



# PRUDENTIAL FINANCIAL, INC.

SECOND QUARTER 2016  
EARNINGS CONFERENCE CALL PRESENTATION

AUGUST 4, 2016



# SECOND QUARTER FINANCIAL HIGHLIGHTS<sup>(1)</sup>



	Second Quarter	
	2016	2015
<b>Pre-Tax Adjusted Operating Income (AOI)</b>		
Reported	\$ 1,057	\$ 1,841
Market driven and discrete items <sup>(2)</sup>	(432)	203
<b>Excluding market driven and discrete items</b>	<b>\$ 1,489</b>	<b>\$ 1,638</b>
<b>Earnings Per Share (EPS)</b>		
Reported	\$ 1.84	\$ 2.91
Market driven and discrete items <sup>(2)</sup>	(0.62)	0.29
<b>Excluding market driven and discrete items</b>	<b>\$ 2.46</b>	<b>\$ 2.62</b>
<b>Net Income</b>		
<b>Reported</b>	<b>\$ 921</b>	<b>\$ 1,406</b>
<b>Book Value Per Share of Common Stock</b>		
	<b>June 30, 2016</b>	<b>December 31, 2015</b>
Reported (including Accumulated Other Comprehensive Income, "AOCI")	\$ 123.77	\$ 92.39
<b>Excluding AOCI and adjusted to remove amounts included for foreign currency exchange rate remeasurement</b>	<b>\$ 76.55</b>	<b>\$ 73.59</b>
<b>Operating Return on Average Equity<sup>(3)</sup></b>		
	<b>Year to Date June 30, 2016</b>	<b>2015</b>
Reported	10.8%	16.9%
<b>Excluding impact of market driven and discrete items on AOI</b>	<b>12.7%</b>	<b>15.6%</b>

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.

# ANNUAL REVIEW OF ACTUARIAL ASSUMPTIONS<sup>(1)</sup>



**Second Quarter  
2016**

**Pre-tax  
Impact<sup>(2)</sup>      EPS<sup>(3)</sup>**

## Adjusted Operating Income (AOI):

Individual Annuities	4	-
Retirement	6	0.01
Individual Life	(420)	(0.61)
Group Insurance	41	0.06
International Insurance - Life Planner	(38)	(0.05)
International Insurance - Gibraltar Life	(34)	(0.05)
Corporate & Other	(3)	-

<b>Total AOI impact</b>	<b>\$ (444)</b>	<b>\$ (0.64)</b>
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Non-AOI (primarily Individual Annuities)	1,034	1.50
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<b>Total impact of annual review of actuarial assumptions</b>	<b>\$ 590</b>	<b>\$ 0.86</b>
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- 1) For ongoing businesses; includes updates and 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%.

# AOI IMPACT OF MARKET DRIVEN AND DISCRETE ITEMS



	Second Quarter			
	2016		2015	
	Pre-tax AOI <sup>(1)</sup>	EPS <sup>(2)</sup>	Pre-tax AOI <sup>(1)</sup>	EPS <sup>(2)</sup>
<b>Reported Results</b>	\$ 1,057	\$ 1.84	\$ 1,841	\$ 2.91
Market driven and discrete items:				
Annual review of actuarial assumptions <sup>(3)</sup>	(444)	(0.64)	117	0.17
Individual Annuities - Market unlockings and experience true-ups <sup>(4)</sup>	48	0.07	94	0.13
Individual Life - Integration costs for Hartford Life acquisition	-	-	(8)	(0.01)
Corporate & Other - Early debt extinguishment costs	(36)	(0.05)	-	-
<b>Subtotal</b>	(432)	(0.62)	203	0.29
<b>Results excluding market driven and discrete items</b>	\$ 1,489	\$ 2.46	\$ 1,638	\$ 2.62

1) In millions.

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

3) For ongoing businesses; includes updates and refinements of reserves and amortization of deferred policy acquisition and other costs.

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

## SECOND QUARTER NON-AOI ITEMS<sup>(1)</sup>



(\$ millions)

	Second Quarter	
	2016	2015
<b>Pre-tax realized investment gains (losses), net, and related charges and adjustments included in net income:</b>		
Product related embedded derivatives and hedging activities <sup>(2)</sup>	\$ 574	\$ 510
General investment portfolio and related activities <sup>(3)</sup>	172	538
Impairments and credit losses	(51)	(34)
Risk management activities including changes in market value of derivatives used in asset/liability duration management <sup>(2)</sup>	(335)	(728)
<b>Subtotal</b>	<b>\$ 360</b>	<b>\$ 286</b>
<b>Other Non-AOI pre-tax items:</b>		
Results of divested businesses	(43)	(57)
Other <sup>(4)</sup>	(25)	14
<b>Subtotal</b>	<b>\$ (68)</b>	<b>\$ (43)</b>
<b>Total Non-AOI items<sup>(5)</sup></b>	<b>\$ 292</b>	<b>\$ 243</b>

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

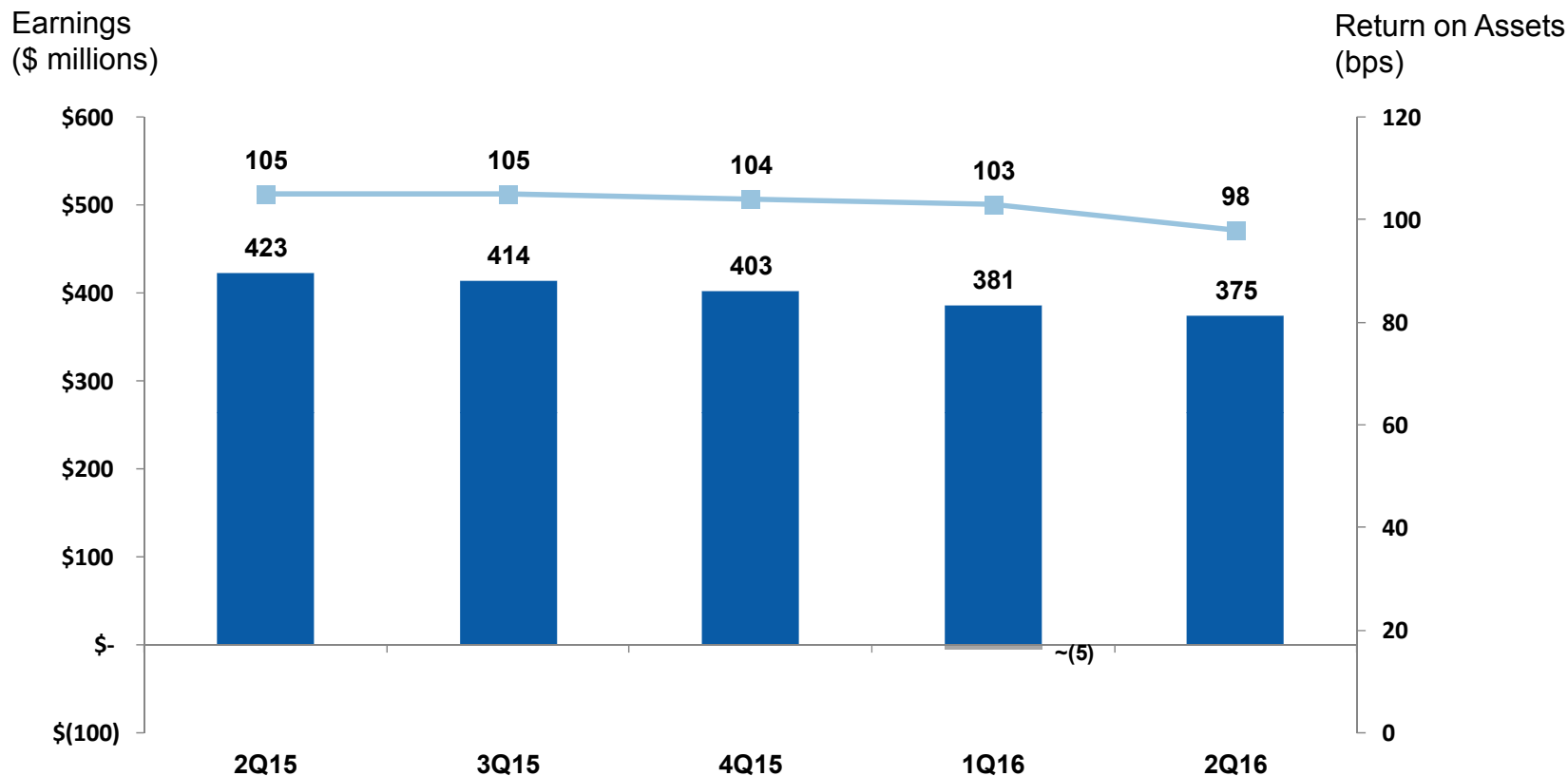
2) Includes impact of annual review of actuarial assumptions and related updates and refinements pertinent to indicated activities.

