



PRUDENTIAL FINANCIAL, INC.

CECP CEO INVESTOR FORUM

SEPTEMBER 19, 2017

MARK GRIER
VICE CHAIRMAN



FORWARD-LOOKING STATEMENTS AND NON-GAAP MEASURES



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, 2016. 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 adjusted book value, as well as operating return on average equity, which is based on adjusted operating income and adjusted book value. Consolidated adjusted operating income and adjusted book value are not calculated based on accounting principles generally accepted in the United States of America (GAAP). For additional information about adjusted operating income, adjusted book value and the comparable GAAP measures, including a reconciliation between the comparable measures, please refer to our quarterly results news releases, which are available on our Web site at www.investor.prudential.com. Reconciliations are also included as part of this presentation.

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

PRUDENTIAL WAS FOUNDED ON A CLEAR PURPOSE



“The justification of the Company’s existence is its advancement of the efforts of its policy-holders and their families for better economic and social condition which confront the industrial class.”

John F Dryden, Prudential Founder

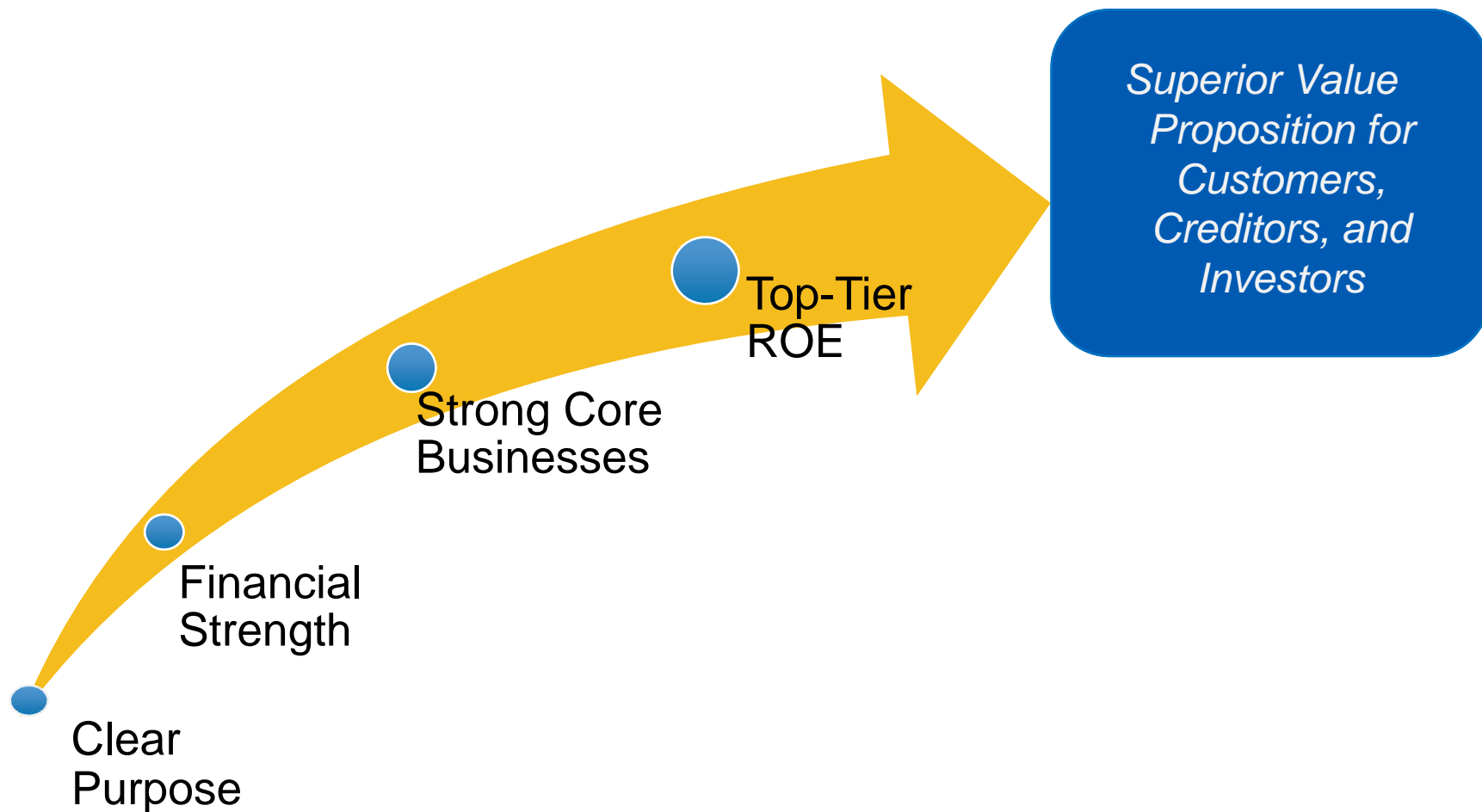
YESTERDAY

“Purpose is central to our motivation. Purpose keeps us focused and consistent as we deliver financial security. It underlies the work we do together to achieve the results we attain as a commercial proposition.”

