



PRUDENTIAL FINANCIAL, INC.

SECOND QUARTER 2015
EARNINGS CONFERENCE CALL PRESENTATION

AUGUST 6, 2015



SECOND QUARTER FINANCIAL HIGHLIGHTS⁽¹⁾



	Second Quarter	
	2015	2014
Pre-Tax Adjusted Operating Income (AOI)		
Reported	\$ 1,841	\$ 1,623
Market driven and discrete items ⁽²⁾	203	(12)
Excluding market driven and discrete items	\$ 1,638	\$ 1,635
Earnings Per Share (EPS)		
Reported	\$ 2.91	\$ 2.49
Market driven and discrete items ⁽²⁾	0.29	(0.02)
Excluding market driven and discrete items	\$ 2.62	\$ 2.51
Net Income		
Reported	\$ 1,406	\$ 1,049
Book Value Per Share of Common Stock		
	June 30, 2015	December 31, 2014
Reported (including Accumulated Other Comprehensive Income, "AOCI")	\$ 91.17	\$ 88.80
Excluding AOCI and adjusted to remove amounts included for foreign currency exchange rate remeasurement	\$ 71.09	\$ 64.75
Operating Return on Average Equity⁽³⁾		
	Year to Date June 30, 2015	2014
Reported	16.9%	16.0%
Excluding impact of market driven and discrete items on AOI⁽²⁾	15.6%	16.3%

- 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 amounts. Per share amounts on diluted basis.
- 2) Market driven and discrete items as disclosed on pages 4 and 26; based on application of 35% tax rate for EPS and operating return on average equity.
- 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 amounts included for foreign currency exchange rate remeasurement.

ANNUAL REVIEW OF ACTUARIAL ASSUMPTIONS⁽¹⁾



	Second Quarter 2015	
	Pre-tax Adjusted Operating Income ⁽²⁾	Earnings Per Share ⁽³⁾
Individual Annuities	\$ 31	\$ 0.04
Individual Life	68	0.10
Group Insurance	28	0.04
International Insurance - Life Planner Operations	(11)	(0.02)
International Insurance - Gibraltar Life	(10)	(0.01)
Corporate & Other	11	0.02
Total impact from annual review of actuarial assumptions	\$ 117	\$ 0.17

- 1) Includes refinements of reserves and amortization of deferred policy acquisition and other costs.
- 2) In millions.
- 3) Diluted; based on after-tax impact; tax effect for market driven and discrete items at 35%.

IMPACT OF MARKET DRIVEN AND DISCRETE ITEMS



	Second 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⁾	\$ 1,841	\$ 2.91	\$ 1,623	\$ 2.49
Market driven and discrete items:				
Annual review of actuarial assumptions ⁽⁴⁾	117	0.17	-	-
Individual Annuities - Market unlockings and experience true-ups ⁽⁵⁾	94	0.13	(4)	(0.01)
Individual Life - Integration costs for Hartford Life acquisition	(8)	(0.01)	(8)	(0.01)
Subtotal	203	0.29	(12)	(0.02)
Results excluding market driven and discrete items	\$ 1,638	\$ 2.62	\$ 1,635	\$ 2.51

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 refinements of reserves and amortization of deferred policy acquisition and other costs.

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

SECOND QUARTER NON-AOI ITEMS⁽¹⁾



(\$ millions)

	Second Quarter	
	2015	2014
Pre-tax realized investment gains (losses), net, and related charges and adjustments included in net income:		
Product related embedded derivatives and hedging activities	\$ 510	\$ (365)
General investment portfolio activities	405	255
Foreign currency exchange rate remeasurement	133	(231)
Changes in market value of derivatives used in risk management activities including asset/liability duration management	(728)	95
Impairments and credit losses	(34)	(27)
Subtotal	\$ 286	\$ (273)
Other Non-AOI pre-tax items:		
Results of divested businesses	(57)	47
Other ⁽²⁾	14	36
Subtotal	\$ (43)	\$ 83
Total Non-AOI items⁽³⁾	\$ 243	\$ (190)

1) Certain prior period items have been reclassified to conform to current period presentation.

2) Includes changes in recorded asset values and liabilities representing changes in value which are expected to ultimately accrue to contractholders, primarily from interest related mark to market adjustments. Excludes pre-tax reconciling item between AOI and U.S. GAAP for equity in earnings of operating joint ventures and earnings attributable to non-controlling interests.

3) See earnings release tables for related tax effect.