3) Includes amounts for foreign currency exchange rate remeasurement.

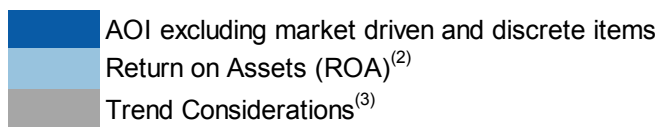
4) Includes changes in recorded asset values and liabilities representing changes in value which are expected to ultimately accrue to contractholders, primarily from mark to market adjustments. Excludes pre-tax reconciling item between AOI and U.S. GAAP for equity in earnings of operating joint ventures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

5) See earnings release tables for related tax effect.

# INDIVIDUAL ANNUITIES – EARNINGS TREND<sup>(1)</sup> AND RETURN ON ASSETS



Average Account Values (\$ billions)	2Q15	3Q15	4Q15	1Q16	2Q16
	\$161.9	\$156.2	\$154.6	\$147.9	\$153.6

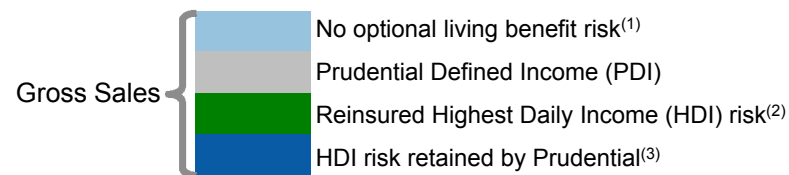
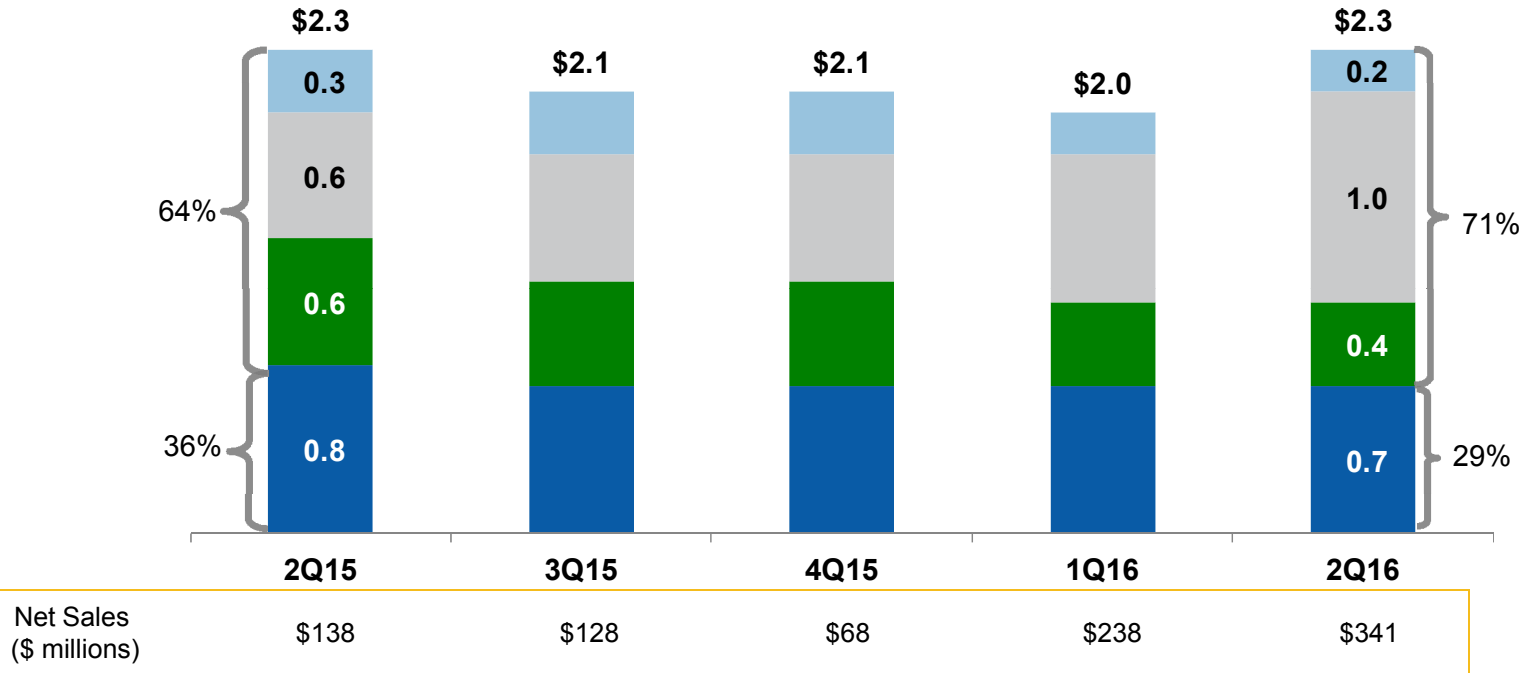


- 1) Pre-tax AOI excluding market driven and discrete items as disclosed on page 25.
- 2) Annualized pre-tax AOI excluding market driven and discrete items divided by average account values based on daily averages for separate accounts.
- 3) Trend considerations do not include seasonality impacts or quarterly expense patterns and are described on page 22.