Mark Grier, Vice Chairman

TODAY

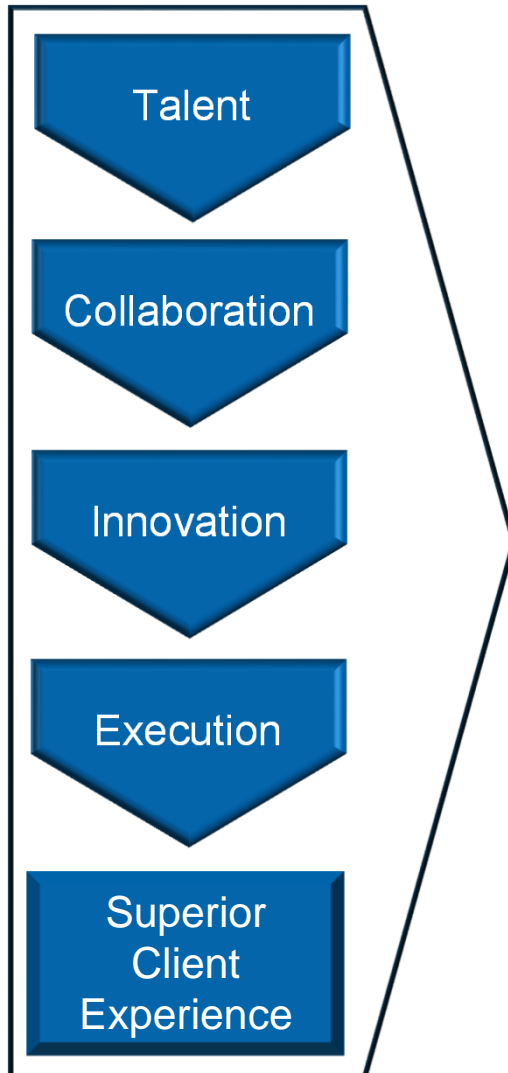
DELIVERING SUPERIOR VALUE



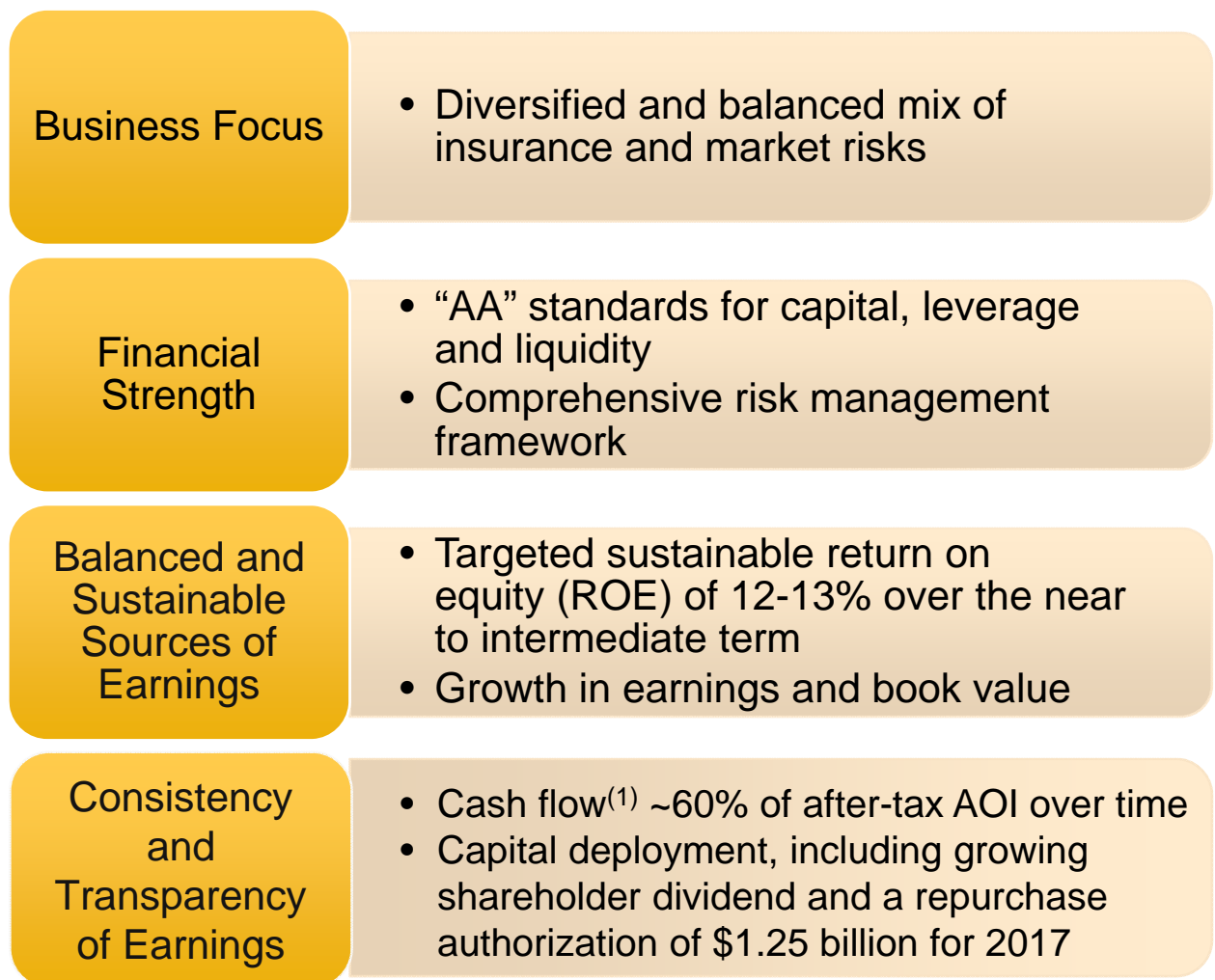
DEFINING SUCCESS



Drivers



