Individual Annuities

Creating Value for Customers and Shareholders

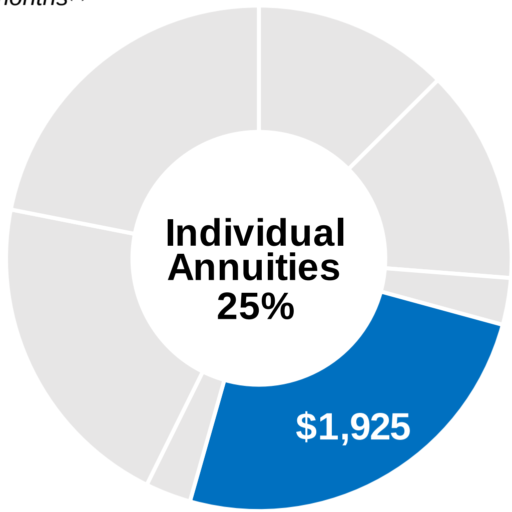
KEY MESSAGES

- Attractive Value for Customers and Shareholders
- High and Stable Returns
- Strong and Consistent Free Cash Flow Generation

Individual Annuities Profile

Significant Contributor to Prudential's Earnings

Trailing twelve months[1]
$ in millions



Leading Market Position[2]

#2 in Variable Account Values

Top 5 in Variable Annuity Sales

Top 10 in Overall Annuity Sales

Comprehensive Solutions

- Variable Annuities
- Fixed Indexed Annuities
- Fixed Annuities

Diversified Distribution

- Career Agent
- Broker-dealers
- Wirehouses
- Banks

1) Based on pre-tax Adjusted Operating Income (AOI) excluding Corporate and Other Operations. AOI is Prudential Financial's measure of segment profitability.
2) Source: Life Insurance Market Research Association (LIMRA) as of Q3 2018

Secure Retirement Income, A Growing Customer Need and a Source of Value for Shareholders

Value to Customers

Secure retirement income

Rock-solid company

- Thoughtfully developed products
- Highly effective hedge program
- Well-capitalized

Consistent market presence

Value to Shareholders

High double-digit adjusted return on equity[(1)]

Significant cash generation

- >$1 billion of annual free cash flows
- ~80% free cash flow ratio

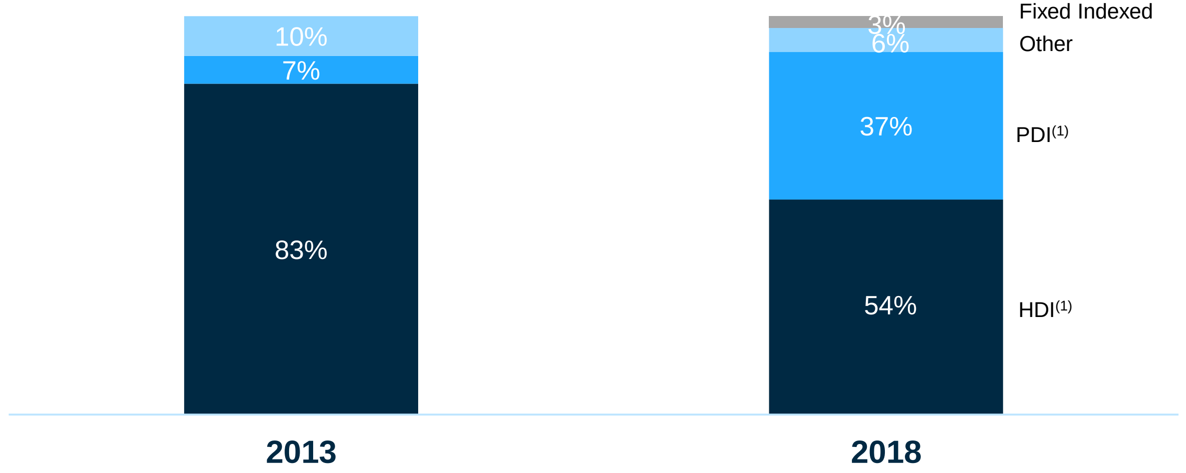
Transparent results

- ~90% of the business in a single entity
- All hedge costs flow through operating income

1) ROE based on average attributed Adjusted Book Value and after-tax Adjusted Operating Income excluding notable items. See Appendix for more information.

