
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 2, 2016

PRUDENTIAL FINANCIAL, INC.
(Exact name of registrant as specified in its charter)

New Jersey
(State or other jurisdiction
of incorporation)

001-16707
(Commission File
Number)

22-3703799
(I.R.S. Employer
Identification No.)

751 Broad Street
Newark, New Jersey 07102
(Address of principal executive offices and zip code)

(973) 802-6000
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 Results of Operations and Financial Condition.

Prudential Financial, Inc. (the “Company”) furnishes herewith, as Exhibit 99.1, a news release announcing third quarter 2016 results.

Item 7.01 Regulation FD Disclosure.

- A. Quarterly Financial Supplement. The Company furnishes herewith, as Exhibit 99.2, the Quarterly Financial Supplement for third quarter 2016.
- B. Conference Call and Related Materials. Members of the Company’s senior management will hold a conference call on Thursday, November 3, 2016 at 9:00 A.M. ET, to discuss the Company’s third quarter 2016 results. Related materials are available on the Company’s Investor Relations website at www.investor.prudential.com.

Item 9.01 Financial Statements and Exhibits.**(d) Exhibits.**

- 99.1 News release of Prudential Financial, Inc., dated November 2, 2016, announcing third quarter 2016 results (furnished and not filed).
- 99.2 Quarterly Financial Supplement for Prudential Financial, Inc. for third quarter 2016 (furnished and not filed).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: November 2, 2016

PRUDENTIAL FINANCIAL, INC.

By: /s/ Robert D. Axel

Name: Robert D. Axel

Title: Senior Vice President and Principal Accounting Officer

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
99.1	News release of Prudential Financial, Inc., dated November 2, 2016, announcing third quarter 2016 results (furnished and not filed).
99.2	Quarterly Financial Supplement for Prudential Financial, Inc. for third quarter 2016 (furnished and not filed).



November 2, 2016

Prudential Financial, Inc. Announces Third Quarter 2016 Results

- Net income attributable to Prudential Financial of \$1.827 billion or \$4.07 per Common share versus \$1.465 billion or \$3.16 per share for year-ago quarter.
- After-tax adjusted operating income of \$1.191 billion or \$2.66 per Common share versus \$1.110 billion or \$2.40 per share for year-ago quarter.
- Significant items: In 3Q:16, net income and adjusted operating income include a net benefit of 15 cents per Common share, and in 3Q:15, net income and adjusted operating income include a net charge of 12 cents per Common share, from items discussed later in this release.

John Strangfeld, Chairman and CEO, commented on results for the quarter:

“We are pleased with our solid core results and continued business momentum, including the steady sales growth delivered by our international businesses and strong net flows in Retirement and Asset Management. The combination of our strong cash flows, capital position and recently completed structural changes in our Annuities business enabled us to return approximately \$930 million to shareholders through repurchases and dividends in the quarter. And while we continue to face macro environment challenges in both our U.S. and international operations, we remain confident in our ability to deliver solid performance and differentiated returns.”

THIRD QUARTER BUSINESS HIGHLIGHTS

- Individual Annuities gross sales of \$2.1 billion include \$1.5 billion without retained exposure to equity market related living benefit guarantees, reflecting our risk diversification strategies. Higher net fees and return on assets reflect benefit from refinement in risk management approach for product guarantees.
- Retirement gross deposits and sales of \$12.3 billion include several new pension risk transfer cases totaling \$4.2 billion. Net additions of \$5.0 billion reflect positive net flows in both Full Service and Institutional Investment Products. Record-high account values of \$387 billion at September 30, up 6% from a year earlier.
- Asset Management segment assets under management of \$1.1 trillion include a record-high \$537 billion of unaffiliated third party institutional and retail assets under management at September 30, up 16% from a year earlier. Unaffiliated third party net institutional and retail inflows, excluding money market, totaled \$4.3 billion.
- U.S. Individual Life sales, based on annualized new business premiums, of \$143 million, down 9% from the year-ago quarter including impact of pricing actions.
- Group Insurance total benefits ratio more favorable than the year-ago quarter and within the long term expected range.
- International Insurance constant dollar basis sales of \$771 million, up 8% from the year-ago quarter, reflecting a 63% increase in sales of U.S. dollar products in Japan.

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OTHER FINANCIAL HIGHLIGHTS

- Returned approximately \$930 million to shareholders through Common Stock repurchases and dividends.
- During the third quarter of 2016, the Company acquired 8.1 million shares of its Common Stock at a total cost of \$625 million, for an average price of \$77.38 per share. From the commencement of repurchases in July 2011, through September 30, 2016, the Company has acquired 83.5 million shares of its Common Stock at a total cost of \$5.8 billion, for an average price of \$69.17 per share. Remaining authorization for repurchases at management's discretion through December 31, 2016 was \$625 million as of September 30, 2016.
- Excluding net changes in value relating to foreign currency exchange rate remeasurement reflected in net income or loss and currency translation adjustments corresponding to realized investment gains and losses, book value per Common share excluding total accumulated other comprehensive income amounted to \$79.55 at September 30, 2016, an increase of \$5.96 from December 31, 2015, after payment of three quarterly Common Stock dividends totaling \$2.10 per share.
- Excluding holdings of the Closed Block division, net unrealized gains on general account fixed maturity investments of \$42.4 billion at September 30, 2016 compared to \$23.7 billion at December 31, 2015; gross unrealized losses of \$1.4 billion at September 30, 2016, compared to \$3.4 billion at December 31, 2015.

SIGNIFICANT ITEMS IN THE QUARTER

- Net income and adjusted operating income each include a pre-tax benefit of \$139 million in Individual Annuities to reflect the impact of market performance on deferred policy acquisition and other costs and reserves for guaranteed minimum benefits, and a pre-tax charge of \$34 million in Retirement for costs relating to legal matters.
- As a result of these items, net income and adjusted operating income for the current quarter each include a net favorable impact of approximately 15 cents per Common share. In the year-ago quarter, net income and adjusted operating income each included a net charge of 12 cents per Common share from significant items mainly reflecting the impact of market performance on Annuities results, and reserve refinements in Retirement related to systems enhancements.

NEWARK, N.J. – Prudential Financial, Inc. (NYSE:PRU) today reported third quarter results. Net income attributable to Prudential Financial, Inc. was \$1.827 billion (\$4.07 per Common share) for the third quarter of 2016, compared to \$1.465 billion (\$3.16 per Common share) for the year-ago quarter. After-tax adjusted operating income was \$1.191 billion (\$2.66 per Common share) for the third quarter of 2016, compared to \$1.110 billion (\$2.40 per Common share) for the year-ago quarter. Information regarding adjusted operating income, a non-GAAP measure, is provided below.

For the first nine months of 2016, net income attributable to Prudential Financial, Inc. was \$4.084 billion (\$9.02 per Common share), compared to \$4.907 billion (\$10.56 per Common share) for the first nine months of 2015. After-tax adjusted operating income was \$3.017 billion (\$6.67 per Common share) for the first nine months of 2016, compared to \$3.758 billion (\$8.09 per Common share) for the first nine months of 2015.

Adjusted operating income does not equate to net income as determined in accordance with generally accepted accounting principles (GAAP), but is the measure used by the Company to evaluate segment performance and to allocate resources, and is the measure of segment performance presented below. Consolidated adjusted operating income is a non-GAAP measure and is discussed later in this press release under "Forward-Looking Statements and Non-GAAP Measure." A reconciliation of adjusted operating income to the most comparable GAAP measure is provided in the tables that accompany this release.

RESULTS OF ONGOING OPERATIONS

The Company's ongoing operations include the U.S. Retirement Solutions and Investment Management, U.S. Individual Life and Group Insurance, and International Insurance divisions, as well as Corporate and Other Operations. In the following business-level discussion, adjusted operating income refers to pre-tax results.

The **U.S. Retirement Solutions and Investment Management division** reported adjusted operating income of \$1.018 billion for the third quarter of 2016, compared to \$732 million in the year-ago quarter.

U.S RETIREMENT SOLUTIONS AND INVESTMENT MANAGEMENT DIVISION (\$ millions)	3Q:16	3Q:15
Individual Annuities:		
Adjusted operating income	\$588	\$310
Significant items included above:		
Impact of updated estimates of profitability driven by market performance in relation to our assumptions	139	(76)
Charge for estimated costs related to potential contract cancellations	--	(28)

The **Individual Annuities segment** reported adjusted operating income of \$588 million in the current quarter, compared to \$310 million in the year-ago quarter. Current quarter results include a net benefit of \$139 million from an updated estimate of profitability driven by market performance in relation to our assumptions. Results for the year-ago quarter included a net charge of \$76 million to reflect an updated estimate of profitability from the impact of market performance in relation to our assumptions, and a \$28 million charge for estimated costs related to potential contract cancellations. Excluding the effect of the foregoing items, results for the Individual Annuities segment increased \$35 million from the year-ago quarter. This increase came primarily from a greater contribution from net investment results

which included current quarter returns on non-coupon investments and prepayment fees approximately \$10 million above our average expectations, and from higher policy fees, net of associated risk management and other related costs. The greater contribution from policy fees reflected efficiencies from recently implemented refinements in risk management strategies relative to contract guarantees and greater average variable annuity account values.

U.S. RETIREMENT SOLUTIONS AND INVESTMENT MANAGEMENT DIVISION (\$ millions)	3Q:16	3Q:15
Retirement:		
Adjusted operating income	\$239	\$242
Significant items included above:		
Charge for costs relating to legal matters	(34)	
Benefit from reserve refinements related to systems enhancements	--	20

The **Retirement segment** reported adjusted operating income of \$239 million for the current quarter, compared to \$242 million in the year-ago quarter. Current quarter results include a charge of \$34 million for costs relating to legal matters, while results for the year-ago quarter included a benefit of \$20 million from reserve refinements related to systems enhancements. Excluding the effect of the foregoing items, results for the Retirement segment increased \$51 million from the year-ago quarter. This increase reflected \$79 million greater earnings from net investment results, including current quarter returns on non-coupon investments and prepayment fees about \$55 million above our average expectations, partly offset by a less favorable contribution from case experience. The current quarter contribution to results from case experience including reserve strengthening in a legacy case was approximately \$20 million below our average quarterly expectations.

U.S. RETIREMENT SOLUTIONS AND INVESTMENT MANAGEMENT DIVISION (\$ millions)	3Q:16	3Q:15
Asset Management:		
Adjusted operating income	\$191	\$180

The **Asset Management segment** reported adjusted operating income of \$191 million for the current quarter, compared to \$180 million in the year-ago quarter. The increase was driven by higher asset management fees reflecting growth in fixed income assets under management and fee rate modifications within certain real estate funds, partly offset by higher net expenses. In addition, results reflected a \$6 million lower contribution from the segment's incentive, transaction, strategic investing and commercial mortgage activities, which amounted to \$16 million for the current quarter.

The **U.S. Individual Life and Group Insurance division** reported adjusted operating income of \$173 million for the third quarter of 2016, compared to \$227 million in the year-ago quarter.

U.S. INDIVIDUAL LIFE AND GROUP INSURANCE DIVISION (\$ millions)	3Q:16	3Q:15
Individual Life:		
Adjusted operating income	\$111	\$183

The **Individual Life segment** reported adjusted operating income of \$111 million for the current quarter, compared to \$183 million in the year-ago quarter. The decrease reflected less favorable claims experience, higher expenses and a negative impact from reserve refinements in the current quarter, partly offset by a greater contribution from net investment results. The net contribution to current quarter results from claims experience, inclusive of reinsurance, associated reserve updates and amortization, was about \$30 million less favorable than our average expectations. In comparison, the year-ago quarter contribution was about \$25 million more favorable than average expectations. In addition, current quarter results include charges for reserve refinements and higher than typical legal costs which together amounted to about \$20 million. The current quarter contribution to earnings from net investment results included returns on non-coupon investments and prepayment fees about \$10 million more favorable than our average expectations.

U.S. INDIVIDUAL LIFE AND GROUP INSURANCE DIVISION (\$ millions)	3Q:16	3Q:15
Group Insurance:		
Adjusted operating income	\$62	\$44

The **Group Insurance segment** reported adjusted operating income of \$62 million in the current quarter, compared to \$44 million in the year-ago quarter. The increase reflected a \$13 million greater contribution from net investment results, including current quarter returns on non-coupon investments and prepayment fees approximately \$10 million above our average expectations, as well as more favorable underwriting results.

The **International Insurance segment** reported adjusted operating income of \$780 million for the third quarter of 2016, compared to \$812 million in the year-ago quarter.

INTERNATIONAL INSURANCE SEGMENT (\$ millions)	3Q:16	3Q:15
Life Planner Operations:		
Adjusted operating income	\$391	\$398

Adjusted operating income of the segment's **Life Planner operations** was \$391 million for the current quarter, compared to \$398 million in the year-ago quarter. Foreign currency exchange rates, including the impact of the Company's currency hedging programs, had an unfavorable impact of \$23 million in comparison to the year-ago quarter. Excluding this impact, results increased \$16 million from the year-ago quarter. The benefits to current quarter results from continued business growth, more favorable policy surrender experience, and a greater contribution from net investment results including returns on non-coupon investments and prepayment fees slightly above our average expectations were partly offset by less favorable claims experience. The contribution to current quarter earnings from claims experience was about \$10 million greater than our average expectations, as compared to about \$15 million greater than average expectations in the year-ago quarter.

INTERNATIONAL INSURANCE SEGMENT (\$ millions)	3Q:16	3Q:15
Gibraltar Life and Other Operations:		
Adjusted operating income	\$389	\$414

Adjusted operating income of the segment's **Gibraltar Life and Other operations** was \$389 million for the current quarter, compared to \$414 million in the year-ago quarter. Foreign currency exchange rates, including the impact of the Company's currency hedging programs, had an unfavorable impact of \$30 million in comparison to the year-ago quarter. Excluding this impact, results increased \$5 million from the year-ago quarter. The benefit to current quarter results from business growth, including a contribution from the Company's indirect investment in AFP Habitat acquired on March 2, 2016, was largely offset by higher expenses including greater than typical current quarter costs associated with employee benefit plans and office relocations. More favorable claims experience, with a contribution to current quarter earnings about \$10 million greater than our average expectations, was largely offset by a lower benefit from policy surrender experience. The current quarter contribution from net investment results was essentially unchanged from the year-ago quarter and slightly less favorable than our average expectations.

Corporate and Other operations resulted in a loss, on an adjusted operating income basis, of \$413 million in the third quarter of 2016, compared to a loss of \$308 million in the year-ago quarter.

CORPORATE AND OTHER OPERATIONS (\$ millions)	3Q:16	3Q:15
Adjusted operating income (loss)	\$(413)	\$(308)

The increased loss came primarily from higher net expenses in the current quarter including higher costs for employee benefit and compensation plans tied to equity market returns and a benefit to year-ago quarter results from a reinsurance recovery.

ASSETS UNDER MANAGEMENT

Assets under management amounted to \$1.314 trillion at September 30, 2016, compared to \$1.184 trillion at December 31, 2015.

NET INCOME AND INVESTMENT PORTFOLIO

Net income attributable to Prudential Financial, Inc. amounted to \$1.827 billion for the third quarter of 2016, compared to \$1.465 billion for the year-ago quarter.

Current quarter net income includes \$649 million of pre-tax net realized investment gains and related charges and adjustments. The foregoing net gains include net pre-tax gains of \$553 million from products that contain embedded derivatives and associated derivative portfolios that are part of a hedging program related to the risks of these products, and \$250 million from general portfolio and related activities. The foregoing gains were partially offset by pre-tax losses of \$114 million related to derivatives used in risk management activities including asset and liability duration management and \$40 million from impairments and sales of credit-impaired investments.

Net income for the current quarter reflects pre-tax increases of \$37 million in recorded asset values and decreases of \$1 million in recorded liabilities representing changes in value which are expected to ultimately accrue to contractholders. These changes primarily represent mark-to-market adjustments.

Net income for the current quarter also reflects pre-tax income of \$87 million from divested businesses, primarily reflecting results from long term care and the Closed Block division.

Net income for the year-ago quarter included \$438 million of pre-tax net realized investment gains and related charges and adjustments, including pre-tax gains of \$304 million related to derivatives used in risk management activities including asset and liability duration management, \$231 million from general portfolio and related activities, and \$69 million from products that contain embedded derivatives and associated derivative portfolios that are part of a hedging program related to the risks of these products. The foregoing gains were partly offset by pre-tax losses of \$166 million from impairments and sales of credit-impaired investments.

Excluding holdings of the Closed Block division, gross unrealized losses on general account fixed maturity investments at September 30, 2016 amounted to \$1.424 billion, including \$1.021 billion on high and highest quality securities based on NAIC or equivalent ratings, and amounted to \$3.398 billion at December 31, 2015. Net unrealized gains on these investments amounted to \$42.385 billion at September 30, 2016, compared to \$23.739 billion at December 31, 2015.

FORWARD-LOOKING STATEMENTS AND NON-GAAP MEASURE

Certain of the statements included in this release 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, and there are certain important factors that could cause actual results to differ, possibly materially, from expectations or estimates reflected in such forward-looking statements, including, among others: (1) general economic, market and political conditions, including the performance and fluctuations of fixed income, equity, real estate and other financial markets; (2) the availability and cost of additional debt or equity capital or external financing for our operations; (3) interest rate fluctuations or prolonged periods of low interest rates; (4) the degree to which we choose not to hedge risks, or the potential ineffectiveness or insufficiency of hedging or risk management strategies we do implement; (5) any inability to access our credit facilities; (6) reestimates of our reserves for future policy benefits and claims; (7) differences between actual experience regarding mortality, morbidity, persistency, utilization, interest rates or market returns and the assumptions we use in pricing our products, establishing liabilities and reserves or for other purposes; (8) changes in our assumptions related to deferred policy acquisition costs, value of business acquired or goodwill; (9) changes in assumptions for our pension and other postretirement benefit plans; (10) changes in our financial strength or credit ratings; (11) statutory reserve requirements associated with term and universal life insurance policies under Regulation XXX and Guideline AXXX; (12) investment losses, defaults and counterparty non-performance; (13) competition in our product lines and for personnel; (14) difficulties in marketing and distributing products through current or future distribution channels; (15) changes in tax law; (16) economic, political, currency and other risks relating to our international operations; (17) fluctuations in foreign currency exchange rates and foreign securities markets; (18) regulatory or legislative changes, including the Dodd-Frank Wall Street Reform and Consumer Protection Act and the U.S. Department of Labor’s fiduciary rules; (19) inability to protect our intellectual property rights or claims of infringement of the intellectual property rights of others; (20) adverse determinations in litigation or regulatory matters, and our exposure to contingent liabilities, including related to the remediation of certain securities lending activities administered by the Company; (21) domestic or international military actions, natural or man-made disasters including terrorist activities or pandemic disease, or other events resulting in catastrophic loss of life; (22) ineffectiveness of risk management policies and procedures in identifying, monitoring and managing risks; (23) possible difficulties in executing, integrating and realizing projected results of acquisitions, divestitures and restructurings; (24) interruption in telecommunication, information technology or other operational systems or failure to maintain the security, confidentiality or privacy of sensitive data on such systems; (25) changes in statutory or U.S. GAAP accounting principles, practices or policies; and (26) Prudential Financial, Inc.’s primary reliance, as a holding company, on dividends or distributions from its subsidiaries to meet debt payment obligations and the ability of the subsidiaries to pay such dividends or distributions in light of our ratings objectives and/or applicable regulatory restrictions.

