



PRUDENTIAL FINANCIAL, INC.

FIRST QUARTER 2016
EARNINGS CONFERENCE CALL PRESENTATION

MAY 5, 2016



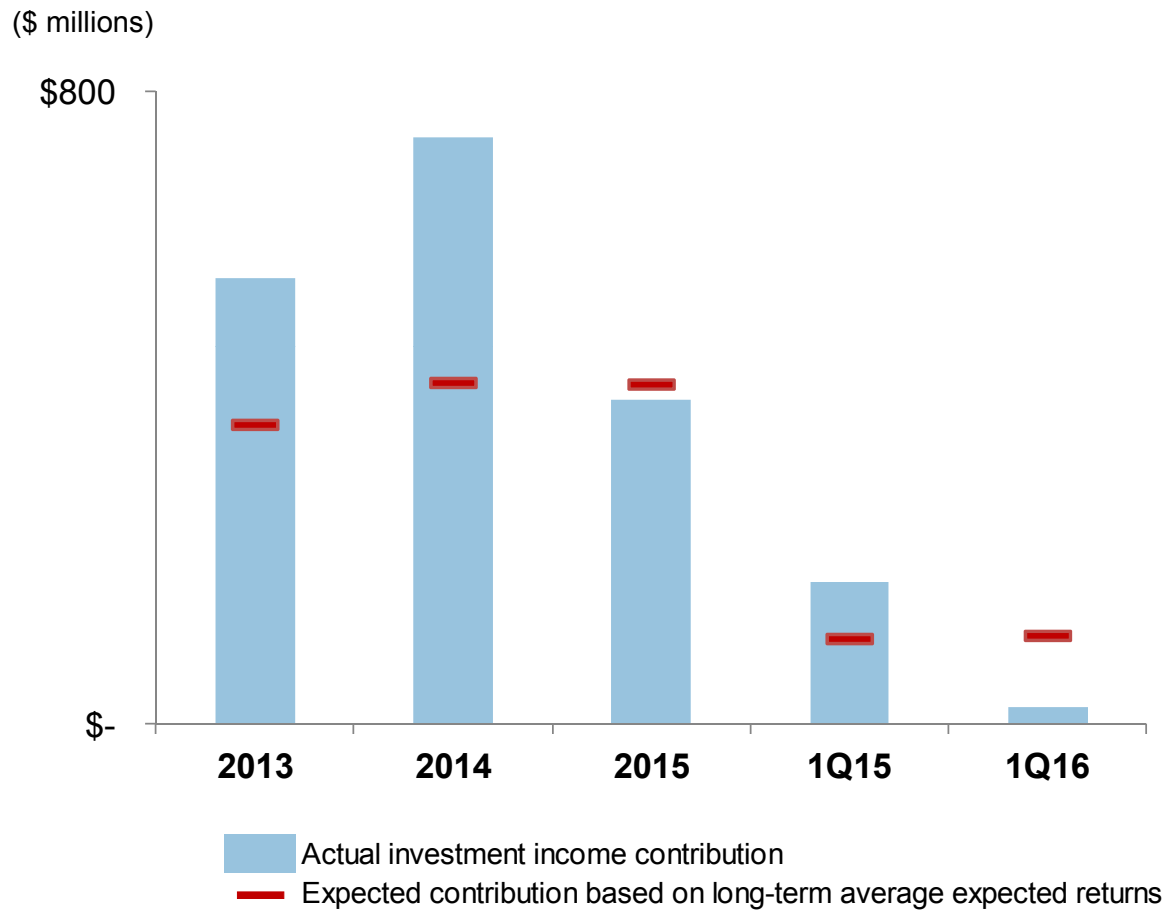
FIRST QUARTER EARNINGS⁽¹⁾



	First Quarter	
	2016	2015
Pre-Tax Adjusted Operating Income (AOI)		
Reported	\$ 1,325	\$ 1,745
Market driven and discrete items ⁽²⁾	(53)	97
Excluding market driven and discrete items	\$ 1,378	\$ 1,648
Earnings Per Share (EPS)		
Reported	\$ 2.18	\$ 2.79
Market driven and discrete items ⁽²⁾	(0.08)	0.14
Excluding market driven and discrete items	\$ 2.26	\$ 2.65
Operating Return on Average Equity⁽³⁾		
Reported	11.9%	16.9%
Excluding impact of market driven and discrete items on AOI	12.3%	16.1%
Net Income		
Reported	\$ 1,336	\$ 2,036
Book Value Per Share of Common Stock		
	March 31, 2016	December 31, 2015
Reported (including Accumulated Other Comprehensive Income, "AOCI")	\$ 109.66	\$ 92.39
Excluding AOCI and adjusted to remove amounts included for foreign currency exchange rate remeasurement	\$ 75.46	\$ 73.59

- 1) Dollar amounts in millions except per share amounts. Per share amounts on diluted basis.
- 2) Market driven and discrete items as disclosed on page 4; based on application of 35% tax rate for purposes of EPS calculation.
- 3) Annualized; based on after-tax AOI. Based on average attributed equity excluding AOCI and adjusted to remove amounts included for foreign currency exchange rate remeasurement. Impact of latter adjustment on attributed equity represents cumulative impact of gains and losses resulting from foreign currency exchange rate remeasurement included in net income (loss); based on application of 35% tax rate.

NON-COUPON INVESTMENT RETURNS⁽¹⁾



1) For ongoing operations; excludes Closed Block division. "Non-coupon investments" include private equities, hedge funds, real estate, and public equity portfolio held mainly in Japan which includes stocks, mutual funds and J-REIT's. See page 23 for description of average expectations.

IMPACT OF MARKET DRIVEN AND DISCRETE ITEMS



	First Quarter			
	2016		2015	
	Pre-tax AOI ⁽¹⁾	EPS ⁽²⁾	Pre-tax AOI ⁽¹⁾	EPS ⁽²⁾
Reported Results	\$ 1,325	\$ 2.18	\$ 1,745	\$ 2.79
Market driven and discrete items:				
Individual Annuities - Market unlockings and experience true-ups ⁽³⁾	(53)	(0.08)	106	0.15
Individual Life - Integration costs for Hartford Life acquisition	-	-	(9)	(0.01)
Subtotal	(53)	(0.08)	97	0.14
Results excluding market driven and discrete items	\$ 1,378	\$ 2.26	\$ 1,648	\$ 2.65

1) In millions.

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

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

FIRST QUARTER NON-AOI ITEMS⁽¹⁾



(\$ millions)

	First Quarter	
	2016	2015
Pre-tax realized investment gains (losses), net, and related charges and adjustments included in net income:		
Product related embedded derivatives and hedging activities	\$ 282	\$ 265
Changes in market value of derivatives used in risk management activities including asset/liability duration management	168	417
Impairments and credit losses	(106)	(31)
General investment portfolio and related activities ⁽²⁾	(6)	400
Subtotal	\$ 338	\$ 1,051
Other Non-AOI pre-tax items:		
Results of divested businesses	(42)	53
Other ⁽³⁾	86	(114)
Subtotal	\$ 44	\$ (61)
Total Non-AOI items⁽⁴⁾	\$ 382	\$ 990