Growth from Evolving Product Portfolio

Prudential Annuities Sales Mix



- Providing a broader array of customer solutions

Industry Sales Mix(2)

- Fixed Annuity market expected to be a significant growth opportunity

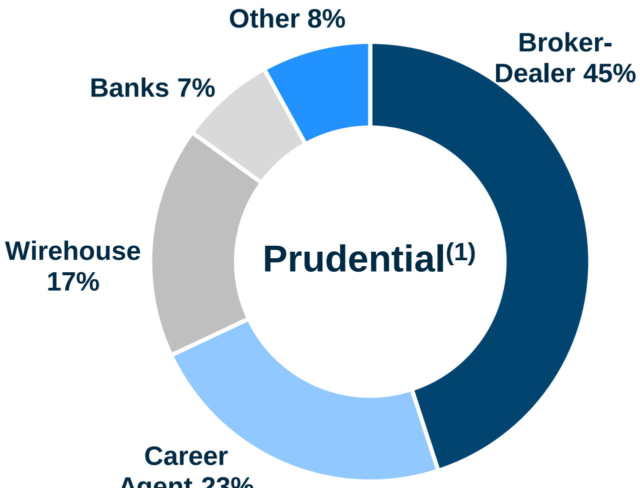
1) PDI: Prudential Defined Income and HDI: Highest Daily Income
2) Source: LIMRA, FY 2013 and YTD Q3 2018

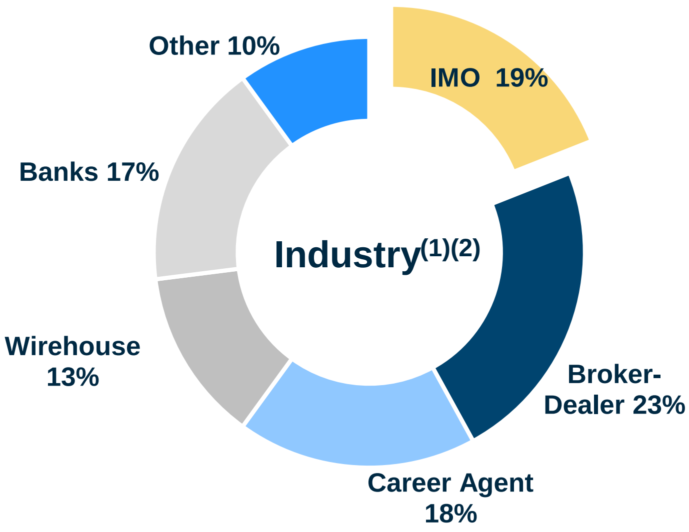
Prudential

Expanding Distribution to Achieve Growth

- Broadening distribution with expansion into Independent Marketing Organization (IMO) channel
  - Industry IMO sales have grown substantially over the last few years largely driven by fixed and indexed annuity products
  - Building dedicated sales coverage team

Sales by Channel





1) Based on 2017 data
2) Source: LIMRA

Guaranteed Income is Critical to Financial Wellness

Access & Engagement

- Reaching 20 million individuals in the workplace
- Serving 5 million people through Individual Solutions
- Increasing engagement (Pathways + Digital Financial Wellness + LINK)

Multiple Channels

Simplified Solutions

- Savings
- Retirement
- Guaranteed Income
- Investments

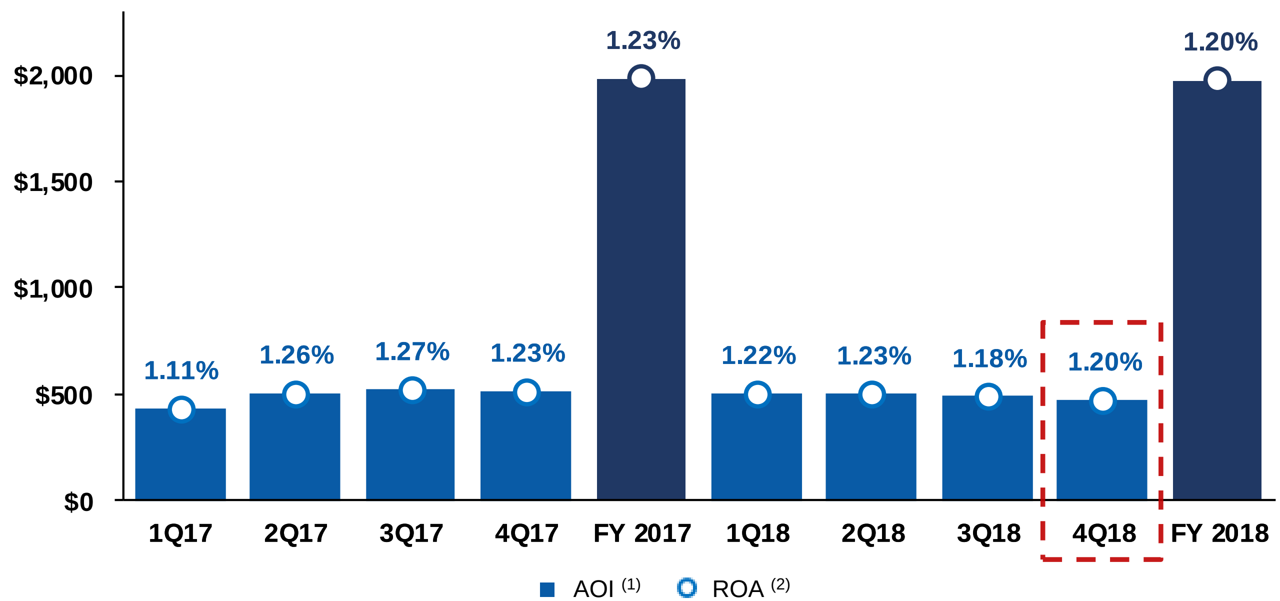
Delivering better outcomes for individuals and employers