Prudential Financial, Inc. does not intend, and is under no obligation, to update any particular forward-looking statement included in this document.

Adjusted operating income is a non-GAAP measure of performance. Adjusted operating income excludes "Realized investment gains (losses), net," as adjusted, and related charges and adjustments. A significant element of realized investment gains and losses are impairments and credit-related and interest rate-related gains and losses. Impairments and losses from sales of credit-impaired securities, the timing of which depends largely on market credit cycles, can vary considerably across periods. The timing of other sales that would result in gains or losses, such as interest rate-related gains or losses, is largely subject to our discretion and influenced by market opportunities as well as our tax and capital profile.

Realized investment gains (losses) within certain of our businesses for which such gains (losses) are a principal source of earnings, and those associated with terminating hedges of foreign currency earnings and current period yield adjustments are included in adjusted operating income. Adjusted operating income excludes realized investment gains and losses from products that contain embedded derivatives, and from associated derivative portfolios that are part of an asset-liability management program related to the risk of those products. Adjusted operating income also excludes gains and losses from changes in value of certain assets and liabilities relating to foreign currency exchange movements that have been economically hedged or considered part of our capital funding strategies for our international subsidiaries, as well as gains and losses on certain investments that are classified as other trading account assets.

Adjusted operating income also excludes investment gains and losses on trading account assets supporting insurance liabilities and changes in experience-rated contractholder liabilities due to asset value changes, because these recorded changes in asset and liability values are expected to ultimately accrue to contractholders. Trends in the underlying profitability of our businesses can be more clearly identified without the fluctuating effects of these transactions. In addition, adjusted operating income excludes the results of divested businesses, which are not relevant to our ongoing operations. Discontinued operations and earnings attributable to noncontrolling interests, each of which is presented as a separate component of net income under GAAP, are also excluded from adjusted operating income.

We believe that the presentation of adjusted operating income as we measure it for management purposes enhances the understanding of the results of operations by highlighting the results from ongoing operations and the underlying profitability of our businesses. However, adjusted operating income is not a substitute for income determined in accordance with GAAP, and the adjustments made to derive adjusted operating income are important to an understanding of our overall results of operations. The schedules accompanying this release provide a reconciliation of adjusted operating income to income from continuing operations in accordance with GAAP.

The information referred to above, as well as the risks of our businesses described in our Annual Report on Form 10-K for the year ended December 31, 2015 and subsequent Quarterly Reports on Form 10-Q, should be considered by readers when reviewing forward-looking statements contained in this release. Additional historic information relating to our financial performance is located on our Web site at www.investor.prudential.com.

EARNINGS CONFERENCE CALL

Members of Prudential's senior management will host a conference call on Thursday, November 3, 2016 at 9:00 a.m. ET, to discuss with the investment community the Company's third quarter results. The conference call and an accompanying slide presentation will be broadcast live over the Company's Investor Relations Web site at www.investor.prudential.com. Please log on fifteen minutes early in the event necessary software needs to be downloaded. The call will remain on the Investor Relations Web site for replay through November 18. Institutional investors, analysts, and other members of the professional financial community are invited to listen to the call and participate in Q&A by dialing (877) 777-1971 (domestic callers) or (612) 332-0819 (international callers). All others are encouraged to dial into the conference call in listen-only mode, using the same numbers. To listen to a replay of the conference call starting at 12:00 p.m. on November 3, through November 10, dial (800) 475-6701 (domestic callers) or (320) 365-3844 (international callers). The access code for the replay is 383125.



Prudential Financial, Inc. (NYSE: PRU), a financial services leader with more than \$1 trillion of assets under management as of September 30, 2016, has operations in the United States, Asia, Europe, and Latin America. Prudential's diverse and talented employees are committed to helping individual and institutional customers grow and protect their wealth through a variety of products and services, including life insurance, annuities, retirement-related services, mutual funds and investment management. In the U.S., Prudential's iconic Rock symbol has stood for strength, stability, expertise and innovation for more than a century. For more information, please visit www.news.prudential.com.

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Financial Highlights
(in millions, unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
	2016	2015	2016	2015
Income Statement Data:				
Adjusted operating income before income taxes (1)	1,558	1,463	3,940	5,049
Income taxes, applicable to adjusted operating income	367	353	923	1,291
After-tax adjusted operating income (1)	1,191	1,110	3,017	3,758
Reconciling Items:				
Realized investment gains, net, and related charges and adjustments	649	438	1,347	1,775
Investment gains (losses) on trading account assets supporting insurance liabilities, net	37	(228)	361	(365)
Change in experience-rated contractholder liabilities due to asset value changes	1	258	(262)	295
Divested businesses:				
Closed Block division	31	108	(74)	138
Other divested businesses	56	8	76	(26)
Equity in earnings of operating joint ventures and earnings attributable to noncontrolling interests	(17)	2	—	60
Total reconciling items, before income taxes	757	586	1,448	1,877
Income taxes, not applicable to adjusted operating income	134	231	377	671
Total reconciling items, after income taxes	623	355	1,071	1,206
Income from continuing operations (after-tax) before equity in earnings of operating joint ventures	1,814	1,465	4,088	4,964
Equity in earnings of operating joint ventures, net of taxes and earnings attributable to noncontrolling interests	13	—	(4)	(57)
Income from continuing operations attributable to Prudential Financial, Inc.	1,827	1,465	4,084	4,907
Earnings attributable to noncontrolling interests	5	2	42	65
Income from continuing operations (after-tax)	1,832	1,467	4,126	4,972
Income from discontinued operations, net of taxes	—	—	—	—
Net income	1,832	1,467	4,126	4,972
Less: Income attributable to noncontrolling interests	5	2	42	65
Net income attributable to Prudential Financial, Inc.	\$ 1,827	\$ 1,465	\$ 4,084	\$ 4,907

See footnotes on last page.

Financial Highlights

(in millions, except per share data, unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
	2016	2015	2016	2015
Earnings per share of Common Stock (diluted):				
After-tax adjusted operating income	\$ 2.66	\$ 2.40	\$ 6.67	\$ 8.09
Reconciling Items:				
Realized investment gains (losses), net, and related charges and adjustments	1.46	0.95	3.00	3.85
Investment gains (losses) on trading account assets supporting insurance liabilities, net	0.08	(0.50)	0.80	(0.79)
Change in experience-rated contractholder liabilities due to asset value changes	—	0.56	(0.58)	0.64
Divested businesses:				
Closed Block division	0.07	0.23	(0.16)	0.30
Other divested businesses	0.13	0.02	0.17	(0.06)
Difference in earnings allocated to participating unvested share-based payment awards	(0.01)	(0.01)	(0.02)	(0.02)
Total reconciling items, before income taxes	1.73	1.25	3.21	3.92
Income taxes, not applicable to adjusted operating income	0.32	0.49	0.86	1.45
Total reconciling items, after income taxes	1.41	0.76	2.35	2.47
Income from continuing operations (after-tax) attributable to Prudential Financial, Inc.	4.07	3.16	9.02	10.56
Income from discontinued operations, net of taxes	—	—	—	—
Net income attributable to Prudential Financial, Inc.	\$ 4.07	\$ 3.16	\$ 9.02	\$10.56
Weighted average number of outstanding Common shares (basic)	435.9	451.0	440.7	452.6
Weighted average number of outstanding Common shares (diluted)	444.3	459.7	448.9	461.4
Earnings related to interest, net of tax, on exchangeable surplus notes	\$ 4	\$ 4	\$ 13	\$ 13
Earnings allocated to participating unvested share-based payment awards for earnings per share calculation:				
After-tax adjusted operating income	\$ 15	\$ 12	\$ 35	\$ 37
Income from continuing operations (after-tax)	\$ 21	\$ 15	\$ 46	\$ 48
Prudential Financial, Inc. Equity (as of end of period):				
Total equity	\$56,431	\$42,720		
Per share of Common Stock - diluted (2)	128.37	93.87		
Equity excluding accumulated other comprehensive income	\$31,506	\$29,257		
Per share of Common Stock - diluted	71.95	64.32		
Number of diluted shares at end of period	437.9	454.9		
Adjusted operating income before income taxes, by Segment (1):				
Individual Annuities	\$ 588	\$ 310	\$ 1,343	\$1,387
Retirement	239	242	694	763
Asset Management	191	180	563	581
Total U.S. Retirement Solutions and Investment Management Division	1,018	732	2,600	2,731
Individual Life	111	183	(59)	536
Group Insurance	62	44	177	149
Total U.S. Individual Life and Group Insurance Division	173	227	118	685
International Insurance	780	812	2,362	2,488
Total International Insurance Division	780	812	2,362	2,488
Corporate and Other operations	(413)	(308)	(1,140)	(855)
Adjusted operating income before income taxes	1,558	1,463	3,940	5,049
Reconciling Items:				
Realized investment gains, net, and related charges and adjustments	649	438	1,347	1,775
Investment gains (losses) on trading account assets supporting insurance liabilities, net	37	(228)	361	(365)
Change in experience-rated contractholder liabilities due to asset value changes	1	258	(262)	295
Divested businesses:				
Closed Block division	31	108	(74)	138
Other divested businesses	56	8	76	(26)
Equity in earnings of operating joint ventures and earnings attributable to noncontrolling interests	(17)	2	—	60
Total reconciling items, before income taxes	757	586	1,448	1,877
Income from continuing operations before income taxes and equity in earnings of operating joint ventures for Prudential Financial, Inc.	\$ 2,315	\$ 2,049	\$ 5,388	\$6,926

See footnotes on last page.

Financial Highlights

(in millions, or as otherwise noted, unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
	2016	2015	2016	2015
U.S. Retirement Solutions and Investment Management Division:				
Fixed and Variable Annuity Sales and Account Values:				
Gross sales	\$ 2,100	\$ 2,123	\$ 6,398	\$ 6,691
Net sales	\$ 87	\$ 128	\$ 666	\$ 297
Total account value at end of period	\$158,388	\$150,217		
Retirement Segment:				
Full Service:				
Deposits and sales	\$ 5,405	\$ 9,422	\$16,760	\$20,776
Net additions	\$ 392	\$ 4,350	\$ 1,948	\$ 4,792
Total account value at end of period	\$200,476	\$184,515		
Institutional Investment Products:				
Gross additions	\$ 6,907	\$ 2,031	\$12,389	\$12,147
Net additions (withdrawals)	\$ 4,568	\$ (1,909)	\$ 4,148	\$ 904
Total account value at end of period	\$186,224	\$181,662		
Asset Management Segment:				
Assets managed by Investment Management and Advisory Services (in billions, as of end of period):				
Institutional customers	\$ 445.9	\$ 380.9		
Retail customers	209.0	188.9		
General account	430.3	376.7		
Total Investment Management and Advisory Services	\$ 1,085.2	\$ 946.5		
Institutional Customers - Assets Under Management (in billions):				
Gross additions, other than money market	\$ 16.4	\$ 15.5	\$ 43.7	\$ 50.6
Net additions, other than money market	\$ 3.4	\$ 4.7	\$ 2.8	\$ 15.2
Retail Customers - Assets Under Management (in billions):				
Gross additions, other than money market	\$ 10.5	\$ 8.2	\$ 32.2	\$ 31.6
Net additions (withdrawals), other than money market	\$ 0.9	\$ (1.6)	\$ 2.0	\$ 2.0
U.S. Individual Life and Group Insurance Division:				
Individual Life Insurance Annualized New Business Premiums (3):				
Term life	\$ 52	\$ 51	\$ 150	\$ 152
Guaranteed Universal life	54	59	166	147
Other Universal life	21	23	64	57
Variable life	16	25	67	56
Total	\$ 143	\$ 158	\$ 447	\$ 412
Group Insurance Annualized New Business Premiums (3):				
Group life	\$ 29	\$ 38	\$ 285	\$ 179
Group disability	13	19	113	64
Total	\$ 42	\$ 57	\$ 398	\$ 243
International Insurance Division:				
International Insurance Annualized New Business Premiums (3) (4):				
Actual exchange rate basis	\$ 783	\$ 671	\$ 2,265	\$ 2,015
Constant exchange rate basis	\$ 771	\$ 716	\$ 2,299	\$ 2,108

See footnotes on last page.

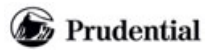
Financial Highlights
(in billions, as of end of period, unaudited)

	Three Months Ended September 30	
	2016	2015
Assets and Asset Management Information:		
Total assets	\$ 819.9	\$ 754.4
Assets under management (at fair market value):		
Managed by U.S. Retirement Solutions and Investment Management Division:		
Asset Management Segment - Investment Management and Advisory Services	\$1,085.2	\$ 946.5
Non-proprietary assets under management	176.4	178.2
Total managed by U.S. Retirement Solutions and Investment Management Division	1,261.6	1,124.7
Managed by U.S. Individual Life and Group Insurance Division	24.8	24.2
Managed by International Insurance Division	27.9	22.2
Total assets under management	1,314.3	1,171.1
Client assets under administration	177.0	163.1
Total assets under management and administration	<u>\$1,491.3</u>	<u>\$1,334.2</u>

See footnotes on last page.

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- (1) Adjusted operating income is a non-GAAP measure of performance that excludes “Realized investment gains (losses), net”, as adjusted, and related charges and adjustments; net investment gains and losses on trading account assets supporting insurance liabilities; change in experience-rated contractholder liabilities due to asset value changes; results of divested businesses and discontinued operations; earnings attributable to noncontrolling interests; and the related tax effects thereof. Adjusted operating income includes equity in earnings of operating joint ventures and the related tax effects thereof. Revenues and benefits and expenses shown as components of adjusted operating income, are presented on the same basis as pre-tax adjusted operating income and are adjusted for the items above as well. Realized investment gains (losses) within certain of our businesses for which such gains (losses) are a principal source of earnings, and those associated with terminating hedges of foreign currency earnings and current period yield adjustments are included in adjusted operating income. Adjusted operating income excludes realized investment gains and losses from products that contain embedded derivatives, and from associated derivative portfolios that are part of a hedging program related to the risk of those products. Adjusted operating income also excludes gains and losses from changes in value of certain assets and liabilities relating to foreign currency exchange movements that have been economically hedged or considered part of our capital funding strategies for our international subsidiaries, as well as gains and losses on certain investments that are classified as other trading account assets.
- Adjusted operating income does not equate to “Income from continuing operations” as determined in accordance with U.S. GAAP but is the measure of profit or loss we use to evaluate segment performance. Adjusted operating income is not a substitute for income determined in accordance with U.S. GAAP, and our definition of adjusted operating income may differ from that used by other companies. The items above are important to an understanding of our overall results of operations. However, we believe that the presentation of adjusted operating income as we measure it for management purposes enhances the understanding of our results of operations by highlighting the results from ongoing operations and the underlying profitability factors of our businesses.
- (2) Book value per share of Common Stock including accumulated other comprehensive income as of September 30, 2015 includes a \$500 million increase in equity and a 5.5 million increase in diluted shares reflecting the dilutive impact of exchangeable surplus notes when book value per share is greater than \$90.85, and as of September 30, 2016 includes a \$500 million increase in equity and a 5.6 million increase in diluted shares reflecting the dilutive impact of exchangeable surplus notes when book value per share is greater than \$88.90.
- (3) Premiums from new sales that are expected to be collected over a one year period. Group insurance annualized new business premiums exclude new premiums resulting from rate changes on existing policies, from additional coverage issued under our Servicemembers’ Group Life Insurance contract, and from excess premiums on group universal life insurance that build cash value but do not purchase face amounts. Group insurance annualized new business premiums include premiums from the takeover of claim liabilities. Excess (unscheduled) and single premium business for the company’s domestic individual life and international insurance operations are included in annualized new business premiums based on a 10% credit.
- (4) Actual amounts reflect the impact of currency fluctuations. Constant amounts reflect 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 1100 per U.S. dollar. U.S. dollar-denominated activity is included based on the amounts as transacted in U.S. dollars.

Prudential Financial, Inc. (PRU)



Quarterly Financial Supplement

Third Quarter 2016

Reference is made to Prudential Financial, Inc.'s (PFI) filings with the Securities and Exchange Commission for general information, and consolidated financial information. All financial information in this document is unaudited.

November 2, 2016

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This quarterly financial supplement reflects, for all periods presented, the retrospective adoption of a revised accounting standard related to the classification of certain debt issuance costs on Prudential Financial, Inc.'s consolidated balance sheet.