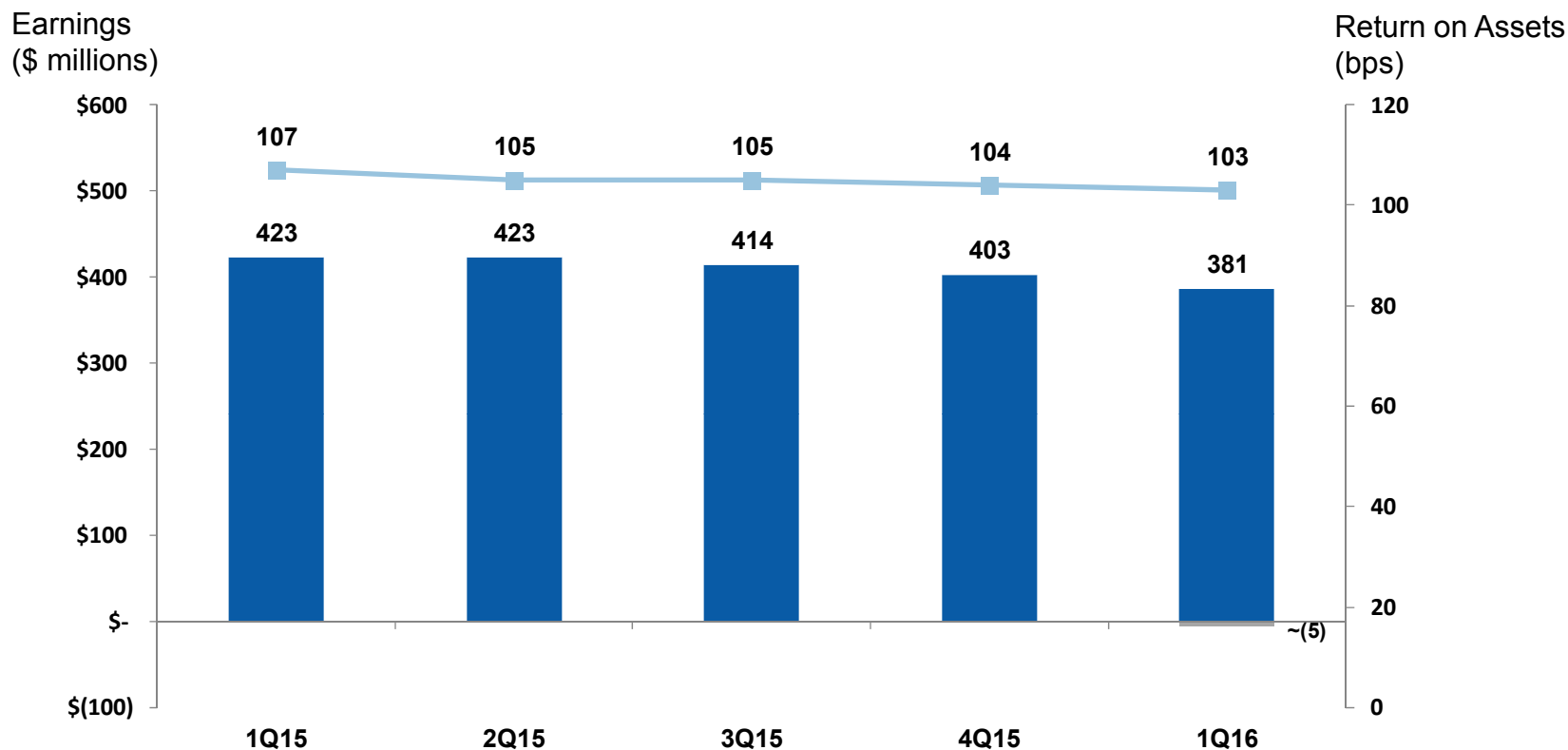
1) Certain prior period items have been reclassified to conform to current period presentation.

2) Includes amounts for foreign currency exchange rate remeasurement.

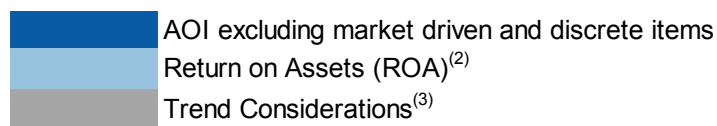
3) Includes changes in recorded asset values and liabilities representing changes in value which are expected to ultimately accrue to contractholders, primarily from mark to market adjustments. Excludes pre-tax reconciling item between AOI and U.S. GAAP for equity in earnings of operating joint ventures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

4) See earnings release tables for related tax effect.

INDIVIDUAL ANNUITIES – EARNINGS TREND⁽¹⁾ AND RETURN ON ASSETS



Average Account Values (\$ billions)	1Q15	2Q15	3Q15	4Q15	1Q16
	\$160.0	\$161.9	\$156.2	\$154.6	\$147.9

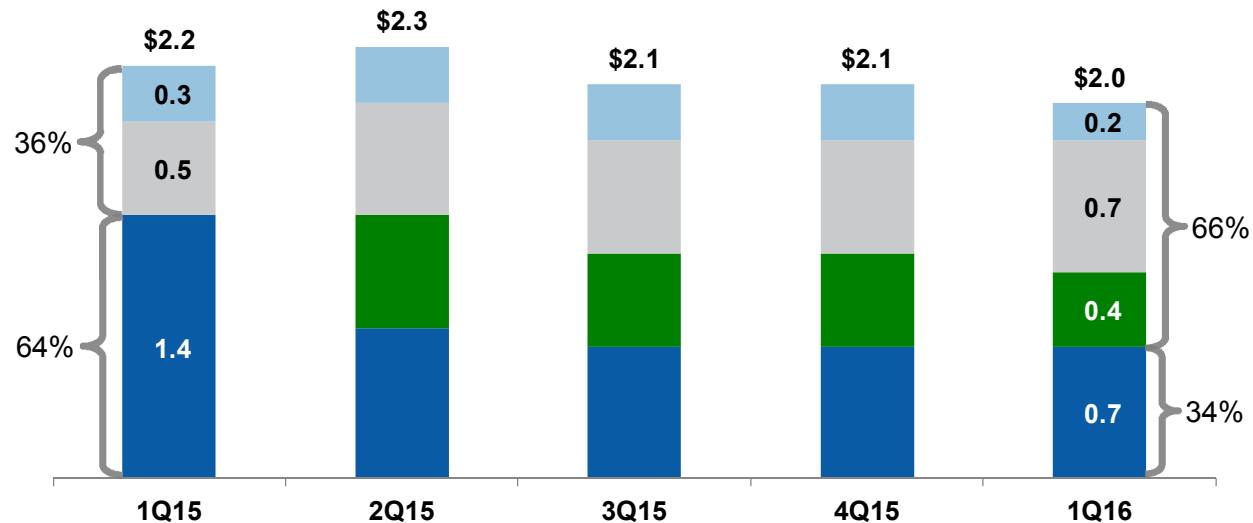


- 1) Pre-tax AOI excluding market driven and discrete items as disclosed on page 25.
- 2) Annualized pre-tax AOI excluding market driven and discrete items divided by average account values based on daily averages for separate accounts.
- 3) Trend considerations do not include seasonality impacts or quarterly expense patterns and are described on page 23.