# INDIVIDUAL ANNUITIES – SALES AND PRODUCT MIX



## Gross Sales (\$ billions)

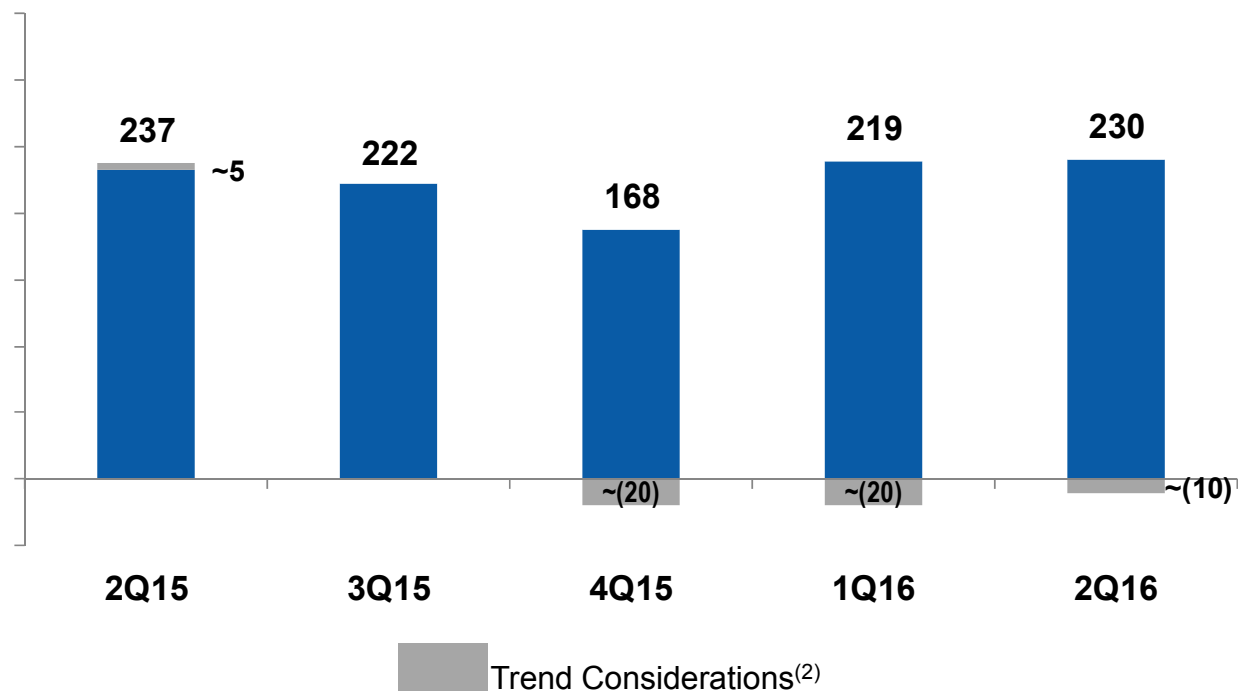


- 1) Includes Prudential Premier Investment contracts, and other annuities without optional living benefit guarantees.
- 2) Includes portion of account values for certain variable annuities for which living benefits are covered under an external reinsurance agreement which became effective April 1, 2015.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

# RETIREMENT – EARNINGS TREND<sup>(1)</sup>



(\$ 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 22.

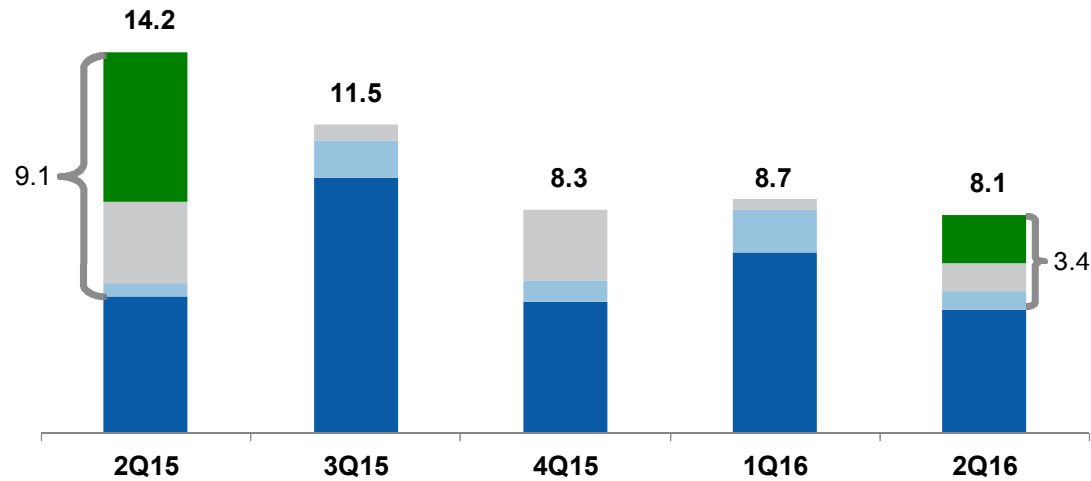


# RETIREMENT – SALES AND ACCOUNT VALUES



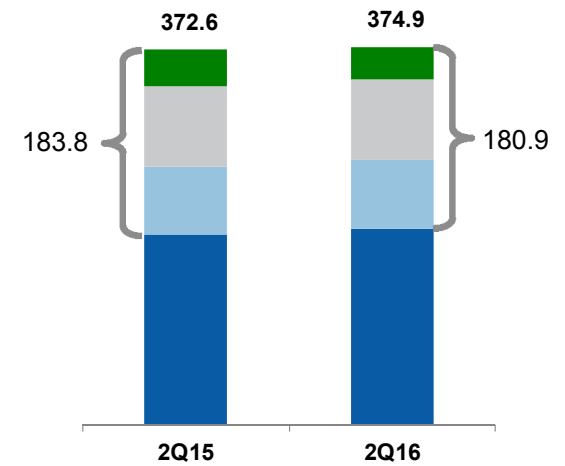
## Gross Sales and Deposits

(\$ billions)

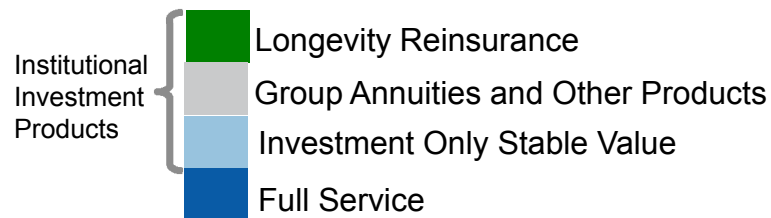


## Account Values<sup>(1)</sup>

(\$ billions)