FINANCIAL HIGHLIGHTS
(in millions, except per share data)

Year-to-date		% Change		2015		2016		
2016	2015			3Q	4Q	1Q	2Q	3Q
Pre-tax adjusted operating income (loss) by division:								
2,600	2,731	-5%	U.S. Retirement Solutions and Investment Management Division	732	776	712	870	1,018
118	685	-83%	U.S. Individual Life and Group Insurance Division	227	126	146	(201)	173
2,362	2,488	-5%	International Insurance Division	812	738	779	803	780
(1,140)	(855)	-33%	Corporate and other operations	(308)	(458)	(312)	(415)	(413)
3,940	5,049	-22%	Total pre-tax adjusted operating income	1,463	1,182	1,325	1,057	1,558
923	1,291	-29%	Income taxes, applicable to adjusted operating income	353	291	328	228	367
3,017	3,758	-20%	After-tax adjusted operating income	1,110	891	997	829	1,191
Reconciling items:								
1,347	1,775	-24%	Realized investment gains (losses), net, and related charges and adjustments	438	(196)	338	360	649
361	(365)	199%	Investment gains (losses) on trading account assets supporting insurance liabilities, net	(228)	(159)	216	108	37
(262)	295	-189%	Change in experience-rated contractholder liabilities due to asset value changes	258	138	(130)	(133)	1
Divested businesses:								
(74)	138	-154%	Closed Block division	108	(80)	(73)	(32)	31
76	(26)	392%	Other divested businesses	8	(40)	31	(11)	56
Equity in earnings of operating joint ventures and earnings attributable to noncontrolling interests								
—	60	-100%		2	(2)	25	(8)	(17)
1,448	1,877	-23%	Total reconciling items, before income taxes	586	(339)	407	284	757
377	671	-44%	Income taxes, not applicable to adjusted operating income	231	(181)	40	203	134
1,071	1,206	-11%	Total reconciling items, after income taxes	355	(158)	367	81	623
Income from continuing operations (after-tax) before equity in earnings of operating joint ventures								
4,088	4,964	-18%		1,465	733	1,364	910	1,814
Equity in earnings of operating joint ventures, net of taxes and earnings attributable to noncontrolling interests								
(4)	(57)	93%		—	2	(28)	11	13
4,084	4,907	-17%	Income from continuing operations attributable to Prudential Financial, Inc.	1,465	735	1,336	921	1,827
42	65	-35%	Earnings attributable to noncontrolling interests	2	5	33	4	5
4,126	4,972	-17%	Income from continuing operations (after-tax)	1,467	740	1,369	925	1,832
—	—	—	Income from discontinued operations, net of taxes	—	—	—	—	—
4,126	4,972	-17%	Net income	1,467	740	1,369	925	1,832
42	65	-35%	Less: Income attributable to noncontrolling interests	2	5	33	4	5
4,084	4,907	-17%	Net income attributable to Prudential Financial, Inc.	1,465	735	1,336	921	1,827
11.8%	15.7%		Operating Return on Average Equity (based on adjusted operating income) (1)	13.5%	10.7%	11.9%	9.8%	13.8%

- (1) Adjusted operating income after-tax, annualized for interim periods, divided by average Prudential Financial, Inc. equity excluding accumulated other comprehensive income and adjusted to remove amount included for foreign currency exchange rate remeasurement on page 3. An alternative measure to operating return on average equity (based on adjusted operating income) is return on average equity (based on income from continuing operations). Return on average equity (based on income from continuing operations) represents income from continuing operations after-tax, attributable to consolidated Prudential Financial, Inc., as determined in accordance with U.S. GAAP, annualized for interim periods, divided by average total Prudential Financial, Inc. equity. Return on average equity (based on income from continuing operations) is 13.1%, 7.1%, 11.7%, 6.9%, and 13.9% for the three months ended September 30, 2016, June 30, 2016, March 31, 2016, December 31, 2015, and September 30, 2015, respectively.

FINANCIAL HIGHLIGHTS
(in millions, except per share data)

Year-to-date			2015		2016		
2016	2015		3Q	4Q	1Q	2Q	3Q
		Earnings per share of Common Stock (diluted):					
6.67	8.09	After-tax adjusted operating income	2.40	1.94	2.18	1.84	2.66
		Reconciling items:					
3.00	3.85	Realized investment gains (losses), net, and related charges and adjustments	0.95	(0.43)	0.75	0.80	1.46
0.80	(0.79)	Investment gains (losses) on trading account assets supporting insurance liabilities, net	(0.50)	(0.35)	0.48	0.24	0.08
(0.58)	0.64	Change in experience-rated contractholder liabilities due to asset value changes	0.56	0.30	(0.29)	(0.30)	—
		Divested businesses:					
(0.16)	0.30	Closed Block division	0.23	(0.17)	(0.16)	(0.07)	0.07
0.17	(0.06)	Other divested businesses	0.02	(0.09)	0.07	(0.02)	0.13
(0.02)	(0.02)	Difference in earnings allocated to participating unvested share-based payment awards	(0.01)	—	(0.01)	—	(0.01)
3.21	3.92	Total reconciling items, before income taxes	1.25	(0.74)	0.84	0.65	1.73
0.86	1.45	Income taxes, not applicable to adjusted operating income	0.49	(0.40)	0.09	0.45	0.32
2.35	2.47	Total reconciling items, after income taxes	0.76	(0.34)	0.75	0.20	1.41
9.02	10.56	Income from continuing operations (after-tax) attributable to Prudential Financial, Inc.	3.16	1.60	2.93	2.04	4.07
—	—	Income from discontinued operations, net of taxes	—	—	—	—	—
9.02	10.56	Net income attributable to Prudential Financial, Inc.	3.16	1.60	2.93	2.04	4.07
440.7	452.6	Weighted average number of outstanding Common shares (basic)	451.0	448.7	445.3	441.1	435.9
448.9	461.4	Weighted average number of outstanding Common shares (diluted)	459.7	457.5	453.2	449.3	444.3
13	13	Earnings related to interest, net of tax, on exchangeable surplus notes	4	4	4	5	4
		<i>Earnings allocated to participating unvested share-based payment awards for earnings per share calculation</i>					
35	37	After-tax adjusted operating income	12	8	11	9	15
46	48	Income from continuing operations (after-tax)	15	6	14	11	21

FINANCIAL HIGHLIGHTS
(in millions, except per share data)

Year-to-date			2015		2016	
2016	2015		3Q	4Q	1Q	2Q
			3Q	4Q	1Q	2Q
Capitalization Data (1):						
Senior Debt:						
		Short-term debt	1,833	1,216	969	676
		Long-term debt	14,309	13,783	13,795	13,172
Junior Subordinated Long-Term Debt			5,884	5,811	5,813	5,814
Prudential Financial Inc. Equity:						
		Including accumulated other comprehensive income	42,720	41,890	49,242	55,149
		Excluding accumulated other comprehensive income (2)	29,257	29,605	30,176	30,482
		Amount included above for foreign currency exchange rate remeasurement (3)	(4,034)	(3,747)	(3,628)	(3,509)
		Excluding accumulated other comprehensive income and adjusted to remove amount included for foreign currency exchange rate remeasurement (3)	33,291	33,352	33,804	33,991
Book value per share of Common Stock:						
		Including accumulated other comprehensive income (4)	93.87	92.39	109.66	123.77
		Excluding accumulated other comprehensive income (2)	64.32	65.32	67.36	68.65
		Amount included above for foreign currency exchange rate remeasurement (3)	(8.87)	(8.27)	(8.10)	(7.90)
		Excluding accumulated other comprehensive income and adjusted to remove amount included for foreign currency exchange rate remeasurement (3)	73.19	73.59	75.46	76.55
Number of diluted shares at end of period (5)			454.9	453.2	448.0	444.0
Common Stock Price Range (based on closing price):						
81.65	91.68	High	91.68	87.69	79.84	79.71
58.00	74.22	Low	74.22	75.40	58.00	66.93
81.65	76.21	Close	76.21	81.41	72.22	71.34
Common Stock market capitalization (1)			34,249	36,398	32,001	31,304

OPERATIONS HIGHLIGHTS

Year-to-date			2015		2016		
			3Q	4Q	1Q	2Q	3Q
		Assets Under Management and Administration (\$ billions) (1) (2):					
		Assets Under Management :					
		Managed by U.S. Retirement Solutions and Investment Management Division:					
		Asset Management Segment - Investment Management & Advisory Services					
		Institutional customers	380.9	389.1	403.6	418.8	445.9
		Retail customers	188.9	197.3	198.6	202.1	209.0
		General account	376.7	376.7	400.8	426.3	430.3
		Total Investment Management and Advisory Services	946.5	963.1	1,003.0	1,047.2	1,085.2
		Non-proprietary assets under management	178.2	175.5	167.0	169.8	176.4
		Total managed by U.S. Retirement Solutions and Investment Management Division	1,124.7	1,138.6	1,170.0	1,217.0	1,261.6
		Managed by U.S. Individual Life and Group Insurance Division	24.2	24.1	25.1	25.7	24.8
		Managed by International Insurance Division	22.2	21.0	22.8	25.0	27.9
		Total assets under management	1,171.1	1,183.7	1,217.9	1,267.7	1,314.3
		Client assets under administration	163.1	163.2	170.5	171.7	177.0
		Total assets under management and administration	1,334.2	1,346.9	1,388.4	1,439.4	1,491.3
		Assets managed or administered for customers outside of the United States at end of period	263.4	270.5	297.5	324.6	335.4
		Distribution Representatives (1):					
		Prudential Agents	2,922	2,903	2,969	2,987	3,031
		International Life Planners	7,509	7,592	7,608	7,551	7,667
		Gibraltar Life Consultants	8,593	8,805	8,781	8,734	8,790
52	52	Prudential Agent productivity (\$ thousands)	57	68	47	54	56

- (1) As of end of period.
(2) At fair market value.

COMBINED STATEMENTS OF OPERATIONS
(in millions)

Year-to-date	2015	% Change		2015		2016		
				3Q	4Q	1Q	2Q	3Q
			Revenues (1):					
20,657	17,968	15%	Premiums	5,273	7,495	5,577	6,146	8,934
4,358	4,489	-3%	Policy charges and fee income	1,552	1,514	1,511	1,288	1,559
9,396	8,994	4%	Net investment income	3,015	2,964	3,017	3,087	3,292
3,743	3,934	-5%	Asset management fees, commissions and other income	1,238	1,272	1,187	1,291	1,265
38,154	35,385	8%	Total revenues	11,078	13,245	11,292	11,812	15,050
			Benefits and Expenses (1):					
22,051	18,781	17%	Insurance and annuity benefits	5,640	7,917	5,984	6,813	9,254
2,753	2,706	2%	Interest credited to policyholders' account balances	915	879	907	914	932
996	980	2%	Interest expense	339	322	325	357	314
(2,134)	(1,961)	-9%	Deferral of acquisition costs	(650)	(691)	(685)	(718)	(731)
1,204	1,188	1%	Amortization of acquisition costs	509	443	479	281	444
9,344	8,642	8%	General and administrative expenses	2,862	3,193	2,957	3,108	3,279
34,214	30,336	13%	Total benefits and expenses	9,615	12,063	9,967	10,755	13,492
3,940	5,049	-22%	Adjusted operating income before income taxes	1,463	1,182	1,325	1,057	1,558
			Reconciling items:					
2,443	2,719	-10%	Realized investment gains (losses), net, and related adjustments	1,117	(461)	1,418	802	223
(1,096)	(944)	-16%	Related charges	(679)	265	(1,080)	(442)	426
1,347	1,775	-24%	Total realized investment gains (losses), net, and related charges and adjustments	438	(196)	338	360	649
361	(365)	199%	Investment gains (losses) on trading account assets supporting insurance liabilities, net	(228)	(159)	216	108	37
(262)	295	-189%	Change in experience-rated contractholder liabilities due to asset value changes	258	138	(130)	(133)	1
			Divested businesses:					
(74)	138	-154%	Closed Block division	108	(80)	(73)	(32)	31
76	(26)	392%	Other divested businesses	8	(40)	31	(11)	56
—	60	-100%	Equity in earnings of operating joint ventures and earnings attributable to noncontrolling interests	2	(2)	25	(8)	(17)
1,448	1,877	-23%	Total reconciling items, before income taxes	586	(339)	407	284	757
5,388	6,926	-22%	Income from continuing operations before income taxes and equity in earnings of operating joint ventures	2,049	843	1,732	1,341	2,315
1,300	1,962	-34%	Income tax expense	584	110	368	431	501
4,088	4,964	-18%	Income from continuing operations before equity in earnings of operating joint ventures	1,465	733	1,364	910	1,814

- (1) Revenues exclude realized investment gains, net of losses and related charges and adjustments; investment gains, net of losses, on trading account assets supporting insurance liabilities; and revenues of divested businesses, and include revenues representing equity in earnings of operating joint ventures other than those classified as divested businesses. Benefits and expenses exclude charges related to realized investment gains, net of losses; change in experience-rated contractholder liabilities due to asset value changes; and benefits and expenses of divested businesses and include charges for income attributable to non controlling interests. See pages 35 and 36 for reconciliation.

COMBINING STATEMENTS OF OPERATIONS
(in millions)

Quarter Ended September 30, 2016					
	Total	U.S. Retirement Solutions & Investment Management Division	U.S. Individual Life & Group Insurance Division	International Insurance Division	Corporate and Other Operations
Revenues (1) :					
Premiums	8,934	3,791	1,210	3,939	(6)
Policy charges and fee income	1,559	723	713	134	(11)
Net investment income	3,292	1,325	625	1,229	113
Asset management fees, commissions and other income	1,265	1,266	195	82	(278)
Total revenues	15,050	7,105	2,743	5,384	(182)
Benefits and Expenses (1):					
Insurance and annuity benefits	9,254	4,243	1,622	3,382	7
Interest credited to policyholders' account balances	932	458	237	237	—
Interest expense	314	29	147	2	136
Deferral of acquisition costs	(731)	(116)	(169)	(462)	16
Amortization of acquisition costs	444	100	83	271	(10)
General and administrative expenses	3,279	1,373	650	1,174	82
Total benefits and expenses	13,492	6,087	2,570	4,604	231
Adjusted operating income (loss) before income taxes	1,558	1,018	173	780	(413)
Quarter Ended September 30, 2015					
	Total	U.S. Retirement Solutions & Investment Management Division	U.S. Individual Life & Group Insurance Division	International Insurance Division	Corporate and Other Operations
Revenues (1):					
Premiums	5,273	688	1,203	3,385	(3)
Policy charges and fee income	1,552	718	717	129	(12)
Net investment income	3,015	1,205	593	1,081	136
Asset management fees, commissions and other income	1,238	1,197	156	155	(270)
Total revenues	11,078	3,808	2,669	4,750	(149)
Benefits and Expenses (1):					
Insurance and annuity benefits	5,640	1,216	1,507	2,904	13
Interest credited to policyholders' account balances	915	468	228	219	—
Interest expense	339	25	142	2	170
Deferral of acquisition costs	(650)	(117)	(166)	(382)	15
Amortization of acquisition costs	509	179	98	249	(17)
General and administrative expenses	2,862	1,305	633	946	(22)
Total benefits and expenses	9,615	3,076	2,442	3,938	159
Adjusted operating income (loss) before income taxes	1,463	732	227	812	(308)

- (1) Revenues exclude realized investment gains, net of losses and related charges and adjustments; investment gains, net of losses, on trading account assets supporting insurance liabilities; and revenues of divested businesses, and include revenues representing equity in earnings of operating joint ventures other than those classified as divested businesses. Benefits and expenses exclude charges related to realized investment gains, net of losses; change in experience-rated contractholder liabilities due to asset value changes; and benefits and expenses of divested businesses and include charges for income attributable to non controlling interests.

COMBINING STATEMENTS OF OPERATIONS
(in millions)

Nine Months Ended September 30, 2016					
	Total	U.S. Retirement Solutions & Investment Management Division	U.S. Individual Life & Group Insurance Division	International Insurance Division	Corporate and Other Operations
Revenues (1) :					
Premiums	20,657	5,480	3,663	11,534	(20)
Policy charges and fee income	4,358	2,085	1,937	370	(34)
Net investment income	9,396	3,717	1,800	3,553	326
Asset management fees, commissions and other income	3,743	3,647	548	314	(766)
Total revenues	38,154	14,929	7,948	15,771	(494)
Benefits and Expenses (1):					
Insurance and annuity benefits	22,051	6,874	5,206	9,952	19
Interest credited to policyholders' account balances	2,753	1,362	697	694	—
Interest expense	996	82	435	5	474
Deferral of acquisition costs	(2,134)	(354)	(503)	(1,324)	47
Amortization of acquisition costs	1,204	386	50	804	(36)
General and administrative expenses	9,344	3,979	1,945	3,278	142
Total benefits and expenses	34,214	12,329	7,830	13,409	646
Adjusted operating income (loss) before income taxes	3,940	2,600	118	2,362	(1,140)

Nine Months Ended September 30, 2015					
	Total	U.S. Retirement Solutions & Investment Management Division	U.S. Individual Life & Group Insurance Division	International Insurance Division	Corporate and Other Operations
Revenues (1):					
Premiums	17,968	3,840	3,591	10,537	—
Policy charges and fee income	4,489	2,178	1,938	408	(35)
Net investment income	8,994	3,608	1,693	3,279	414
Asset management fees, commissions and other income	3,934	3,736	526	469	(797)
Total revenues	35,385	13,362	7,748	14,693	(418)
Benefits and Expenses (1):					
Insurance and annuity benefits	18,781	5,162	4,576	9,039	4
Interest credited to policyholders' account balances	2,706	1,364	675	667	—
Interest expense	980	83	418	4	475
Deferral of acquisition costs	(1,961)	(365)	(462)	(1,178)	44
Amortization of acquisition costs	1,188	410	59	756	(37)
General and administrative expenses	8,642	3,977	1,797	2,917	(49)
Total benefits and expenses	30,336	10,631	7,063	12,205	437
Adjusted operating income (loss) before income taxes	5,049	2,731	685	2,488	(855)

- (1) Revenues exclude realized investment gains, net of losses and related charges and adjustments; investment gains, net of losses, on trading account assets supporting insurance liabilities; and revenues of divested businesses, and include revenues representing equity in earnings of operating joint ventures other than those classified as divested businesses. Benefits and expenses exclude charges related to realized investment gains, net of losses; change in experience-rated contractholder liabilities due to asset value changes; and benefits and expenses of divested businesses and include charges for income attributable to non controlling interests.

