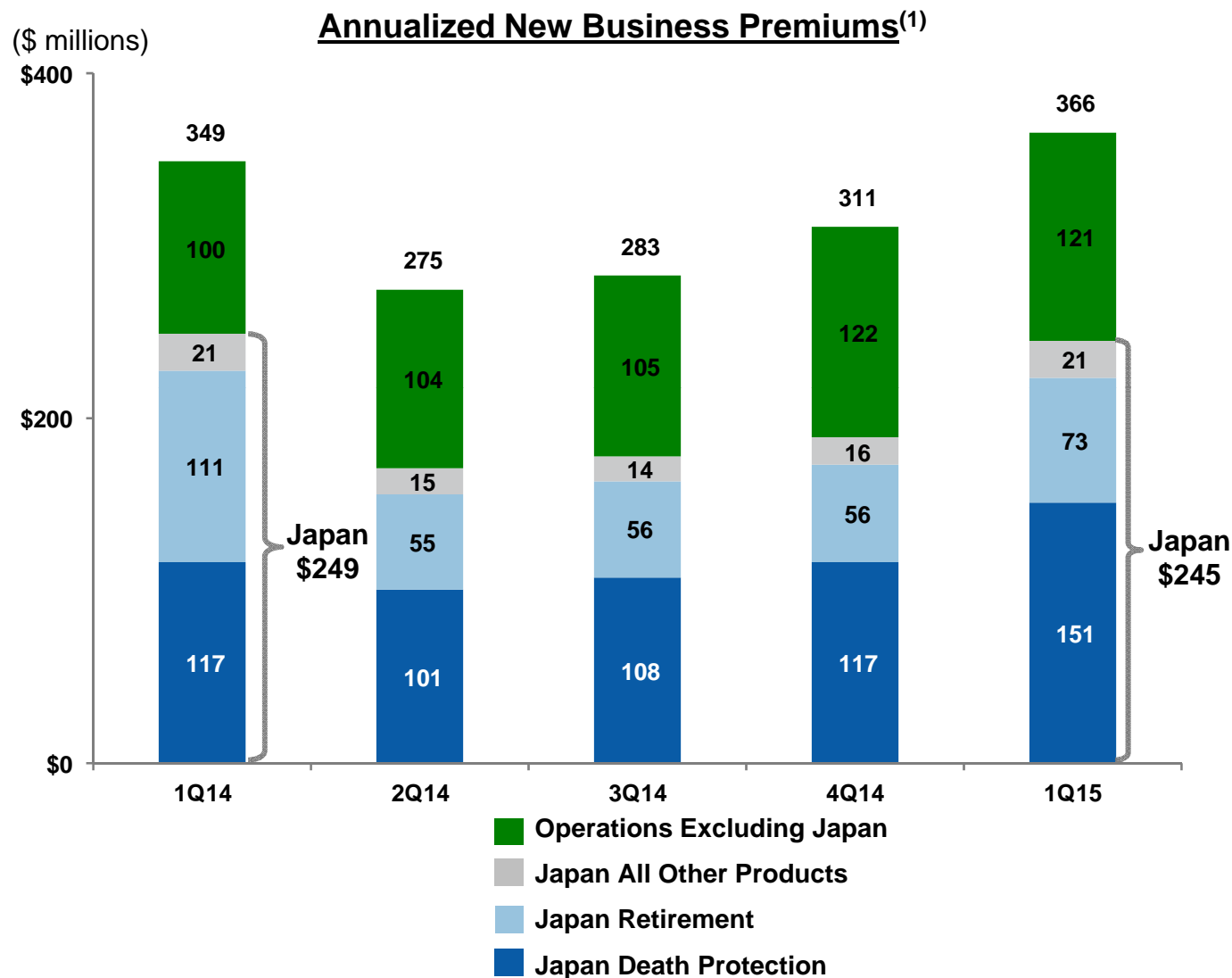
Annualized New Business Premiums⁽¹⁾

(\$ millions)



1) Foreign denominated activity translated to U.S. dollars at uniform exchange rates for all periods presented, including Japanese yen 91 per U.S. dollar, and Korean won 1,120 per U.S. dollar. U.S. dollar-denominated activity is included based on the amounts as transacted in U.S. dollars.