Reduced Financial Stress | **Financial Security** | **Increased Productivity**

High and Stable Returns

- Long-term expected return on assets (ROA) of approximately 115 basis points with near-term upside
- ROA factors
  - Product diversification to less capital intensive products
  - Seasoning of book as older vintages migrate to lower fee tiers
- Despite market volatility, our hedging program effectively mitigated negative impacts to 4Q18 results
  - 4Q18 ROA and AOI remained relatively stable

Earnings and Return on Assets ($ in millions)

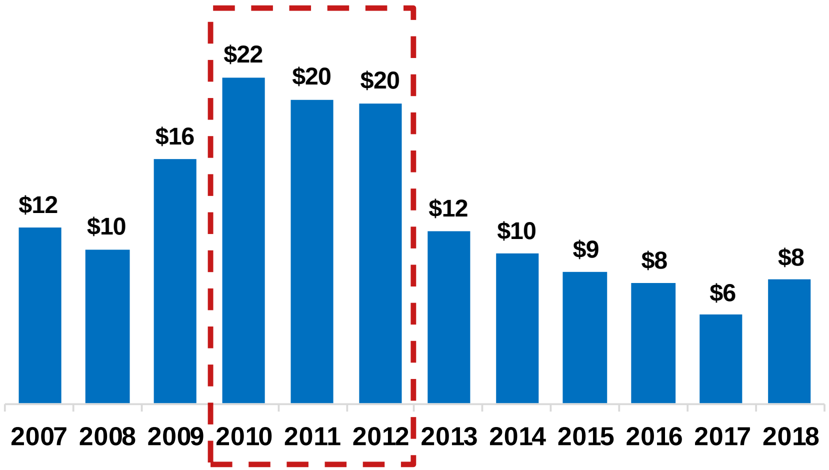


1) Adjusted Operating Income excluding notable items.
2) ROA based on Adjusted Operating Income excluding notable items divided by average daily separate account values.

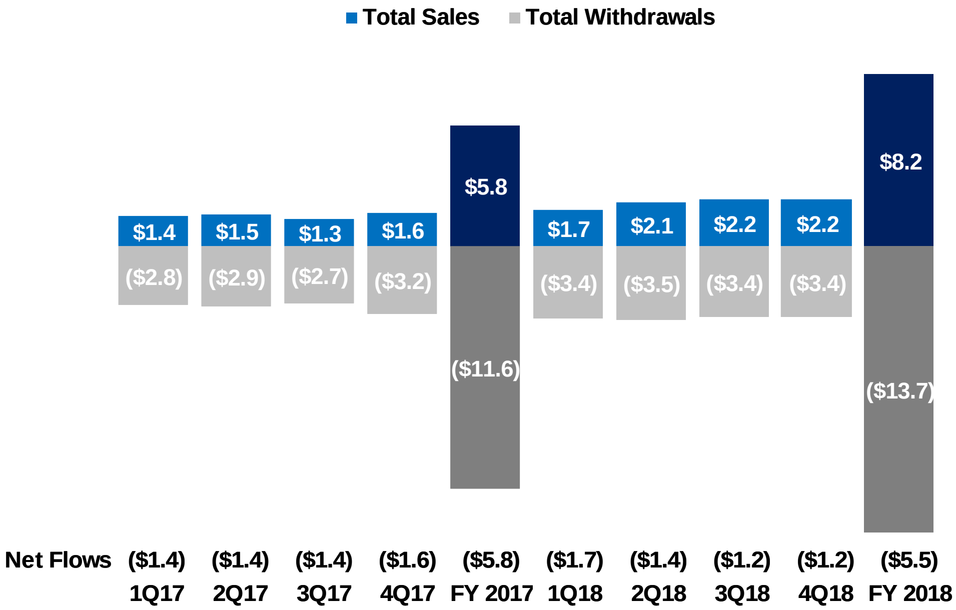
SALES GROWTH EXPECTED TO IMPROVE NET FLOWS