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

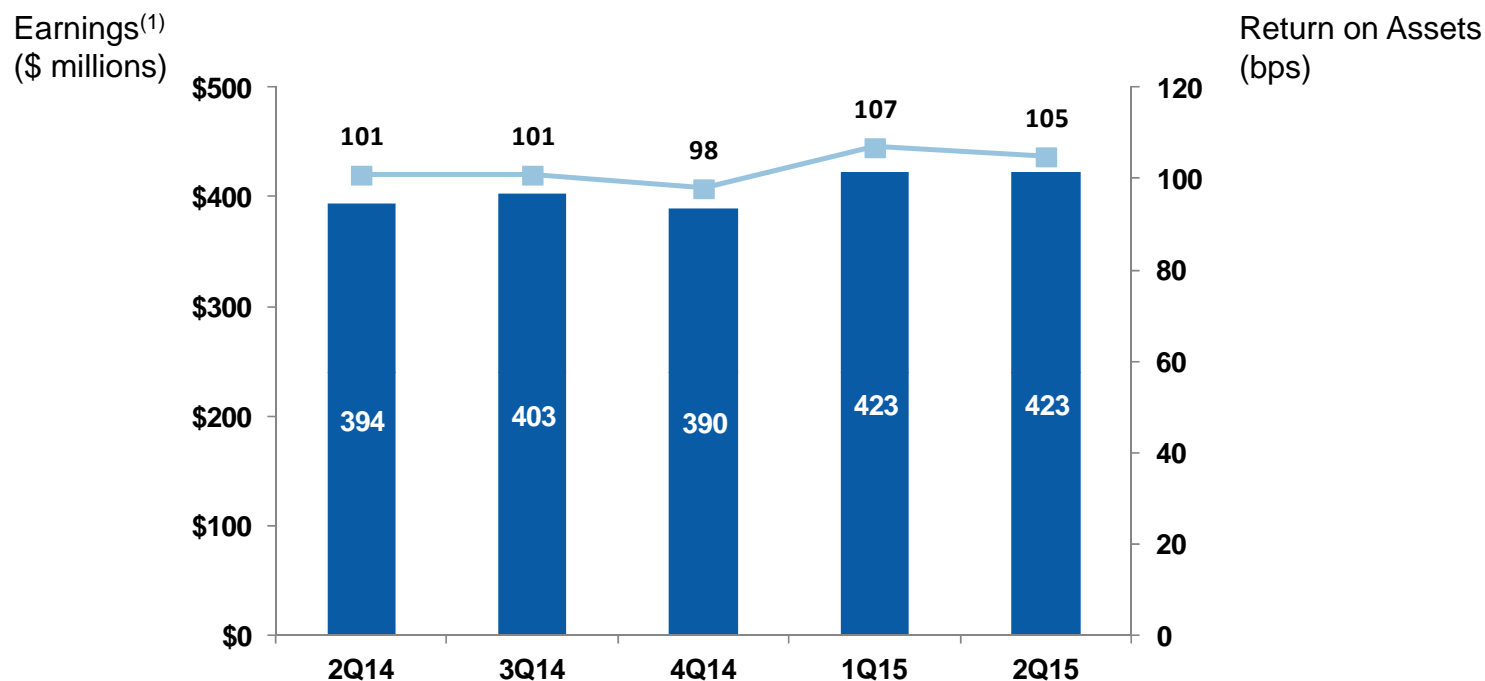


(\$ millions)

	Individual Annuities	Retirement	Asset Management
Second Quarter 2015			
Reported pre-tax adjusted operating income	\$ 548	\$ 237	\$ 196
Market driven and discrete items ⁽¹⁾	125	-	-
Excluding impact of market driven and discrete items	\$ 423	\$ 237	\$ 196
Second Quarter 2014			
Reported pre-tax adjusted operating income	\$ 390	\$ 286	\$ 200
Market driven and discrete items ⁽¹⁾	(4)	-	-
Excluding impact of market driven and discrete items	\$ 394	\$ 286	\$ 200

1) Market driven and discrete items as disclosed on pages 3 and 4.

INDIVIDUAL ANNUITIES – EARNINGS AND RETURN ON ASSETS



Average Account Values (\$ billions)	2Q14	3Q14	4Q14	1Q15	2Q15
	\$156.4	\$158.8	\$157.5	\$160.0	\$161.9

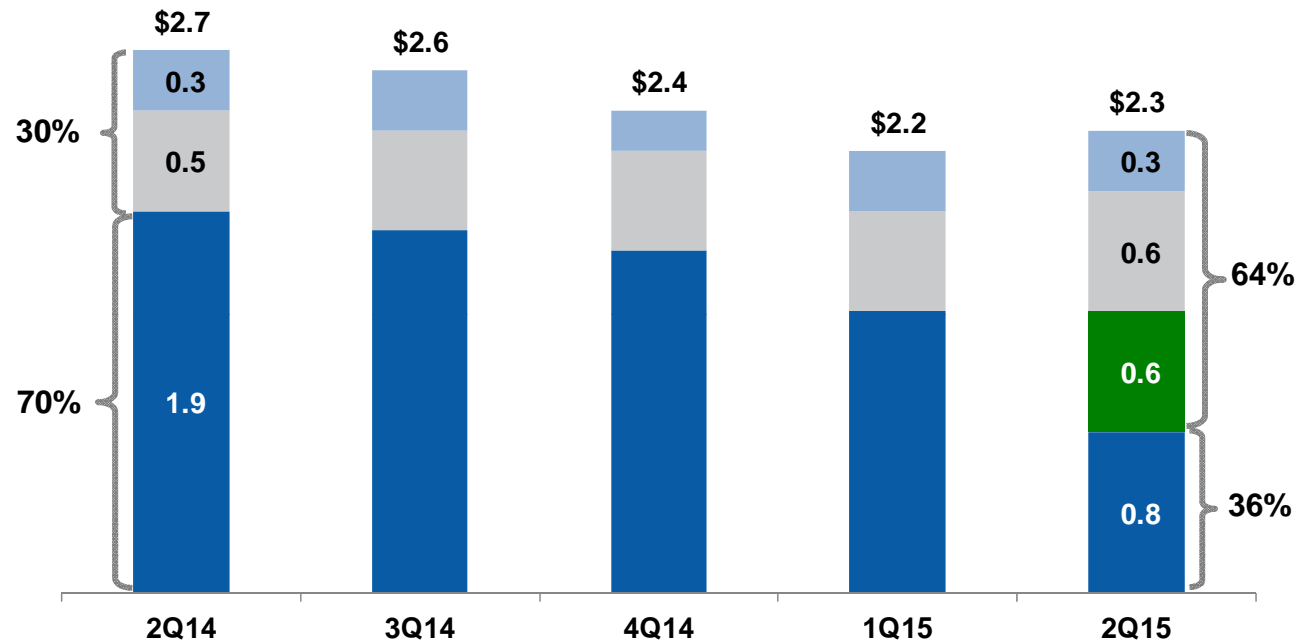
AOI excluding market driven and discrete items
 Return on Assets (ROA)⁽²⁾

- 1) Pre-tax AOI excluding market driven and discrete items as disclosed on page 27.
- 2) Annualized pre-tax AOI excluding market driven and discrete items divided by average account values based on daily averages for separate accounts.

