Prudential

PRUDENTIAL FINANCIAL, INC.

THIRD QUARTER 2018
EARNINGS CONFERENCE CALL PRESENTATION

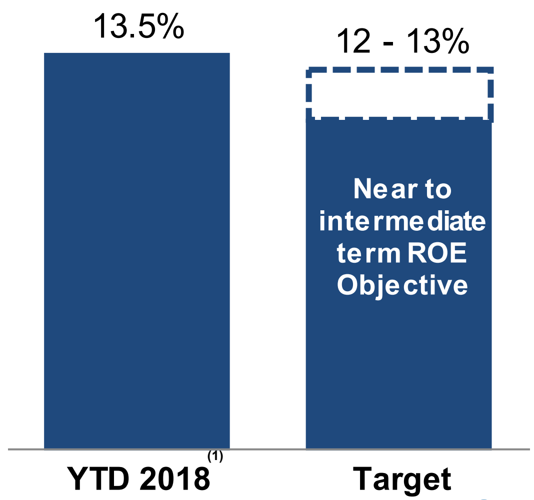
NOVEMBER 8, 2018

3Q18 Earnings Call Key Messages

Bringing financial opportunity to more customers	• Continue to attract U.S. customers to our integrated solutions, including financial wellness • Provide international customers with protection and retirement solutions • Delivered by complementary businesses with leading market positions
Generating strong ROE and growth	• Year-to-date adjusted operating return on equity of 13.5% • Double-digit growth in adjusted book value per share and strong business fundamentals • Thoughtful succession planning for continued financial success
Maintaining strong capital position	• Distributed $755 million to shareholders • Continue to hold capital above AA level • Pleased with Financial Stability Oversight Council's decision to remove SIFI designation

THIRD QUARTER FINANCIAL HIGHLIGHTS

Adjusted Operating Return on Equity



Financials

$ in millions except per share amounts

	3Q18	3Q17
After-tax GAAP Net Income	$1,672	$2,238
After-tax GAAP Net Income Per Share	$3.90	$5.09
Pre-tax Adjusted Operating Income[2]	$1,668	$1,784
After-tax Adjusted Earnings Per Share[2]	$3.15	$3.01
Adjusted Book Value Per Share[2]	$95.20	$85.03

Financial Highlights

Adjusted Book Value Per Share growth of 12%

- Including payment of $3.45 per share of common stock dividends over the past four quarters

Adjusted Earnings Per Share up 5%

- Driven by business growth, lower tax rate, and underwriting experience, partially offset by lower investment results and higher expenses

Business Segment highlights:

- PGIM third-party net flows totaled $8.7 billion reflecting strong fixed income inflows
- Retirement net flows of $6.0 billion due to pension risk transfer and full service sales
- Annuities:
  - Sales of $2.2 billion, up 69% from prior year and 8% sequentially
  - Dividends to the holding company consistent with prior quarters
- International in-force growth steady with high persistency

1) Based on year to date (YTD) 2018 annualized after-tax Adjusted Operating Income and average Adjusted Book Value. See appendix for more information.
2) See reconciliation in appendix for Adjusted Operating Income, Adjusted Earnings Per Share, and Adjusted Book Value Per Share.

EXTENSION OF OUR FINANCIAL WELLNESS INITIATIVE

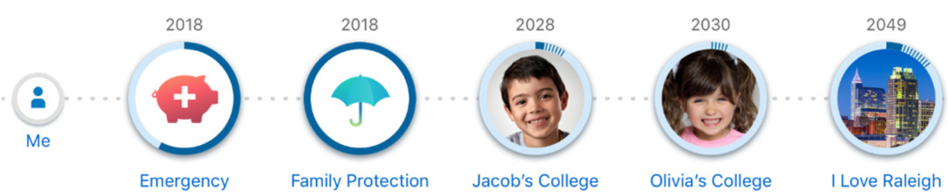
Connecting societal need and market opportunity with **Prudential's unique mix** of capabilities

FORTUNE®

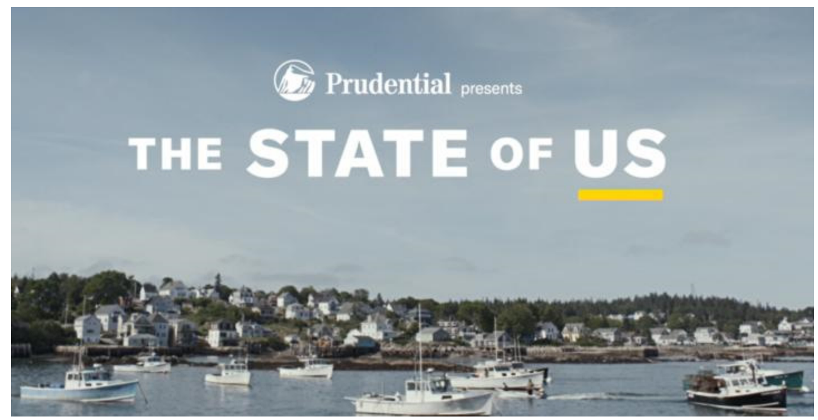
Named to 2018 Change The World® List

LINK by Prudential

Timeline: My Goals



- Digital platform that learns about what's important to customers and connects them to solutions and financial professionals to help them achieve their goals
- Available via multiple channels including our worksite financial wellness platform



- Launch of brand campaign to further differentiate Prudential as the leading financial wellness company
- The State of US journeys across the country to communities which embody relatable and pressing financial challenges impacting financial wellness today

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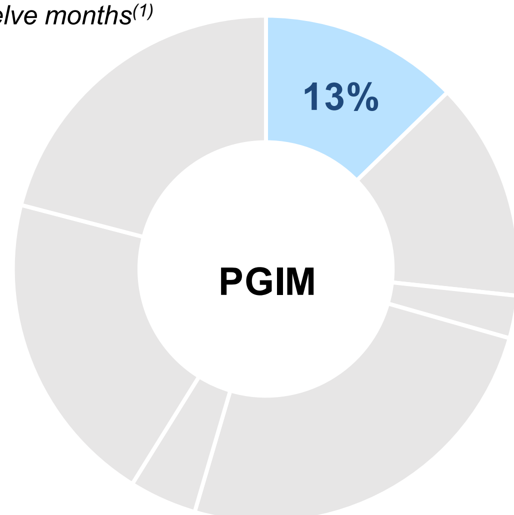
PGIM - Diversified Global Active Asset Manager with a Multi-Manager Model