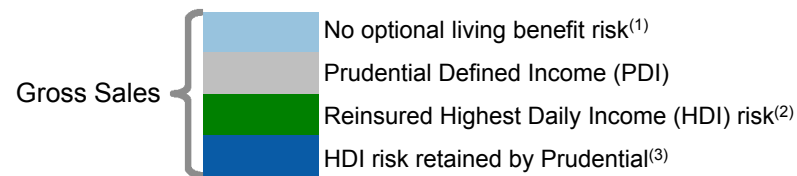
INDIVIDUAL ANNUITIES – SALES AND PRODUCT MIX



Gross Sales (\$ billions)



Net Sales (\$ millions)	1Q15	2Q15	3Q15	4Q15	1Q16
	\$31	\$138	\$128	\$68	\$238

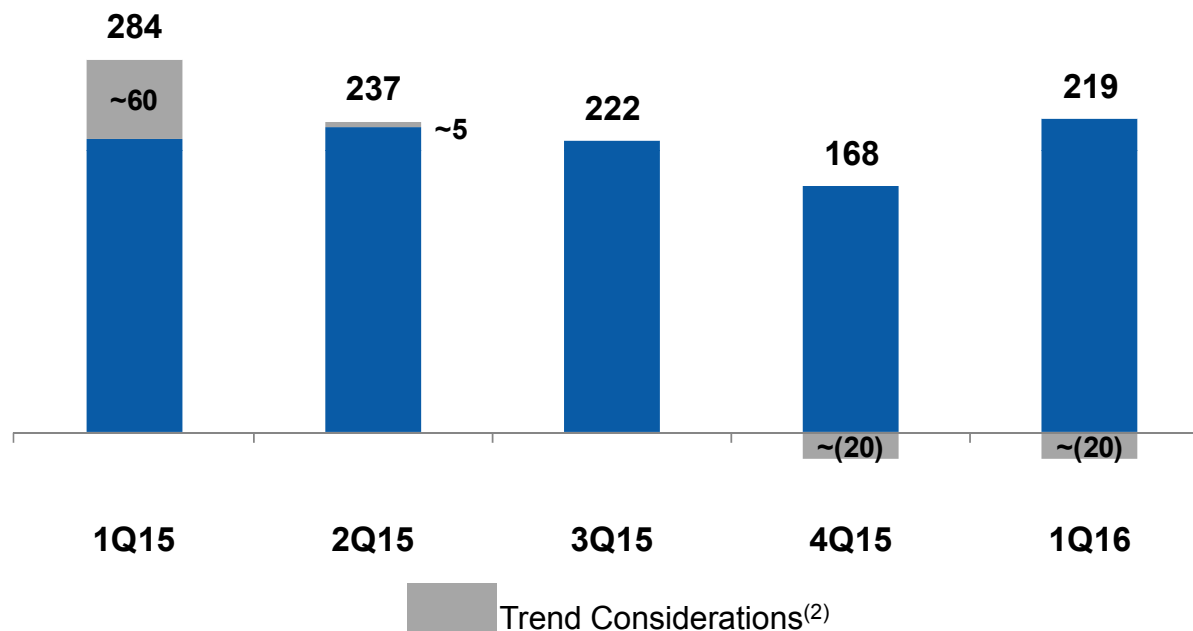


- 1) Includes Prudential Premier Investment contracts, and other annuities without optional living benefit guarantees.
- 2) Includes portion of account values for certain variable annuities for which living benefits are covered under an external reinsurance agreement which became effective April 1, 2015.
- 3) Includes predecessor product optional living benefits.

RETIREMENT – EARNINGS TREND⁽¹⁾



(\$ millions)



1) Pre-tax AOI excluding market driven and discrete items as disclosed on page 25.

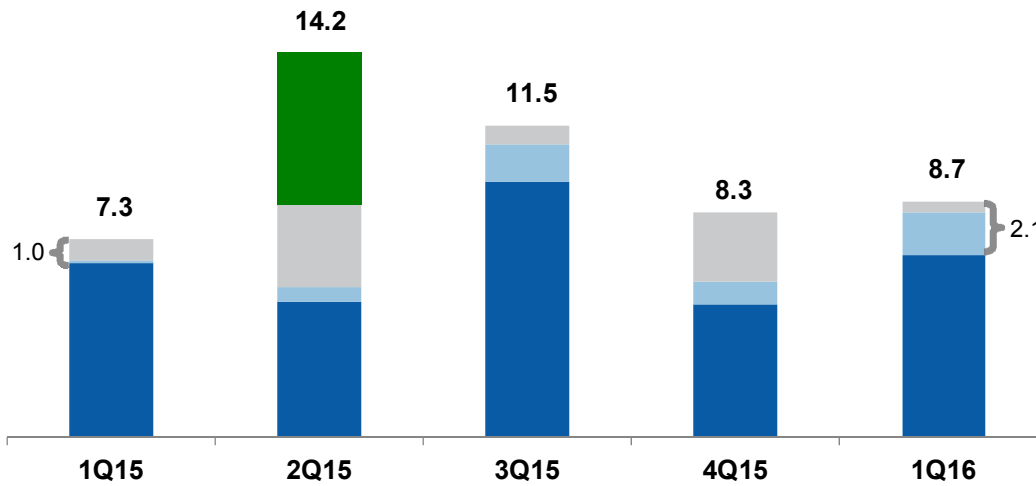
2) Trend considerations do not include seasonality impacts or quarterly expense patterns and are described on page 23.

RETIREMENT – SALES AND ACCOUNT VALUES



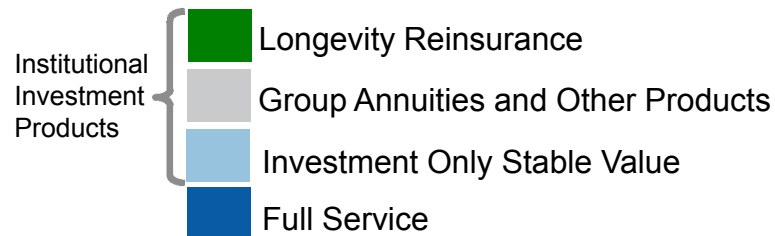
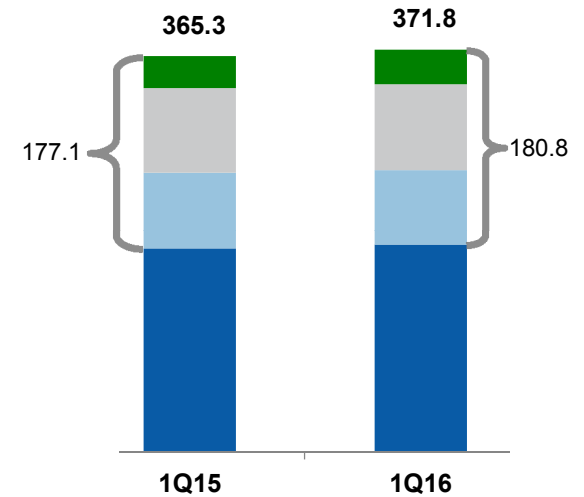
Gross Sales and Deposits

(\$ billions)