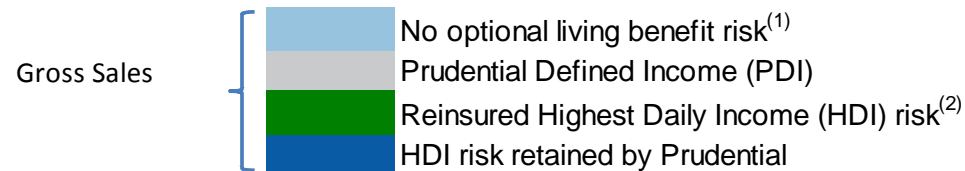
INDIVIDUAL ANNUITIES – SALES AND PRODUCT MIX



Gross Sales (\$ billions)



Net Sales (\$ millions)	2Q14	3Q14	4Q14	1Q15	2Q15
	\$443	\$392	\$193	\$31	\$138



1) Includes Prudential Premier Investment contracts, and other annuities without optional living benefit guarantees.

2) Includes portion of account values for certain variable annuities for which living benefits are covered under an external reinsurance agreement.

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



(\$ millions)

	Individual Annuities	Retirement	Asset Management
Second Quarter 2015			
Reported pre-tax adjusted operating income	\$ 548	\$ 237	\$ 196
Market driven and discrete items ⁽¹⁾	125	-	-
Excluding impact of market driven and discrete items	\$ 423	\$ 237	\$ 196
Second Quarter 2014			
Reported pre-tax adjusted operating income	\$ 390	\$ 286	\$ 200
Market driven and discrete items ⁽¹⁾	(4)	-	-
Excluding impact of market driven and discrete items	\$ 394	\$ 286	\$ 200

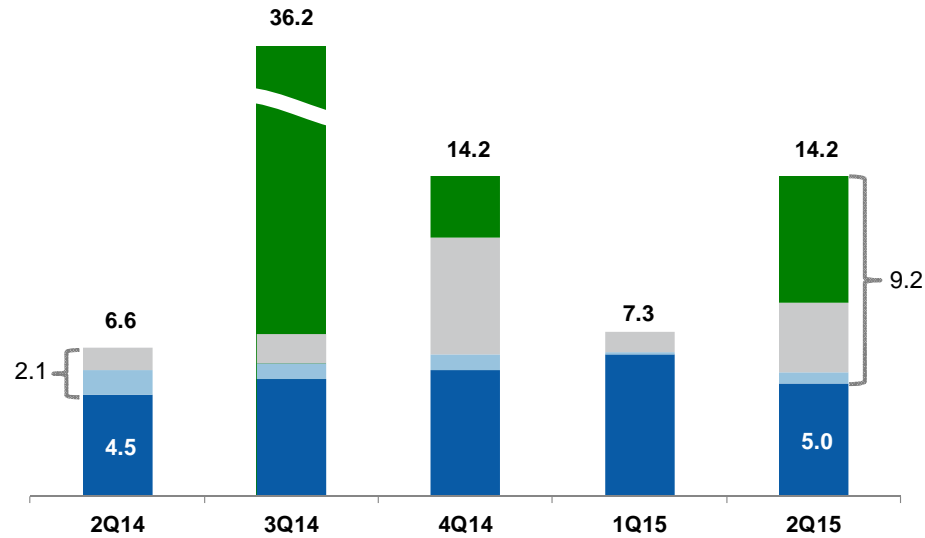
1) Market driven and discrete items as disclosed on pages 3 and 4.

RETIREMENT – SALES AND ACCOUNT VALUES



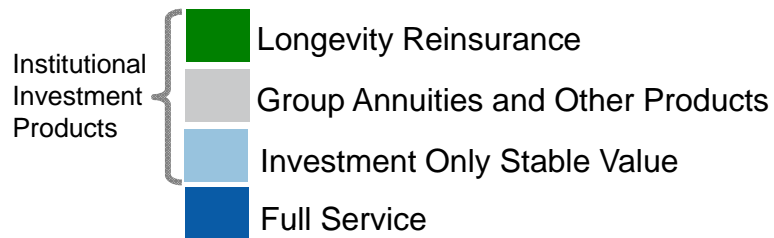
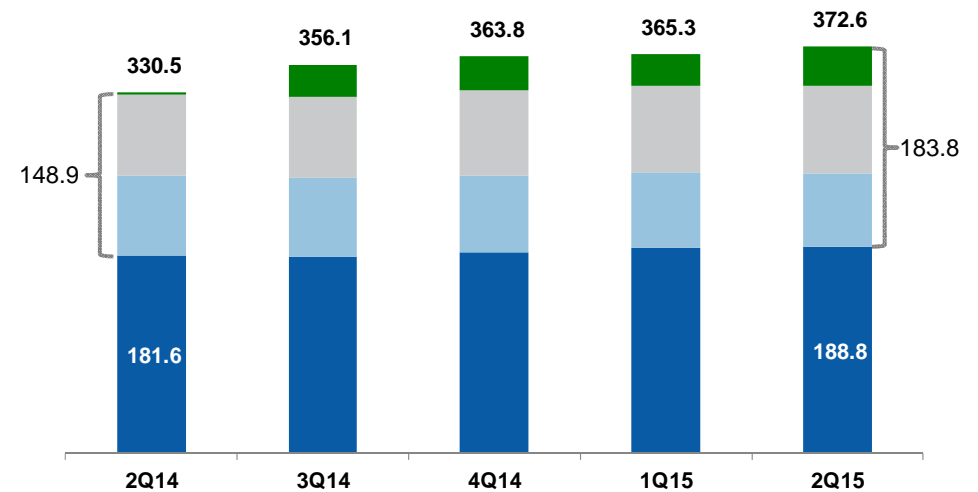
Gross Deposits and Sales