- Trend of increasing withdrawals is primarily driven by large blocks of business from peak sales years exiting the surrender charge period
- Execution on growth strategy will positively impact account values and net flows in the coming years
- Expect the net flow picture to continue to improve in the near term

Historical Sales ($ in billions)



Net Flows ($ in billions)



Well-Positioned to Address Market and Business Risks

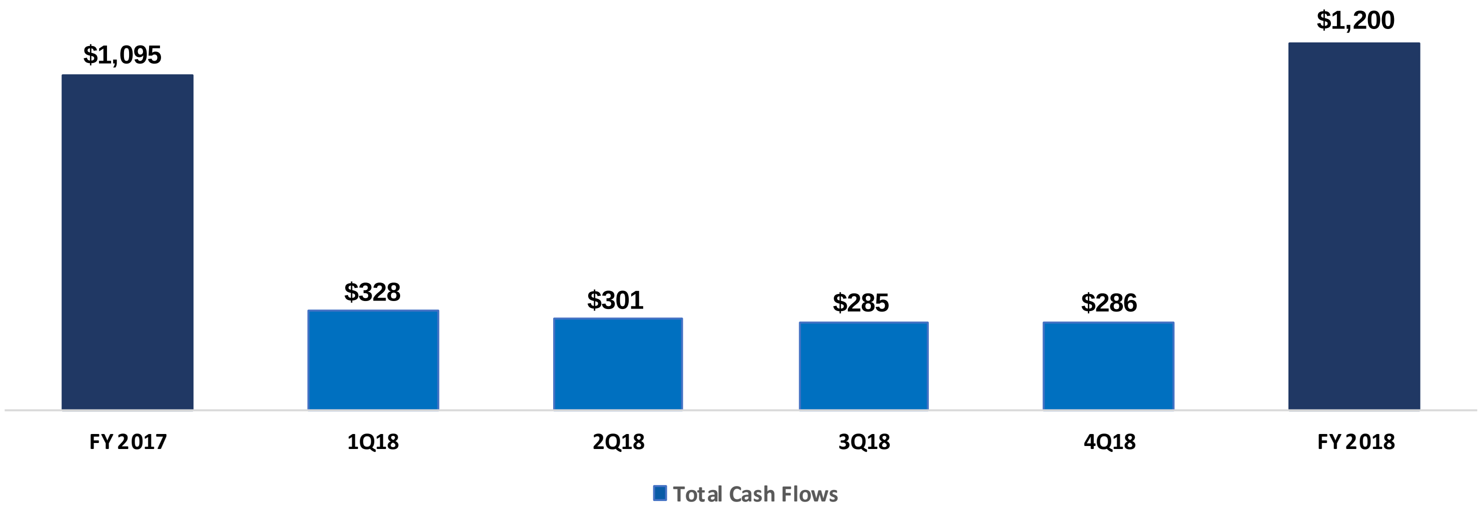
➢ Enhanced risk management strategy with a simplified legal entity structure

Factor	Risk Mitigant
Market Uncertainty	➢ Effective hedging program which mitigates impacts from fluctuations in the market ❑ Hedge program was 98% effective during 4Q18 ➢ Capital hedge increases stability in GAAP earnings and provides capital protection
Product Guarantees	➢ Product design and features that dampen the impact of equity markets on account values ➢ Diversified product suite that addresses an array of customer risk and return preferences
Regulatory	➢ Transparency for Regulators, Rating Agencies and Investors, with ~90% of business reinsured to PALAC ➢ Capital framework which targets holding excess above required regulatory capital ➢ Well-positioned for implementation of NAIC Statutory Variable Annuity Reform on January 1, 2020

GENERATES STEADY CASH FLOWS

- PALAC expected to remain well capitalized with resilient cash flows through moderate stress scenarios such as 4Q18

PALAC Historical Cash Flows ($ in millions)



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APPENDIX

FORWARD-LOOKING STATEMENTS AND NON-GAAP MEASURES

Certain of the statements included in this presentation, including those regarding expected ROAs, net flows, capital and cash flows, 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. Long-term expected ROAs, and expected capital levels and cash flows are subject to the risk that losses on investments or insurance products will exceed our expectations, among other risks, and expected net flows are subject to the risk that that we will be unable to execute our growth strategy due to competitive conditions or otherwise. 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.