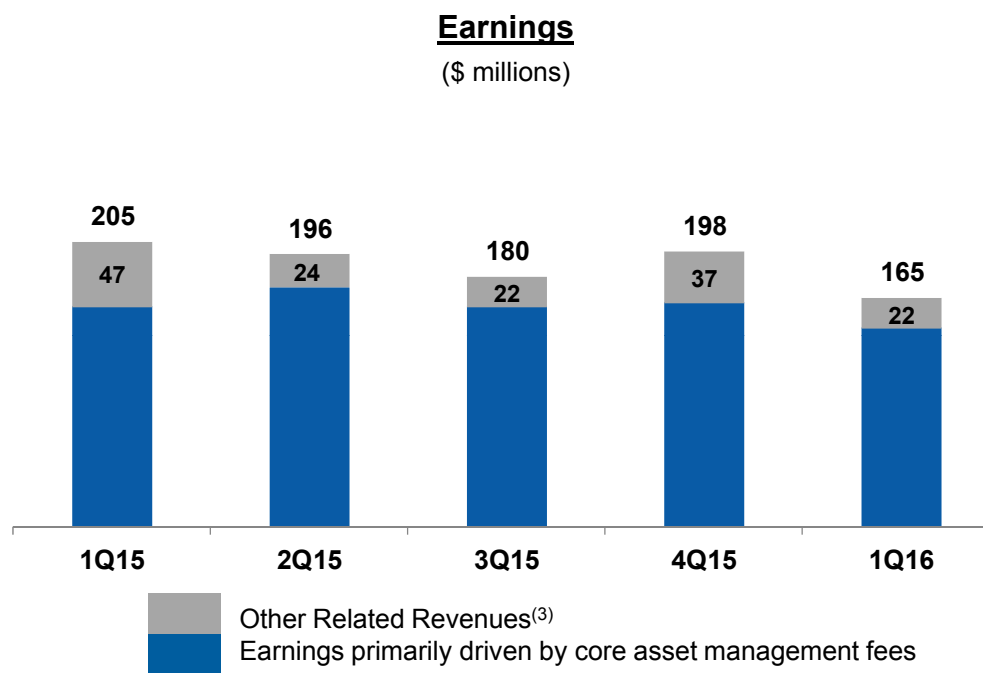
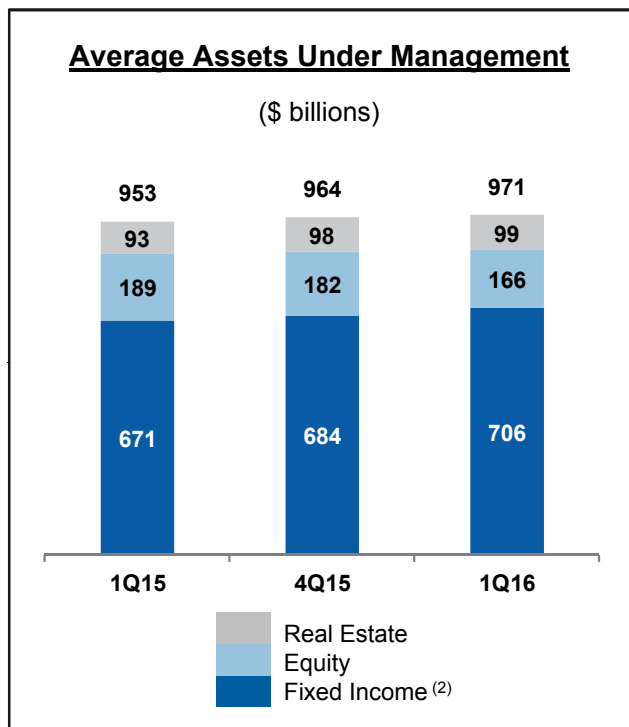
Account Values⁽¹⁾

(\$ billions)



1) As of end of period.

ASSET MANAGEMENT – EARNINGS TREND⁽¹⁾ AND KEY BUSINESS DRIVERS



1) Pre-tax AOI.

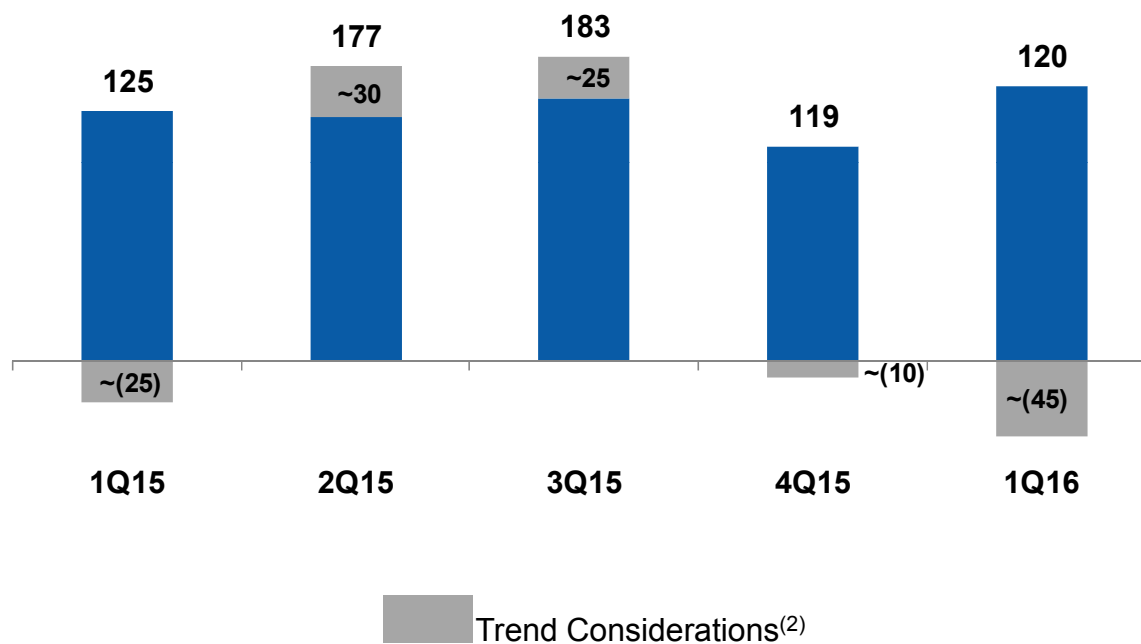
2) Includes International Investments.

3) Earnings contribution from incentive, transaction, strategic investing and commercial mortgage activities, net of expenses.

INDIVIDUAL LIFE – EARNINGS TREND⁽¹⁾



(\$ millions)



1) Pre-tax AOI excluding market driven and discrete items as disclosed on page 25.

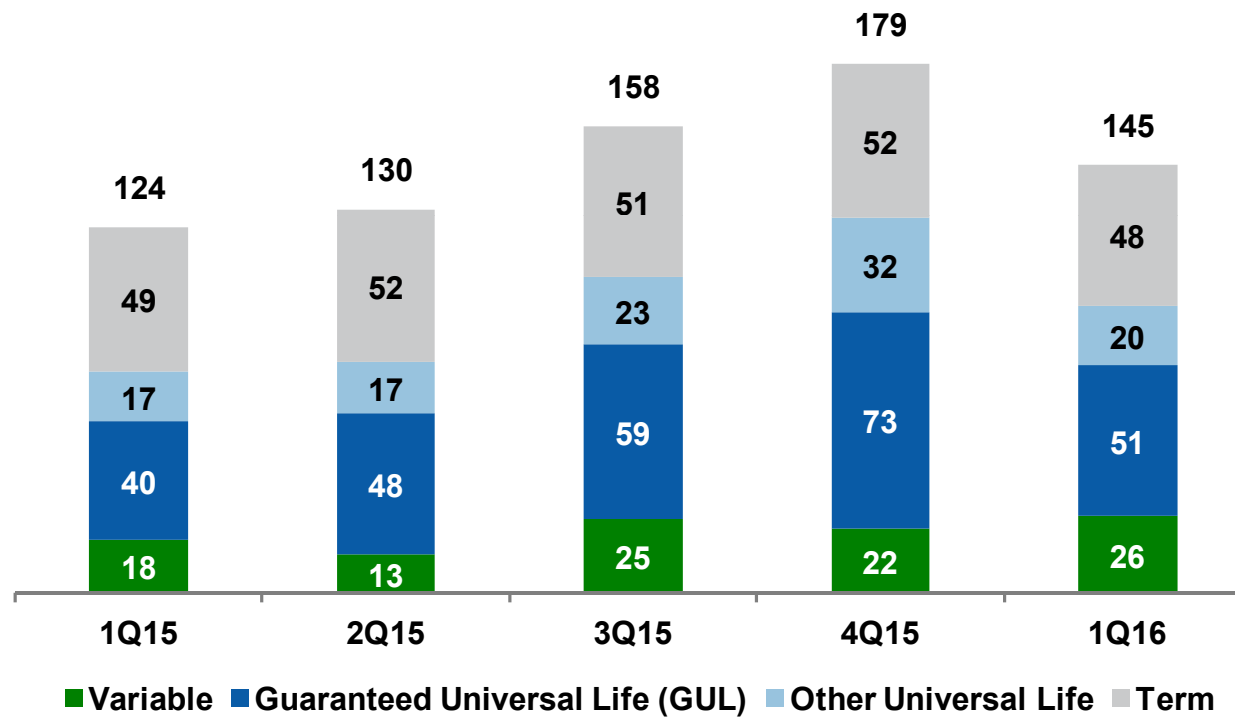
2) Trend considerations do not include seasonality impacts or quarterly expense patterns and are described on page 23.