(\$ billions)



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
Second Quarter 2015			
Reported pre-tax adjusted operating income	\$ 548	\$ 237	\$ 196
Market driven and discrete items ⁽¹⁾	125	-	-
Excluding impact of market driven and discrete items	\$ 423	\$ 237	\$ 196
Second Quarter 2014			
Reported pre-tax adjusted operating income	\$ 390	\$ 286	\$ 200
Market driven and discrete items ⁽¹⁾	(4)	-	-
Excluding impact of market driven and discrete items	\$ 394	\$ 286	\$ 200

1) Market driven and discrete items as disclosed on pages 3 and 4.

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



(\$ millions)

	Individual Life	Group Insurance
Second Quarter 2015		
Reported pre-tax adjusted operating income	\$ 237	\$ 75
Market driven and discrete items ⁽¹⁾	60	28
Excluding impact of market driven and discrete items	\$ 177	\$ 47
Second Quarter 2014		
Reported pre-tax adjusted operating income	\$ 158	\$ 46
Market driven and discrete items ⁽¹⁾	(8)	-
Excluding impact of market driven and discrete items	\$ 166	\$ 46

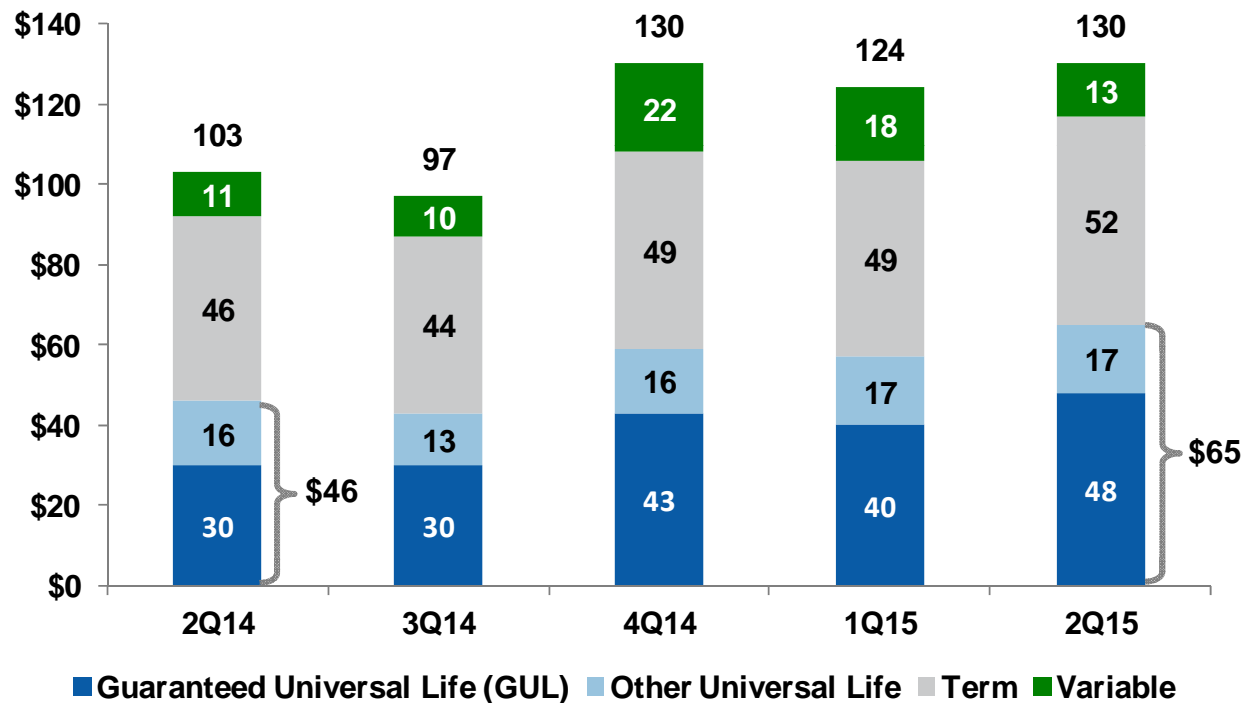
1) Market driven and discrete items as disclosed on pages 3 and 4.