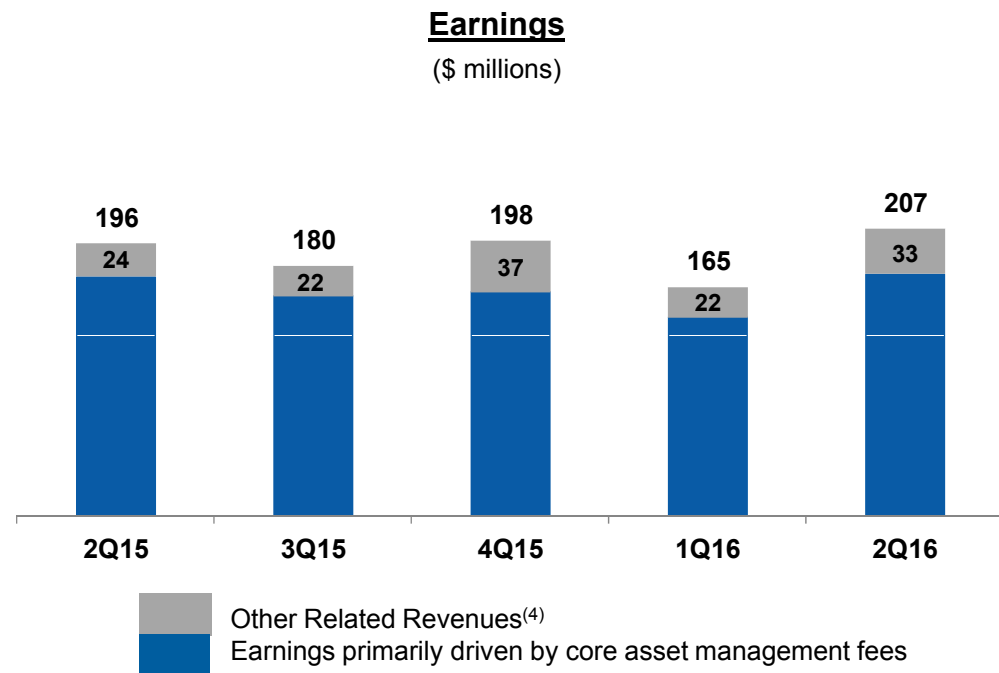
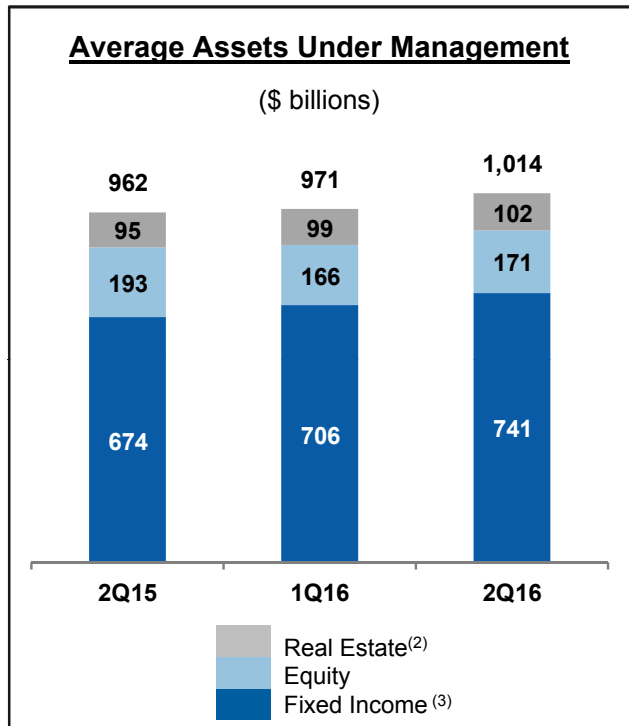


Net Flows (\$ billions)	2Q15	3Q15	4Q15	1Q16	2Q16
	\$5.7	\$2.4	(\$1.4)	\$0.6	\$0.5



1) As of end of period.

# ASSET MANAGEMENT – EARNINGS TREND<sup>(1)</sup> AND KEY BUSINESS DRIVERS

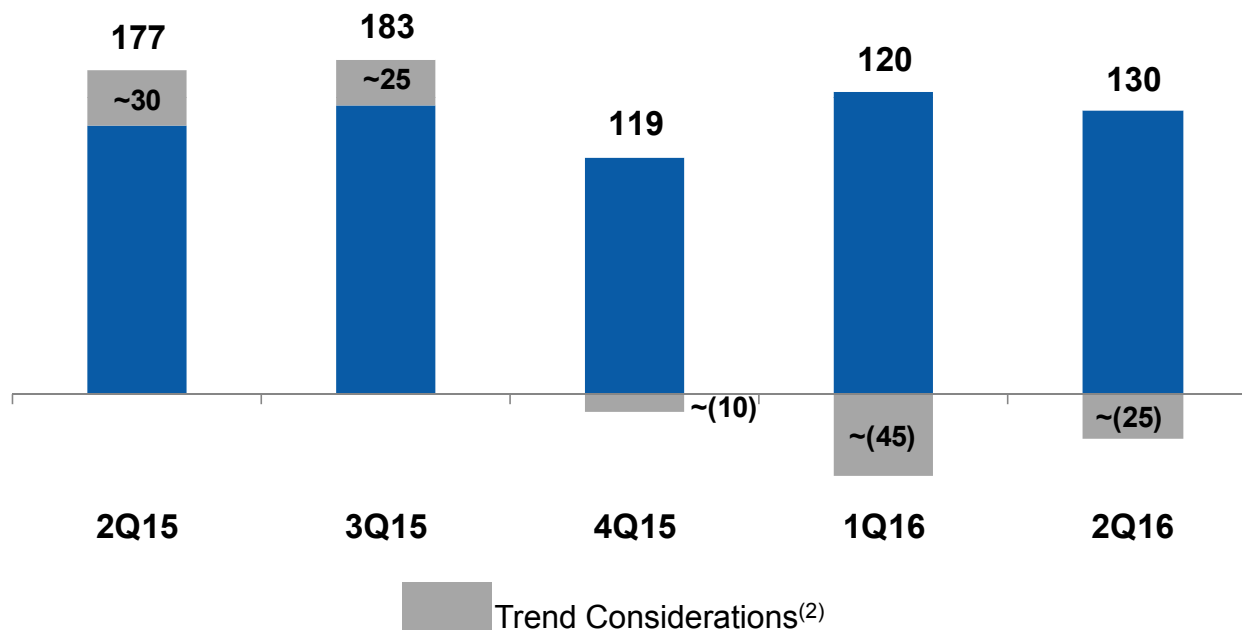


- 1) Pre-tax AOI.
- 2) Includes real estate related assets managed by PGIM Real Estate Finance (formerly Prudential Mortgage Capital Company).
- 3) Includes International Investments.
- 4) Earnings contribution from incentive, transaction, strategic investing and commercial mortgage activities, net of expenses.