INDIVIDUAL LIFE – SALES

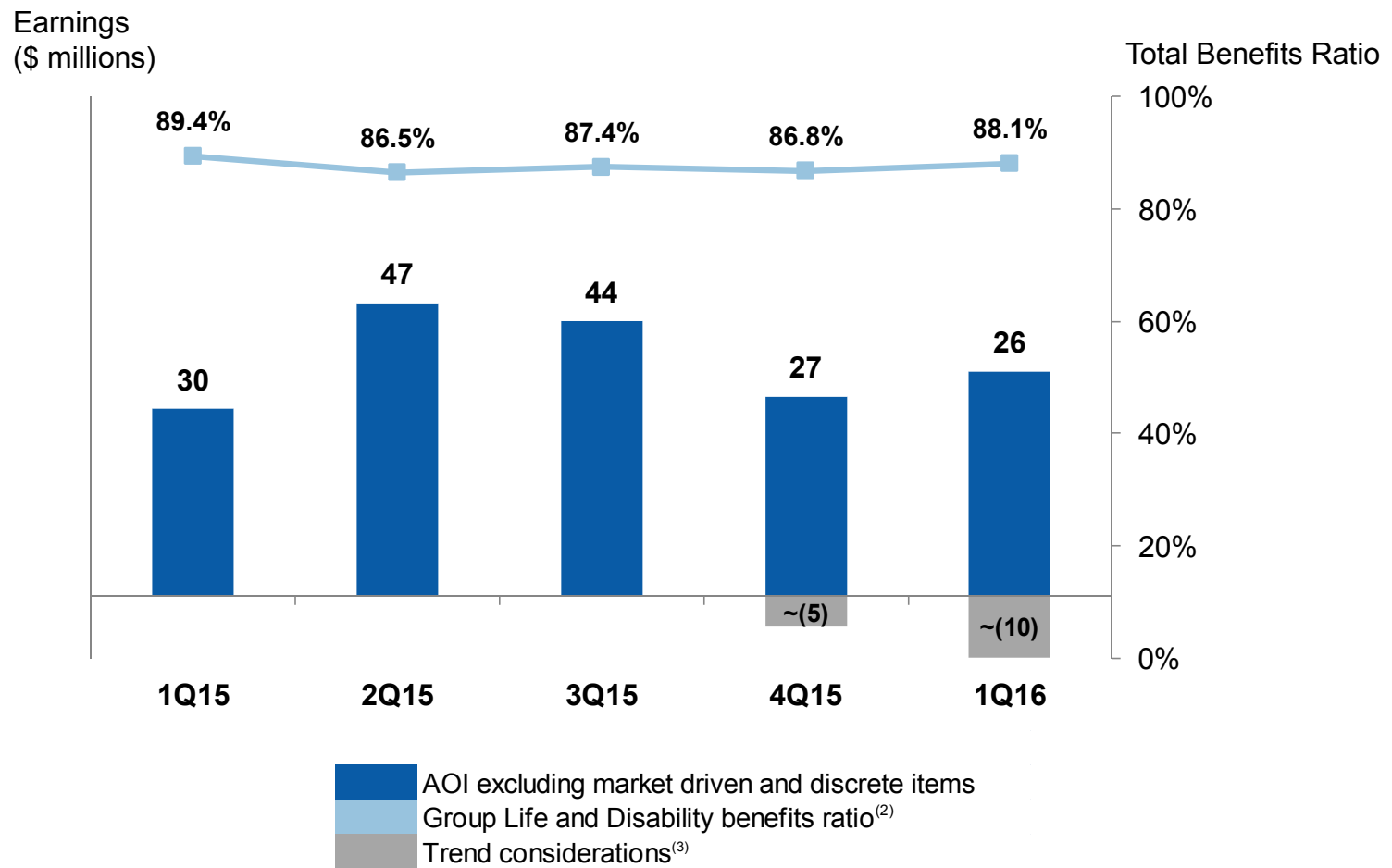


Annualized New Business Premiums

(\$ millions)



GROUP INSURANCE – EARNINGS TREND⁽¹⁾ AND BENEFITS RATIOS



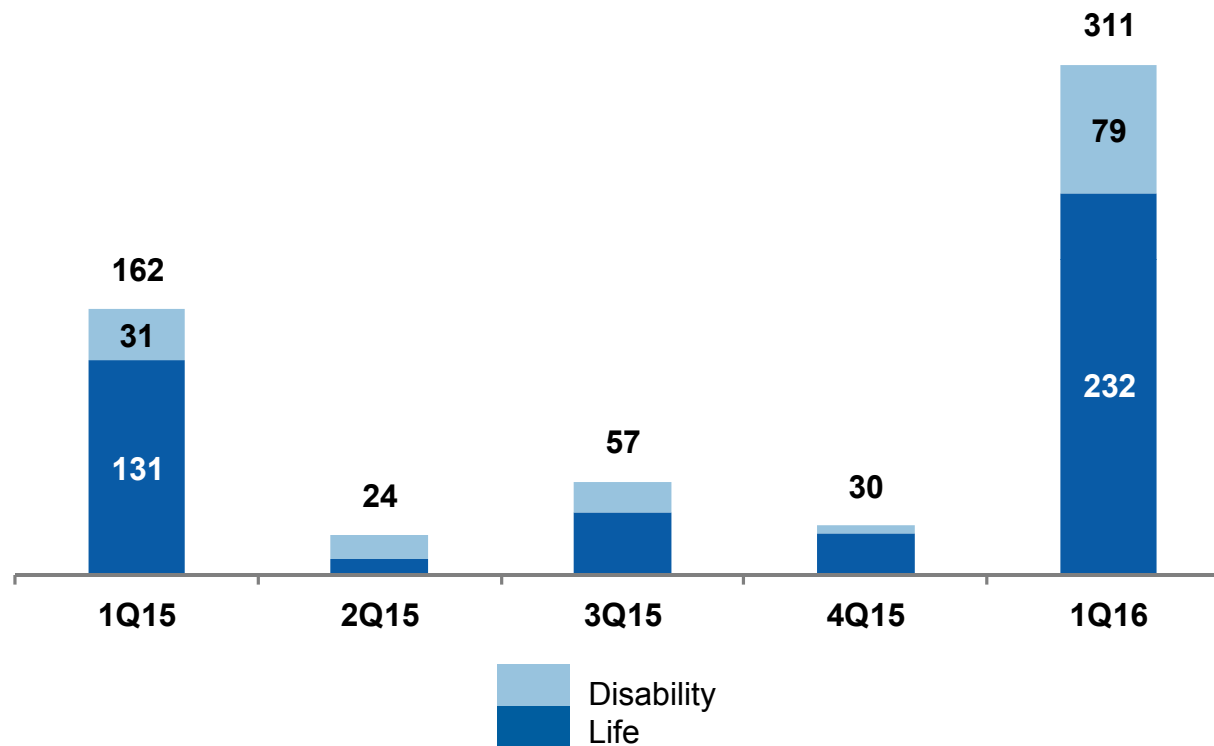
- 1) Pre-tax AOI excluding market driven and discrete items as disclosed on page 25.
- 2) Benefits ratios excluding impact of market driven and discrete items disclosed on page 25.
- 3) Trend considerations do not include seasonality impacts or quarterly expense patterns and are described on page 23.