INDIVIDUAL LIFE – SALES TREND



Annualized New Business Premiums

(\$ millions)



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



(\$ millions)

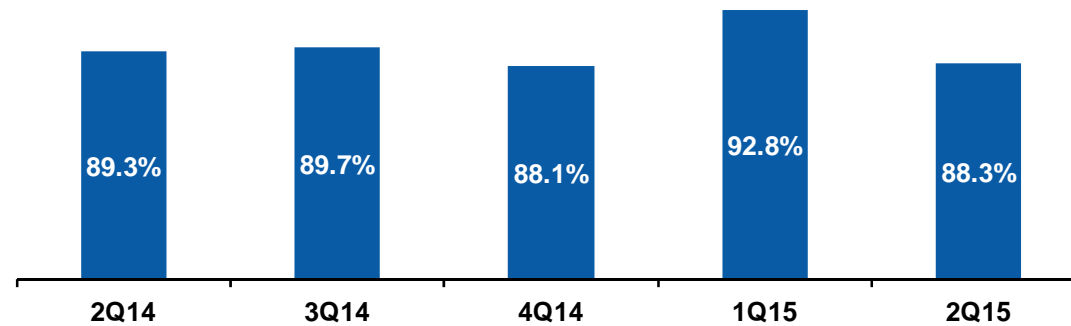
	Individual Life	Group Insurance
Second Quarter 2015		
Reported pre-tax adjusted operating income	\$ 237	\$ 75
Market driven and discrete items ⁽¹⁾	60	28
Excluding impact of market driven and discrete items	\$ 177	\$ 47
Second Quarter 2014		
Reported pre-tax adjusted operating income	\$ 158	\$ 46
Market driven and discrete items ⁽¹⁾	(8)	-
Excluding impact of market driven and discrete items	\$ 166	\$ 46

1) Market driven and discrete items as disclosed on pages 3 and 4.

GROUP INSURANCE – BENEFITS RATIO TRENDS

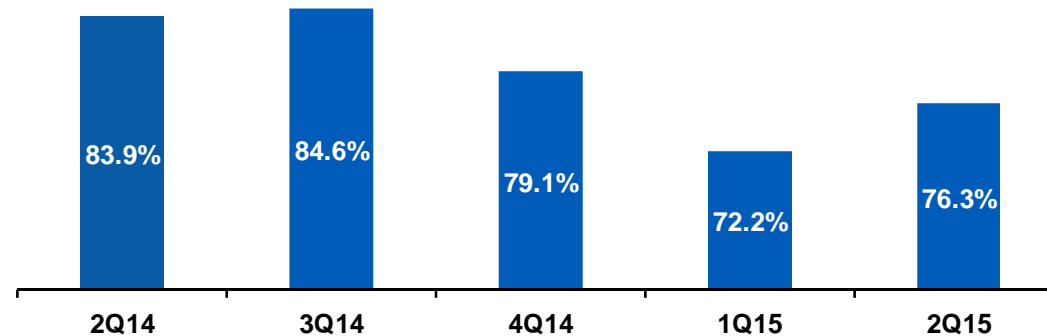


Group Life




Reported Benefits Ratio⁽¹⁾	89.9%	86.5%
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Group Disability



Reported Benefits Ratio⁽¹⁾	133.8%	61.6%
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 Benefits ratio excluding impact of market driven and discrete items as disclosed on page 28.

1) As reported in quarterly financial supplement, inclusive of impact of annual reviews of actuarial assumptions and reserve refinements in third quarter 2014 and second quarter 2015.

INTERNATIONAL INSURANCE DIVISION – LIFE PLANNER OPERATIONS



(\$ millions)

	Life Planner Operations	Gibraltar Life & Other Operations
Second Quarter 2015		
Reported pre-tax adjusted operating income	\$ 381	\$ 461
Market driven and discrete items ⁽¹⁾	(11)	(10)
Excluding impact of market driven and discrete items	\$ 392	\$ 471
Second Quarter 2014		
Reported pre-tax adjusted operating income	\$ 382	\$ 502
Market driven and discrete items ⁽¹⁾	-	-
Excluding impact of market driven and discrete items	\$ 382	\$ 502

1) Market driven and discrete items as disclosed on pages 3 and 4.