Earnings Contribution to Prudential

Trailing twelve months[1]

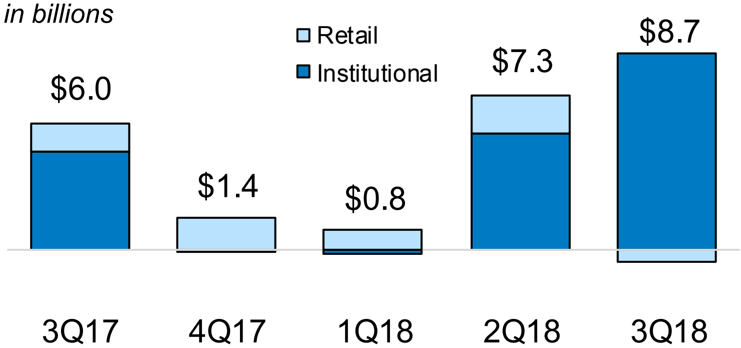


Key Priorities to Grow Earnings

- Maintain strong investment performance[2]
  - Percentage of AUM[3] outperforming benchmark[4]: 3 Year: 91%, 5 Year: 97%, 10 Year: 96%
- Leverage scale of $1+ trillion multi-manager model and Prudential enterprise relationship
- Expand global footprint
- Continue to diversify products into higher margin areas
- Selectively acquire new capabilities

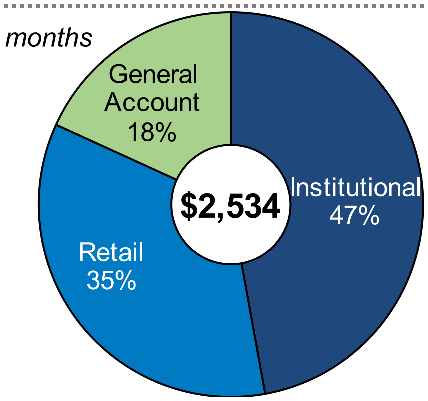
3rd Party Net Flows

$ in billions



Asset Management Fees

Trailing twelve months
$ in millions

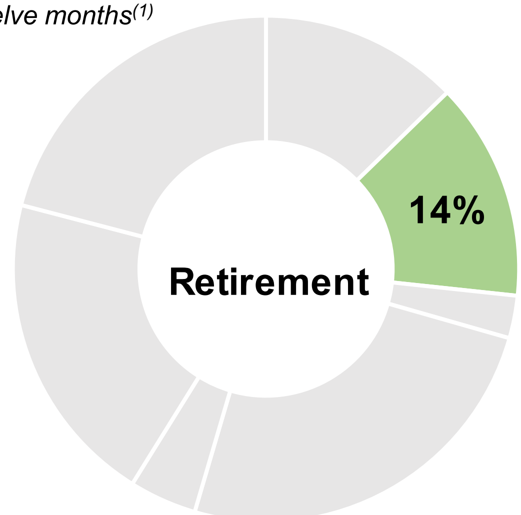


1) Based on pre-tax adjusted operating income excluding Corporate and Other Operations.
2) Performance shown represents each individual AUMs respective fund or strategies benchmark as reported in eVestment. Past performance is not a guarantee or reliable indicator of future results.
3) Represents PGIM's benchmarked AUM as listed in eVestment (data provided by PGIM). 92% of total third-party AUM is benchmarked over 3 years, 90% over 5 years, and 67% over 10 years. This calculation does not include private assets that are not benchmarked or general account assets.
4) Performance as of September 30, 2018. Represents excess performance gross of fees, based on all actively managed Fixed Income and Equity AUM reported in eVestment for Jennison Associates, PGIM Fixed Income, Quantitative Management Associates, and PGIM Real Estate. Composite assets reported in eVestment assumed to represent full strategy AUM. Based on performance, net of fees, the percentage of AUM outperforming benchmarks would be 82%, 93%, and 92% over 3, 5, and 10 years respectively.

RETIREMENT - DIFFERENTIATED CAPABILITIES TO DRIVE GROWTH IN PENSION RISK TRANSFER, FULL SERVICE, AND STABLE VALUE MARKETS

Earnings Contribution to Prudential

Trailing twelve months[1]

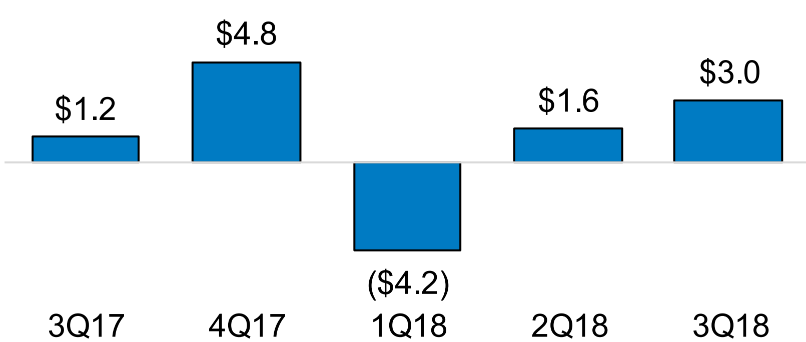


Key Priorities to Grow Earnings

- Leverage Prudential's broad capabilities to expand customer solutions, including financial wellness programs
- Grow in targeted Full Service retirement markets
- Continue to grow Institutional Investment Products through market leadership, innovation, and expansion into adjacent products and markets