GROUP INSURANCE – SALES



Annualized New Business Premiums

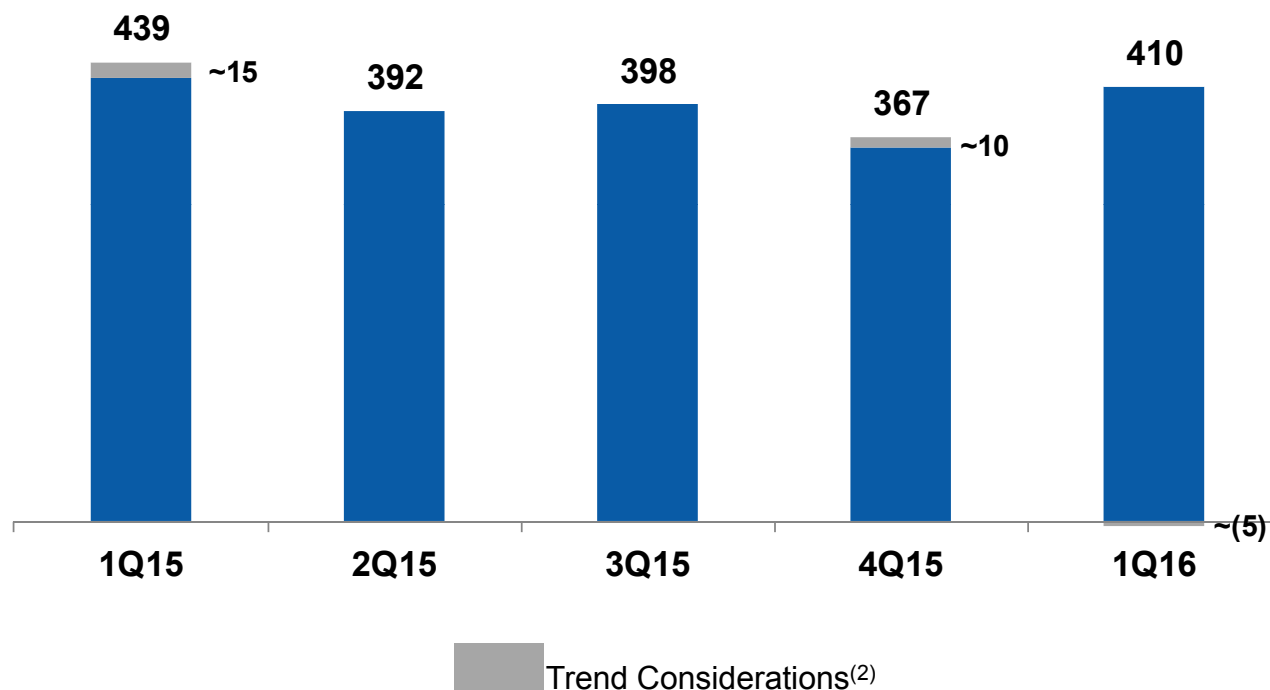
(\$ millions)



INTERNATIONAL INSURANCE DIVISION – LIFE PLANNER OPERATIONS – EARNINGS TREND⁽¹⁾



(\$ millions)

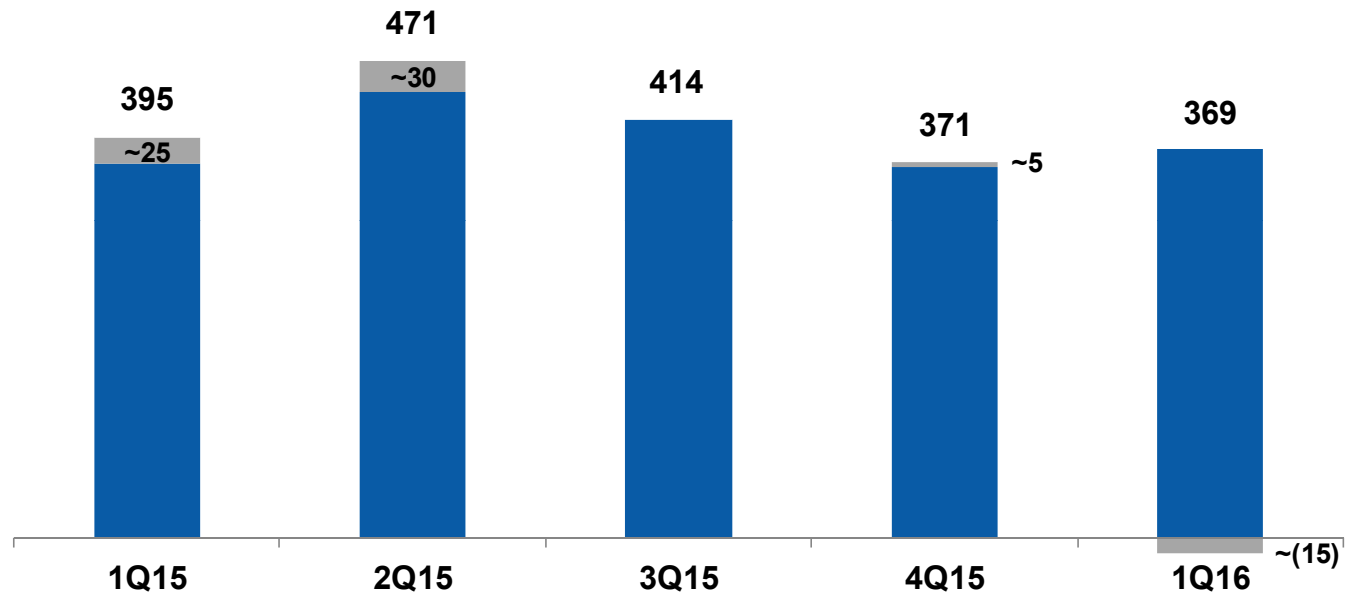


- 1) Pre-tax AOI excluding market driven and discrete items as disclosed on page 26.
- 2) Trend considerations do not include seasonality impacts or quarterly expense patterns and are described on page 23.