INTERNATIONAL INSURANCE DIVISION – GIBRALTAR LIFE & OTHER OPERATIONS

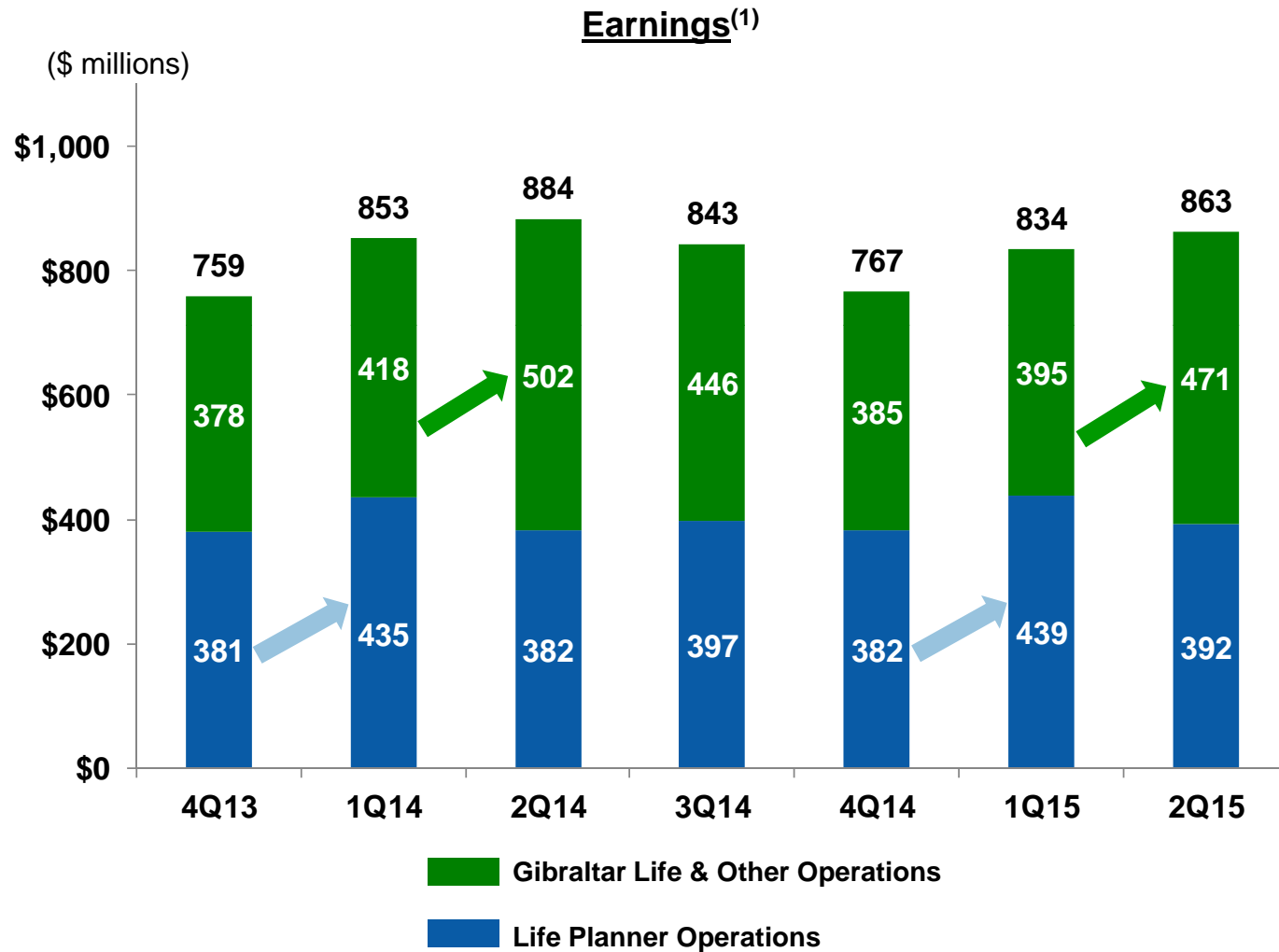


(\$ millions)

	Life Planner Operations	Gibraltar Life & Other Operations
Second Quarter 2015		
Reported pre-tax adjusted operating income	\$ 381	\$ 461
Market driven and discrete items ⁽¹⁾	(11)	(10)
Excluding impact of market driven and discrete items	\$ 392	\$ 471
Second Quarter 2014		
Reported pre-tax adjusted operating income	\$ 382	\$ 502
Market driven and discrete items ⁽¹⁾	-	-
Excluding impact of market driven and discrete items	\$ 382	\$ 502

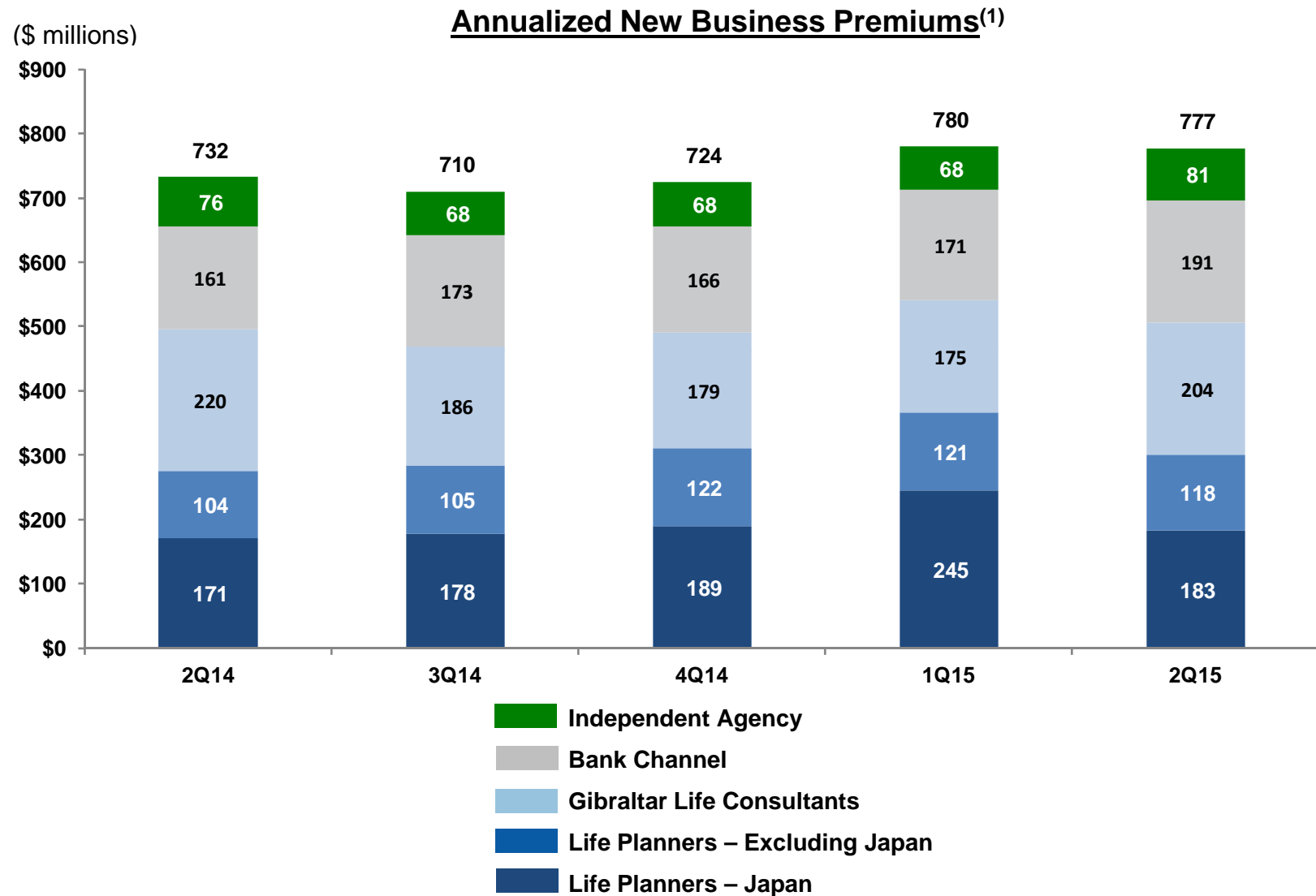
1) Market driven and discrete items as disclosed on pages 3 and 4.