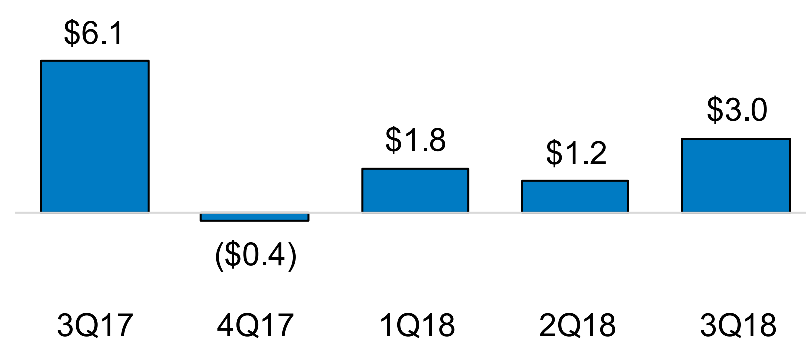
Institutional Investment Products Net Flows

$ in billions



Full Service Net Flows

$ in billions

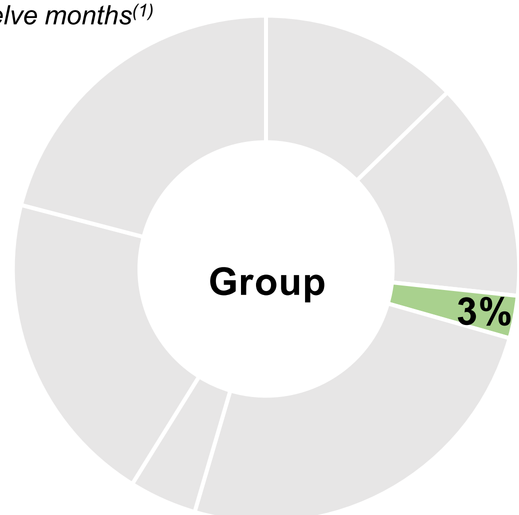


1) Based on pre-tax adjusted operating income excluding Corporate and Other Operations.

Group Insurance - Leading Group Benefits Provider with Success in Financial Wellness

Earnings Contribution to Prudential

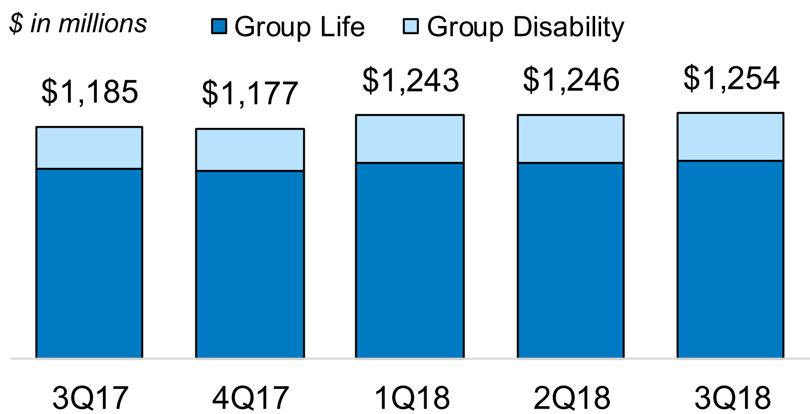
Trailing twelve months[1]



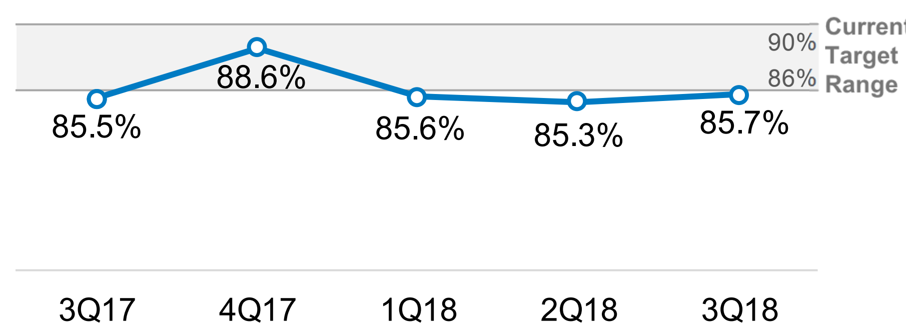
Key Priorities to Grow Earnings

- Deepen employer and participant relationships with financial wellness programs
- Execute on diversification strategy while maintaining pricing discipline
  - Maintain National segment share (>5,000 lives) and grow in Premier segment (100 to 5,000 employees)
  - Diversify further into Group Disability
- Improve organizational and process efficiencies

Earned Premiums & Fees



Total Group Insurance Benefits Ratio[2]

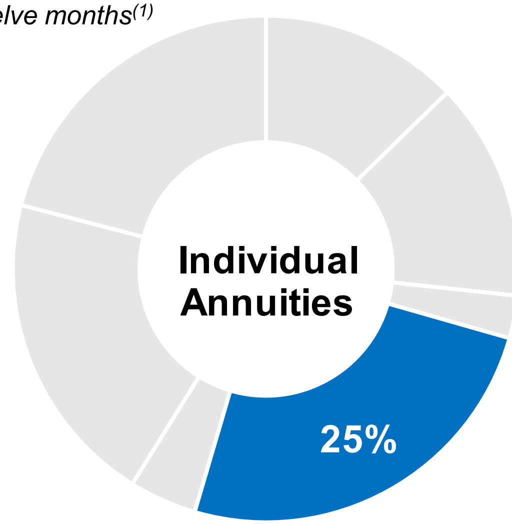


1) Based on pre-tax adjusted operating income excluding Corporate and Other Operations.
2) Benefits ratios excluding the impact of the annual assumption update and other refinements.