INTERNATIONAL INSURANCE – LIFE PLANNER SALES TREND



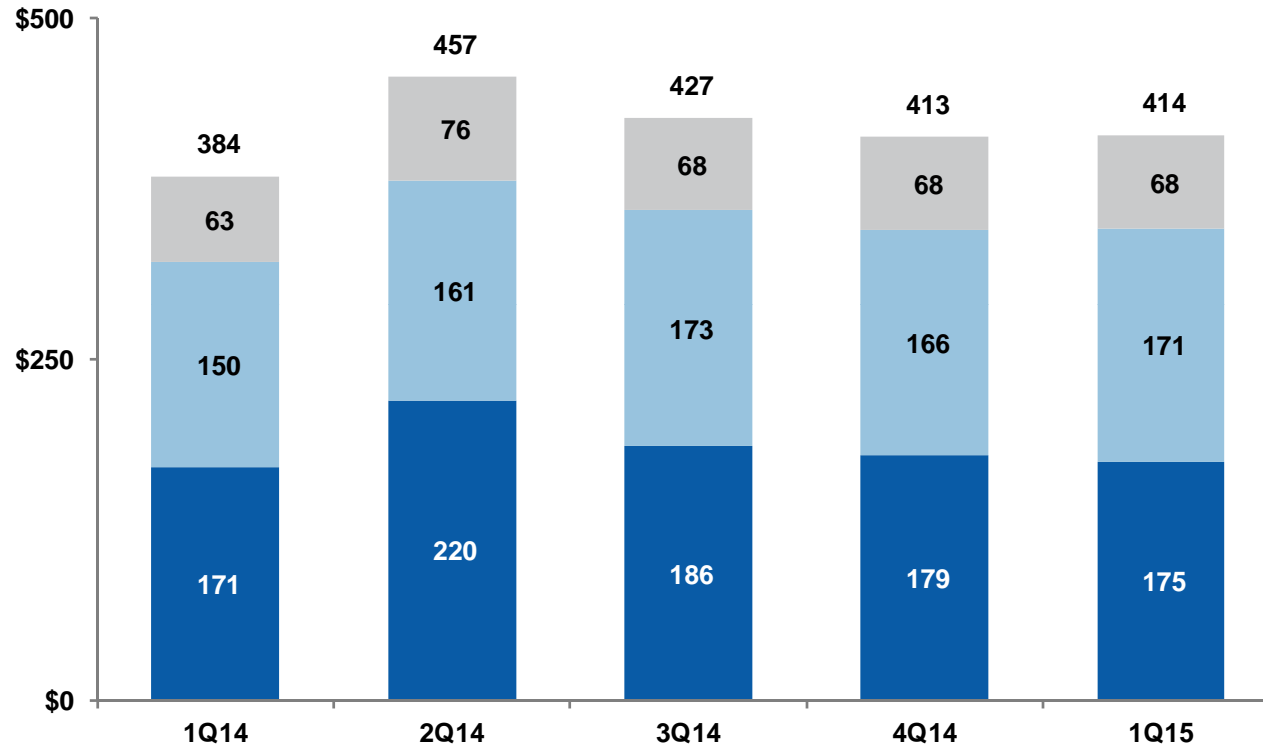
1) Foreign denominated activity translated to U.S. dollars at uniform exchange rates for all periods presented, including Japanese yen 91 per U.S. dollar, and Korean won 1,120 per U.S. dollar.

INTERNATIONAL INSURANCE – GIBRALTAR LIFE SALES TREND



Annualized New Business Premiums⁽¹⁾

(\$ millions)



Life Consultant Count ⁽²⁾	8,806	8,670	8,601	8,707	8,645
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- Independent Agency
- Bank Channel
- Life Consultants

1) Foreign denominated activity translated to U.S. dollars at uniform exchange rates for all periods presented, including Japanese yen 91 per U.S. dollar.

2) At end of period.