CONSOLIDATED BALANCE SHEETS
(in millions)

	09/30/2015	12/31/2015	03/31/2016	06/30/2016	09/30/2016
Assets:					
Investments:					
Fixed maturities, available for sale, at fair value (amortized cost \$263,281; \$265,416; \$278,000; \$286,066; \$297,745)	290,778	290,323	314,529	332,270	343,244
Fixed maturities, held to maturity, at amortized cost (fair value \$2,669; \$2,624; \$2,841; \$3,026; \$2,956)	2,380	2,308	2,411	2,485	2,471
Trading account assets supporting insurance liabilities, at fair value	20,408	20,522	21,447	21,702	21,828
Other trading account assets, at fair value	14,075	14,458	8,052	7,268	7,559
Equity securities, available for sale, at fair value (cost \$6,755; \$6,847; \$7,026; \$7,088; \$7,197)	9,109	9,274	9,400	9,496	9,765
Commercial mortgage and other loans	50,048	50,559	50,798	51,447	52,273
Policy loans	11,624	11,657	11,805	11,930	12,031
Other long-term investments	10,591	9,986	10,281	10,247	11,346
Short-term investments	7,937	8,105	3,697	5,035	5,254
Total investments	416,950	417,192	432,420	451,880	465,771
Cash and cash equivalents	20,207	17,612	22,492	24,142	24,728
Accrued investment income	3,156	3,110	3,180	3,211	3,279
Deferred policy acquisition costs	16,206	16,718	15,998	16,152	16,975
Value of business acquired	2,847	2,828	2,582	1,951	2,159
Other assets	14,409	14,225	14,822	14,322	15,403
Separate account assets	280,616	285,570	281,501	284,832	291,550
Total assets	<u>754,391</u>	<u>757,255</u>	<u>772,995</u>	<u>796,490</u>	<u>819,865</u>
Liabilities:					
Future policy benefits	222,220	224,384	234,728	242,950	252,228
Policyholders' account balances	136,620	136,784	139,745	142,716	146,577
Securities sold under agreements to repurchase	8,107	7,882	8,357	7,335	6,830
Cash collateral for loaned securities	4,241	3,496	4,052	4,643	5,037
Income taxes	9,644	8,714	12,128	15,140	15,326
Senior short-term debt	1,833	1,216	969	676	907
Senior long-term debt	14,309	13,783	13,795	13,172	12,942
Junior subordinated long-term debt	5,884	5,811	5,813	5,814	5,816
Notes issued by consolidated variable interest entities	8,370	8,597	2,946	2,094	2,722
Other liabilities	19,777	19,095	19,696	21,940	22,956
Separate account liabilities	280,616	285,570	281,501	284,832	291,550
Total liabilities	<u>711,621</u>	<u>715,332</u>	<u>723,730</u>	<u>741,312</u>	<u>762,891</u>
Equity:					
Accumulated other comprehensive income	13,463	12,285	19,066	24,667	24,925
Other equity	29,257	29,605	30,176	30,482	31,506
Total Prudential Financial, Inc. equity	<u>42,720</u>	<u>41,890</u>	<u>49,242</u>	<u>55,149</u>	<u>56,431</u>
Noncontrolling Interest	50	33	23	29	543
Total Equity	<u>42,770</u>	<u>41,923</u>	<u>49,265</u>	<u>55,178</u>	<u>56,974</u>
Total liabilities and equity	<u>754,391</u>	<u>757,255</u>	<u>772,995</u>	<u>796,490</u>	<u>819,865</u>

COMBINING BALANCE SHEETS BY DIVISION
(in millions)

As of September 30, 2016							
	Consolidated PFI	Closed Block Division	PFI Excluding Closed Block Division	U.S. Retirement Solutions & Investment Management Division	U.S. Individual Life & Group Insurance Division	International Insurance Division	Corporate and Other Operations
Assets:							
Total investments	465,771	61,147	404,624	135,591	57,573	193,160	18,300
Deferred policy acquisition costs	16,975	345	16,630	4,643	5,018	7,293	(324)
Other assets	45,569	1,973	43,596	21,042	11,562	12,473	(1,481)
Separate account assets	291,550	—	291,550	245,538	47,049	3,004	(4,041)
Total assets	819,865	63,465	756,400	406,814	121,202	215,930	12,454
Liabilities:							
Future policy benefits	252,228	49,282	202,946	70,243	16,972	111,108	4,623
Policyholders' account balances	146,577	5,213	141,364	58,662	32,666	50,029	7
Debt	19,665	—	19,665	3,087	7,656	82	8,840
Other liabilities	52,871	10,376	42,495	9,823	8,236	20,815	3,621
Separate account liabilities	291,550	—	291,550	245,538	47,049	3,004	(4,041)
Total liabilities	762,891	64,871	698,020	387,353	112,579	185,038	13,050
Equity:							
Accumulated other comprehensive income (loss)	24,925	16	24,909	3,500	1,851	20,218	(660)
Other equity	31,506	(1,423)	32,929	15,381	6,772	10,624	152
Total Prudential Financial, Inc. equity	56,431	(1,407)	57,838	18,881	8,623	30,842	(508)
Noncontrolling Interest	543	1	542	580	—	50	(88)
Total Equity	56,974	(1,406)	58,380	19,461	8,623	30,892	(596)
Total liabilities and equity	819,865	63,465	756,400	406,814	121,202	215,930	12,454

As of December 31, 2015							
	Consolidated PFI	Closed Block Division	PFI Excluding Closed Block Division	U.S. Retirement Solutions & Investment Management Division	U.S. Individual Life & Group Insurance Division	International Insurance Division	Corporate and Other Operations
Assets:							
Total investments	417,192	59,758	357,434	132,934	50,547	157,800	16,153
Deferred policy acquisition costs	16,718	373	16,345	5,048	5,064	6,554	(321)
Other assets	37,775	1,996	35,779	15,081	11,143	8,246	1,309
Separate account assets	285,570	—	285,570	242,058	44,446	2,553	(3,487)
Total assets	757,255	62,127	695,128	395,121	111,200	175,153	13,654
Liabilities:							
Future policy benefits	224,384	49,539	174,845	63,585	15,053	91,931	4,276
Policyholders' account balances	136,784	5,250	131,534	55,833	31,987	43,711	3
Debt	20,810	—	20,810	2,846	7,251	29	10,684
Other liabilities	47,784	8,747	39,037	15,524	6,633	14,865	2,015
Separate account liabilities	285,570	—	285,570	242,058	44,446	2,553	(3,487)
Total liabilities	715,332	63,536	651,796	379,846	105,370	153,089	13,491
Equity:							
Accumulated other comprehensive income (loss)	12,285	2	12,283	576	504	12,897	(1,694)
Other equity	29,605	(1,411)	31,016	14,686	5,326	9,119	1,885
Total Prudential Financial, Inc. equity	41,890	(1,409)	43,299	15,262	5,830	22,016	191
Noncontrolling Interest	33	—	33	13	—	48	(28)
Total Equity	41,923	(1,409)	43,332	15,275	5,830	22,064	163
Total liabilities and equity	757,255	62,127	695,128	395,121	111,200	175,153	13,654

SHORT-TERM AND LONG-TERM DEBT - UNAFFILIATED
(in millions)

	As of September 30, 2016				As of December 31, 2015			
	Senior debt		Junior Subordinated Long-term Debt	Total Debt	Senior debt		Junior Subordinated Long-term Debt	Total Debt
	Short-term Debt	Long-term Debt			Short-term Debt	Long-term Debt		
<i>Borrowings by use of proceeds:</i>								
Capital Debt	—	5,826	5,816	11,642	194	5,875	5,811	11,880
Operating Debt - Investment related	724	5,274	—	5,998	438	6,573	—	7,011
Operating Debt - Specified businesses	110	1,252	—	1,362	584	770	—	1,354
Limited recourse and non-recourse borrowing	73	590	—	663	—	565	—	565
Total debt	907	12,942	5,816	19,665	1,216	13,783	5,811	20,810

	As of September 30, 2016				As of December 31, 2015			
	Prudential Financial, Inc.	The Prudential Insurance Co. of America (1)(2)	Other Affiliates	Total	Prudential Financial, Inc.	The Prudential Insurance Co. of America (1)(2)	Other Affiliates	Total
<i>Borrowings by sources:</i>								
Capital Debt	10,643	939	60	11,642	10,888	941	51	11,880
Operating Debt - Investment related	3,993	406	1,599	5,998	5,328	72	1,611	7,011
Operating Debt - Specified businesses	1,266	96	—	1,362	970	384	—	1,354
Limited recourse and non-recourse borrowing	—	663	—	663	—	565	—	565
Total debt	15,902	2,104	1,659	19,665	17,186	1,962	1,662	20,810

(1) Includes Prudential Funding, LLC.

(2) Capital debt at Prudential Insurance Co. of America includes \$839 million and \$841 million of surplus notes as of September 30, 2016 and December 31, 2015, respectively.

COMBINED STATEMENTS OF OPERATIONS - U.S. RETIREMENT SOLUTIONS AND INVESTMENT MANAGEMENT DIVISION
(in millions)

Year-to-date		% Change		2015		2016		
2016	2015			3Q	4Q	1Q	2Q	3Q
Revenues (1):								
5,480	3,840	43%	Premiums	688	3,005	671	1,018	3,791
2,085	2,178	-4%	Policy charges and fee income	718	707	675	687	723
3,717	3,608	3%	Net investment income	1,205	1,188	1,198	1,194	1,325
3,647	3,736	-2%	Asset management fees, commissions and other income	1,197	1,198	1,164	1,217	1,266
14,929	13,362	12%	Total revenues	3,808	6,098	3,708	4,116	7,105
Benefits and Expenses (1):								
6,874	5,162	33%	Insurance and annuity benefits	1,216	3,502	1,171	1,460	4,243
1,362	1,364	0%	Interest credited to policyholders' account balances	468	440	453	451	458
82	83	-1%	Interest expense	25	21	25	28	29
(354)	(365)	3%	Deferral of acquisition costs	(117)	(122)	(110)	(128)	(116)
386	410	-6%	Amortization of acquisition costs	179	140	155	131	100
3,979	3,977	0%	General and administrative expenses	1,305	1,341	1,302	1,304	1,373
12,329	10,631	16%	Total benefits and expenses	3,076	5,322	2,996	3,246	6,087
2,600	2,731	-5%	Adjusted operating income before income taxes	732	776	712	870	1,018

- (1) Revenues exclude realized investment gains, net of losses and related charges and adjustments, investment gains, net of losses, on trading account assets supporting insurance liabilities. Benefits and expenses exclude charges related to realized investment gains, net of losses and change in experience-rated contractholder liabilities due to asset value changes and include charges for income attributable to non controlling interests.

COMBINING STATEMENTS OF OPERATIONS - U.S. RETIREMENT SOLUTIONS AND INVESTMENT MANAGEMENT DIVISION
(in millions)

	Nine Months Ended September 30, 2016				Quarter Ended September 30, 2016			
	Total U.S. Retirement Solutions & Investment Management Division	Individual Annuities	Retirement	Asset Management	Total U.S. Retirement Solutions & Investment Management Division	Individual Annuities	Retirement	Asset Management
Revenues (1):								
Premiums	5,480	115	5,365	—	3,791	39	3,752	—
Policy charges and fee income	2,085	1,918	167	—	723	667	56	—
Net investment income	3,717	514	3,143	60	1,325	192	1,114	19
Asset management fees, commissions and other income	3,647	926	593	2,128	1,266	323	212	731
Total revenues	14,929	3,473	9,268	2,188	7,105	1,221	5,134	750
Benefits and Expenses (1):								
Insurance and annuity benefits	6,874	206	6,668	—	4,243	38	4,205	—
Interest credited to policyholders' account balances	1,362	270	1,092	—	458	72	386	—
Interest expense	82	57	14	11	29	20	5	4
Deferral of acquisition costs	(354)	(321)	(25)	(8)	(116)	(104)	(10)	(2)
Amortization of acquisition costs	386	350	25	11	100	84	13	3
General and administrative expenses	3,979	1,568	800	1,611	1,373	523	296	554
Total benefits and expenses	12,329	2,130	8,574	1,625	6,087	633	4,895	559
Adjusted operating income before income taxes	2,600	1,343	694	563	1,018	588	239	191

	Nine Months Ended September 30, 2015				Quarter Ended September 30, 2015			
	Total U.S. Retirement Solutions & Investment Management Division	Individual Annuities	Retirement	Asset Management	Total U.S. Retirement Solutions & Investment Management Division	Individual Annuities	Retirement	Asset Management
Revenues (1):								
Premiums	3,840	88	3,752	—	688	28	660	—
Policy charges and fee income	2,178	2,015	163	—	718	664	54	—
Net investment income	3,608	450	3,077	81	1,205	156	1,029	20
Asset management fees, commissions and other income	3,736	1,001	603	2,132	1,197	319	194	684
Total revenues	13,362	3,554	7,595	2,213	3,808	1,167	1,937	704
Benefits and Expenses (1):								
Insurance and annuity benefits	5,162	235	4,927	—	1,216	154	1,062	—
Interest credited to policyholders' account balances	1,364	268	1,096	—	468	106	362	—
Interest expense	83	55	21	7	25	15	7	3
Deferral of acquisition costs	(365)	(325)	(32)	(8)	(117)	(104)	(11)	(2)
Amortization of acquisition costs	410	344	52	14	179	163	12	4
General and administrative expenses	3,977	1,590	768	1,619	1,305	523	263	519
Total benefits and expenses	10,631	2,167	6,832	1,632	3,076	857	1,695	524
Adjusted operating income before income taxes	2,731	1,387	763	581	732	310	242	180

- (1) Revenues exclude realized investment gains, net of losses and related charges and adjustments, investment gains, net of losses, on trading account assets supporting insurance liabilities. Benefits and expenses exclude charges related to realized investment gains, net of losses and change in experience-rated contractholder liabilities due to asset value changes and include charges for income attributable to non controlling interests.

U.S. RETIREMENT SOLUTIONS AND INVESTMENT MANAGEMENT DIVISION - INDIVIDUAL ANNUITIES SALES RESULTS AND ACCOUNT VALUES
(in millions)

Year-to-date			2015		2016		
2016	2015		3Q	4Q	1Q	2Q	3Q
SALES AND ACCOUNT VALUES:							
Variable Annuities:							
149,441	155,083	Beginning total account value	155,424	146,685	149,441	149,246	151,188
1,936	3,002	Sales: Highest Daily Suite - risk retained by Prudential (1)	735	680	683	666	587
1,049	1,059	Highest Daily Suite - externally reinsured living benefits	500	486	374	354	321
3,371	2,595	Other variable annuities (2)	880	910	944	1,247	1,180
6,356	6,656	Total sales	2,115	2,076	2,001	2,267	2,088
(5,654)	(6,302)	Surrenders and withdrawals	(1,965)	(1,989)	(1,748)	(1,914)	(1,992)
702	354	Net sales	150	87	253	353	96
(1,103)	(1,190)	Benefit payments	(400)	(351)	(355)	(399)	(349)
(401)	(836)	Net flows	(250)	(264)	(102)	(46)	(253)
8,514	(4,864)	Change in market value, interest credited, and other	(7,594)	3,909	764	2,873	4,877
(2,651)	(2,698)	Policy charges	(895)	(889)	(857)	(885)	(909)
154,903	146,685	Ending total account value	146,685	149,441	149,246	151,188	154,903
Variable Annuities Account Value by Product:							
113,902	110,390	Highest Daily Suite - risk retained by Prudential (1)	110,390	112,060	111,229	111,820	113,902
2,629	1,011	Highest Daily Suite - externally reinsured living benefits	1,011	1,513	1,893	2,259	2,629
38,372	35,284	Other variable annuities (2)	35,284	35,868	36,124	37,109	38,372
154,903	146,685	Ending total account value	146,685	149,441	149,246	151,188	154,903
Fixed Annuities and other products (3):							
3,504	3,581	Beginning total account value	3,552	3,532	3,504	3,487	3,489
42	35	Sales	8	13	16	14	12
(78)	(92)	Surrenders and withdrawals	(30)	(32)	(31)	(26)	(21)
(36)	(57)	Net redemptions	(22)	(19)	(15)	(12)	(9)
(269)	(278)	Benefit payments	(91)	(91)	(88)	(90)	(91)
(305)	(335)	Net flows	(113)	(110)	(103)	(102)	(100)
287	287	Interest credited and other	94	83	86	105	96
(1)	(1)	Policy charges	(1)	(1)	—	(1)	—
3,485	3,532	Ending total account value	3,532	3,504	3,487	3,489	3,485
SALES BY DISTRIBUTION CHANNEL:							
Variable and Fixed Annuities (4):							
1,803	1,922	Insurance Agents	611	627	580	625	598
1,213	1,266	Wirehouses	429	415	385	452	376
2,521	2,524	Independent Financial Planners	788	761	783	897	841
861	979	Bank Distribution	295	286	269	307	285
6,398	6,691	Total	2,123	2,089	2,017	2,281	2,100

- (1) Includes variable annuities with “Highest Daily” optional living benefits retained by Prudential and predecessor “Lifetime Five” feature.
(2) Includes Prudential Defined Income (PDI), and products without guaranteed minimum income and withdrawal benefits.
(3) Includes single premium immediate annuities.
(4) Amounts represent gross sales.

U.S. RETIREMENT SOLUTIONS AND INVESTMENT MANAGEMENT DIVISION - INDIVIDUAL ANNUITIES ACCOUNT VALUE ACTIVITY
(in millions)

Year-to-date			2015		2016		
2016	2015		3Q	4Q	1Q	2Q	3Q
INDIVIDUAL ANNUITIES:							
<i>Account Values in General Account (1):</i>							
9,942	9,852	Beginning balance	9,724	10,030	9,942	10,017	9,977
674	886	Premiums and deposits	276	279	238	221	215
(415)	(558)	Surrenders and withdrawals	(176)	(146)	(141)	(140)	(134)
259	328	Net sales	100	133	97	81	81
(322)	(337)	Benefit payments	(109)	(109)	(105)	(110)	(107)
(63)	(9)	Net flows	(9)	24	(8)	(29)	(26)
184	193	Interest credited and other	66	70	64	62	58
(199)	(5)	Net transfers (to) from separate account	249	(181)	19	(72)	(146)
(1)	(1)	Policy charges	—	(1)	—	(1)	—
9,863	10,030	Ending balance	10,030	9,942	10,017	9,977	9,863
<i>Account Values in Separate Account (1):</i>							
143,003	148,812	Beginning balance	149,252	140,187	143,003	142,716	144,700
5,724	5,805	Premiums and deposits	1,847	1,810	1,779	2,060	1,885
(5,317)	(5,836)	Surrenders and withdrawals	(1,819)	(1,875)	(1,638)	(1,800)	(1,879)
407	(31)	Net sales (redemptions)	28	(65)	141	260	6
(1,050)	(1,131)	Benefit payments	(382)	(333)	(338)	(379)	(333)
(643)	(1,162)	Net flows	(354)	(398)	(197)	(119)	(327)
8,617	(4,770)	Change in market value, interest credited and other	(7,566)	3,922	786	2,916	4,915
199	5	Net transfers (to) from general account	(249)	181	(19)	72	146
(2,651)	(2,698)	Policy charges	(896)	(889)	(857)	(885)	(909)
148,525	140,187	Ending balance	140,187	143,003	142,716	144,700	148,525

- (1) Premiums and deposits, and surrenders and withdrawals, are classified within the general account and separate account for purposes of this presentation based on the allocation of customer funds. For example, premiums allocated by customers to separate account investments at the time of sale, while remitted through the company's general account, are shown as separate account premium in this display, rather than as general account premium and transfers to the separate account.