Stakeholder Value Creation

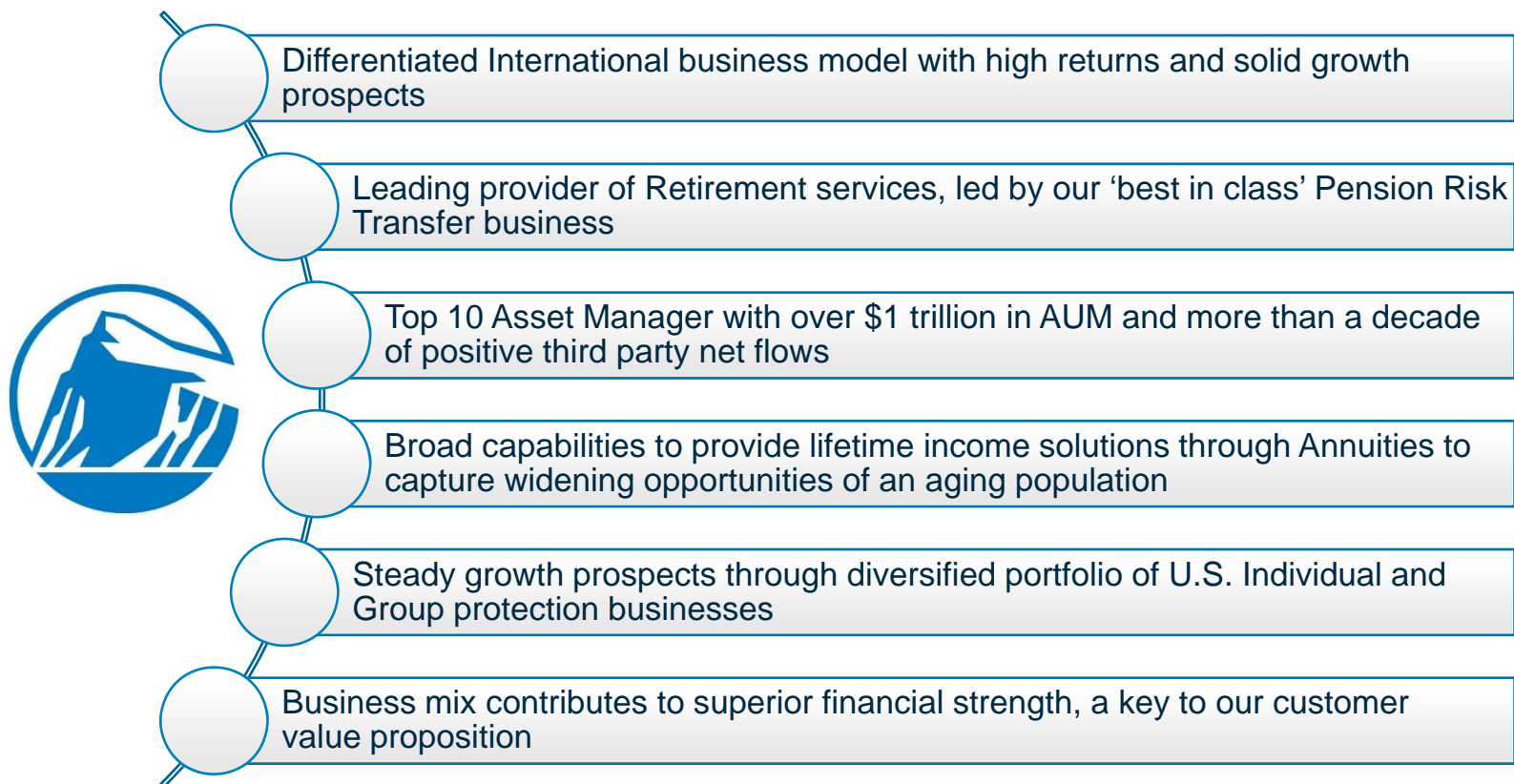


1) Includes capital deployed in subsidiaries.

STRONG RETURNS AND CASH FLOWS DRIVEN BY HIGH QUALITY BUSINESSES