INTERNATIONAL INSURANCE DIVISION – GIBRALTAR LIFE & OTHER OPERATIONS – EARNINGS TREND⁽¹⁾



(\$ millions)



 Trend Considerations⁽²⁾

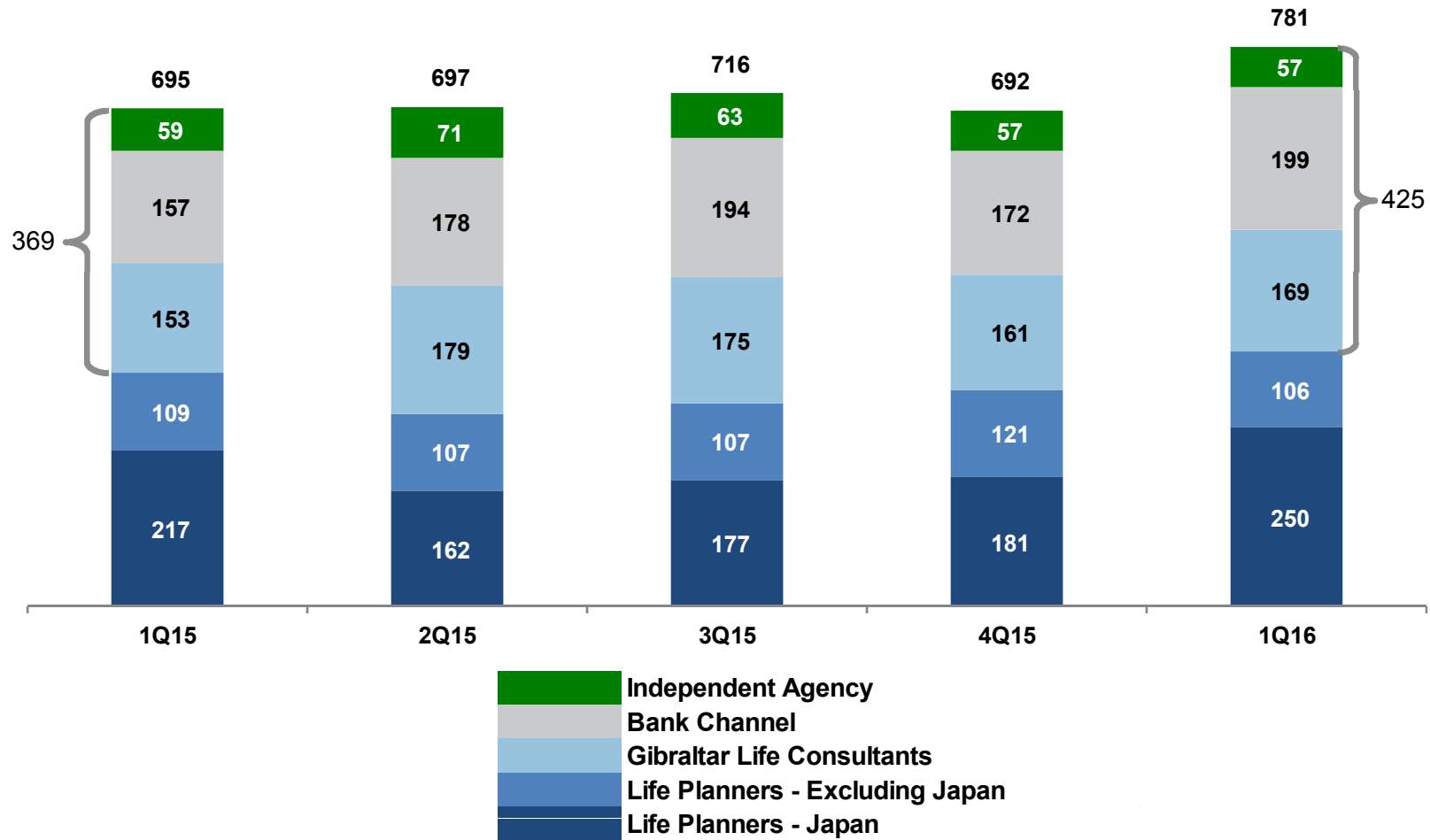
- 1) Pre-tax AOI excluding market driven and discrete items as disclosed on page 26.
- 2) Trend considerations do not include seasonality impacts or quarterly expense patterns and are described on page 23.

INTERNATIONAL INSURANCE DIVISION – SALES



Annualized New Business Premiums⁽¹⁾

(\$ millions)

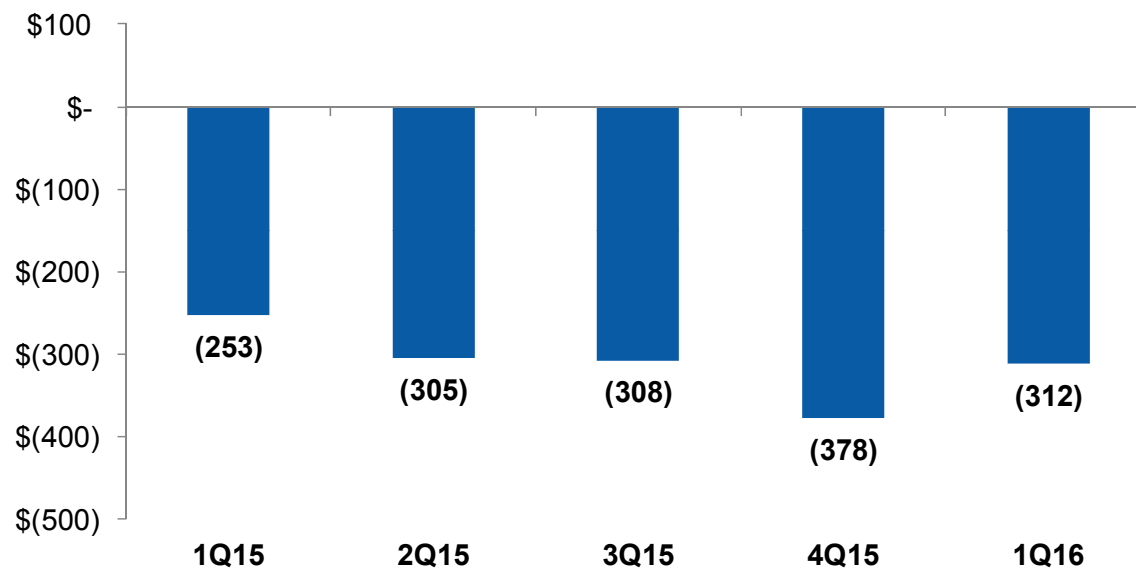


1) Foreign denominated activity translated to U.S. dollars at uniform exchange rates for all periods presented, including Japanese yen 106 per U.S. dollar, and Korean won 1,100 per U.S. dollar. U.S. dollar-denominated activity is included based on the amounts as transacted in U.S. dollars.

CORPORATE & OTHER OPERATIONS – RESULTS TREND⁽¹⁾



(\$ millions)



1) Pre-tax AOI excluding market driven and discrete items as disclosed on page 26.

FINANCIAL STRENGTH HIGHLIGHTS INSURANCE OPERATIONS



Risk Based Capital Ratio (RBC) ⁽¹⁾	Target	December 31, 2015
		484%
Prudential Insurance	400%	Estimated March 31, 2016
		Well Above Target

Solvency Margin Ratio	Target	December 31, 2015
Prudential of Japan ⁽²⁾	700%	877%
Gibraltar Life ⁽²⁾⁽³⁾	700%	929%

- 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. Indicated target is for purposes of evaluating on balance sheet capital capacity.
- 2) Based on Japanese statutory accounting and risk measurement standards applicable to regulatory filings.
- 3) Gibraltar consolidated basis.

LIQUIDITY, LEVERAGE, AND CAPITAL DEPLOYMENT



Liquidity Position⁽¹⁾

- Parent company cash, short term investments, and U.S. Treasury fixed maturities, \$4.1 billion⁽²⁾

Leverage Ratios⁽¹⁾

- Financial leverage ratio 25.0%, total leverage ratio 41.4%, each within our targets⁽³⁾

Capital Deployment⁽⁴⁾ Highlights

- Quarterly common stock dividends, \$316 million
- Share repurchases, \$375 million
- Other significant capital deployment, ~\$800 million⁽⁵⁾

1) As of March 31, 2016.