# INDIVIDUAL LIFE – EARNINGS TREND<sup>(1)</sup>



(\$ millions)



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

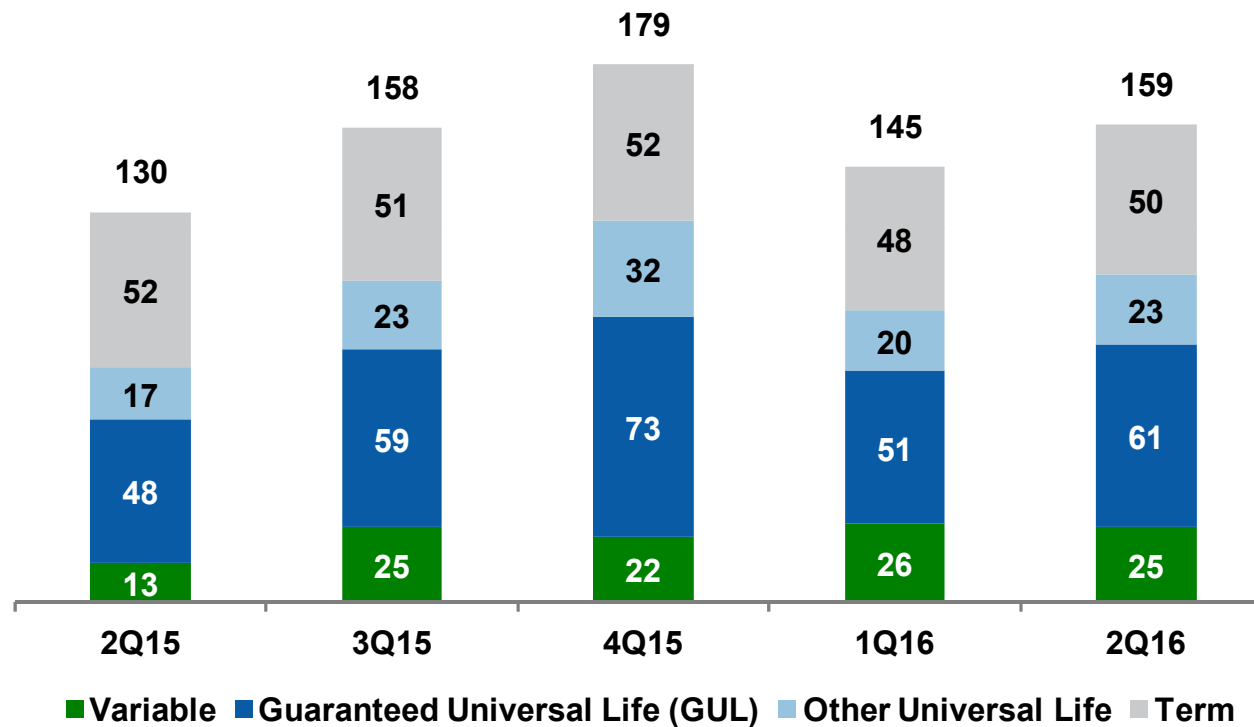
2) Trend considerations do not include seasonality impacts or quarterly expense patterns and are described on page 22.

# INDIVIDUAL LIFE – SALES



## Annualized New Business Premiums

(\$ millions)

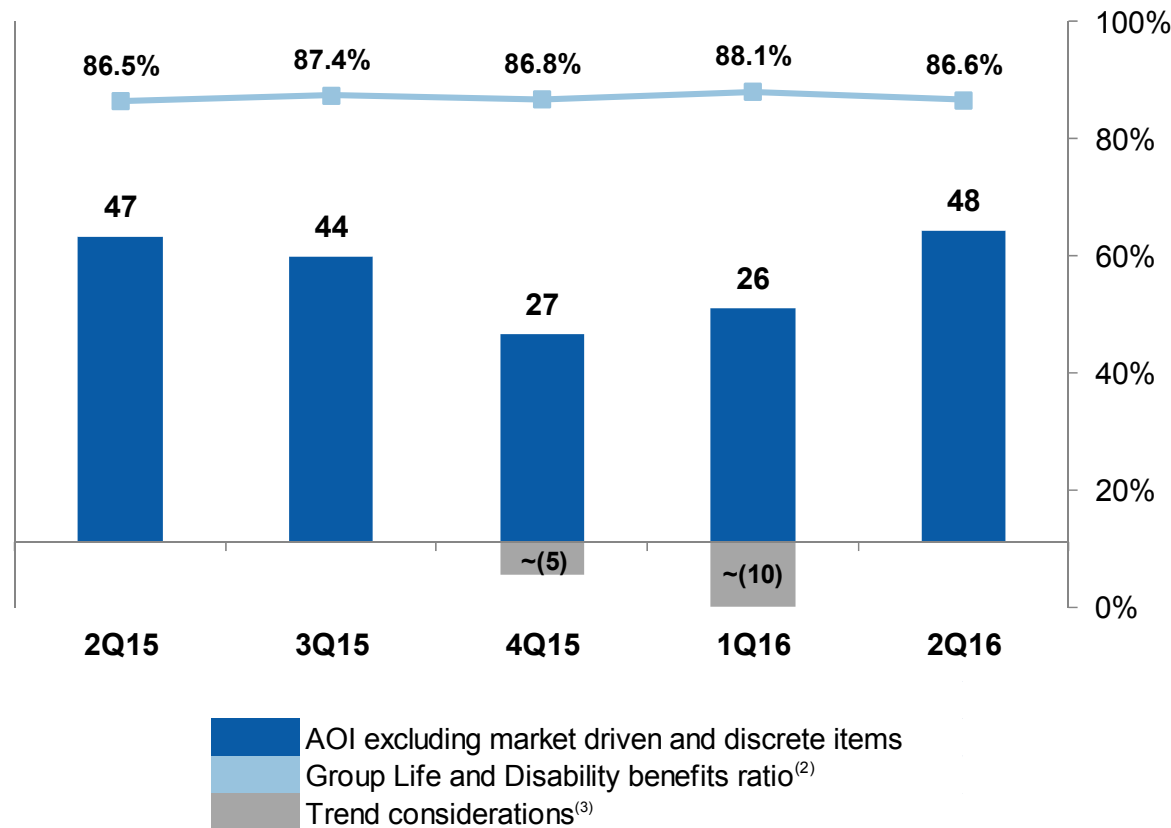


# GROUP INSURANCE – EARNINGS TREND<sup>(1)</sup> AND BENEFITS RATIOS



Earnings  
(\$ millions)

Total Benefits Ratio

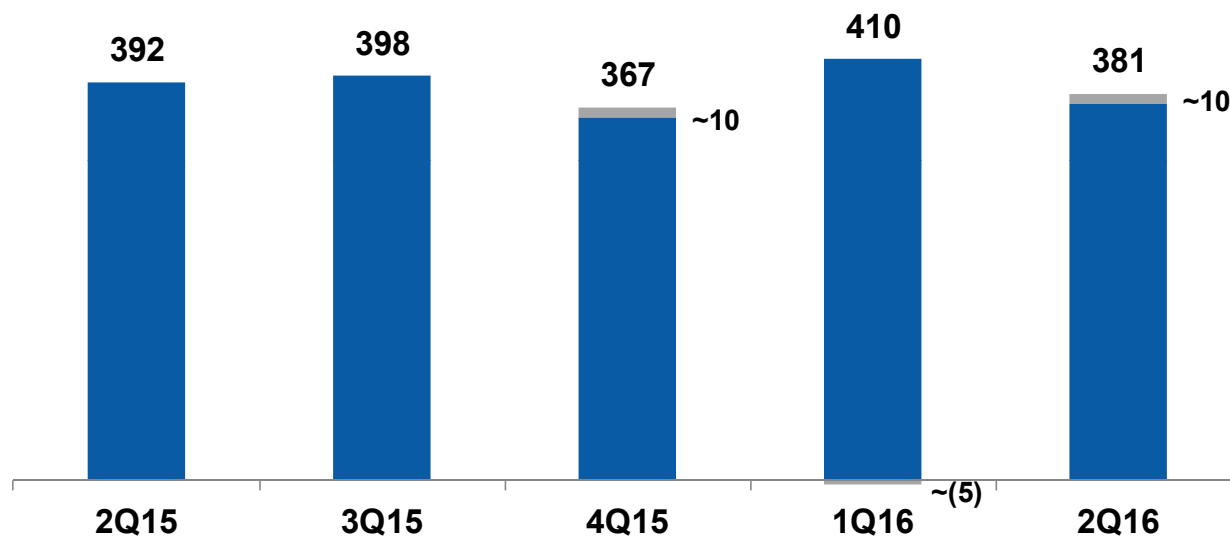


- 1) Pre-tax AOI excluding market driven and discrete items as disclosed on page 25.
- 2) Benefits ratios excluding impact of market driven and discrete items as disclosed on page 25.
- 3) Trend considerations do not include seasonality impacts or quarterly expense patterns and are described on page 22.