U.S. RETIREMENT SOLUTIONS AND INVESTMENT MANAGEMENT DIVISION - INDIVIDUAL ANNUITIES LIVING BENEFIT FEATURES
(in millions)

	2015		2016		
	3Q	4Q	1Q	2Q	3Q
LIVING BENEFIT FEATURES ACCOUNT VALUE AND NET AMOUNT AT RISK (1):					
<u>Variable Annuity Account Values with Living Benefit Features</u>					
Guaranteed minimum accumulation benefits	4,933	4,767	4,658	4,524	4,403
Guaranteed minimum withdrawal benefits	588	578	552	537	532
Guaranteed minimum income benefits	2,861	2,870	2,780	2,749	2,780
Guaranteed minimum withdrawal & income benefits - risk retained by Prudential	114,539	116,724	116,818	118,666	121,747
Guaranteed minimum withdrawal & income benefits - externally reinsured	1,011	1,513	1,893	2,259	2,629
Total	<u>123,932</u>	<u>126,452</u>	<u>126,701</u>	<u>128,735</u>	<u>132,091</u>
<u>Living Benefit Features Account Values by Product Design Type</u>					
Account Values with Auto-Rebalancing Feature - risk retained by Prudential	105,926	107,411	106,699	107,253	109,175
Account Values with Auto-Rebalancing Feature - externally reinsured	1,011	1,513	1,893	2,259	2,629
Account Values without Auto-Rebalancing Feature	16,995	17,528	18,109	19,223	20,287
Total	<u>123,932</u>	<u>126,452</u>	<u>126,701</u>	<u>128,735</u>	<u>132,091</u>
<u>Living Benefit Features Net Amount at Risk by Product Design Type</u>					
Net Amount at Risk with Auto-Rebalancing Feature - risk retained by Prudential	4,259	4,019	4,395	4,366	3,928
Net Amount at Risk with Auto-Rebalancing Feature - externally reinsured	—	—	—	—	—
Net Amount at Risk without Auto-Rebalancing Feature	1,296	1,194	1,225	1,179	1,049
Total	<u>5,555</u>	<u>5,213</u>	<u>5,620</u>	<u>5,545</u>	<u>4,977</u>

(1) At end of period.

U.S. RETIREMENT SOLUTIONS AND INVESTMENT MANAGEMENT DIVISION - INDIVIDUAL ANNUITIES DEATH BENEFIT FEATURES
(in millions)

	2015		2016		
	3Q	4Q	1Q	2Q	3Q
DEATH BENEFIT FEATURES ACCOUNT VALUE AND NET AMOUNT AT RISK (1):					
<u>Variable Annuity Account Values by Death Benefit Features</u>					
<i>Return of net deposits:</i>					
Account value	112,070	114,402	114,662	116,599	119,755
Net amount at risk	894	737	648	544	399
<i>Minimum return, anniversary contract value, or maximum contract value:</i>					
Account value	31,366	31,658	31,188	31,127	31,534
Net amount at risk	4,711	4,212	4,367	4,147	3,533
<u>Death Benefit Features Account Values by Product Design Type</u>					
Account Values with Auto-Rebalancing Feature	106,937	108,924	108,592	109,512	111,804
Account Values without Auto-Rebalancing Feature	36,499	37,136	37,258	38,214	39,485
Total	<u>143,436</u>	<u>146,060</u>	<u>145,850</u>	<u>147,726</u>	<u>151,289</u>
<u>Death Benefit Features Net Amount at Risk by Product Design Type</u>					
Net Amount at Risk with Auto-Rebalancing Feature	2,305	1,919	2,025	1,852	1,392
Net Amount at Risk without Auto-Rebalancing Feature	3,300	3,030	2,990	2,839	2,540
Total	<u>5,605</u>	<u>4,949</u>	<u>5,015</u>	<u>4,691</u>	<u>3,932</u>

(1) At end of period.

U.S. RETIREMENT SOLUTIONS AND INVESTMENT MANAGEMENT DIVISION - RETIREMENT SEGMENT SALES RESULTS AND ACCOUNT VALUES
(in millions)

Year-to-date			2015		2016		
2016	2015		3Q	4Q	1Q	2Q	3Q
RETIREMENT SEGMENT SALES AND ACCOUNT VALUES							
Full Service:							
188,961	184,196	Beginning total account value	188,807	184,515	188,961	190,953	194,007
16,760	20,776	Deposits and sales	9,422	4,908	6,656	4,699	5,405
(14,812)	(15,984)	Withdrawals and benefits	(5,072)	(5,575)	(5,286)	(4,513)	(5,013)
9,567	(4,473)	Change in market value, interest credited, interest income and other activity	(8,642)	5,113	622	2,868	6,077
<u>200,476</u>	<u>184,515</u>	Ending total account value	<u>184,515</u>	<u>188,961</u>	<u>190,953</u>	<u>194,007</u>	<u>200,476</u>
<u>1,948</u>	<u>4,792</u>	Net additions (withdrawals)	<u>4,350</u>	<u>(667)</u>	<u>1,370</u>	<u>186</u>	<u>392</u>
Stable value account values included above			45,731	45,971	46,865	47,581	48,352
Institutional Investment Products:							
179,964	179,641	Beginning total account value	183,798	181,662	179,964	180,819	180,882
12,389	12,147	Additions	2,031	3,425	2,061	3,421	6,907
(8,241)	(11,243)	Withdrawals and benefits	(3,940)	(4,145)	(2,783)	(3,119)	(2,339)
6,204	2,818	Change in market value, interest credited and interest income	1,106	658	2,198	2,053	1,953
(4,092)	(1,701)	Other (1)	(1,333)	(1,636)	(621)	(2,292)	(1,179)
<u>186,224</u>	<u>181,662</u>	Ending total account value	<u>181,662</u>	<u>179,964</u>	<u>180,819</u>	<u>180,882</u>	<u>186,224</u>
<u>4,148</u>	<u>904</u>	Net additions (withdrawals)	<u>(1,909)</u>	<u>(720)</u>	<u>(722)</u>	<u>302</u>	<u>4,568</u>
Amounts included in ending total account value above:							
71,482	68,097	Investment-only stable value wraps	68,097	66,827	68,624	69,567	71,482
31,280	34,628	Longevity reinsurance (2)	34,628	33,453	32,364	31,438	31,280
83,462	78,937	Group annuities and other products	78,937	79,684	79,831	79,877	83,462
<u>186,224</u>	<u>181,662</u>	Ending total account value	<u>181,662</u>	<u>179,964</u>	<u>180,819</u>	<u>180,882</u>	<u>186,224</u>

- (1) "Other" activity includes the effect of foreign exchange rate changes associated with our United Kingdom longevity reinsurance business; net presentation of receipts and payments related to funding agreements backed commercial paper which typically have maturities of less than 90 days, and changes in asset balances for externally-managed accounts.
- (2) Represents notional amounts based on present value of future benefits under longevity reinsurance contracts which have not been significantly pre-funded.

U.S. RETIREMENT SOLUTIONS AND INVESTMENT MANAGEMENT DIVISION - SUPPLEMENTARY REVENUE AND ASSETS UNDER MANAGEMENT
INFORMATION FOR ASSET MANAGEMENT SEGMENT

Supplementary Revenue Information (in millions):

Year-to-date		% Change		2015		2016		
2016	2015			3Q	4Q	1Q	2Q	3Q
Analysis of revenues by type:								
1,648	1,606	3%	Asset management fees	536	529	524	547	577
190	173	10%	Other related revenues	49	68	71	67	52
350	434	-19%	Service, distribution and other revenues	119	134	111	118	121
<u>2,188</u>	<u>2,213</u>	-1%	Total Asset Management segment revenues	<u>704</u>	<u>731</u>	<u>706</u>	<u>732</u>	<u>750</u>
Analysis of asset management fees by source:								
771	692	11%	Institutional customers	234	231	242	256	273
524	577	-9%	Retail customers	191	187	169	173	182
353	337	5%	General account	111	111	113	118	122
<u>1,648</u>	<u>1,606</u>	3%	Total asset management fees	<u>536</u>	<u>529</u>	<u>524</u>	<u>547</u>	<u>577</u>

Supplementary Assets Under Management Information (in billions):

	September 30, 2016			
	Equity	Fixed Income	Real Estate	Total
Institutional customers	59.6	345.7	40.6	445.9
Retail customers	116.2	90.6	2.2	209.0
General account	6.4	422.2	1.7	430.3
Total	<u>182.2</u>	<u>858.5</u>	<u>44.5</u>	<u>1,085.2</u>

	September 30, 2015			
	Equity	Fixed Income	Real Estate	Total
Institutional customers	57.4	285.1	38.4	380.9
Retail customers	115.0	71.8	2.1	188.9
General account	7.0	367.9	1.8	376.7
Total	<u>179.4</u>	<u>724.8</u>	<u>42.3</u>	<u>946.5</u>

U.S. RETIREMENT SOLUTIONS AND INVESTMENT MANAGEMENT DIVISION - SUPPLEMENTARY ASSETS UNDER MANAGEMENT INFORMATION FOR ASSET
MANAGEMENT SEGMENT
(in billions)

Year-to-date			2015		2016		
2016	2015		3Q	4Q	1Q	2Q	3Q
Institutional Customers - Assets Under Management:							
Assets gathered by Investment Management & Advisory Services sales force:							
347.1	323.6	Beginning assets under management	335.9	338.6	347.1	359.3	373.4
43.7	50.6	Additions	15.5	16.3	12.5	14.8	16.4
(40.9)	(35.4)	Withdrawals	(10.8)	(10.3)	(15.1)	(12.8)	(13.0)
32.4	(0.1)	Change in market value	(1.7)	2.2	12.7	11.3	8.4
12.9	—	Net money market flows	(0.2)	0.3	(1.0)	0.4	13.5
3.7	(0.1)	Other (1)	(0.1)	—	3.1	0.4	0.2
398.9	338.6	Ending assets under management	338.6	347.1	359.3	373.4	398.9
47.0	42.3	Affiliated institutional assets under management	42.3	42.0	44.3	45.4	47.0
<u>445.9</u>	<u>380.9</u>	Total assets managed for institutional customers at end of period	<u>380.9</u>	<u>389.1</u>	<u>403.6</u>	<u>418.8</u>	<u>445.9</u>
<u>2.8</u>	<u>15.2</u>	Net institutional additions (withdrawals), excluding money market activity	<u>4.7</u>	<u>6.0</u>	<u>(2.6)</u>	<u>2.0</u>	<u>3.4</u>
Retail Customers - Assets Under Management:							
Assets gathered by Investment Management & Advisory Services sales force:							
128.9	126.8	Beginning assets under management	135.2	125.9	128.9	127.8	131.3
32.2	31.6	Additions	8.2	9.3	10.2	11.5	10.5
(30.2)	(29.6)	Withdrawals	(9.8)	(10.5)	(10.7)	(9.9)	(9.6)
6.2	(2.8)	Change in market value	(7.6)	4.2	(1.2)	1.9	5.5
(0.1)	—	Net money market flows	—	—	(0.1)	—	—
0.7	(0.1)	Other (1)	(0.1)	—	0.7	—	—
137.7	125.9	Ending assets under management	125.9	128.9	127.8	131.3	137.7
71.3	63.0	Affiliated retail assets under management	63.0	68.4	70.8	70.8	71.3
<u>209.0</u>	<u>188.9</u>	Total assets managed for retail customers at end of period	<u>188.9</u>	<u>197.3</u>	<u>198.6</u>	<u>202.1</u>	<u>209.0</u>
<u>2.0</u>	<u>2.0</u>	Net retail additions (withdrawals), excluding money market activity	<u>(1.6)</u>	<u>(1.2)</u>	<u>(0.5)</u>	<u>1.6</u>	<u>0.9</u>

(1) "Other" activity represents transfers from the Retirement Segment as a result of changes in the client contract form, impact of acquired business of \$3.4B as of March 4, 2016 and FX related to International assets under management.

COMBINED STATEMENTS OF OPERATIONS - U.S. INDIVIDUAL LIFE AND GROUP INSURANCE DIVISION
(in millions)

Year-to-date		% Change		2015		2016		
2016	2015			3Q	4Q	1Q	2Q	3Q
Revenues (1):								
3,663	3,591	2%	Premiums	1,203	1,190	1,219	1,234	1,210
1,937	1,938	0%	Policy charges and fee income	717	699	719	505	713
1,800	1,693	6%	Net investment income	593	562	582	593	625
548	526	4%	Asset management fees, commissions and other income	156	177	166	187	195
7,948	7,748	3%	Total revenues	2,669	2,628	2,686	2,519	2,743
Benefits and Expenses (1):								
5,206	4,576	14%	Insurance and annuity benefits	1,507	1,570	1,634	1,950	1,622
697	675	3%	Interest credited to policyholders' account balances	228	226	227	233	237
435	418	4%	Interest expense	142	140	142	146	147
(503)	(462)	-9%	Deferral of acquisition costs	(166)	(198)	(162)	(172)	(169)
50	59	-15%	Amortization of acquisition costs	98	80	78	(111)	83
1,945	1,797	8%	General and administrative expenses	633	684	621	674	650
7,830	7,063	11%	Total benefits and expenses	2,442	2,502	2,540	2,720	2,570
118	685	-83%	Adjusted operating income (loss) before income taxes	227	126	146	(201)	173

(1) Revenues exclude realized investment gains, net of losses and related charges and adjustments. Benefits and expenses exclude charges related to realized investment gains, net of losses.

COMBINING STATEMENTS OF OPERATIONS - U.S. INDIVIDUAL LIFE AND GROUP INSURANCE DIVISION
(in millions)

	Nine Months Ended September 30, 2016			Quarter Ended September 30, 2016		
	Total U.S. Individual Life & Group Insurance Division	Individual Life	Group Insurance	Total U.S. Individual Life & Group Insurance Division	Individual Life	Group Insurance
Revenues (1):						
Premiums	3,663	642	3,021	1,210	216	994
Policy charges and fee income	1,937	1,454	483	713	555	158
Net investment income	1,800	1,350	450	625	469	156
Asset management fees, commissions and other income	548	485	63	195	170	25
Total revenues	7,948	3,931	4,017	2,743	1,410	1,333
Benefits and Expenses (1):						
Insurance and annuity benefits	5,206	2,182	3,024	1,622	619	1,003
Interest credited to policyholders' account balances	697	504	193	237	171	66
Interest expense	435	432	3	147	146	1
Deferral of acquisition costs	(503)	(503)	—	(169)	(169)	—
Amortization of acquisition costs	50	46	4	83	82	1
General and administrative expenses	1,945	1,329	616	650	450	200
Total benefits and expenses	7,830	3,990	3,840	2,570	1,299	1,271
Adjusted operating income (loss) before income taxes	118	(59)	177	173	111	62

	Nine Months Ended September 30, 2015			Quarter Ended September 30, 2015		
	Total U.S. Individual Life & Group Insurance Division	Individual Life	Group Insurance	Total U.S. Individual Life & Group Insurance Division	Individual Life	Group Insurance
Revenues (1):						
Premiums	3,591	680	2,911	1,203	219	984
Policy charges and fee income	1,938	1,501	437	717	578	139
Net investment income	1,693	1,248	445	593	436	157
Asset management fees, commissions and other income	526	457	69	156	142	14
Total revenues	7,748	3,886	3,862	2,669	1,375	1,294
Benefits and Expenses (1):						
Insurance and annuity benefits	4,576	1,680	2,896	1,507	525	982
Interest credited to policyholders' account balances	675	480	195	228	165	63
Interest expense	418	411	7	142	140	2
Deferral of acquisition costs	(462)	(453)	(9)	(166)	(166)	—
Amortization of acquisition costs	59	55	4	98	97	1
General and administrative expenses	1,797	1,177	620	633	431	202
Total benefits and expenses	7,063	3,350	3,713	2,442	1,192	1,250
Adjusted operating income before income taxes	685	536	149	227	183	44

(1) Revenues exclude realized investment gains, net of losses and related charges and adjustments. Benefits and expenses exclude charges related to realized investment gains, net of losses.