2) Net of outstanding commercial paper and cash held in an intra-company liquidity account at parent company.

3) Financial leverage ratio 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. Total leverage ratio represents total debt divided by sum of total debt and equity. Equity in each calculation includes non-controlling interest and excludes AOCI, impact of foreign currency exchange rate remeasurement, and non-performance risk adjustment, net of deferred policy acquisition costs.

4) For the three months ended March 31, 2016.

5) Funding of Chilean investment; capital debt repayment.



PRUDENTIAL FINANCIAL, INC.

FIRST QUARTER 2016
EARNINGS CONFERENCE CALL PRESENTATION

QUESTIONS AND ANSWERS

MAY 5, 2016



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, 2015. 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 Report on Form 10-K for the year ended December 31, 2015, which is 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.

TREND CONSIDERATIONS



“Trend considerations” represent the approximate impact on results attributable to variances from the Company’s long-term average expectations for the items described below and for the period indicated. These items, where significant, are individually identified for the respective periods in the Company’s earnings releases, available at www.investor.prudential.com. Trend considerations for the reporting periods shown herein include variances as applicable, for the following items, organized by business unit:

- *Individual Annuities*: returns from non-coupon investments;
- *Retirement*: returns from non-coupon investments, mortgage prepayment income, and case experience;
- *Individual Life*: claims experience including mortality, reserve updates and related amortization, returns from non-coupon investments, and level of expenses and financing costs;
- *Group Insurance*: returns from non-coupon investments;
- *Life Planner Operations*: returns from non-coupon investments and policy benefits experience; and
- *Gibraltar Life & Other Operations*: returns from non-coupon investments, mortgage prepayment income, and policy benefits experience.

The Company chooses to highlight the impact of these items because it believes their contribution to results in a given period may not be indicative of future performance. These trend considerations do not include seasonality impacts or quarterly expense patterns and may not encompass all items that could affect earnings trends. Average expectations used for comparison herein are those in effect for the respective periods shown at the time of original reporting and are not adjusted for subsequent changes in the Company’s expectations.

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RECONCILIATIONS BETWEEN ADJUSTED OPERATING INCOME AND THE COMPARABLE GAAP MEASURE



(\$ millions)

	First Quarter	
	2015	2016
After-tax adjusted operating income	\$ 1,298	\$ 997
Reconciling items:		
Realized investment gains (losses), net, and related charges and adjustments	1,051	338
Investment gains (losses) on trading account assets supporting insurance liabilities, net	83	216
Change in experience-rated contractholder liabilities due to asset value changes	(197)	(130)
Divested businesses:		
Closed Block division	(22)	(73)
Other divested businesses	75	31
Equity in earnings of operating joint ventures and earnings attributable to noncontrolling interests	13	25
Total reconciling items, before income taxes	1,003	407
Income taxes, not applicable to adjusted operating income	252	40
Total reconciling items, after income taxes	751	367
Income (loss) from continuing operations (after-tax) before equity in earnings of operating joint ventures	2,049	1,364
Equity in earnings of operating joint ventures, net of taxes and earnings attributable to noncontrolling interests	(13)	(28)
Income (loss) from continuing operations attributable to Prudential Financial, Inc.	2,036	1,336
Earnings attributable to noncontrolling interests	10	33
Income (loss) from continuing operations (after-tax)	2,046	1,369
Income from discontinued operations, net of taxes	-	-
Net income (loss)	2,046	1,369
Less: Income attributable to noncontrolling interests	10	33
Net income (loss) attributable to Prudential Financial, Inc.	\$ 2,036	\$ 1,336

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



(\$ millions)

	1Q15	2Q15	3Q15	4Q15	1Q16
Individual Annuities pre-tax AOI	\$ 529	\$ 548	\$ 310	\$ 410	\$ 328
Reconciling items:					
Market unlockings and experience true-ups ⁽¹⁾	106	94	(104)	7	(53)
Annual review of actuarial assumptions and reserve refinements ⁽²⁾	-	31	-	-	-
Subtotal	106	125	(104)	7	(53)
Individual Annuities pre-tax AOI excluding market driven and discrete items	\$ 423	\$ 423	\$ 414	\$ 403	\$ 381
Retirement pre-tax AOI	\$ 284	\$ 237	\$ 242	\$ 168	\$ 219
Reconciling items:					
Annual review of actuarial assumptions and reserve refinements ⁽²⁾	-	-	20	-	-
Subtotal	-	-	20	-	-
Retirement pre-tax AOI excluding market driven and discrete items	\$ 284	\$ 237	\$ 222	\$ 168	\$ 219
Individual Life pre-tax AOI	\$ 116	\$ 237	\$ 183	\$ 99	\$ 120
Reconciling items:					
Annual review of actuarial assumptions and reserve refinements ⁽²⁾	-	68	-	(20)	-
Integration costs for Hartford Life acquisition	(9)	(8)	-	-	-
Subtotal	(9)	60	-	(20)	-
Individual Life pre-tax AOI excluding market driven and discrete items	\$ 125	\$ 177	\$ 183	\$ 119	\$ 120
Group Insurance pre-tax AOI	\$ 30	\$ 75	\$ 44	\$ 27	\$ 26
Reconciling items:					
Annual review of actuarial assumptions and reserve refinements ⁽²⁾	-	28	-	-	-
Subtotal	-	28	-	-	-
Group Insurance pre-tax AOI excluding market driven and discrete items	\$ 30	\$ 47	\$ 44	\$ 27	\$ 26

- 1) Includes adjustments to reflect updated estimates of profitability based on market performance in relation to our assumptions in each period and charge for potential contract cancellations in third quarter 2015.
- 2) Includes amortization of deferred policy acquisition and other costs.

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



(\$ millions)

	1Q15	2Q15	3Q15	4Q15	1Q16
Life Planner Operations pre-tax AOI	\$ 439	\$ 381	\$ 398	\$ 367	\$ 410
Reconciling items:					
Annual review of actuarial assumptions and reserve refinements ⁽²⁾	-	(11)	-	-	-
Subtotal	-	(11)	-	-	-
Life Planner Operations pre-tax AOI excluding market driven and discrete items	\$ 439	\$ 392	\$ 398	\$ 367	\$ 410
Gibraltar Life & Other pre-tax AOI	\$ 395	\$ 461	\$ 414	\$ 371	\$ 369
Reconciling items:					
Annual review of actuarial assumptions and reserve refinements ⁽²⁾	-	(10)	-	-	-
Subtotal	-	(10)	-	-	-
Gibraltar Life & Other pre-tax AOI excluding market driven and discrete items	\$ 395	\$ 471	\$ 414	\$ 371	\$ 369
Corporate & Other Operations pre-tax AOI	\$ (253)	\$ (294)	\$ (308)	\$ (458)	\$ (312)
Reconciling items:					
Annual review of actuarial assumptions and reserve refinements ⁽²⁾	-	11	-	-	-
Charge related to administration of certain separate account investments	-	-	-	(80)	-
Subtotal	-	11	-	(80)	-
Corporate & Other Operations pre-tax AOI excluding market driven and discrete items	\$ (253)	\$ (305)	\$ (308)	\$ (378)	\$ (312)

1) Includes adjustments to reflect updated estimates of profitability based on market performance in relation to our assumptions in each period and charge for potential contract cancellations in third quarter 2015.

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