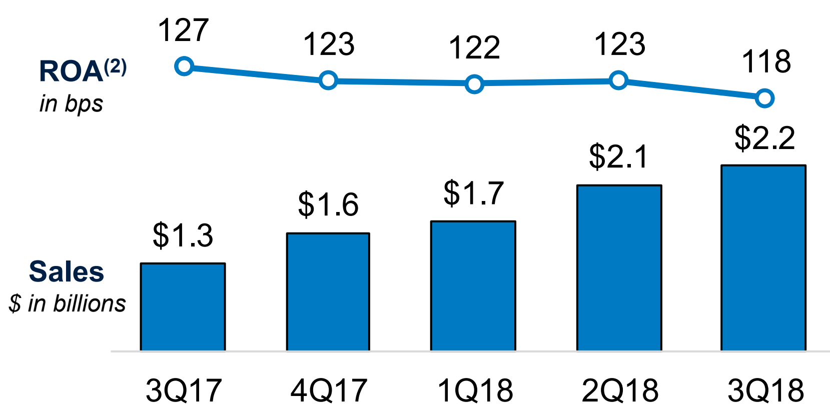
INDIVIDUAL ANNUITIES - STEADY FREE CASH FLOW GENERATION AND ATTRACTIVE RETURNS

Earnings Contribution to Prudential

Trailing twelve months[1]



Sales & Return on Assets (ROA)



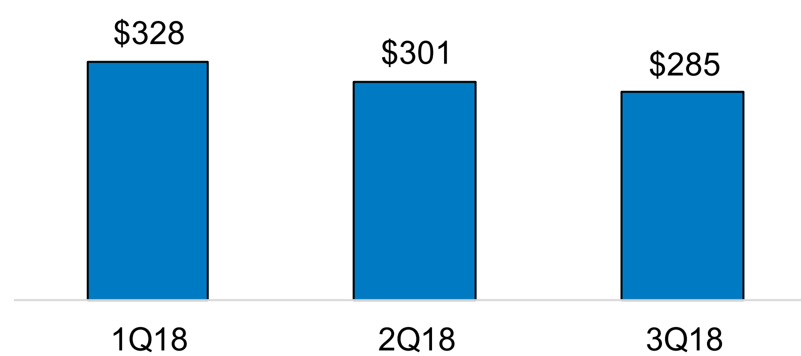
1) Based on pre-tax adjusted operating income excluding Corporate and Other Operations.
2) Annualized pre-tax AOI excluding notable items divided by average daily separate account values.
3) Dividends include Prudential Annuities Holding Co.

Key Priorities to Grow Earnings

- Generate steady free cash flow and attractive returns
- Continue to grow sales and diversify mix
- Engage a larger addressable market via additional distribution channels
- Extend secure retirement income to workplace relationships

Prudential Annuities Life Assurance Co. Dividends to PFI[3]

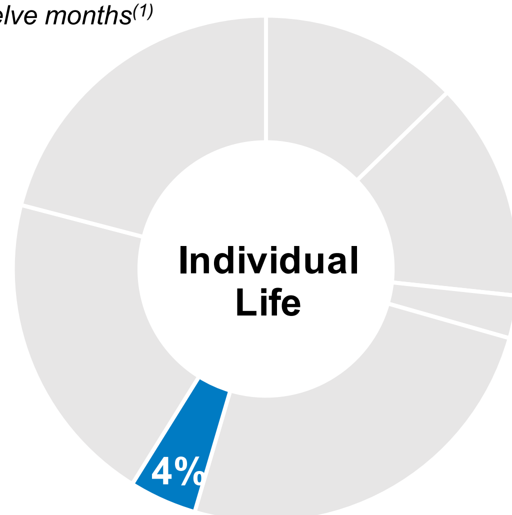
$ in millions



INDIVIDUAL LIFE - BROAD PRODUCT PORTFOLIO AND MULTI-CHANNEL DISTRIBUTION

Earnings Contribution to Prudential

Trailing twelve months[(1)]

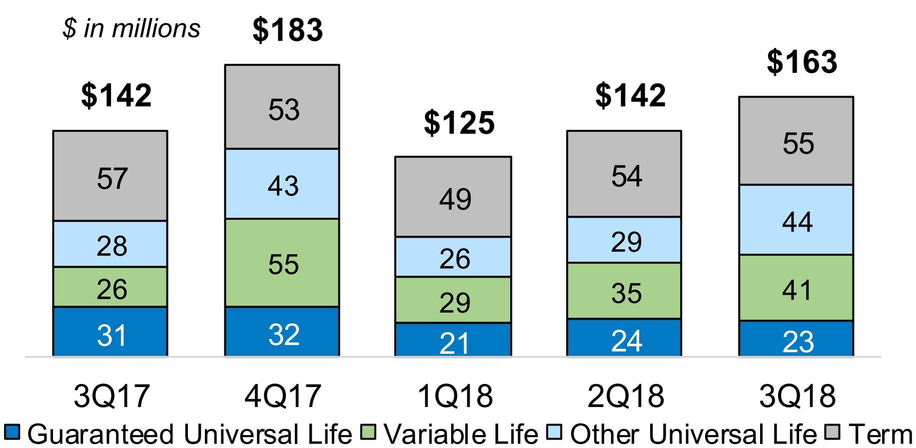


Key Priorities to Grow Earnings

- Deepen existing distribution relationships and add new relationships
- Streamline underwriting process and enhance customer experience
- Extend retail education and solutions to workplace relationships