CORPORATE & OTHER OPERATIONS



(\$ millions)

	First Quarter	
	2015	2014
Reported pre-tax adjusted operating income	\$ (253)	\$ (342)
Market driven and discrete items ⁽¹⁾	-	-
Excluding impact of market driven and discrete items	\$ (253)	\$ (342)

1) As disclosed on page 3.

FINANCIAL STRENGTH AND FLEXIBILITY HIGHLIGHTS INSURANCE OPERATIONS



Risk Based Capital Ratio (RBC) ⁽¹⁾	Target	December 31, 2014
		498%
Prudential Insurance	400%	Estimated March 31, 2015
		Well Above Target

Solvency Margin Ratio	Target	December 31, 2014
Prudential of Japan ⁽²⁾	600% - 700%	909%
Gibraltar Life ⁽²⁾⁽³⁾	600% - 700%	898%

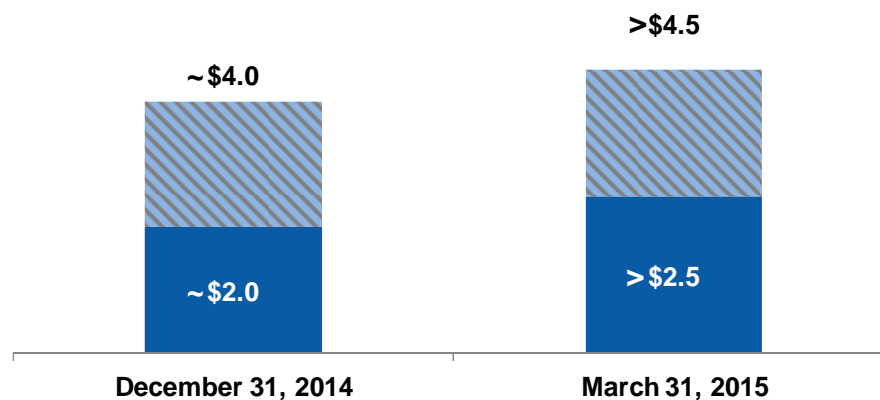
- 1) The inclusion of RBC measures is intended solely for the information of investors and is not intended for the purpose of ranking any insurance company or for use in connection with any marketing, advertising or promotional activities.
- 2) Based on Japanese statutory accounting and risk measurement standards applicable to regulatory filings as of December 31, 2014.
- 3) Gibraltar consolidated basis.

FINANCIAL STRENGTH AND FLEXIBILITY HIGHLIGHTS ON BALANCE SHEET CAPITAL CAPACITY AND LIQUIDITY POSITION



Estimated On Balance Sheet Capital Capacity⁽¹⁾

(\$ billions)



First Quarter Highlights

• Capital generated by businesses	↑
• Benefit of approximately \$500 million from Japan capital hedge	↑
• Slight negative from interest rates	↓
• Approximately \$500 million dividends and share repurchases	↓

Parent
Company
Cash and
Short-Term
Investments⁽²⁾

\$4.2
billion

\$3.7
billion

 Capital Earmarked for Reduction of Capital Debt

 Estimated On Balance Sheet Capital Capacity

- 1) Based on targeted RBC ratio of 400% for Prudential Insurance and equivalent levels of capital at other insurance operating entities. Gives pro-forma effect to a targeted 25% debt to capital ratio.
- 2) Net of outstanding commercial paper and cash held in an intra-company liquidity account at PFI.



PRUDENTIAL FINANCIAL, INC.