U.S. INDIVIDUAL LIFE AND GROUP INSURANCE DIVISION - INDIVIDUAL LIFE ANNUALIZED NEW BUSINESS PREMIUMS, ACCOUNT VALUE ACTIVITY, AND
FACE AMOUNT IN FORCE
(in millions)

Year-to-date			2015		2016		
2016	2015		3Q	4Q	1Q	2Q	3Q
ANNUALIZED NEW BUSINESS PREMIUMS (1) :							
150	152	Term life	51	52	48	50	52
166	147	Guaranteed Universal life	59	73	51	61	54
64	57	Other Universal life	23	32	20	23	21
67	56	Variable life	25	22	26	25	16
<u>447</u>	<u>412</u>	Total	<u>158</u>	<u>179</u>	<u>145</u>	<u>159</u>	<u>143</u>
ANNUALIZED NEW BUSINESS PREMIUMS BY DISTRIBUTION CHANNEL (1):							
87	82	Prudential Agents	30	31	29	30	28
360	330	Third party distribution	128	148	116	129	115
<u>447</u>	<u>412</u>	Total	<u>158</u>	<u>179</u>	<u>145</u>	<u>159</u>	<u>143</u>
ACCOUNT VALUE ACTIVITY:							
Policyholders' Account Balances (2):							
24,487	22,526	Beginning balance	23,734	23,922	24,487	24,437	24,747
2,381	2,329	Premiums and deposits	762	890	809	821	751
(748)	(790)	Surrenders and withdrawals	(246)	(242)	(251)	(257)	(240)
1,633	1,539	Net sales	516	648	558	564	511
(384)	(383)	Benefit payments	(118)	(109)	(125)	(121)	(138)
1,249	1,156	Net flows	398	539	433	443	373
68	897	Interest credited and other	31	296	(224)	137	155
294	345	Net transfers from separate account	106	87	99	93	102
(1,098)	(1,002)	Policy charges	(350)	(357)	(358)	(363)	(377)
—	—	Acquisition	3	—	—	—	—
<u>25,000</u>	<u>23,922</u>	Ending balance	<u>23,922</u>	<u>24,487</u>	<u>24,437</u>	<u>24,747</u>	<u>25,000</u>
Separate Account Liabilities:							
27,027	27,888	Beginning balance	28,055	26,183	27,027	26,887	27,227
1,080	989	Premiums and deposits	291	420	456	337	287
(651)	(643)	Surrenders and withdrawals	(204)	(239)	(217)	(222)	(212)
429	346	Net sales	87	181	239	115	75
(130)	(102)	Benefit payments	(26)	(42)	(51)	(40)	(39)
299	244	Net flows	61	139	188	75	36
1,776	(911)	Change in market value, interest credited and other	(1,598)	1,020	(5)	585	1,196
(294)	(345)	Net transfers to general account	(106)	(87)	(99)	(93)	(102)
(679)	(693)	Policy charges	(229)	(228)	(224)	(227)	(228)
—	—	Acquisition	—	—	—	—	—
<u>28,129</u>	<u>26,183</u>	Ending balance	<u>26,183</u>	<u>27,027</u>	<u>26,887</u>	<u>27,227</u>	<u>28,129</u>
FACE AMOUNT IN FORCE (3):							
		Term life	679,979	689,527	697,687	706,636	714,733
		Guaranteed Universal life	117,360	121,290	124,061	127,453	130,400
		Other Universal life	43,469	44,051	44,203	44,505	44,781
		Variable life	164,363	164,020	162,960	162,416	163,184
		Total	<u>1,005,171</u>	<u>1,018,889</u>	<u>1,028,910</u>	<u>1,041,010</u>	<u>1,053,098</u>

(1) Excludes corporate-owned life insurance.

(2) Includes fixed rate funds, alliance deposits, supplementary contracts and deferred revenues on variable products.

(3) At end of period; before reinsurance ceded.

U.S. INDIVIDUAL LIFE AND GROUP INSURANCE DIVISION - SUPPLEMENTARY INFORMATION FOR GROUP INSURANCE
(dollar amounts in millions)

Year-to-date			2015		2016		
2016	2015		3Q	4Q	1Q	2Q	3Q
GROUP INSURANCE ANNUALIZED NEW BUSINESS PREMIUMS:							
285	179	Group life	38	25	232	24	29
113	64	Group disability	19	5	79	21	13
398	243	Total	57	30	311	45	42
Future Policy Benefits (1) (2):							
		Group life	1,994	2,185	2,103	2,124	2,065
		Group disability	11	3	29	21	11
		Total	2,005	2,188	2,132	2,145	2,076
Policyholders' Account Balances (1):							
		Group life	8,234	8,359	8,271	8,367	8,497
		Group disability	200	210	216	240	208
		Total	8,434	8,569	8,487	8,607	8,705
Separate Account Liabilities (1):							
		Group life	23,646	23,292	24,339	23,816	24,839
		Group disability	—	—	—	—	—
		Total	23,646	23,292	24,339	23,816	24,839
Group Life Insurance:							
3,089	2,958	Gross premiums, policy charges and fee income (3)	974	982	1,009	1,064	1,016
2,906	2,799	Earned premiums, policy charges and fee income	926	932	955	998	953
88.9%	89.9%	Benefits ratio (4)	88.6%	87.1%	89.4%	88.6%	88.6%
10.6%	10.7%	Administrative operating expense ratio	10.8%	12.2%	10.8%	10.6%	10.6%
		Persistency ratio	92.0%	91.3%	96.1%	95.8%	95.3%
Group Disability Insurance:							
657	617	Gross premiums, policy charges and fee income (3)	213	196	216	222	219
598	549	Earned premiums, policy charges and fee income	197	188	203	196	199
80.0%	77.2%	Benefits ratio (5)	81.8%	85.3%	82.2%	77.5%	80.4%
31.5%	33.2%	Administrative operating expense ratio	32.7%	36.9%	31.9%	31.1%	31.4%
		Persistency ratio	87.7%	87.0%	94.9%	93.7%	92.9%
Total Group Insurance (6):							
87.3%	87.8%	Benefits ratio	87.4%	86.8%	88.1%	86.6%	87.1%

(1) As of end of period.

(2) The amounts shown exclude liabilities for unpaid claims and claim adjustment expenses.

(3) Before returns of premiums to participating policyholders for favorable claims experience.

(4) Group Life Insurance benefit ratios excluding market driven and discrete items. Benefit ratios including market driven and discrete items are 88.6%, 90.8%, 89.4%, 87.1%, and 88.6% for the three months ended September 30, 2016, June 30, 2016, March 31, 2016, December 31, 2015, and September 30, 2015, respectively, and 89.6% and 89.2% for year-to-date September 2016 and 2015, respectively.

(5) Group Disability Insurance benefit ratios excluding market driven and discrete items. Benefit ratios including market driven and discrete items are 80.4%, 47.9%, 82.2%, 85.3%, and 81.8% for the three months ended September 30, 2016, June 30, 2016, March 31, 2016, December 31, 2015, and September 30, 2015, respectively, and 70.3% and 72.5% for year-to-date September 2016 and 2015, respectively.

(6) Group Insurance benefit ratios excluding market driven and discrete items. Benefit ratios including market driven and discrete items are 87.1%, 83.8%, 88.1%, 86.8%, and 87.4% for the three months ended September 30, 2016, June 30, 2016, March 31, 2016, December 31, 2015, and September 30, 2015, respectively, and 86.3% and 86.5% for year-to-date September 2016 and 2015, respectively.

DEFERRED POLICY ACQUISITION COSTS & DEFERRED SALES INDUCEMENTS - INDIVIDUAL ANNUITIES, INDIVIDUAL LIFE AND GROUP INSURANCE
(in millions)

Year-to-date			2015		2016		
2016	2015		3Q	4Q	1Q	2Q	3Q
<i>DEFERRED POLICY ACQUISITION COSTS</i>							
INDIVIDUAL ANNUITIES:							
4,916	5,376	Beginning balance	5,186	4,735	4,916	4,130	4,119
321	325	Capitalization	104	105	100	117	104
(350)	(344)	Amortization - operating results	(163)	(121)	(144)	(122)	(84)
(326)	(653)	Amortization - realized investment gains and losses	(399)	178	(717)	17	374
(46)	31	Impact of unrealized (gains) or losses on AFS securities	7	19	(25)	(23)	2
—	—	Other	—	—	—	—	—
<u>4,515</u>	<u>4,735</u>	Ending balance	<u>4,735</u>	<u>4,916</u>	<u>4,130</u>	<u>4,119</u>	<u>4,515</u>
INDIVIDUAL LIFE INSURANCE:							
4,883	4,056	Beginning balance	4,652	4,683	4,883	4,727	4,773
503	453	Capitalization	166	197	162	172	169
(46)	(55)	Amortization - operating results	(97)	(78)	(77)	113	(82)
(104)	(8)	Amortization - realized investment gains and losses	(22)	9	(26)	(80)	2
(396)	237	Impact of unrealized (gains) or losses on AFS securities	(16)	72	(215)	(159)	(22)
<u>4,840</u>	<u>4,683</u>	Ending balance	<u>4,683</u>	<u>4,883</u>	<u>4,727</u>	<u>4,773</u>	<u>4,840</u>
GROUP INSURANCE:							
182	177	Beginning balance	183	182	181	181	179
—	9	Capitalization	—	1	—	—	—
(4)	(4)	Amortization - operating results	(1)	(2)	(1)	(2)	(1)
—	—	Amortization - realized investment gains and losses	—	—	—	—	—
—	—	Impact of unrealized losses on AFS securities	—	—	—	—	—
<u>178</u>	<u>182</u>	Ending balance	<u>182</u>	<u>181</u>	<u>180</u>	<u>179</u>	<u>178</u>
<i>DEFERRED SALES INDUCEMENTS</i>							
INDIVIDUAL ANNUITIES:							
1,188	1,513	Beginning balance	1,377	1,176	1,188	916	893
3	6	Capitalization	1	2	1	1	1
(124)	(117)	Amortization - operating results	(56)	(45)	(51)	(50)	(23)
(47)	(237)	Amortization - realized investment gains and losses	(148)	50	(216)	29	140
(8)	11	Impact of unrealized (gains) or losses on AFS securities	2	5	(6)	(3)	1
—	—	Other	—	—	—	—	—
<u>1,012</u>	<u>1,176</u>	Ending balance	<u>1,176</u>	<u>1,188</u>	<u>916</u>	<u>893</u>	<u>1,012</u>

COMBINED STATEMENTS OF OPERATIONS - INTERNATIONAL INSURANCE DIVISION
(in millions)

Year-to-date		% Change		2015		2016		
2016	2015			3Q	4Q	1Q	2Q	3Q
Revenues (1):								
11,534	10,537	9%	Premiums	3,385	3,307	3,696	3,899	3,939
370	408	-9%	Policy charges and fee income	129	122	130	106	134
3,553	3,279	8%	Net investment income	1,081	1,078	1,120	1,204	1,229
314	469	-33%	Asset management fees, commissions and other income	155	164	98	134	82
15,771	14,693	7%	Total revenues	4,750	4,671	5,044	5,343	5,384
Benefits and Expenses (1):								
9,952	9,039	10%	Insurance and annuity benefits	2,904	2,833	3,173	3,397	3,382
694	667	4%	Interest credited to policyholders' account balances	219	213	227	230	237
5	4	25%	Interest expense	2	1	2	1	2
(1,324)	(1,178)	-12%	Deferral of acquisition costs	(382)	(387)	(426)	(436)	(462)
804	756	6%	Amortization of acquisition costs	249	233	260	273	271
3,278	2,917	12%	General and administrative expenses	946	1,040	1,029	1,075	1,174
13,409	12,205	10%	Total benefits and expenses	3,938	3,933	4,265	4,540	4,604
2,362	2,488	-5%	Adjusted operating income before income taxes	812	738	779	803	780

- (1) Revenues exclude realized investment gains, net of losses and related charges and adjustments, investment gains, net of losses, on trading account assets supporting insurance liabilities and include revenues representing equity in earnings of operating joint ventures. Benefits and expenses exclude charges related to realized investment gains, net of losses and change in experience-rated contractholder liabilities due to asset value changes and include charges for income attributable to non controlling interests.

COMBINING STATEMENTS OF OPERATIONS - INTERNATIONAL INSURANCE DIVISION
(in millions)

	Nine Months Ended September 30, 2016			Quarter Ended September 30, 2016		
	Total International Insurance Division	International Insurance - Life Planner Operations	International Insurance - Gibraltar Life & Other Operations	Total International Insurance Division	International Insurance - Life Planner Operations	International Insurance - Gibraltar Life & Other Operations
Revenues (1):						
Premiums	11,534	5,640	5,894	3,939	1,882	2,057
Policy charges and fee income	370	256	114	134	97	37
Net investment income	3,553	1,460	2,093	1,229	513	716
Asset management fees, commissions and other income	314	153	161	82	41	41
Total revenues	15,771	7,509	8,262	5,384	2,533	2,851
Benefits and Expenses (1):						
Insurance and annuity benefits	9,952	4,999	4,953	3,382	1,658	1,724
Interest credited to policyholders' account balances	694	179	515	237	64	173
Interest expense	5	3	2	2	1	1
Deferral of acquisition costs	(1,324)	(623)	(701)	(462)	(213)	(249)
Amortization of acquisition costs	804	385	419	271	127	144
General and administrative expenses	3,278	1,422	1,856	1,174	505	669
Total benefits and expenses	13,409	6,365	7,044	4,604	2,142	2,462
Adjusted operating income before income taxes	2,362	1,144	1,218	780	391	389
	Nine Months Ended September 30, 2015			Quarter Ended September 30, 2015		
	Total International Insurance Division	International Insurance - Life Planner Operations	International Insurance - Gibraltar Life & Other Operations	Total International Insurance Division	International Insurance - Life Planner Operations	International Insurance - Gibraltar Life & Other Operations
Revenues (1):						
Premiums	10,537	5,100	5,437	3,385	1,643	1,742
Policy charges and fee income	408	257	151	129	85	44
Net investment income	3,279	1,303	1,976	1,081	434	647
Asset management fees, commissions and other income	469	263	206	155	88	67
Total revenues	14,693	6,923	7,770	4,750	2,250	2,500
Benefits and Expenses (1):						
Insurance and annuity benefits	9,039	4,485	4,554	2,904	1,444	1,460
Interest credited to policyholders' account balances	667	157	510	219	54	165
Interest expense	4	2	2	2	1	1
Deferral of acquisition costs	(1,178)	(566)	(612)	(382)	(178)	(204)
Amortization of acquisition costs	756	361	395	249	120	129
General and administrative expenses	2,917	1,266	1,651	946	411	535
Total benefits and expenses	12,205	5,705	6,500	3,938	1,852	2,086
Adjusted operating income before income taxes	2,488	1,218	1,270	812	398	414

- (1) Revenues exclude realized investment gains, net of losses and related charges and adjustments, investment gains, net of losses, on trading account assets supporting insurance liabilities and include revenues representing equity in earnings of operating joint ventures. Benefits and expenses exclude charges related to realized investment gains, net of losses and change in experience-rated contractholder liabilities due to asset value changes and include charges for income attributable to non controlling interests.

INTERNATIONAL INSURANCE DIVISION - SALES RESULTS AND SUPPLEMENTARY INFORMATION
(in millions)

Year-to-date			2015		2016		
2016	2015		3Q	4Q	1Q	2Q	3Q
INTERNATIONAL INSURANCE OPERATING DATA:							
Actual exchange rate basis (1):							
Net premiums, policy charges and fee income:							
4,489	4,012	Japan, excluding Gibraltar Life	1,285	1,239	1,583	1,434	1,472
6,008	5,588	Gibraltar Life	1,786	1,719	1,794	2,120	2,094
1,407	1,345	All other countries	443	471	449	451	507
<u>11,904</u>	<u>10,945</u>	Total	<u>3,514</u>	<u>3,429</u>	<u>3,826</u>	<u>4,005</u>	<u>4,073</u>
Annualized new business premiums:							
635	505	Japan, excluding Gibraltar Life	160	164	237	190	208
1,318	1,178	Gibraltar Life	408	370	409	449	460
312	332	All other countries	103	116	98	99	115
<u>2,265</u>	<u>2,015</u>	Total	<u>671</u>	<u>650</u>	<u>744</u>	<u>738</u>	<u>783</u>
Annualized new business premiums by distribution channel:							
947	837	Life Planner Operations	263	280	335	289	323
565	480	Gibraltar Life Consultants	162	150	161	204	200
558	513	Banks	186	166	194	176	188
195	185	Independent Agency	60	54	54	69	72
<u>2,265</u>	<u>2,015</u>	Total	<u>671</u>	<u>650</u>	<u>744</u>	<u>738</u>	<u>783</u>
Constant exchange rate basis (2):							
Net premiums, policy charges and fee income:							
4,564	4,408	Japan, excluding Gibraltar Life	1,425	1,364	1,677	1,451	1,436
6,160	6,086	Gibraltar Life	1,969	1,870	1,921	2,175	2,064
1,449	1,336	All other countries	461	492	480	465	504
<u>12,173</u>	<u>11,830</u>	Total	<u>3,855</u>	<u>3,726</u>	<u>4,078</u>	<u>4,091</u>	<u>4,004</u>
Annualized new business premiums:							
646	556	Japan, excluding Gibraltar Life	177	181	250	192	204
1,334	1,229	Gibraltar Life	432	390	425	453	456
319	323	All other countries	107	121	106	102	111
<u>2,299</u>	<u>2,108</u>	Total	<u>716</u>	<u>692</u>	<u>781</u>	<u>747</u>	<u>771</u>
Annualized new business premiums by distribution channel:							
965	879	Life Planner Operations	284	302	356	294	315
573	507	Gibraltar Life Consultants	175	161	169	206	198
562	529	Banks	194	172	199	177	186
199	193	Independent Agency	63	57	57	70	72
<u>2,299</u>	<u>2,108</u>	Total	<u>716</u>	<u>692</u>	<u>781</u>	<u>747</u>	<u>771</u>

(1) Translated based on applicable average exchange rates for the period shown.

(2) 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.

INTERNATIONAL INSURANCE DIVISION - SALES RESULTS AND SUPPLEMENTARY INFORMATION

	2015		2016		
	3Q	4Q	1Q	2Q	3Q
Face amount of individual policies in force at end of period (in billions) (1) (2):					
(Constant exchange rate basis)					
Japan, excluding Gibraltar Life	313	316	321	324	329
Gibraltar Life	330	331	334	335	339
All other countries	115	118	119	120	121
Total	<u>758</u>	<u>765</u>	<u>774</u>	<u>779</u>	<u>789</u>
Number of individual policies in force at end of period (in thousands) (2):					
Japan, excluding Gibraltar Life	3,234	3,278	3,341	3,384	3,436
Gibraltar Life	7,146	7,146	7,150	7,141	7,170
All other countries	1,944	1,980	2,007	2,024	2,048
Total	<u>12,324</u>	<u>12,404</u>	<u>12,498</u>	<u>12,549</u>	<u>12,654</u>
International life insurance policy persistency:					
<u>Life Planner Operations:</u>					
13 months	92.6%	92.8%	93.0%	93.1%	93.0%
25 months	85.5%	85.4%	85.6%	85.6%	86.2%
<u>Gibraltar Life (3):</u>					
13 months	92.6%	92.9%	93.2%	93.3%	93.4%
25 months	83.4%	84.0%	84.8%	85.3%	85.5%
Number of Life Planners at end of period:					
Japan	3,478	3,528	3,650	3,653	3,776
All other countries	4,031	4,064	3,958	3,898	3,891
Total Life Planners	<u>7,509</u>	<u>7,592</u>	<u>7,608</u>	<u>7,551</u>	<u>7,667</u>
Gibraltar Life Consultants	8,593	8,805	8,781	8,734	8,790

- (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.
- (2) Direct business only; policy count includes annuities.
- (3) Reflects business sold by Life Consultants and Independent Agents.