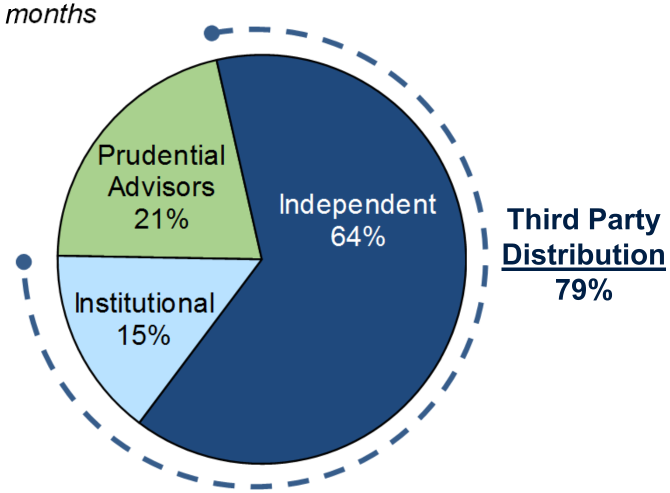
Sales[(2)] – Product Mix

$ in millions



Sales[(2)] – Distribution Mix

Trailing twelve months

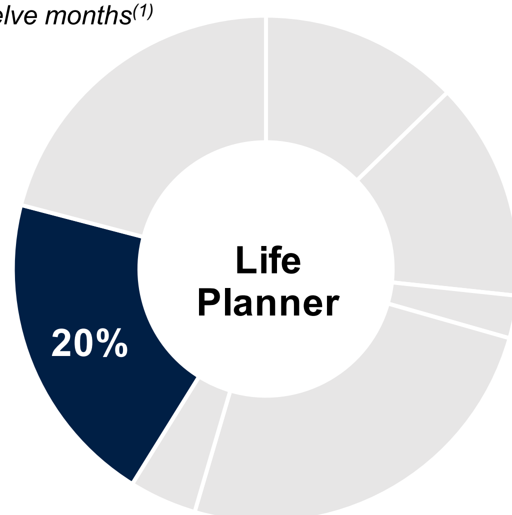


1) Based on pre-tax adjusted operating income excluding Corporate and Other Operations.
2) Sales represented by annualized new business premiums.

Life Planner Operations - Differentiated Distribution with Steady Long-term Growth Potential

Earnings Contribution to Prudential

Trailing twelve months[1]

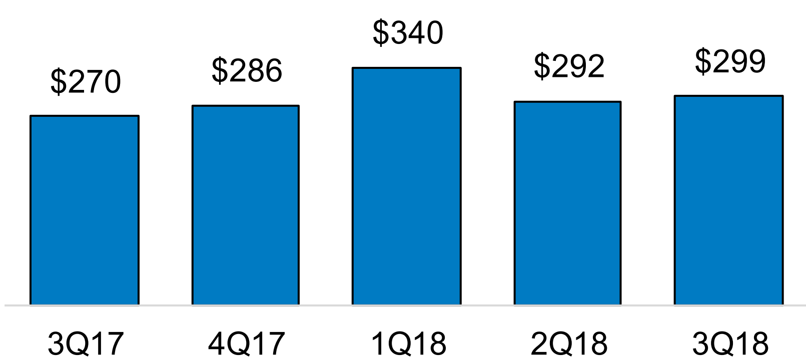


Key Priorities to Grow Earnings

- Lead with protection solutions and innovate as client needs evolve
- Grow Life Planners in all countries
- Build digital, mobile, and data analytics capabilities

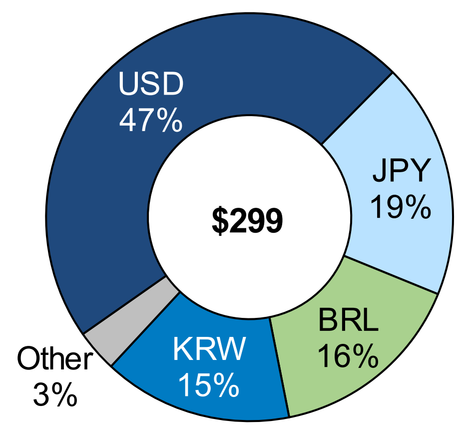
Sales[2]

$ in millions



Sales Mix by Currency[2] – 3Q18

$ in millions

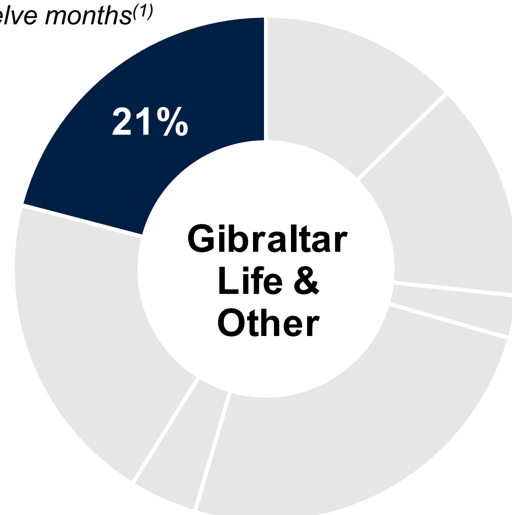


1) Based on pre-tax adjusted operating income excluding Corporate and Other Operations.
2) Constant exchange rate basis. Foreign denominated activity translated to U.S. Dollars (USD) at uniform exchange rates for all periods presented, including Japanese Yen (JPY) 111 per U.S. Dollar and Korean Won (KRW) 1,150 per U.S. Dollar. U.S. Dollar-denominated activity is included based on the amounts as transacted in U.S. Dollars. BRL = Brazilian Real. Sales represented by annualized new business premiums.

Gibraltar Life and Other - Meeting Client Needs Via Multiple Channels

Earnings Contribution to Prudential

Trailing twelve months[1]

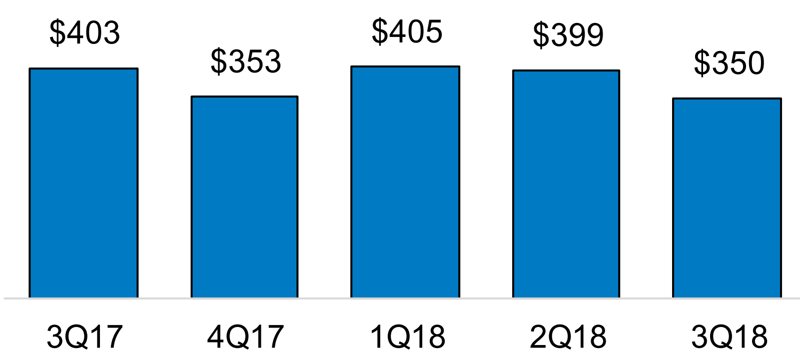


Key Priorities to Grow Earnings

- Lead with protection solutions and innovate as client needs evolve
- Optimize Life Consultant force through quality and productivity
- Strategically expand in Bank and Independent Agency channels
- Build digital, mobile, and data analytics capabilities