FIRST QUARTER 2015
EARNINGS CONFERENCE CALL PRESENTATION

QUESTIONS AND ANSWERS

MAY 7, 2015



FORWARD-LOOKING STATEMENTS



Certain of the statements included in this presentation 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. There can be no assurance that future developments affecting Prudential Financial, Inc. and its subsidiaries will be those anticipated by management. These forward-looking statements are not a guarantee of future performance and involve risks and uncertainties, and there are certain important factors that could cause actual results to differ, possibly materially, from expectations or estimates reflected in such forward-looking statements, including, among others: (1) general economic, market and political conditions, including the performance and fluctuations of fixed income, equity, real estate and other financial markets; (2) the availability and cost of additional debt or equity capital or external financing for our operations; (3) interest rate fluctuations or prolonged periods of low interest rates; (4) the degree to which we choose not to hedge risks, or the potential ineffectiveness or insufficiency of hedging or risk management strategies we do implement; (5) any inability to access our credit facilities; (6) reestimates of our reserves for future policy benefits and claims; (7) differences between actual experience regarding mortality, morbidity, persistency, utilization, interest rates or market returns and the assumptions we use in pricing our products, establishing liabilities and reserves or for other purposes; (8) changes in our assumptions related to deferred policy acquisition costs, value of business acquired or goodwill; (9) changes in assumptions for our pension and other postretirement benefit plans; (10) changes in our financial strength or credit ratings; (11) statutory reserve requirements associated with term and universal life insurance policies under Regulation XXX and Guideline AXXX; (12) investment losses, defaults and counterparty non-performance; (13) competition in our product lines and for personnel; (14) difficulties in marketing and distributing products through current or future distribution channels; (15) changes in tax law; (16) economic, political, currency and other risks relating to our international operations; (17) fluctuations in foreign currency exchange rates and foreign securities markets; (18) regulatory or legislative changes, including the Dodd-Frank Wall Street Reform and Consumer Protection Act; (19) inability to protect our intellectual property rights or claims of infringement of the intellectual property rights of others; (20) adverse determinations in litigation or regulatory matters and our exposure to contingent liabilities, including in connection with our divestiture or winding down of businesses; (21) domestic or international military actions, natural or man-made disasters including terrorist activities or pandemic disease, or other events resulting in catastrophic loss of life; (22) ineffectiveness of risk management policies and procedures in identifying, monitoring and managing risks; (23) effects of acquisitions, divestitures and restructurings, including possible difficulties in integrating and realizing projected results of acquisitions; (24) interruption in telecommunication, information technology or other operational systems or failure to maintain the security, confidentiality or privacy of sensitive data on such systems; (25) changes in statutory or U.S. GAAP accounting principles, practices or policies; and (26) Prudential Financial, Inc.’s primary reliance, as a holding company, on dividends or distributions from its subsidiaries to meet debt payment obligations and the ability of the subsidiaries to pay such dividends or distributions in light of our ratings objectives and/or applicable regulatory restrictions. Prudential Financial, Inc. does not intend, and is under no obligation, to update any particular forward-looking statement included in this presentation.

See “Risk Factors” included in Prudential Financial, Inc.’s Annual Report on Form 10-K for discussion of certain risks relating to our businesses and investment in our securities.

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

NON-GAAP MEASURE



This presentation includes references to “adjusted operating income.” Adjusted operating income is a non-GAAP measure of performance. 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.

Realized investment gains (losses) within certain of our 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 excludes realized investment gains and losses from products that contain embedded derivatives, and from associated derivative portfolios that are part of a hedging 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 classified as other trading account assets.

Adjusted operating income also excludes investment gains and losses on trading account assets supporting insurance 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. Trends in the underlying profitability of our businesses can be more clearly identified without the fluctuating effects of these transactions. In addition, adjusted operating income excludes the results of divested businesses, which are not relevant to our ongoing operations. Discontinued operations, which are presented as a separate component of net income under GAAP, are also excluded from adjusted operating income.

We believe that 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. However, adjusted operating income is not a substitute for income determined in accordance with GAAP, and the adjustments made to derive adjusted operating income are important to an understanding of our overall results of operations. The schedules on the following pages provide a reconciliation of adjusted operating income to income from continuing operations in accordance with GAAP.

The information referred to above, as well as the risks of our businesses described in our Annual Report on Form 10-K for the year ended December 31, 2014, should be considered by readers when reviewing forward-looking statements contained in this presentation. Additional historic information relating to our financial performance is located on our Web site at www.investor.prudential.com.