# INTERNATIONAL INSURANCE DIVISION – LIFE PLANNER OPERATIONS – EARNINGS TREND<sup>(1)</sup>



(\$ millions)



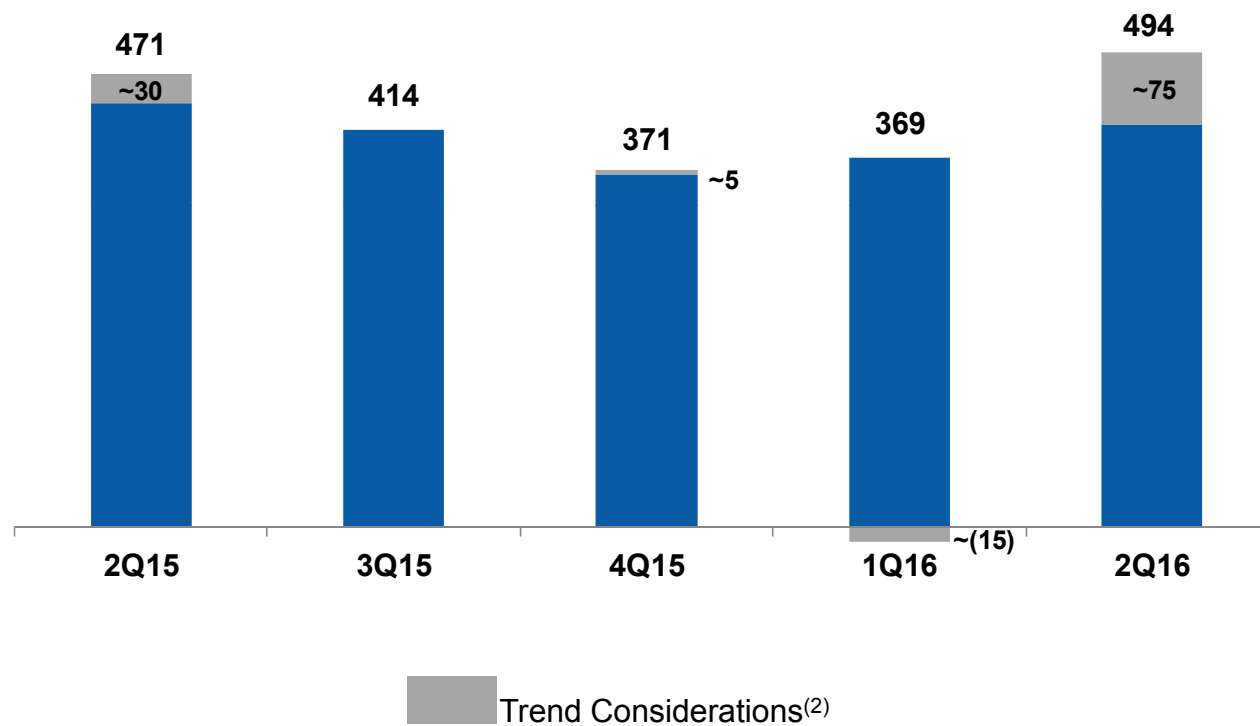
 Trend Considerations<sup>(2)</sup>

- 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 22.

# INTERNATIONAL INSURANCE DIVISION – GIBRALTAR LIFE & OTHER OPERATIONS – EARNINGS TREND<sup>(1)</sup>



(\$ millions)



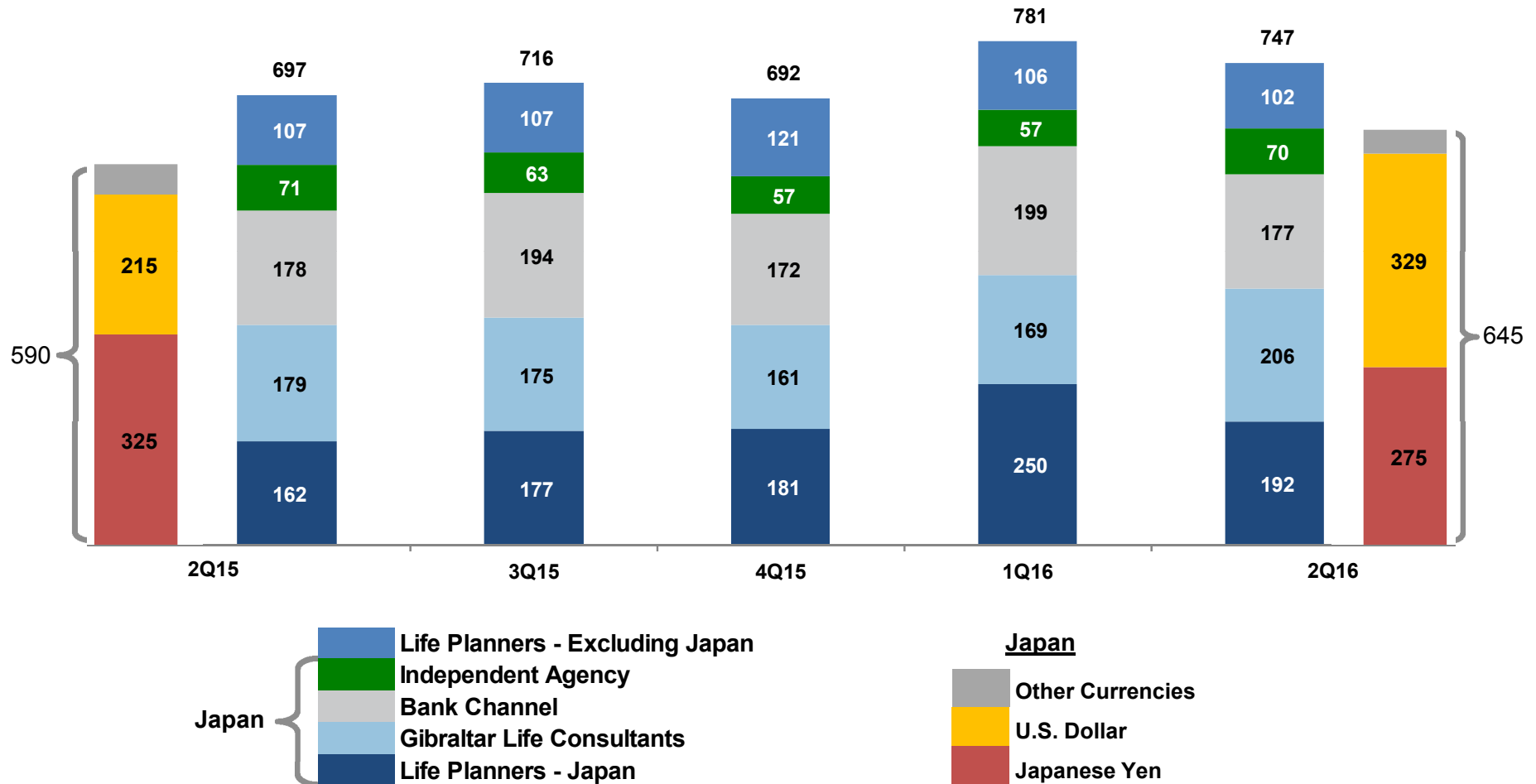
- 1) Pre-tax AOI excluding market driven and discrete items as disclosed on page 26.
- 2) Trend considerations do not include seasonality impacts or quarterly expense patterns and are described on page 22.