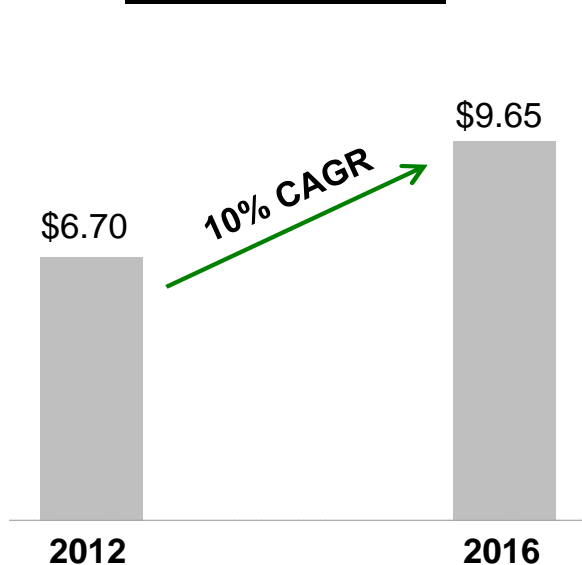
- *A complementary mix of businesses with competitive advantages*



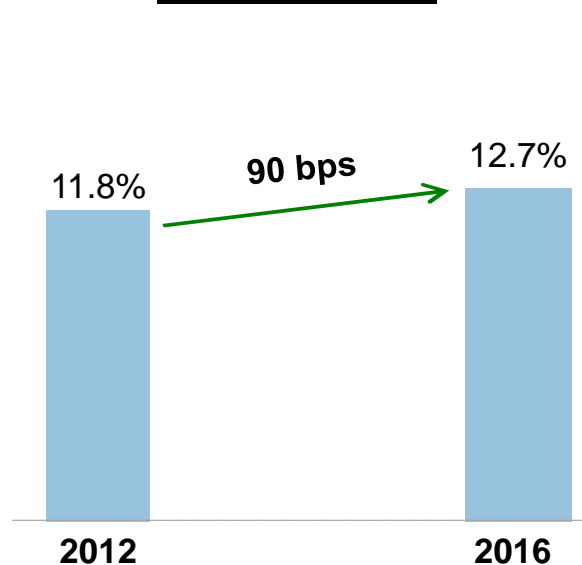
TRACK RECORD OF FINANCIAL PERFORMANCE⁽¹⁾