INVESTMENT PORTFOLIO COMPOSITION
(in millions)

	September 30, 2016				December 31, 2015			
	Total Portfolio	Closed Block Division	PFI Excluding Closed Block Division Amount	% of Total	Total Portfolio	Closed Block Division	PFI Excluding Closed Block Division Amount	% of Total
Fixed maturities:								
Public, available-for-sale, at fair value	289,100	25,567	263,533	66.5%	240,133	23,505	216,628	63.1%
Public, held-to-maturity, at amortized cost	2,017	—	2,017	0.5%	1,834	—	1,834	0.5%
Private, available-for-sale, at fair value	53,937	14,763	39,174	9.9%	50,057	14,290	35,767	10.4%
Private, held-to-maturity, at amortized cost	454	—	454	0.1%	474	—	474	0.1%
Trading account assets supporting insurance liabilities, at fair value	21,828	—	21,828	5.5%	20,522	—	20,522	6.0%
Other trading account assets, at fair value	1,842	297	1,545	0.4%	1,849	288	1,561	0.5%
Equity securities, available-for-sale, at fair value	9,752	2,458	7,294	1.8%	9,263	2,726	6,537	1.9%
Commercial mortgage and other loans, at book value	51,652	9,650	42,002	10.6%	50,257	9,771	40,486	11.8%
Policy loans, at outstanding balance	12,031	4,696	7,335	1.8%	11,657	4,790	6,867	2.0%
Other long-term investments (1)	10,354	3,036	7,318	1.8%	9,470	2,921	6,549	1.9%
Short-term investments	5,221	680	4,541	1.1%	7,717	1,467	6,250	1.8%
Subtotal (2)	458,188	61,147	397,041	100.0%	403,233	59,758	343,475	100.0%
Invested assets of other entities and operations (3)	7,583	—	7,583		13,959	—	13,959	
Total investments	465,771	61,147	404,624		417,192	59,758	357,434	

Fixed Maturities by Credit Quality (2):

	September 30, 2016					December 31, 2015				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	% of Total	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	% of Total
Public Fixed Maturities:										
NAIC Rating (4)										
1	189,748	37,312	386	226,674	85.2%	166,400	21,997	1,271	187,126	85.6%
2	28,715	3,255	234	31,736	11.9%	24,238	2,260	1,044	25,454	11.6%
Subtotal - High or Highest Quality Securities	218,463	40,567	620	258,410	97.1%	190,638	24,257	2,315	212,580	97.2%
3	5,125	279	139	5,265	2.0%	3,870	320	149	4,041	1.8%
4	1,851	129	85	1,895	0.7%	1,591	142	59	1,674	0.8%
5	123	26	4	145	0.1%	176	67	3	240	0.1%
6	254	28	1	281	0.1%	199	11	1	209	0.1%
Subtotal - Other Securities	7,353	462	229	7,586	2.9%	5,836	540	212	6,164	2.8%
Total	225,816	41,029	849	265,996	100.0%	196,474	24,797	2,527	218,744	100.0%

Private Fixed Maturities:

NAIC Rating (4)										
1	11,119	922	66	11,975	30.2%	10,950	786	174	11,562	31.9%
2	21,126	1,612	335	22,403	56.5%	19,493	1,438	501	20,430	56.3%
Subtotal - High or Highest Quality Securities	32,245	2,534	401	34,378	86.7%	30,443	2,224	675	31,992	88.2%
3	3,464	148	76	3,536	8.9%	3,215	88	143	3,160	8.7%
4	962	32	37	957	2.4%	741	8	41	708	2.0%
5	544	20	50	514	1.3%	239	11	9	241	0.7%
6	247	46	11	282	0.7%	168	9	3	174	0.4%
Subtotal - Other Securities	5,217	246	174	5,289	13.3%	4,363	116	196	4,283	11.8%
Total	37,462	2,780	575	39,667	100.0%	34,806	2,340	871	36,275	100.0%

- (1) Other long-term investments consist of real estate and non-real estate related investments in joint ventures and partnerships, investment real estate held through direct ownership, and other miscellaneous investments.
- (2) Excludes (i) assets of our asset management operations, including assets managed for third parties, (ii) derivative operations and (iii) those assets classified as "Separate account assets" on our balance sheet.
- (3) Includes invested assets of our asset management and derivative operations. Excludes assets of our asset management operations managed for third parties and those assets classified as "Separate account assets" on our balance sheet.
- (4) Reflects equivalent ratings for investments of the international insurance operations. Includes, as of September 30, 2016 and December 31, 2015, 718 securities with amortized cost of \$3,205 million (fair value \$3,342 million) and 938 securities with amortized cost of \$4,253 million (fair value \$4,325 million), respectively, that have been categorized based on expected NAIC designations pending receipt of SVO ratings.

INVESTMENT PORTFOLIO COMPOSITION (1)
(in millions)

	September 30, 2016		December 31, 2015	
	Amount	% of Total	Amount	% of Total
Japanese Insurance Operations (2):				
Fixed maturities:				
Public, available-for-sale, at fair value	136,017	78.8%	109,257	77.6%
Public, held-to-maturity, at amortized cost	2,017	1.2%	1,834	1.3%
Private, available-for-sale, at fair value	11,568	6.7%	9,747	6.9%
Private, held-to-maturity, at amortized cost	454	0.3%	474	0.3%
Trading account assets supporting insurance liabilities, at fair value	2,283	1.3%	2,020	1.4%
Other trading account assets, at fair value	470	0.3%	647	0.5%
Equity securities, available-for-sale, at fair value	2,816	1.6%	2,660	1.9%
Commercial mortgage and other loans, at book value	11,446	6.6%	9,756	6.9%
Policy loans, at outstanding balance	2,581	1.5%	2,208	1.6%
Other long-term investments (3)	2,677	1.5%	1,742	1.3%
Short-term investments	389	0.2%	417	0.3%
Total	<u>172,718</u>	<u>100.0%</u>	<u>140,762</u>	<u>100.0%</u>
Excluding Japanese Insurance Operations (2):				
Fixed maturities:				
Public, available-for-sale, at fair value	127,516	56.8%	107,371	53.0%
Public, held-to-maturity, at amortized cost	—	0.0%	—	0.0%
Private, available-for-sale, at fair value	27,606	12.3%	26,020	12.8%
Private, held-to-maturity, at amortized cost	—	0.0%	—	0.0%
Trading account assets supporting insurance liabilities, at fair value	19,545	8.7%	18,502	9.1%
Other trading account assets, at fair value	1,075	0.5%	914	0.4%
Equity securities, available-for-sale, at fair value	4,478	2.0%	3,877	1.9%
Commercial mortgage and other loans, at book value	30,556	13.6%	30,730	15.2%
Policy loans, at outstanding balance	4,754	2.1%	4,659	2.3%
Other long-term investments (3)	4,641	2.1%	4,807	2.4%
Short-term investments	4,152	1.9%	5,833	2.9%
Total	<u>224,323</u>	<u>100.0%</u>	<u>202,713</u>	<u>100.0%</u>

(1) Excludes Closed Block Division.

(2) Excludes assets classified as “Separate account assets” on our balance sheet.

(3) Other long-term investments consist of real estate and non-real estate related investments in joint ventures and partnerships, investment real estate held through direct ownership, derivatives and other miscellaneous investments.

INVESTMENT RESULTS (1)
(in millions)

	Quarter Ended September 30					
	2016			2015		
	Investment Income Yield (4)	Amount	Realized Gains / (Losses)	Investment Income Yield (4)	Amount	Realized Gains / (Losses)
General Account (2)						
Fixed maturities	3.86%	2,437	304	3.96%	2,214	293
Equity securities	6.10%	82	44	5.94%	72	(36)
Commercial mortgage and other loans	4.19%	378	(7)	4.47%	378	(14)
Policy loans	4.93%	89	—	4.97%	84	—
Short-term investments and cash equivalents	0.63%	33	—	0.22%	10	—
Other investments	8.65%	185	315	7.10%	150	1,313
Gross investment income before investment expenses	3.89%	3,204	656	3.96%	2,908	1,556
Investment expenses	-0.14%	(106)	—	-0.15%	(98)	—
Subtotal	3.75%	3,098	656	3.81%	2,810	1,556
Investment results of other entities and operations (3)		273	4		259	49
Less, investment income related to adjusted operating income reconciling items		(79)			(54)	
Total		3,292	660		3,015	1,605

	Nine Months Ended September 30					
	2016			2015		
	Investment Income Yield (4)	Amount	Realized Gains / (Losses)	Investment Income Yield (4)	Amount	Realized Gains / (Losses)
General Account (2)						
Fixed maturities	3.92%	7,058	646	4.02%	6,648	956
Equity securities	6.19%	239	19	5.91%	208	42
Commercial mortgage and other loans	4.31%	1,139	1	4.48%	1,094	(3)
Policy loans	4.95%	259	—	4.98%	250	—
Short-term investments and cash equivalents	0.59%	87	1	0.21%	27	1
Other investments	4.90%	307	3,168	6.47%	408	2,446
Gross investment income before investment expenses	3.86%	9,089	3,835	3.98%	8,635	3,442
Investment expenses	-0.14%	(309)	—	-0.15%	(288)	—
Subtotal	3.72%	8,780	3,835	3.83%	8,347	3,442
Investment results of other entities and operations (3)		799	32		814	115
Less, investment income related to adjusted operating income reconciling items		(183)			(167)	
Total		9,396	3,867		8,994	3,557

(1) Excludes Closed Block Division.

(2) Excludes commercial loans and trading account assets supporting insurance liabilities where the investment results generally accrue to contractholders, derivative operations, assets of our asset management operations, including assets managed for third parties, and those assets classified as "Separate account assets" on our balance sheet. Realized gains / (losses) for Other investments includes changes in fair value of product-related and other derivatives and embedded derivatives.

(3) Includes invested income of commercial loans, trading account assets supporting insurance liabilities where the investment results generally accrue to contractholders and our asset management and derivative operations.

(4) Yields are based on net investment income as reported under U.S. GAAP and as such do not include certain interest related items, such as settlements of duration management swaps which are reported in realized investment gains and losses and included in adjusted operating income. Yields are annualized, for interim periods, and are based on quarterly average carrying values except for fixed maturities, equity securities and securities lending activity. Yields for fixed maturities are based on amortized cost. Yields for equity securities are based on cost. Yields for fixed maturities and short-term investments and cash equivalents are calculated net of liabilities and rebate expenses corresponding to securities lending activity. Yields exclude investment income and assets related to commercial loans and trading account assets supporting insurance liabilities where the investment results generally accrue to contractholders and investment income on assets other than those included in invested assets.

INVESTMENT RESULTS - JAPANESE INSURANCE OPERATIONS
(in millions)

	Quarter Ended September 30					
	2016			2015		
	Investment Income Yield (1)	Amount	Realized Gains / (Losses)	Investment Income Yield (1)	Amount	Realized Gains / (Losses)
Japanese Insurance Operations:						
Fixed maturities	3.04%	898	244	3.22%	797	257
Equity securities	5.19%	22	53	5.33%	19	13
Commercial mortgage and other loans	4.17%	115	—	4.38%	99	(3)
Policy loans	3.99%	26	—	3.89%	21	—
Short-term investments and cash equivalents	0.52%	2	—	0.28%	1	—
Other investments (2)	3.41%	25	324	3.56%	24	249
Gross investment income before investment expenses	3.17%	1,088	621	3.33%	961	516
Investment expenses	-0.12%	(43)	—	-0.14%	(40)	—
Total	3.05%	1,045	621	3.19%	921	516

	Nine Months Ended September 30					
	2016			2015		
	Investment Income Yield (1)	Amount	Realized Gains / (Losses)	Investment Income Yield (1)	Amount	Realized Gains / (Losses)
Japanese Insurance Operations:						
Fixed maturities	3.10%	2,576	712	3.24%	2,397	854
Equity securities	4.75%	56	60	4.90%	53	46
Commercial mortgage and other loans	4.25%	329	7	4.49%	290	3
Policy loans	3.96%	71	—	3.89%	62	—
Short-term investments and cash equivalents	0.64%	6	—	0.25%	3	—
Other investments (2)	4.65%	99	1,215	5.87%	112	29
Gross investment income before investment expenses	3.25%	3,137	1,994	3.39%	2,917	932
Investment expenses	-0.12%	(122)	—	-0.14%	(121)	—
Total	3.13%	3,015	1,994	3.25%	2,796	932

- (1) Yields are based on net investment income as reported under U.S. GAAP and as such do not include certain interest related items, such as settlements of duration management swaps which are reported in realized investment gains and losses and included in adjusted operating income. Yields are annualized, for interim periods, and are based on quarterly average carrying values except for fixed maturities, equity securities and securities lending activity. Yields for fixed maturities are based on amortized cost. Yields for equity securities are based on cost. Yields for fixed maturities and short-term investments and cash equivalents are calculated net of liabilities and rebate expenses corresponding to securities lending activity. Yields exclude investment income and assets related to commercial loans and trading account assets supporting insurance liabilities where the investment results generally accrue to contractholders and investment income on assets other than those included in invested assets.
- (2) Realized gains / (losses) for Other investments includes changes in fair value of product-related and other derivatives and embedded derivatives.

INVESTMENT RESULTS - EXCLUDING JAPANESE INSURANCE OPERATIONS (1)
(in millions)

	Quarter Ended September 30					
	2016			2015		
	Investment Income Yield (3)	Amount	Realized Gains / (Losses)	Investment Income Yield (3)	Amount	Realized Gains / (Losses)
Excluding Japanese Insurance Operations (2):						
Fixed maturities	4.57%	1,539	60	4.56%	1,417	36
Equity securities	6.51%	60	(9)	6.21%	53	(49)
Commercial mortgage and other loans	4.20%	263	(7)	4.51%	279	(11)
Policy loans	5.44%	63	—	5.48%	63	—
Short-term investments and cash equivalents	0.64%	31	—	0.22%	9	—
Other investments	11.33%	160	(9)	8.74%	126	1,064
Gross investment income before investment expenses	4.41%	2,116	35	4.38%	1,947	1,040
Investment expenses	-0.15%	(63)	—	-0.16%	(58)	—
Total	4.26%	2,053	35	4.22%	1,889	1,040

	Nine Months Ended September 30					
	2016			2015		
	Investment Income Yield (3)	Amount	Realized Gains / (Losses)	Investment Income Yield (3)	Amount	Realized Gains / (Losses)
Excluding Japanese Insurance Operations (2):						
Fixed maturities	4.61%	4,482	(66)	4.65%	4,251	102
Equity securities	6.83%	183	(41)	6.36%	155	(4)
Commercial mortgage and other loans	4.33%	810	(6)	4.48%	804	(6)
Policy loans	5.46%	188	—	5.50%	188	—
Short-term investments and cash equivalents	0.58%	81	1	0.21%	24	1
Other investments	5.02%	208	1,953	6.73%	296	2,417
Gross investment income before investment expenses	4.28%	5,952	1,841	4.37%	5,718	2,510
Investment expenses	-0.16%	(187)	—	-0.16%	(167)	—
Total	4.12%	5,765	1,841	4.21%	5,551	2,510

(1) Excludes Closed Block Division.

(2) Excludes assets of commercial loans, trading account assets supporting insurance liabilities where the investment results generally accrue to contractholders, derivative operations, assets of our asset management operations, including assets managed for third parties, and those assets classified as "Separate account assets" on our balance sheet. Realized gains / (losses) for Other investments includes changes in fair value of product-related and other derivatives and embedded derivatives.

(3) Yields are based on net investment income as reported under U.S. GAAP and as such do not include certain interest related items, such as settlements of duration management swaps which are reported in realized investment gains and losses and included in adjusted operating income. Yields are annualized, for interim periods, and are based on quarterly average carrying values except for fixed maturities, equity securities and securities lending activity. Yields for fixed maturities are based on amortized cost. Yields for equity securities are based on cost. Yields for fixed maturities and short-term investments and cash equivalents are calculated net of liabilities and rebate expenses corresponding to securities lending activity. Yields exclude investment income and assets related to commercial loans and trading account assets supporting insurance liabilities where the investment results generally accrue to contractholders and investment income on assets other than those included in invested assets.