# INTERNATIONAL INSURANCE DIVISION – SALES



## Annualized New Business Premiums<sup>(1)</sup>

(\$ millions)



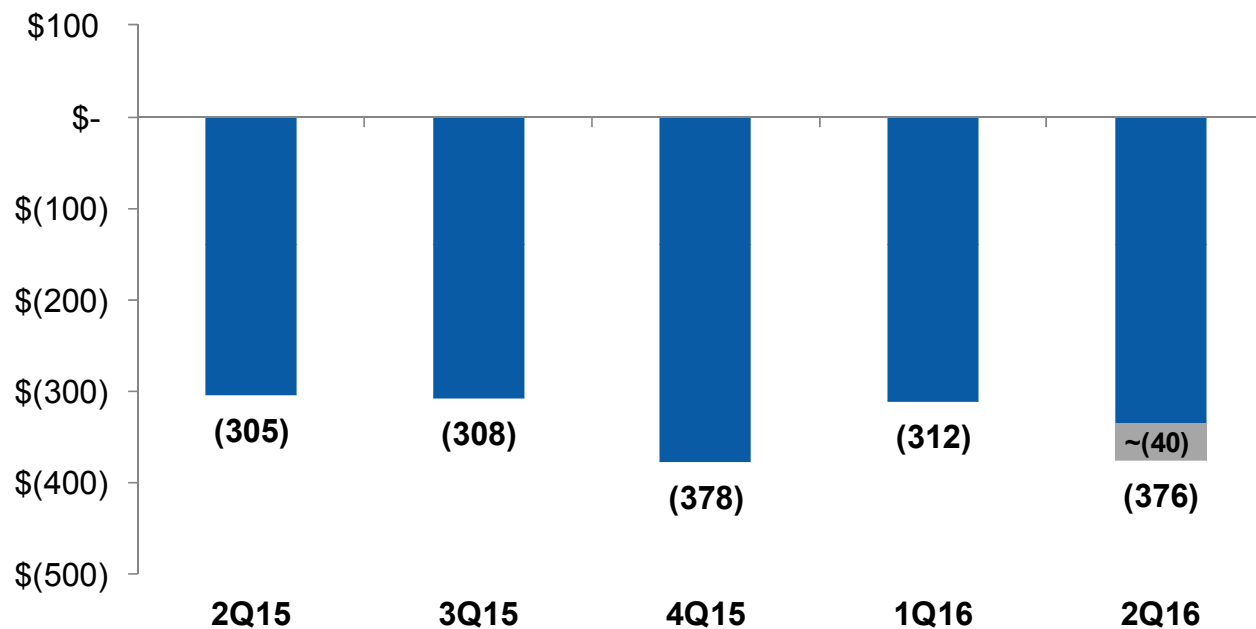
1) Foreign denominated activity translated to U.S. dollars at uniform exchange rates for all periods presented, including Japanese yen 106 per U.S. dollar, and Korean won 1,100 per U.S. dollar. U.S. dollar-denominated activity is included based on the amounts as transacted in U.S. dollars.



# CORPORATE & OTHER OPERATIONS – RESULTS TREND<sup>(1)</sup>



(\$ millions)



 Trend Considerations<sup>(2)</sup>

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 22.

## FINANCIAL STRENGTH HIGHLIGHTS INSURANCE OPERATIONS



Risk Based Capital Ratio (RBC) <sup>(1)</sup> December 31, 2015		Target	Estimated June 30, 2016
Prudential Insurance	484%		
PALAC <sup>(2)</sup>	550%		
Composite Major U.S. <sup>(3)</sup> Insurance Subsidiaries	486%	400%	Well Above Target

Solvency Margin Ratio	Target	March 31, 2016
Prudential of Japan <sup>(4)</sup>	700%	801%
Gibraltar Life <sup>(4)</sup>	700%	928%

- 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) Prudential Annuities Life Assurance Corporation.
- 3) Includes Prudential Insurance and its subsidiaries (Pruco Life of Arizona, Pruco Life of New Jersey, Prudential Legacy Insurance Co.) and PALAC. Composite RBC is not reported to regulators and is based on summation of total adjusted capital and risk charges for the included companies as determined under statutory accounting and RBC guidance to calculate a composite numerator and denominator, respectively, for purposes of calculating the composite ratio.
- 4) Based on Japanese statutory accounting and risk measurement standards applicable to regulatory filings. On a consolidated basis.

# LIQUIDITY, LEVERAGE, AND CAPITAL DEPLOYMENT



## Liquidity Position<sup>(1)</sup>

- Parent company cash, short term investments, and U.S. Treasury fixed maturities, \$4.0 billion<sup>(2)</sup>

## Leverage<sup>(1)</sup>

- Repaid ~\$1 billion of operating debt<sup>(3)</sup>
- Financial leverage ratio ~25%, total leverage ratio ~40%, each within our targets<sup>(4)</sup>

## Capital Deployment Highlights

- Quarterly common stock dividends, \$313 million<sup>(3)</sup>
- Share repurchases, \$375 million<sup>(3)</sup>
- Share repurchase authorization for second half 2016 increased \$500 million, to \$1.25 billion

1) Liquidity position and leverage ratios as of June 30, 2016.

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

3) For the three months ended June 30, 2016.

4) 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.



# PRUDENTIAL FINANCIAL, INC.

SECOND QUARTER 2016  
EARNINGS CONFERENCE CALL PRESENTATION

QUESTIONS AND ANSWERS

AUGUST 4, 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 and Quarterly Reports on Form 10-Q, which are available on our Web site at [www.investor.prudential.com](http://www.investor.prudential.com). A reconciliation is also included as part of this presentation.

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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](http://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, and returns from non-coupon investments;
- *Group Insurance*: returns from non-coupon investments;
- *Life Planner Operations*: returns from non-coupon investments and policy benefits experience;
- *Gibraltar Life & Other Operations*: returns from non-coupon investments, mortgage prepayment income, policy benefits experience, and income from fixed asset sale; and
- *Corporate & Other operations*: charges related to a tax-advantaged investment.