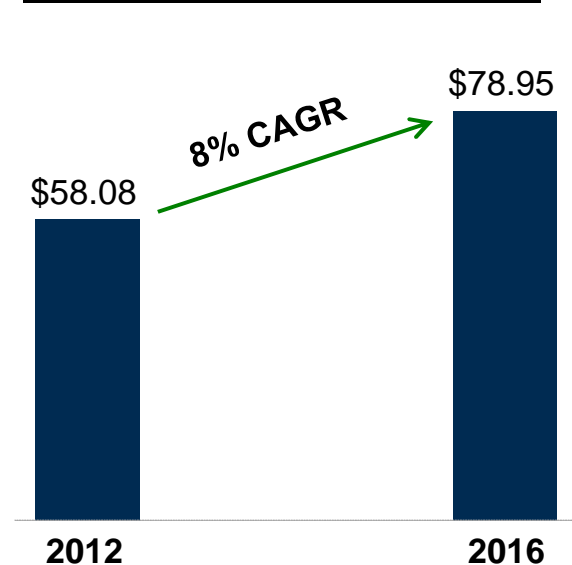
Earnings Per Share⁽²⁾



Return on Equity⁽²⁾⁽³⁾



Adjusted Book Value Per Share⁽⁴⁾



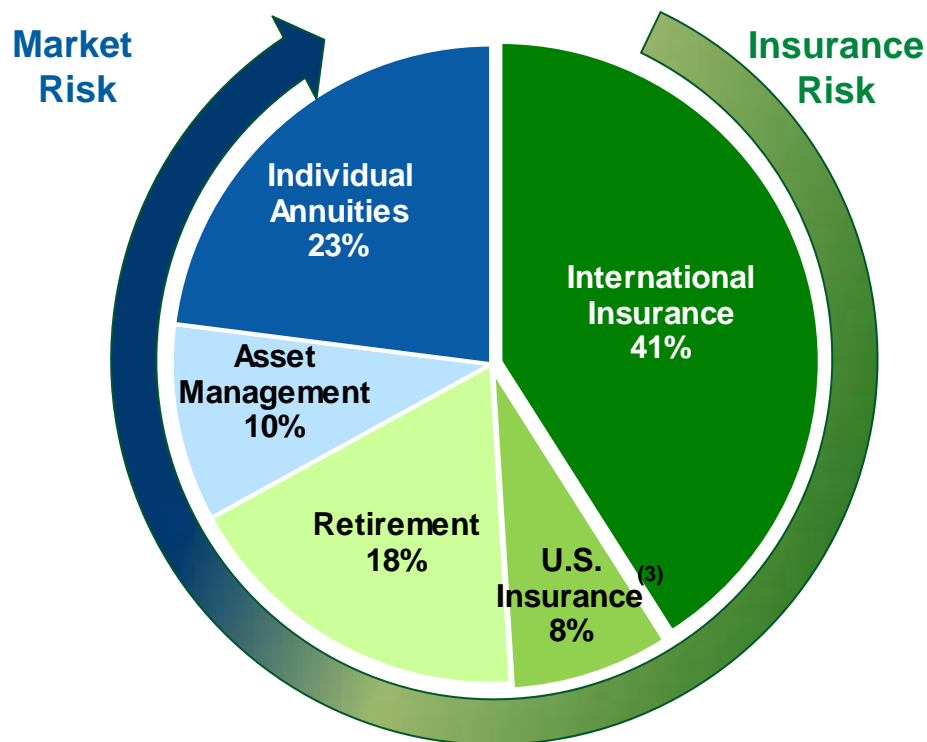
Near to Intermediate Term ROE Objective of 12% - 13%

- 1) Amounts attributable to Prudential Financial, Inc. (PFI); represents results of the former Financial Services Businesses (FSB) for periods prior to 2015. Per share data amounts on diluted basis.
- 2) Based on after-tax adjusted operating income (AOI), excluding market driven and discrete items as shown in the reconciliation section on page 17; based on application of 35% tax rate for earnings per share (EPS) and ROE calculations.
- 3) ROE gives effect to direct equity adjustment for EPS calculation for periods prior to 2015. Based on average attributed equity excluding accumulated other comprehensive income (AOCI) and adjusted to remove amount included for foreign currency exchange rate remeasurement.
- 4) See reconciliation on page 18.