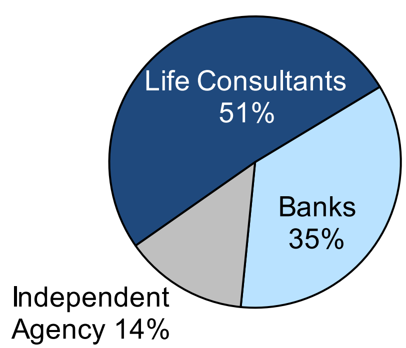
Sales[2]

$ in millions

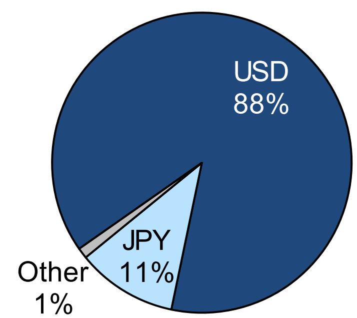


Sales Mix[2] – 3Q18

Distribution



Currency



1) Based on pre-tax adjusted operating income excluding Corporate and Other Operations.
2) Constant exchange rate basis. Foreign denominated activity translated to U.S. Dollars (USD) at uniform exchange rates for all periods presented, including Japanese Yen (JPY) 111 per U.S. Dollar. U.S. Dollar-denominated activity is included based on the amounts as transacted in U.S. Dollars. Sales represented by annualized new business premiums.

THIRD QUARTER 2018 NOTABLE ITEMS

	$ in Millions Pre-tax	Per Share After-tax
Adjusted Operating Income	**$1,668**	**$3.15**
Notable Items[(1)]		
• Updated estimates of Individual Annuities profitability driven by market performance versus assumptions	(36)	(0.07)
• Returns on non-coupon investments and prepayment fees above / (below) average expectations	(35)	(0.07)
• Underwriting experience above / (below) average expectations	65	0.13
Total Notable Items included in Adjusted Operating Income	**$(6)**	**$(0.01)**

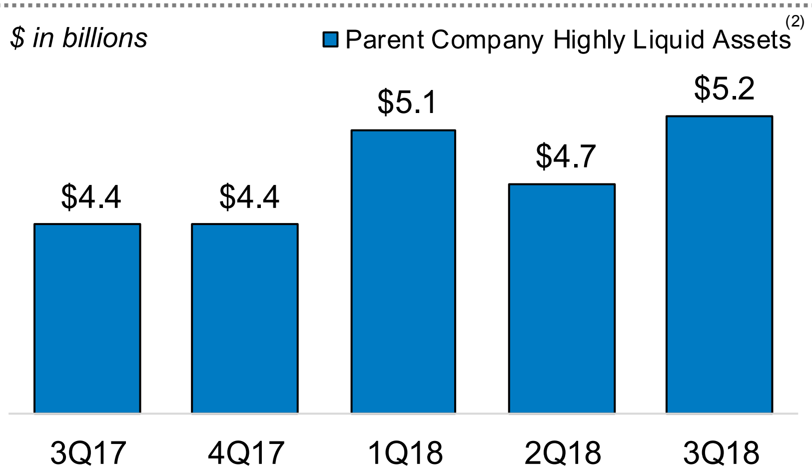
1) Notable Items represent the impact on results from our annual reviews and update of assumptions and other refinements, the quarterly updated estimate of Individual Annuities profitability driven by market performance versus assumptions, and the approximate impact attributable to variances from the Company's expectations. 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 notable items do not include seasonality impacts on quarterly revenue or 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. These items, where significant, are individually identified for the respective periods in the Company's earnings releases, available at www.investor.prudential.com and in the appendix. Notable Items after-tax are based on application of 21% tax rate.

ROBUST CAPITAL POSITION SUPPORTS STRONG DISTRIBUTIONS TO SHAREHOLDERS

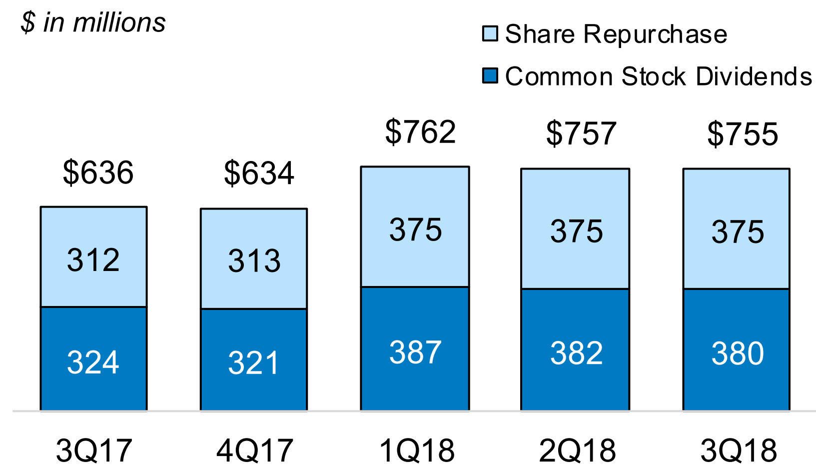
Capital Position

Capital Deployment	• $375 million of remaining share repurchase authorization for 2018
Capital Level	• Continue to hold capital above our AA financial strength levels
Leverage(1)	• Financial leverage ratio less than 25% • Total leverage ratio less than 40%

Liquidity Position



Shareholder Distributions



1) 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 the impact of foreign currency exchange rate remeasurement.
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.

3Q18 EARNINGS CALL KEY MESSAGES

Bringing financial opportunity to more customers

- Continue to attract U.S. customers to our integrated solutions, including financial wellness
- Provide international customers with protection and retirement solutions
- Delivered by complementary businesses with leading market positions

Generating strong ROE and growth

- Year-to-date adjusted operating return on equity of 13.5%
- Double-digit growth in adjusted book value per share and strong business fundamentals
- Thoughtful succession planning for continued financial success

Maintaining strong capital position

- Distributed $755 million to shareholders
- Continue to hold capital above AA level
- Pleased with Financial Stability Oversight Council's decision to remove SIFI designation

Prudential Financial, Inc.