RECONCILIATIONS BETWEEN ADJUSTED OPERATING INCOME AND THE COMPARABLE GAAP MEASURE



(\$ millions)

	First Quarter	
	2014	2015
After-tax adjusted operating income (1)	\$ 1,137	\$ 1,298
Reconciling items:		
Realized investment gains (losses), net, and related charges and adjustments	(8)	1,051
Investment gains (losses) on trading account assets supporting insurance liabilities, net	101	83
Change in experience-rated contractholder liabilities due to asset value changes	(43)	(197)
Divested businesses:		
Closed Block division	-	(22)
Other divested businesses	73	75
Equity in earnings of operating joint ventures and earnings attributable to noncontrolling interests	11	13
Total reconciling items, before income taxes	134	1,003
Income taxes, not applicable to adjusted operating income	39	252
Total reconciling items, after income taxes	95	751
Income (loss) from continuing operations (after-tax) before equity in earnings of operating joint ventures (1)	1,232	2,049
Equity in earnings of operating joint ventures, net of taxes and earnings attributable to noncontrolling interests	(11)	(13)
Income (loss) from continuing operations attributable to Prudential Financial, Inc. (1)	1,221	2,036
Earnings attributable to noncontrolling interests	11	10
Income (loss) from continuing operations (after-tax) (1)	1,232	2,046
Income from discontinued operations, net of taxes	4	-
Net income (loss) (1)	1,236	2,046
Less: Income attributable to noncontrolling interests	11	10
Net income (loss) attributable to Prudential Financial, Inc. (1)	\$ 1,225	\$ 2,036

1) Represents results of Financial Services Businesses for periods prior to first quarter 2015.

RECONCILIATION FOR INDIVIDUAL ANNUITIES PRE-TAX ADJUSTED OPERATING INCOME EXCLUDING MARKET DRIVEN AND DISCRETE ITEMS



(\$ millions)

	1Q14	2Q14	3Q14	4Q14	1Q15
Individual Annuities pre-tax adjusted operating income	\$ 388	\$ 390	\$ 367	\$ 322	\$ 529
Reconciling items:					
Market unlockings and experience true-ups ⁽¹⁾	(21)	(4)	(50)	(68)	106
Annual review of actuarial assumptions ⁽²⁾	-	-	14	-	-
Sub-total	(21)	(4)	(36)	(68)	106
Individual Annuities pre-tax adjusted operating income excluding market driven and discrete items	\$ 409	\$ 394	\$ 403	\$ 390	\$ 423

1) Includes adjustments to reflect updated estimates of profitability based on market performance in relation to our assumptions.

2) Includes reserve refinements and adjustments of amortization of deferred policy acquisition and other costs.

RECONCILIATION FOR GROUP INSURANCE PRE-TAX ADJUSTED OPERATING INCOME EXCLUDING MARKET DRIVEN AND DISCRETE ITEMS



(\$ millions)

	1Q14	2Q14	3Q14	4Q14	1Q15
Group Insurance pre-tax adjusted operating income	\$ 6	\$ 46	\$ (73)	\$ 44	\$ 30
Reconciling items:					
Annual review of actuarial assumptions ⁽¹⁾	-	-	(107)	-	-
Sub-total	-	-	(107)	-	-
Group Insurance pre-tax adjusted operating income excluding market driven and discrete items	\$ 6	\$ 46	\$ 34	\$ 44	\$ 30

1) Includes reserve refinements and adjustments of amortization of deferred policy acquisition and other costs.

RECONCILIATION FOR LIFE PLANNER OPERATIONS PRE-TAX ADJUSTED OPERATING INCOME EXCLUDING MARKET DRIVEN AND DISCRETE ITEMS



(\$ millions)

	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15
Life Planner Operations pre-tax adjusted operating income	\$ 303	\$ 419	\$ 382	\$ 414	\$ 374	\$ 439
Reconciling items:						
Annual review of actuarial assumptions and reserve refinements ⁽¹⁾	(78)	(16)	-	17	(8)	-
Sub-total	(78)	(16)	-	17	(8)	-
Life Planner Operations pre-tax adjusted operating income excluding market driven and discrete items	<u>\$ 381</u>	<u>\$ 435</u>	<u>\$ 382</u>	<u>\$ 397</u>	<u>\$ 382</u>	<u>\$ 439</u>

1) Includes reserve refinements and adjustments of amortization of deferred policy acquisition and other costs.