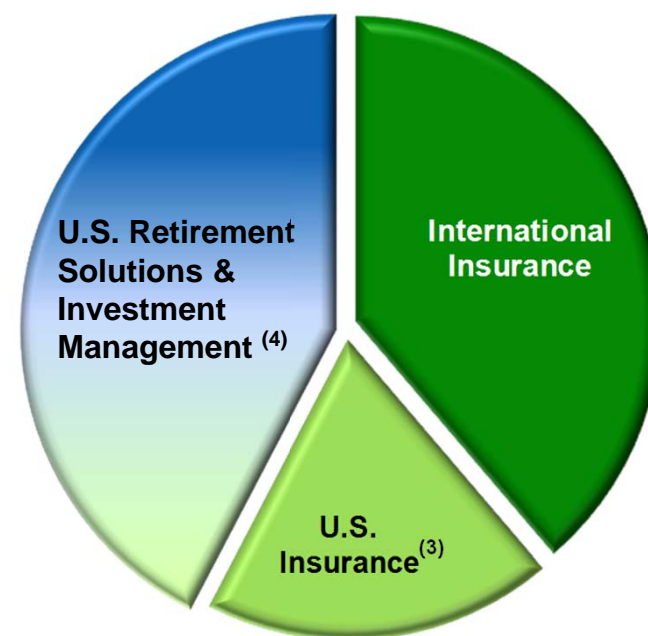
SUPERIOR MIX OF HIGH QUALITY BUSINESSES WITH BALANCED RISKS



**YTD 2Q17
Pre-Tax AOI
\$3.4 Billion⁽¹⁾**



**June 30, 2017
PFI Equity
\$35.0 Billion⁽²⁾**



- 1) Pre-tax AOI excluding market driven and discrete items as shown in the reconciliation section; total AOI includes Corporate and Other operations loss of \$(660) million which is excluded from pie chart.
- 2) Equity excluding AOCI and impact of foreign currency exchange rate remeasurement, which is attributed to International Insurance; total includes equity for Corporate and Other Operations of \$1,654 million and Closed Block Division of \$(1,370) million, which are excluded from pie chart.
- 3) Includes U.S. Individual Life and Group Insurance.
- 4) Includes U.S. Individual Annuities, Asset Management and Retirement.

FINANCIAL STRENGTH HIGHLIGHTS

INSURANCE OPERATIONS



Risk Based Capital Ratio (RBC) ⁽¹⁾ December 31, 2016		Target	Estimated June 30, 2017
Prudential Insurance	457%		
PALAC ⁽²⁾	867%		
Composite Major U.S. ⁽³⁾ Insurance Subsidiaries	527%	400%	Well Above Target

Solvency Margin Ratio	Target	March 31, 2017
Prudential of Japan ⁽⁴⁾	700%	879%
Gibraltar Life ⁽⁴⁾	700%	893%

- 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., Prudential Retirement Insurance and Annuity 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⁽¹⁾

- Parent company highly liquid assets, \$3.7 billion⁽²⁾

Leverage⁽¹⁾

- Financial leverage ratio within our 25% target⁽³⁾
- Total leverage ratio within our 40% target⁽³⁾

Capital Deployment Highlights⁽⁴⁾

- Common stock dividends, \$655 million
- Board authorization of \$1.25 billion share repurchases for 2017
- Share repurchases, \$625 million

1) Liquidity position and leverage ratios as of June 30, 2017.

2) Highly liquid assets predominantly include cash, short-term investments, U.S. Treasury securities, obligations of other U.S. government authorities and agencies, and/or foreign government bonds.

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 excluding non-recourse debt divided by sum of total such debt and equity. Equity in each calculation excludes non-controlling interest, AOCI (except for pension and postretirement unrecognized costs), and impact of foreign currency exchange rate remeasurement.

4) For the six months ended June 30, 2017.

HIGHLIGHTS OF CAPITAL STRENGTH



- Capital protection framework
 - Comprehensive analysis of market and business risks at an enterprise level
 - Ability to sustain more severe scenarios with substantial resources on and off balance sheet
- Conservative balance sheet
 - Significant adverse experience absorption capacity in statutory and GAAP reserves
 - Annuities living benefits recapture in 2016 increases capital flexibility by reducing capital volatility
- Solid capital generation in ongoing businesses
 - Deployable cash flow expected to be ~60% of after-tax adjusted operating income over time
 - Japan equity hedge protects value of our largest international operation and contribution to overall returns and capital generation
- Effective capital deployment
 - Share repurchase authorization for 2017 of \$1.25 billion; increased quarterly dividend by 7% to \$0.75 per share of common stock in 1Q17
 - Strong recent track record of deploying capital to support outsized organic growth, M&A, dividends and share buybacks