Appendix

November 8, 2018

3Q18 Business Segment Notable Items

$ in millions (pre-tax)	Pre-tax Adjusted Operating Income	Notable Items: Returns on non-coupon investments and prepayment fees above / (below) average expectations	Notable Items: Underwriting experience above / (below) average expectations	Notable Items: Other
PGIM	$230	-	-	-
Retirement	$239	$(15)	$(15)	-
Group Insurance	$59	-	$5	-
Individual Annuities	$454	-	-	$(36) impact from updated estimates of profitability driven by market performance versus assumptions
Individual Life	$170	$(5)	$65	-
Life Planner	$449	$5	-	-
Gibraltar Life & Other	$441	$(20)	$10	-
Corporate & Other	$(374)	-	-	-

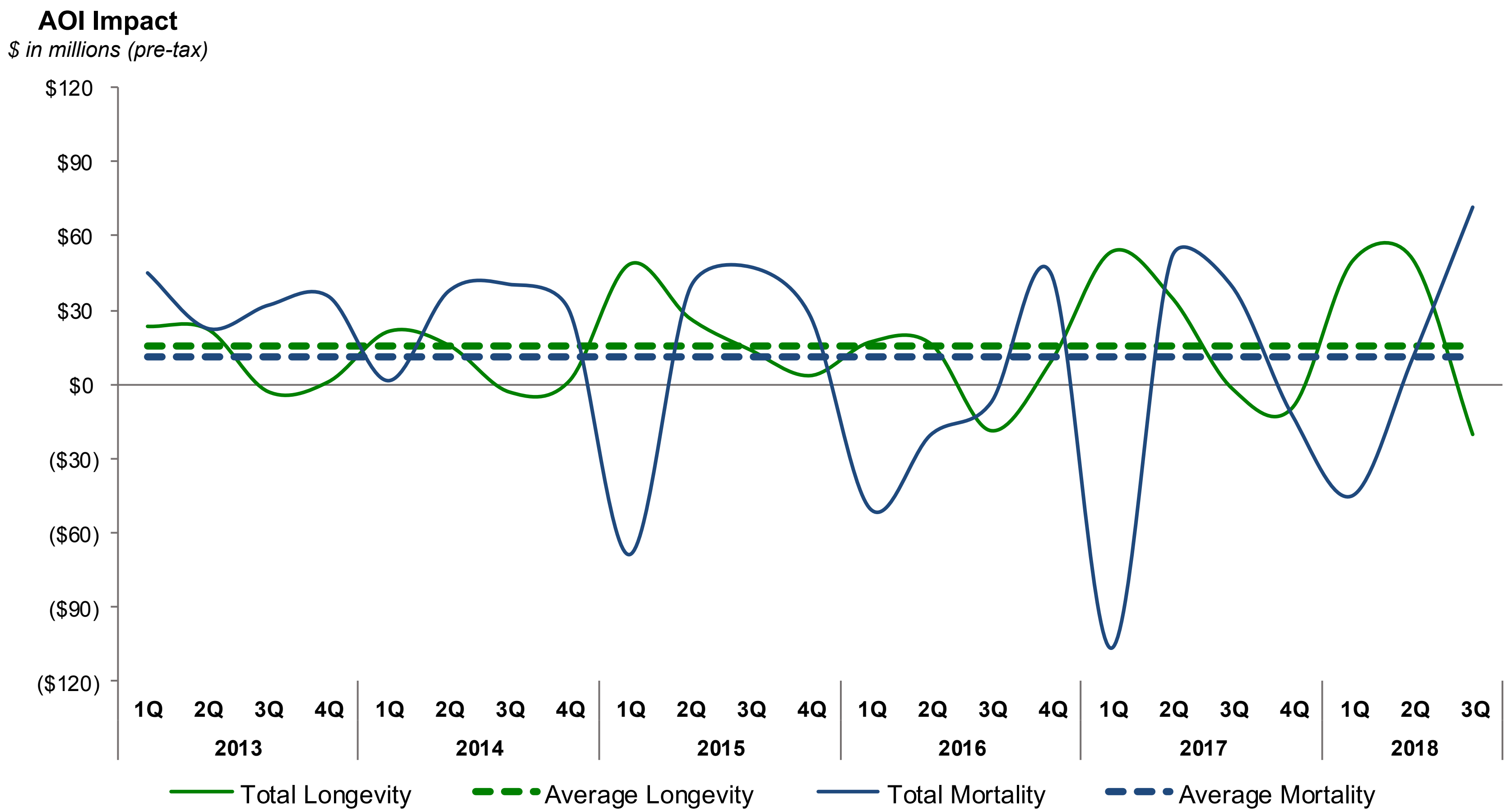
3Q17 Business Segment Notable Items

$ in millions (pre-tax)	Pre-tax Adjusted Operating Income	Notable Items: Returns on non-coupon investments and prepayment fees above / (below) average expectations	Notable Items: Underwriting experience above / (below) average expectations	Notable Items: Other
PGIM	$259	-	-	-
Retirement	$248	$(5)	-	-
Group Insurance	$61	-	$10	-
Individual Annuities	$577	$5	-	$48 impact from updated estimates of profitability driven by market performance versus assumptions
Individual Life	$150	-	$20	$5 lower than typical expenses
Life Planner	$373	$10	$10	$40 higher than typical expenses
Gibraltar Life & Other	$426	$5	$10	-
Corporate & Other	$(310)	-	-	-

Seasonality Of Key Financial Items

	1Q	2Q	3Q	4Q
PGIM				Other related revenues tend to be highest
Retirement	Case experience tends to be favorable		PRT sales, episodic, tend to be highest in 3Q and 4Q	
Group Insurance	Mortality tends to be unfavorable Sales tend to be highest			
Individual Annuities				
Individual Life	Mortality tends to be unfavorable			Sales tend to be highest
Life Planner	Earnings tend to be highest due to higher annual mode premiums			
Gibraltar Life & Other	Earnings tend to be highest due to higher annual mode premiums			
Corporate & Other	Long-term and deferred compensation expenses tend to fluctuate with Prudential stock price			
All Ongoing Operations		Impact of annual assumption update		Expenses tend to be highest

OFFSETTING EXPOSURES BETWEEN MORTALITY[1] AND LONGEVITY[2] BASED BUSINESSES



1) Mortality experience compared to expectations generated by Individual Life, Group Life and International Insurance businesses.
2) Longevity experience compared to expectations generated by Retirement and Annuities.