INTERNATIONAL INSURANCE – EARNINGS TREND



1) Pre-tax AOI excluding market driven and discrete items as disclosed on pages 29 and 30.

INTERNATIONAL INSURANCE – 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. U.S. dollar-denominated activity is included based on the amounts as transacted in U.S. dollars.

CORPORATE & OTHER OPERATIONS



(\$ millions)

	Second Quarter	
	2015	2014
Reported pre-tax adjusted operating income (loss)	\$ (294)	\$ (341)
Market driven and discrete items ⁽¹⁾	11	-
Excluding impact of market driven and discrete items	\$ (305)	\$ (341)

1) Market driven and discrete items as disclosed on pages 3 and 4.

FINANCIAL STRENGTH AND FLEXIBILITY HIGHLIGHTS INSURANCE OPERATIONS



Risk Based Capital Ratio (RBC) ⁽¹⁾	Target	December 31, 2014
		498%
Prudential Insurance	400%	Estimated June 30, 2015
		Well Above Target

Solvency Margin Ratio	Target	March 31, 2015
Prudential of Japan ⁽²⁾	600% - 700%	844%
Gibraltar Life ⁽²⁾⁽³⁾	600% - 700%	882%

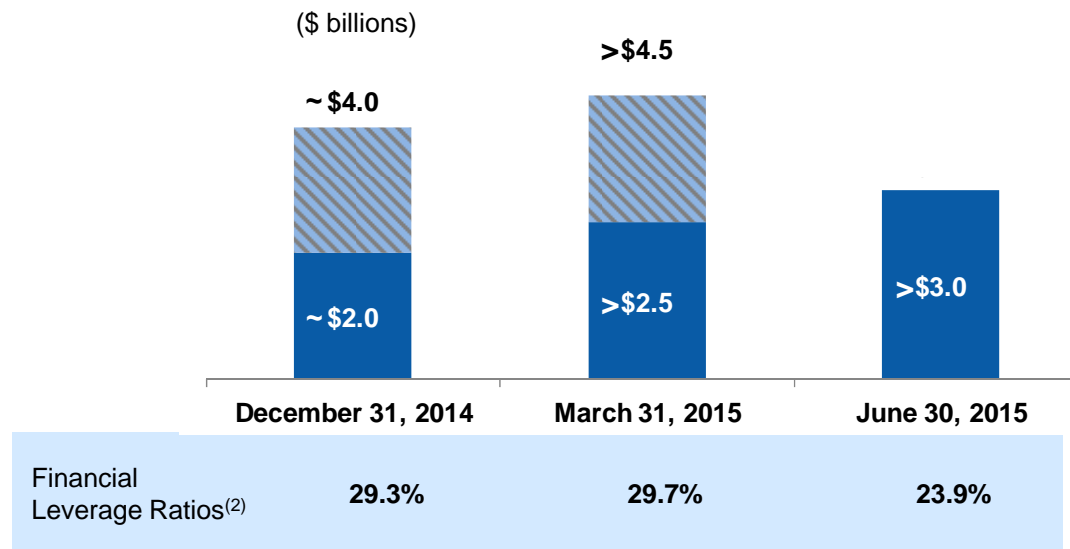
- 1) The inclusion of RBC measures is intended solely for the information of investors and is not intended for the purpose of ranking any insurance company or for use in connection with any marketing, advertising or promotional activities.
- 2) Based on Japanese statutory accounting and risk measurement standards applicable to regulatory filings as of March 31, 2015.
- 3) Gibraltar consolidated basis.

FINANCIAL STRENGTH AND FLEXIBILITY HIGHLIGHTS

ON BALANCE SHEET CAPITAL CAPACITY AND LIQUIDITY POSITION



Estimated On Balance Sheet Capital Capacity⁽¹⁾



Second Quarter Highlights

- Capital generated by businesses
- Slight positive from interest rates
- Approximately \$500 million dividends and share repurchases

Capital Earmarked for Reduction of Capital Debt
 Estimated On Balance Sheet Capital Capacity

Parent Company Cash and Short-Term Investments ⁽³⁾	\$4.2 billion	\$3.7 billion	\$5.6 billion
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- 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 for periods with actual ratios in excess of target.
- 2) Represents capital debt divided by sum of capital debt and equity. Junior subordinated debt treated as 25% equity, 75% capital debt for purposes of calculation. Equity excludes accumulated other comprehensive income, impact of foreign currency exchange rate remeasurement, and non-performance risk adjustment, net of deferred policy acquisition costs.
- 3) Net of outstanding commercial paper and cash held in an intra-company liquidity account at PFI.



PRUDENTIAL FINANCIAL, INC.

SECOND QUARTER 2015
EARNINGS CONFERENCE CALL PRESENTATION

QUESTIONS AND ANSWERS

AUGUST 6, 2015



FORWARD-LOOKING STATEMENTS AND NON-GAAP MEASURE



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. 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” section included in Prudential Financial, Inc.’s Annual Report on Form 10-K for the year ended December 31, 2014. Prudential Financial, Inc. does not intend, and is under no obligation, to update any particular forward-looking statement included in this presentation.