SUSTAINABILITY – ANTICIPATING RISK AND OPPORTUNITIES



- **Stability, security and sustainability** underpin Prudential's business model, ensuring that Prudential can continue to deliver on the long-term promises we make to our customers
 - Best overall governance risk score awarded by ISS – ISS QualityScores for compensation, audit & risk oversight, board structure = 1 (lowest risk)
- Four building blocks create consistency and enduring solutions
 - **Financial Strength** – Managing risk with integrity and time-tested discipline
 - **Customer Focus** – Innovating to drive success for customers and to advance society
 - **Responsible Impact** – Engaging with stakeholders to create shared success
 - **Talent** – Recruiting, engaging and retaining diverse talent today and tomorrow

2016 Sustainability Highlights

- Two thirds of our Board is diverse (including ethnic, racial, LGBT and gender)
- Long-term approach to board refreshment with average director tenure of 6 years (compared to industry average of almost 8 years)
- \$237 million in impact investments committed during 2016 to non-profits and businesses that seek to create a financial and social return
- Renewable energy investments valued at more than \$3.8 billion⁽¹⁾
- “Green” bonds totaling over \$380 million⁽¹⁾
- Member of the FTSE4Good Index series since 2011
- Since 1976, Prudential's total investment in Newark is nearly \$1.175 billion

1) As of December 31, 2016.

OUR COMMITMENT TO NEWARK



The city has been our home for more than 140 years. That's why we have committed more than \$1 billion to Newark, spreading economic and social opportunity across the city, creating meaningful lasting change.



Prudential Tower⁽¹⁾

The new 20-story home of PGIM, the Global Investment Management Businesses of Prudential. It was built with \$52M of Newark vendor goods, services and materials, keeping 5,400 jobs downtown.⁽¹⁾



New Jersey Performing Arts Center⁽¹⁾

Prudential committed \$29M to one of the nation's largest arts centers, bringing leading artists to Newark and arts education to 70,000 students in NJ.⁽¹⁾



Hahne & Co. Redevelopment⁽¹⁾

Prudential helped transform yesterday's retail giant into today's beacon of activity. One hundred sixty apartments, Whole Foods and Rutgers now call it home.⁽¹⁾

1) Examples of the \$1.175 billion in total investments in Newark since 1976, as of December 31, 2016.

SUMMARY



- Focus on talent, leadership and purpose enables execution, fosters innovation, supports business strategy and drives long-term success
- Complementary mix of high-quality businesses with diversified sources of earnings, cash flows and growth as well as a well-balanced risk profile
- Expect to continue to produce superior ROE's, while navigating market headwinds and investing in growth initiatives with long-term benefits
- Risk management supports sustained financial strength
- Strong capital and liquidity positions support organic business growth, acquisition opportunities and disciplined shareholder returns
- Responsible impact through engagement with societal stakeholders to create shared success



Reconciliations

RECONCILIATIONS BETWEEN AOI AND THE COMPARABLE GAAP MEASURE⁽¹⁾



Reconciliation between adjusted operating income and the comparable GAAP measure

(\$ millions)

	2012	2013	2014	2015	2016	YTD	
						2016	2017
Net income (loss) attributable to Prudential Financial, Inc.	\$ 479	\$ (713)	\$1,533	\$5,642	\$4,368	\$2,257	\$1,860
Income attributable to noncontrolling interests	50	107	57	70	51	37	8
Net income (loss)	529	(606)	1,590	5,712	4,419	2,294	1,868
Less: Income from discontinued operations, net of taxes	17	7	11	-	-	-	-
Income (loss) from continuing operations (after-tax)	512	(613)	1,579	5,712	4,419	2,294	1,868
Less: Income attributable to noncontrolling interests	50	107	57	70	51	37	8
Income (loss) from continuing operations attributable to Prudential Financial, Inc.	462	(720)	1,522	5,642	4,368	2,257	1,860
Equity in earnings of operating joint ventures, net of taxes and earnings attributable to noncontrolling interests	10	(48)	(41)	(55)	(2)	(17)	30
Income (loss) from continuing operations (after-tax) before equity in earnings of operating joint ventures	452	(672)	1,563	5,697	4,370	2,274	1,830
Reconciling items:							
Realized investment gains (losses), net, and related charges and adjustments	(2,809)	(8,149)	(4,130)	1,579	523	698	(641)
Investment gains (losses) on trading account assets supporting insurance liabilities, net	610	(250)	339	(524)	(17)	324	245
Change in experience-rated contractholder liabilities due to asset value changes	(540)	227	(294)	433	21	(263)	(157)
Divested businesses:							
Closed Block division	-	-	-	58	(132)	(105)	16
Other divested businesses	(615)	29	167	(66)	(84)	20	41
Equity in earnings of operating joint ventures and earnings attributable to noncontrolling interests	(29)	28	44	58	(5)	17	(42)
Total reconciling items, before income taxes	(3,383)	(8,115)	(3,874)	1,538	306	691	(538)
Income taxes, not applicable to adjusted operating income	(816)	(2,857)	(1,082)	490	43	243	(212)
Total reconciling items, after income taxes	(2,567)	(5,258)	(2,792)	1,048	263	448	(326)
After-tax adjusted operating income	3,019	4,586	4,355	4,649	4,107	1,826	2,156
Income taxes, applicable to adjusted operating income	1,008	1,783	1,537	1,582	1,292	556	732
Adjusted operating income before income taxes	\$4,027	\$6,369	\$5,892	\$6,231	\$5,399	\$2,382	\$2,888