FORWARD-LOOKING STATEMENTS AND NON-GAAP MEASURES

Certain of the statements included in this presentation, including those under the headings “Key Priorities to Grow Earnings” and “Seasonality Of Key Financial Items” 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. Prudential Financial, Inc.’s actual results may differ, possibly materially, from expectations or estimates reflected in such forward-looking statements. 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” and “Forward-Looking Statements” sections included in Prudential Financial, Inc.’s Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q. Prudential Financial, Inc. does not undertake to update any particular forward-looking statement included in this presentation.

This presentation also includes references to adjusted operating income, adjusted book value and adjusted operating return on 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 adjusted operating return on equity and the comparable GAAP measures, including reconciliations 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.

Reconciliations between Adjusted Operating Income and the Comparable GAAP Measure

$ in millions	Third Quarter 2018	Third Quarter 2017	Year to Date 2018	Year to Date 2017
Net income attributable to Prudential Financial, Inc.	$ 1,672	$ 2,238	$ 3,232	$ 4,098
Income attributable to noncontrolling interests	3	3	7	11
Net income	1,675	2,241	3,239	4,109
Less: Earnings attributable to noncontrolling interests	3	3	7	11
Income attributable to Prudential Financial, Inc.	1,672	2,238	3,232	4,098
Less: Equity in earnings of operating joint ventures, net of taxes and earnings attributable to noncontrolling interests	18	17	55	47
Income (after-tax) before equity in earnings of operating joint ventures	1,654	2,221	3,177	4,051
Less: Reconciling Items:				
Realized investment gains (losses), net, and related charges and adjustments	177	1,164	518	523
Investment gains (losses) on assets supporting experience rated contractholders liabilities, net	10	85	(586)	330
Change in experience-rated contractholder liabilities due to asset value changes	(21)	(31)	482	(188)
Divested businesses:				
Closed Block division	18	33	(22)	49
Other divested businesses	12	10	(1,586)	51
Equity in earnings of operating joint ventures and earnings attributable to noncontrolling interests	(26)	(24)	(75)	(66)
Total reconciling items, before income taxes	170	1,237	(1,269)	699
Less: Income taxes, not applicable to adjusted operating income	(138)	339	(462)	127
Total reconciling items, after income taxes	308	898	(807)	572
After-tax adjusted operating income	1,346	1,323	3,984	3,479
Income taxes, applicable to adjusted operating income	322	461	1,066	1,193
Adjusted operating income before income taxes	$ 1,668	$ 1,784	$ 5,050	$ 4,672
Net Income Return on Equity[1]			8.6%	
Adjusted Operating Return on Equity[1]			13.5%	

1) Net income return on equity based on year-to-date annualized after-tax net income and average GAAP equity of $50,256. Adjusted operating return on equity based on year-to-date annualized after-tax adjusted operating income and average adjusted book value of $39,351.

Reconciliations between Adjusted Operating Income Per Share and the Comparable GAAP Measure

	Third Quarter		Year to Date	
	2018	2017	2018	2017
Net income attributable to Prudential Financial, Inc.	$ 3.90	$ 5.09	$ 7.51	$ 9.29
Less: Reconciling Items:				
Realized investment gains (losses), net, and related charges and adjustments	0.42	2.68	1.21	1.20
Investment gains (losses) on assets supporting experience-rated contractholder liabilities, net	0.02	0.20	(1.37)	0.75
Change in experience-rated contractholder liabilities due to asset value changes	(0.05)	(0.07)	1.13	(0.43)
Divested businesses:				
Closed Block Division	0.04	0.08	(0.05)	0.11
Other divested businesses	0.03	0.02	(3.71)	0.12
Difference in earnings allocated to participating unvested share-based payment awards	(0.01)	(0.03)	0.02	(0.02)
Total reconciling items, before income taxes	0.45	2.88	(2.77)	1.73
Less: Income taxes, not applicable to adjusted operating income	(0.30)	0.80	(1.04)	0.33
Total reconciling items, after income taxes	0.75	2.08	(1.73)	1.40
After-tax adjusted operating income	$ 3.15	$ 3.01	$ 9.24	$ 7.89

Reconciliations between Adjusted Book Value and the Comparable GAAP Measure

$ in millions, except per share values

	September 30, 2018	September 30, 2017
GAAP book value	$ 46,725	$ 50,540
Less: Accumulated other comprehensive income (AOCI)	9,150	16,598
GAAP book value excluding AOCI	37,575	33,942
Less: Cumulative effect of remeasurement of foreign currency	(2,509)	(2,758)
Adjusted book value	$ 40,084	$ 36,700
Number of diluted shares	426.3	431.6
GAAP book value per Common share - diluted(1)	$ 110.78	$ 116.70
GAAP book value excluding AOCI per Common share - diluted(1)	$ 89.32	$ 78.64
Adjusted book value per Common share - diluted(1)	$ 95.20	$ 85.03

1) As of the third quarter of 2018, exchangeable surplus notes are dilutive when book value per share is greater than $85.00 (equivalent to an additional 5.88 million in diluted shares and an increase of $500 million in equity). As of the third quarter of 2017, exchangeable surplus notes are dilutive when book value per share is greater than $86.92 (equivalent to an additional 5.75 million in diluted shares and an increase of $500 million in equity).