This presentation also includes references to “adjusted operating income” and return on equity, which is based on adjusted operating income. Adjusted operating income is a measure of performance that is not calculated based on accounting principles generally accepted in the United States of America (GAAP). For additional information about adjusted operating income and the comparable GAAP measure, including a reconciliation between the two, please refer to our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q, which are available on our Web site at www.investor.prudential.com. A reconciliation is also included as part of this presentation.

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

RECONCILIATIONS BETWEEN ADJUSTED OPERATING INCOME AND THE COMPARABLE GAAP MEASURE



(\$ millions)

	Second Quarter	
	2014	2015
After-tax adjusted operating income (1)	\$ 1,176	\$ 1,350
Reconciling items:		
Realized investment gains (losses), net, and related charges and adjustments	(273)	286
Investment gains (losses) on trading account assets supporting insurance liabilities, net	225	(220)
Change in experience-rated contractholder liabilities due to asset value changes	(189)	234
Divested businesses:		
Closed Block division	-	52
Other divested businesses	47	(109)
Equity in earnings of operating joint ventures and earnings attributable to noncontrolling interests	18	45
Total reconciling items, before income taxes	(172)	288
Income taxes, not applicable to adjusted operating income	(58)	188
Total reconciling items, after income taxes	(114)	100
Income from continuing operations (after-tax)		
before equity in earnings of operating joint ventures (1)	1,062	1,450
Equity in earnings of operating joint ventures, net of taxes and earnings attributable to noncontrolling interests	(17)	(44)
Income from continuing operations attributable to Prudential Financial, Inc. (1)	1,045	1,406
Earnings attributable to noncontrolling interests	23	53
Income from continuing operations (after-tax) (1)	1,068	1,459
Income from discontinued operations, net of taxes	4	-
Net income (1)	1,072	1,459
Less: Income attributable to noncontrolling interests	23	53
Net income attributable to Prudential Financial, Inc. (1)	\$ 1,049	\$ 1,406

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

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



	Year to Date June 30,			
	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⁾	\$ 3,586	\$ 5.69	\$ 3,194	\$ 4.89
Market driven and discrete items:				
Annual review of actuarial assumptions ⁽⁴⁾	117	0.17	-	-
Individual Annuities - Market unlockings and experience true-ups ⁽⁵⁾	200	0.28	(25)	(0.04)
Individual Life - Integration costs for Hartford Life acquisition	(17)	(0.02)	(16)	(0.02)
International Insurance - Life Planner Operations - Reserve refinements and related items	-	-	(16)	(0.02)
Subtotal	300	0.43	(57)	(0.08)
Results excluding market driven and discrete items	\$ 3,286	\$ 5.26	\$ 3,251	\$ 4.97

- 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 refinements of reserves and amortization of deferred policy acquisition and other costs.
- 5) Includes adjustments to reflect updated estimates of profitability based on market performance in relation to our assumptions.

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



(\$ millions)

	2Q14	3Q14	4Q14	1Q15	2Q15
Individual Annuities pre-tax adjusted operating income	\$ 390	\$ 367	\$ 322	\$ 529	\$ 548
Reconciling items:					
Market unlockings and experience true-ups ⁽¹⁾	(4)	(50)	(68)	106	94
Annual review of actuarial assumptions ⁽²⁾	-	14	-	-	31
Sub-total	(4)	(36)	(68)	106	125
Individual Annuities pre-tax adjusted operating income excluding market driven and discrete items	\$ 394	\$ 403	\$ 390	\$ 423	\$ 423

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

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

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



(\$ millions)

	<u>2Q14</u>	<u>3Q14</u>	<u>4Q14</u>	<u>1Q15</u>	<u>2Q15</u>
Group Insurance pre-tax adjusted operating income	\$ 46	\$ (73)	\$ 44	\$ 30	\$ 75
Reconciling items:					
Annual review of actuarial assumptions ⁽¹⁾	-	(107)	-	-	28
Sub-total	-	(107)	-	-	28
Group Insurance pre-tax adjusted operating income excluding market driven and discrete items	<u>\$ 46</u>	<u>\$ 34</u>	<u>\$ 44</u>	<u>\$ 30</u>	<u>\$ 47</u>

1) Includes refinements of reserves and 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	2Q15
Life Planner Operations pre-tax adjusted operating income	\$ 303	\$ 419	\$ 382	\$ 414	\$ 374	\$ 439	\$ 381
Reconciling items:							
Annual review of actuarial assumptions and reserve refinements ⁽¹⁾	(78)	(16)	-	17	(8)	-	(11)
Sub-total	(78)	(16)	-	17	(8)	-	(11)
Life Planner Operations pre-tax adjusted operating income excluding market driven and discrete items	\$ 381	\$ 435	\$ 382	\$ 397	\$ 382	\$ 439	\$ 392

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

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



(\$ millions)

	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15
Gibraltar Life pre-tax adjusted operating income	\$ 344	\$ 418	\$ 502	\$ 431	\$ 312	\$ 395	\$ 461
Reconciling items:							
Annual review of actuarial assumptions and reserve refinements ⁽¹⁾	(23)	-	-	(15)	(73)	-	(10)
Intergration costs for Star/Edison acquisition	(11)	-	-	-	-	-	-
Sub-total	(34)	-	-	(15)	(73)	-	(10)
Gibraltar Life pre-tax adjusted operating income excluding market driven and discrete items	\$ 378	\$ 418	\$ 502	\$ 446	\$ 385	\$ 395	\$ 471

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