1) Represents results of the former Financial Services Businesses for periods prior to 2015.

RECONCILIATIONS FOR PRE-TAX AOI EXCLUDING MARKET DRIVEN AND DISCRETE ITEMS⁽¹⁾



	Year Ended December 31,			
	2016		2012	
	Pre-tax Adjusted Operating Income ⁽¹⁾	Earnings Per Share ⁽²⁾	Pre-tax Adjusted Operating Income ⁽¹⁾	Earnings Per Share ⁽²⁾
Reported Results⁽³⁾	\$ 5,399	\$ 9.13	\$ 4,027	\$ 6.40
Market driven and discrete items:				
Unlockings and experience true-ups ⁽⁴⁾	(310)	(0.45)	(10)	(0.02)
Integration costs for Hartford Life acquisition	-	-	(15)	(0.02)
Gains on sales of business/investments ⁽⁵⁾	-	-	26	0.03
Early debt extinguishment costs	(36)	(0.05)	(31)	(0.04)
Integration costs for Star/Edison	-	-	(138)	(0.19)
Other ⁽⁶⁾	(14)	(0.02)	(43)	(0.06)
Subtotal	(360)	(0.52)	(211)	(0.30)
Results excluding market driven and discrete items	\$ 5,759	\$ 9.65	\$ 4,238	\$ 6.70

1) In millions.

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

3) Represents results of FSB for periods prior to 2015.

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

5) Includes gain on sale of investment in Afore XXI, as well as an impairment and gains on certain other investments.

6) Includes charges related to the administration of certain separate account investments, and true-up of legal reserves and employee benefit accruals, and impairments and write offs of intangible assets.

RECONCILIATIONS BETWEEN ADJUSTED BOOK VALUE AND COMPARABLE GAAP MEASURE



(\$ millions, except per share data)

	December 31,	
	2016	2012 ⁽²⁾
GAAP book value	\$ 45,863	\$ 37,006
Less: Accumulated other comprehensive income (AOCI)	14,621	9,990
GAAP book value excluding AOCI	31,242	27,016
Less: Cumulative effect of foreign exchange remeasurement and currency translation adjustments corresponding to realized gains/losses	(3,199)	(179)
Adjusted book value	34,441	27,195
Number of diluted shares	436.2	468.2
GAAP book value per common share - diluted ⁽¹⁾	104.91	79.04
GAAP book value excluding AOCI per share - diluted	71.62	57.70
Adjusted book value per common share - diluted	78.95	58.08

- 1) Book value per share of Common Stock including AOCI as of December 31, 2016 includes a \$500 million increase in equity and a 5.75 million increase in diluted shares reflecting the dilutive impact of exchangeable surplus notes when book value per share is greater than \$86.92. Book value per share of Common Stock including AOCI as of December 31, 2012 excludes the impact of exchangeable surplus notes due to the anti-dilutive impact of conversion.
- 2) Represents results of FSB for periods prior to 2015.

RECONCILIATION FOR PRE-TAX AOI EXCLUDING MARKET DRIVEN AND DISCRETE ITEMS⁽¹⁾



(\$ millions)

	<u>YTD 2Q17</u>
Prudential Financial pre-tax AOI	\$ 2,888
Reconciling items:	
Annual review of actuarial assumptions and reserve refinements ⁽²⁾	(622)
Individual Annuities - Market unlockings and experience true-ups ⁽³⁾	<u>73</u>
Subtotal	\$ (549)
 Prudential Financial pre-tax AOI excluding market driven and discrete items	 <u>\$ 3,437</u>

1) As disclosed in company earnings conference call presentations available at www.investor.prudential.com.

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

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