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)

	Second Quarter		Year to Date	
	2015	2016	June 30,	2016
	2015	2016	2015	2016
<b>After-tax adjusted operating income</b>	\$ 1,350	\$ 829	\$ 2,648	\$ 1,826
Reconciling items:				
Realized investment gains (losses), net, and related charges and adjustments	286	360	1,337	698
Investment gains (losses) on trading account assets supporting insurance liabilities, net	(220)	108	(137)	324
Change in experience-rated contractholder liabilities due to asset value changes	234	(133)	37	(263)
Divested businesses:				
Closed Block division	52	(32)	30	(105)
Other divested businesses	(109)	(11)	(34)	20
Equity in earnings of operating joint ventures and earnings attributable to noncontrolling interests	45	(8)	58	17
Total reconciling items, before income taxes	288	284	1,291	691
Income taxes, not applicable to adjusted operating income	188	203	440	243
Total reconciling items, after income taxes	100	81	851	448
<b>Income (loss) from continuing operations (after-tax) before equity in earnings of operating joint ventures</b>	1,450	910	3,499	2,274
Equity in earnings of operating joint ventures, net of taxes and earnings attributable to noncontrolling interests	(44)	11	(57)	(17)
<b>Income (loss) from continuing operations attributable to Prudential Financial, Inc.</b>	1,406	921	3,442	2,257
Earnings attributable to noncontrolling interests	53	4	63	37
<b>Income (loss) from continuing operations (after-tax)</b>	1,459	925	3,505	2,294
Income from discontinued operations, net of taxes	-	-	-	-
<b>Net income (loss)</b>	1,459	925	3,505	2,294
Less: Income attributable to noncontrolling interests	53	4	63	37
<b>Net income (loss) attributable to Prudential Financial, Inc.</b>	\$ 1,406	\$ 921	\$ 3,442	\$ 2,257

# RECONCILIATION FOR PRE-TAX AOI EXCLUDING MARKET DRIVEN AND DISCRETE ITEMS



	Year Ended June 30,			
	2016		2015	
	Pre-tax AOI <sup>(1)</sup>	EPS <sup>(2)</sup>	Pre-tax AOI <sup>(1)</sup>	EPS <sup>(2)</sup>
<b>Reported Results</b>	\$ 2,382	\$ 4.02	\$ 3,586	\$ 5.69
Market driven and discrete items:				
Annual review of actuarial assumptions and reserve refinements <sup>(3)</sup>	(444)	(0.64)	117	0.17
Individual Annuities - Primarily market unlockings and experience true-ups <sup>(4)</sup>	(5)	(0.01)	200	0.28
Individual Life - Integration costs for Hartford Life acquisition	-	-	(17)	(0.02)
Corporate & Other - Early debt extinguishment costs	(36)	(0.05)	-	-
<b>Subtotal</b>	<b>(485)</b>	<b>(0.70)</b>	<b>300</b>	<b>0.43</b>
<b>Results excluding market driven and discrete items</b>	<b>\$ 2,867</b>	<b>\$ 4.72</b>	<b>\$ 3,286</b>	<b>\$ 5.26</b>

1) In millions.

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

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

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



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



(\$ millions)

	2Q15	3Q15	4Q15	1Q16	2Q16
<b>Individual Annuities pre-tax AOI</b>	\$ 548	\$ 310	\$ 410	\$ 328	\$ 427
Reconciling items:					
Market unlockings and experience true-ups <sup>(1)</sup>	94	(104)	7	(53)	48
Annual review of actuarial assumptions and reserve refinements <sup>(2)</sup>	31	-	-	-	4
Subtotal	125	(104)	7	(53)	52
<b>Individual Annuities pre-tax AOI excluding market driven and discrete items</b>	<b>\$ 423</b>	<b>\$ 414</b>	<b>\$ 403</b>	<b>\$ 381</b>	<b>\$ 375</b>
<b>Retirement pre-tax AOI</b>	\$ 237	\$ 242	\$ 168	\$ 219	\$ 236
Reconciling items:					
Annual review of actuarial assumptions and reserve refinements <sup>(2)</sup>	-	20	-	-	6
Subtotal	-	20	-	-	6
<b>Retirement pre-tax AOI excluding market driven and discrete items</b>	<b>\$ 237</b>	<b>\$ 222</b>	<b>\$ 168</b>	<b>\$ 219</b>	<b>\$ 230</b>
<b>Individual Life pre-tax AOI</b>	\$ 237	\$ 183	\$ 99	\$ 120	\$ (290)
Reconciling items:					
Annual review of actuarial assumptions and reserve refinements <sup>(2)</sup>	68	-	(20)	-	(420)
Integration costs for Hartford Life acquisition	(8)	-	-	-	-
Subtotal	60	-	(20)	-	(420)
<b>Individual Life pre-tax AOI excluding market driven and discrete items</b>	<b>\$ 177</b>	<b>\$ 183</b>	<b>\$ 119</b>	<b>\$ 120</b>	<b>\$ 130</b>
<b>Group Insurance pre-tax AOI</b>	\$ 75	\$ 44	\$ 27	\$ 26	\$ 89
Reconciling items:					
Annual review of actuarial assumptions and reserve refinements <sup>(2)</sup>	28	-	-	-	41
Subtotal	28	-	-	-	41
<b>Group Insurance pre-tax AOI excluding market driven and discrete items</b>	<b>\$ 47</b>	<b>\$ 44</b>	<b>\$ 27</b>	<b>\$ 26</b>	<b>\$ 48</b>

- 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)

	2Q15	3Q15	4Q15	1Q16	2Q16
<b>Life Planner Operations pre-tax AOI</b>	\$ 381	\$ 398	\$ 367	\$ 410	\$ 343
Reconciling items:					
Annual review of actuarial assumptions and reserve refinements <sup>(2)</sup>	(11)	-	-	-	(38)
Subtotal	(11)	-	-	-	(38)
<b>Life Planner Operations pre-tax AOI excluding market driven and discrete items</b>	<b>\$ 392</b>	<b>\$ 398</b>	<b>\$ 367</b>	<b>\$ 410</b>	<b>\$ 381</b>
<b>Gibraltar Life &amp; Other pre-tax AOI</b>	\$ 461	\$ 414	\$ 371	\$ 369	\$ 460
Reconciling items:					
Annual review of actuarial assumptions and reserve refinements <sup>(2)</sup>	(10)	-	-	-	(34)
Subtotal	(10)	-	-	-	(34)
<b>Gibraltar Life &amp; Other pre-tax AOI excluding market driven and discrete items</b>	<b>\$ 471</b>	<b>\$ 414</b>	<b>\$ 371</b>	<b>\$ 369</b>	<b>\$ 494</b>
<b>Corporate &amp; Other Operations pre-tax AOI</b>	\$ (294)	\$ (308)	\$ (458)	\$ (312)	\$ (415)
Reconciling items:					
Annual review of actuarial assumptions and reserve refinements <sup>(2)</sup>	11	-	-	-	(3)
Charge related to administration of certain separate account investments	-	-	(80)	-	-
Costs associated with early debt extinguishment	-	-	-	-	(36)
Subtotal	11	-	(80)	-	(39)
<b>Corporate &amp; Other Operations pre-tax AOI excluding market driven and discrete items</b>	<b>\$ (305)</b>	<b>\$ (308)</b>	<b>\$ (378)</b>	<b>\$ (312)</b>	<b>\$ (376)</b>

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.