LINE ITEM IMPACT OF MARKET DRIVEN AND DISCRETE ITEMS - ADJUSTED OPERATING INCOME
(in millions)

	Third Quarter 2016					Third Quarter 2015				
	Insurance and Annuity Benefits	Interest Credited to Policyholders' Account Balances	Amortization of Acquisition Costs	General and Administrative Expenses	Pre-Tax Adjusted Operating Income	Asset Management Fees, Commissions and Other Income	Insurance and Annuity Benefits	Interest Credited to Policyholders' Account Balances	Amortization of Acquisition Costs	Pre-Tax Adjusted Operating Income
Individual Annuities:										
Market performance and experience true-ups	(67)	(20)	(49)	(3)	139	—	43	11	22	(76)
Charge for potential contract cancellations	—	—	—	—	—	(3)	15	—	10	(28)
Total of above items	(67)	(20)	(49)	(3)	139	(3)	58	11	32	(104)
Reported amount	38	72	84	523		319	154	106	163	
Amount excluding impact of items indicated above	105	92	133	526		322	96	95	131	
Retirement:										
Costs relating to legal matters	—	—	—	34	(34)	—	—	—	—	—
Reserve refinements	—	—	—	—	—	—	(20)	—	—	20
Total of above items	—	—	—	34	(34)	—	(20)	—	—	—
Reported amount	—	—	—	296		—	1,062	—	—	
Amount excluding impact of items indicated above	—	—	—	262		—	1,082	—	—	

COMBINED STATEMENTS OF OPERATIONS - AOI TO U.S. GAAP RECONCILIATION OF REVENUES AND BENEFITS AND EXPENSES
(in millions)

	Three Months Ended September 30, 2016								Three Months Ended September 30, 2015								
	Reconciling Items								Reconciling Items								
	Adjusted Operating Income basis (1)	Total realized invest- ment gains (losses), net, and related charges and adjust- ments	Invest- ment gains (losses) on trading account assets support- ing insu- rance liabi- lities, net	Change in experience- rated contract- holder liabilities due to asset value changes	Closed Block division	Other divested businesses	Equity in earnings of operating joint ventures and earnings attribu- table to non- controlling interests	U.S. GAAP (2)	Adjusted Operating Income basis (1)	Total realized invest- ment gains (losses), net, and related charges and adjust- ments	Invest- ment gains (losses) on trading account assets support- ing insu- rance liabi- lities, net	Change in experience- rated contract- holder liabi- lities due to asset value changes	Closed Block division	Other divested businesses	Equity in earnings of operating joint ventures and earnings attribu- table to non- controlling interests	U.S. GAAP (2)	
Revenues:																	
Premiums	8,934	—	—	—	598	103	—	9,635	5,273	—	—	—	—	609	103	—	5,985
Policy charges and fee income	1,559	(19)	—	—	—	—	—	1,540	1,552	72	—	—	—	—	—	—	1,624
Net investment income	3,292	(8)	—	—	702	87	—	4,073	3,015	—	—	—	—	672	54	—	3,741
Realized investment gains (losses), net	115	529	—	—	153	16	—	813	244	1,326	—	—	—	95	35	—	1,700
Asset management fees, commissions and other income	1,150	(298)	37	—	28	3	(20)	900	994	(209)	(228)	—	—	(8)	(2)	2	549
Total revenues	15,050	204	37	—	1,481	209	(20)	16,961	11,078	1,189	(228)	—	—	1,368	190	2	13,599
Benefits and Expenses:																	
Insurance and annuity benefits	9,254	33	—	—	1,307	130	—	10,724	5,640	103	—	—	—	1,110	162	—	7,015
Interest credited to policyholders' account balances	932	(140)	—	(1)	34	(1)	—	824	915	149	—	(258)	—	34	—	—	840
Interest expense	314	—	—	—	1	1	—	316	339	—	—	—	—	—	1	—	340
Deferral of acquisition costs	(731)	—	—	—	—	—	—	(731)	(650)	—	—	—	—	—	—	—	(650)
Amortization of acquisition costs	444	(339)	—	—	10	—	—	115	509	404	—	—	—	9	—	—	922
General and administrative expenses	3,279	1	—	—	98	23	(3)	3,398	2,862	95	—	—	—	107	19	—	3,083
Total benefits and expenses	13,492	(445)	—	(1)	1,450	153	(3)	14,646	9,615	751	—	(258)	—	1,260	182	—	11,550

Nine Months Ended September 30, 2016									Nine Months Ended September 30, 2015								
Reconciling Items									Reconciling Items								
	Adjusted Operating Income basis (1)	Total realized invest- ment gains (losses), net, and related charges and adjust- ments	Invest- ment gains (losses) on trading account assets support- ing insu- rance liabili- ties, net	Change in experience- rated contract- holder liabilities due to asset value changes	Closed Block division	Other divested businesses	Equity in earnings of operating joint ventures and earnings attribu- table to non- controlling interests	U.S. GAAP (2)	Adjusted Operating Income basis (1)	Total realized invest- ment gains (losses), net, and related charges and adjust- ments	Invest- ment gains (losses) on trading account assets support- ing insu- rance liabili- ties, net	Change in experience- rated contract- holder liabili- ties due to asset value changes	Closed Block division	Other divested businesses	Equity in earnings of operating joint ventures and earnings attribu- table to non- controlling interests	U.S. GAAP (2)	
Revenues:																	
Premiums	20,657	—	—	—	1,913	297	—	22,867	17,968	—	—	—	—	1,945	301	—	20,214
Policy charges and fee income	4,358	57	—	—	—	—	—	4,415	4,489	(7)	—	—	—	—	—	—	4,482
Net investment income	9,396	(23)	—	—	1,953	206	—	11,532	8,994	—	—	—	—	2,020	167	—	11,181
Realized investment gains (losses), net	427	3,346	—	—	260	94	—	4,127	702	2,801	—	—	—	633	54	—	4,190
Asset management fees, commissions and other income	3,316	(880)	361	—	30	5	(44)	2,788	3,232	(82)	(365)	—	—	14	1	(4)	2,796
Total revenues	38,154	2,500	361	—	4,156	602	(44)	45,729	35,385	2,712	(365)	—	—	4,612	523	(4)	42,863
Benefits and Expenses:																	
Insurance and annuity benefits	22,051	305	—	—	3,794	458	—	26,608	18,781	51	—	—	—	4,014	478	—	23,324
Interest credited to policyholders' account balances	2,753	53	—	262	101	(1)	—	3,168	2,706	238	—	(295)	—	101	(1)	—	2,749
Interest expense	996	—	—	—	2	2	—	1,000	980	—	—	—	—	—	2	—	982
Deferral of acquisition costs	(2,134)	—	—	—	—	—	—	(2,134)	(1,961)	—	—	—	—	—	—	—	(1,961)
Amortization of acquisition costs	1,204	511	—	—	29	—	—	1,744	1,188	630	—	—	—	28	—	—	1,846
General and administrative expenses	9,344	284	—	—	304	67	(44)	9,955	8,642	18	—	—	—	331	70	(64)	8,997
Total benefits and expenses	34,214	1,153	—	262	4,230	526	(44)	40,341	30,336	937	—	(295)	—	4,474	549	(64)	35,937

- (1) See page 37 for a definition of AOI.
(2) U.S. generally accepted accounting principles

COMBINED STATEMENTS OF OPERATIONS - AOI TO U.S. GAAP RECONCILIATION OF REVENUES AND BENEFITS AND EXPENSES
(in millions)

	Three Months Ended December 31, 2015								Three Months Ended March 31, 2016								
	Reconciling Items								Reconciling Items								
	Adjusted Operating Income basis (1)	Total realized invest- ment gains (losses), net, and related charges and adjust- ments	Invest- ment gains (losses) on trading account assets support- ing insu- rance liabi- lities, net	Change in experience- rated contract- holder liabilities due to asset value changes	Closed Block division	Other divested businesses	Equity in earnings of operating joint ventures and earnings attribu- table to non- controlling interests	U.S. GAAP (2)	Adjusted Operating Income basis (1)	Total realized invest- ment gains (losses), net, and related charges and adjust- ments	Invest- ment gains (losses) on trading account assets support- ing insu- rance liabi- lities, net	Change in experience- rated contract- holder liabi- lities due to asset value changes	Closed Block division	Other divested businesses	Equity in earnings of operating joint ventures and earnings attribu- table to non- controlling interests	U.S. GAAP (2)	
Revenues:																	
Premiums	7,495	—	—	—	724	88	—	8,307	5,577	—	—	—	—	622	98	—	6,297
Policy charges and fee income	1,514	(24)	—	—	—	—	—	1,490	1,511	88	—	—	—	—	—	—	1,599
Net investment income	2,964	1	—	—	633	50	—	3,648	3,017	(7)	—	—	—	612	48	—	3,670
Realized investment gains (losses), net	185	(527)	—	—	200	(23)	—	(165)	174	1,758	—	—	—	(98)	47	—	1,881
Asset management fees, commissions and other income	1,087	65	(159)	—	(9)	—	(8)	976	1,013	(333)	216	—	—	(7)	1	(8)	882
Total revenues	13,245	(485)	(159)	—	1,548	115	(8)	14,256	11,292	1,506	216	—	—	1,129	194	(8)	14,329
Benefits and Expenses:																	
Insurance and annuity benefits	7,917	(12)	—	—	1,481	129	—	9,515	5,984	119	—	—	—	1,054	140	—	7,297
Interest credited to policyholders' account balances	879	(47)	—	(138)	34	2	—	730	907	216	—	—	130	33	—	—	1,286
Interest expense	322	—	—	—	1	1	—	324	325	—	—	—	—	1	1	—	327
Deferral of acquisition costs	(691)	—	—	—	—	—	—	(691)	(685)	—	—	—	—	—	—	—	(685)
Amortization of acquisition costs	443	(178)	—	—	9	—	—	274	479	712	—	—	—	11	—	—	1,202
General and administrative expenses	3,193	(52)	—	—	103	23	(6)	3,261	2,957	121	—	—	—	103	22	(33)	3,170
Total benefits and expenses	12,063	(289)	—	(138)	1,628	155	(6)	13,413	9,967	1,168	—	—	130	1,202	163	(33)	12,597

Three Months Ended June 30, 2016

Reconciling Items

	Adjusted Operating Income basis (1)	Total realized invest- ment gains (losses), net, and related charges and adjust- ments	Invest- ment gains (losses) on trading account assets support- ing insu- rance liabi- lities, net	Change in experience- rated contract- holder liabilities due to asset value changes	Closed Block division	Other divested businesses	Equity in earnings of operating joint ventures and earnings attribu- table to non- controlling interests	U.S. GAAP (2)
Revenues:								
Premiums	6,146	—	—	—	693	96	—	6,935
Policy charges and fee income	1,288	(12)	—	—	—	—	—	1,276
Net investment income	3,087	(8)	—	—	639	71	—	3,789
Realized investment gains (losses), net	138	1,059	—	—	205	31	—	1,433
Asset management fees, commissions and other income	1,153	(249)	108	—	9	1	(16)	1,006
Total revenues	11,812	790	108	—	1,546	199	(16)	14,439
Benefits and Expenses:								
Insurance and annuity benefits	6,813	153	—	—	1,433	188	—	8,587
Interest credited to policyholders' account balances	914	(23)	—	133	34	—	—	1,058
Interest expense	357	—	—	—	—	—	—	357
Deferral of acquisition costs	(718)	—	—	—	—	—	—	(718)
Amortization of acquisition costs	281	138	—	—	8	—	—	427
General and administrative expenses	3,108	162	—	—	103	22	(8)	3,387
Total benefits and expenses	10,755	430	—	133	1,578	210	(8)	13,098

(1) See page 37 for a definition of AOI.

(2) U.S. generally accepted accounting principles

KEY DEFINITIONS AND FORMULAS

1. Adjusted operating income before income taxes:

Adjusted operating income is a non-GAAP measure of performance that excludes “Realized investment gains (losses), net”, as adjusted, and related charges and adjustments; net investment gains and losses on trading account assets supporting insurance liabilities; change in experience-rated contractholder liabilities due to asset value changes; results of divested businesses, and discontinued operations; earnings attributable to noncontrolling interests; and the related tax effects thereof. Adjusted operating income includes equity in earnings of operating joint ventures and the related tax effects thereof. Revenues and benefits and expenses shown as components of adjusted operating income, are presented on the same basis as pre-tax adjusted operating income and are adjusted for the items above as well.

Realized investment gains (losses) within certain of our businesses for which such gains (losses) are a principal source of earnings, and those associated with terminating hedges of foreign currency earnings and current period yield adjustments are included in adjusted operating income. Adjusted operating income excludes realized investment gains and losses from products that contain embedded derivatives, and from associated derivative portfolios that are part of a hedging program related to the risk of those products. Adjusted operating income also excludes gains and losses from changes in value of certain assets and liabilities relating to foreign currency exchange movements that have been economically hedged or considered part of our capital funding strategies for our international subsidiaries, as well as gains and losses on certain investments that are classified as other trading account assets.

Adjusted operating income does not equate to “Income from continuing operations” as determined in accordance with U.S. GAAP but is the measure of profit or loss we use to evaluate segment performance. Adjusted operating income is not a substitute for income determined in accordance with U.S. GAAP, and our definition of adjusted operating income may differ from that used by other companies. The items above are important to an understanding of our overall results of operations. However, we believe that the presentation of adjusted operating income as we measure it for management purposes enhances the understanding of our results of operations by highlighting the results from ongoing operations and the underlying profitability factors of our businesses.

2. After-tax adjusted operating income:

Adjusted operating income before taxes, as defined above, less the income tax effect applicable to adjusted operating income before taxes.

3. Annualized New Business Premiums:

Premiums from new sales that are expected to be collected over a one year period. Group insurance annualized new business premiums exclude new premiums resulting from rate changes on existing policies, from additional coverage issued under our Servicemembers’ Group Life Insurance contract, and from excess premiums on group universal life insurance that build cash value but do not purchase face amounts. Group insurance annualized new business premiums include premiums from the takeover of claim liabilities. Excess (unscheduled) and single premium business for the company’s domestic individual life and international insurance operations are included in annualized new business premiums based on a 10% credit. Amounts ascribed to Gibraltar Life Consultants include production by captive agents associated with consolidated joint venture of Gibraltar Life and Other Operations.

4. Assets Under Management:

Fair market value or account value of assets which Prudential manages directly in proprietary products, such as mutual funds and variable annuities, in separate accounts, wrap-fee products and the general account, and assets invested in investment options included in the Company’s products that are managed by third party sub-managers (i.e., the non-proprietary investment options in the Company’s products).

5. Prudential Financial, Inc. Equity:

Amount of capital assigned to each of the Company’s segments for purposes of measuring segment adjusted operating income before income taxes, established at a level which management considers necessary to support the segment’s risks. Equity represents all of Prudential Financial, Inc. equity that is not attributable to noncontrolling interests.

6. Book value per share of Common Stock:

Equity attributed to Prudential Financial, Inc. divided by the number of Common shares outstanding at end of period, on a diluted basis.

7. Borrowings - Capital Debt:

Borrowings that are or will be used for capital requirements at Prudential Financial, Inc as well as borrowings invested in equity or debt securities of direct or indirect subsidiaries of Prudential Financial, Inc., and subsidiary borrowings, utilized for capital requirements.

8. Borrowings - Operating Debt - Investment Related:

Debt issued to finance specific investment assets or portfolios of investment assets, including institutional spread lending investment portfolios as well as institutional and insurance company portfolio cash flow timing differences.

9. Borrowings - Operating Debt - Specified Businesses:

Borrowings primarily associated with the individual annuity and asset management businesses.

KEY DEFINITIONS AND FORMULAS

10. Client Assets:

Fair market value of assets in client accounts of International brokerage operations, Prudential Bank and mortgage loan servicing business, that are not included in Assets Under Management. Prudential does not receive a management or administrative fee on these assets, but may receive a fee for executing trades, custody or recordkeeping services.

11. Divested Businesses:

Businesses that have been sold or exited, including businesses that have been placed in wind down, but that did not qualify for “discontinued operations” accounting treatment under U.S. GAAP.

12. Earned Premiums:

The portion of a premium, net of any amount ceded, that represents coverage already provided or that belongs to the insurer based on the part of the policy period that has passed.

13. Full Service Retirement:

The Full Service Retirement line of business provides retirement plan products and services to public, private and not-for-profit organizations. This business provides recordkeeping, plan administration, actuarial advisory services, participant education and communication services, trustee services and institutional and retail investment funds. This business mainly services defined contribution and defined benefit plans; non-qualified plans are also serviced. For clients with both defined contribution and defined benefit plans, integrated recordkeeping services are available.

14. Full Service Stable Value:

Our Full Service Stable Value products represent fixed rate options on investment funds offered to Retirement customers. These products contain an obligation to pay interest at a specified rate for a specific period of time. Upon termination these products repay account balances at market value immediately or may be liquidated at book value over time. Substantially all of these products are either fully or partially participating, with annual or semi-annual resets giving effect to previous investment experience. These products are issued through the general account, separate accounts or client-owned trusts. Profits from partially participating general account products result from the spread between the rate of return on investment assets and the interest rates credited to the customer, less expenses. For fully participating products, generally subject to a minimum interest rate guarantee, we earn fee income.

15. General Account:

Invested assets and policyholder liabilities and reserves for which the Company bears the investment risk. Excludes assets recognized for statutory purposes that are specifically allocated to a separate account. General account assets also include assets of the parent company, Prudential Financial, Inc.

16. Gibraltar Life:

Includes results from consolidated joint venture operation of Gibraltar Life and Other Operations.

17. Gibraltar Life Consultants:

Captive insurance agents for Gibraltar Life. Count and policy persistency do not include captive agents associated with consolidated joint venture of Gibraltar Life and Other Operations.

18. Group Life Insurance and Group Disability Insurance Administrative Operating Expense Ratios:

Ratio of administrative operating expenses (excluding commissions) to gross premiums, policy charges and fee income.

19. Group Insurance Benefits Ratios:

Ratio of policyholder benefits to earned premiums, policy charges and fee income.

20. Individual Annuity Account Values in General Account and Separate Account:

Amounts represent the breakdown of invested customer funds in annuities either written or reinsured by the Company.

21. Individual Annuities - Net Amounts at Risk:

Living Benefit Features - For guarantees of benefits that are payable at annuitization, the net amount at risk is generally defined as the present value of the minimum guaranteed annuity payments available to the contractholder determined in accordance with the terms of the contract in excess of the current account balance. For guarantees of benefits that are payable at withdrawal, the net amount at risk is generally defined as the present value of the minimum guaranteed withdrawal payments available to the contractholder determined in accordance with the terms of the contract in excess of the current account balance. For guarantees of accumulation balances, the net amount at risk is generally defined as the guaranteed minimum accumulation balance minus the current account balance.

Death Benefit Features - Net amount at risk is generally defined as the current guaranteed minimum death benefit in excess of the current account balance at the balance sheet date.

KEY DEFINITIONS AND FORMULAS

22. Insurance and Annuity Benefits:

Total death benefits, annuity benefits, disability benefits, other policy benefits, and losses paid or incurred, under insurance and annuity contracts, plus the change in reserves for future policy benefits, losses and loss adjustment expenses.

23. International Life Planners:

Captive insurance agents in our Life Planner Operations.

24. Non-recourse and Limited-recourse Debt:

Limited and non-recourse borrowing is where the holder is entitled to collect only against the assets pledged to the debt as collateral or has only very limited rights to collect against other assets.

25. Policy Persistency - Group Insurance:

Percentage of the premiums in force at the end of the prior year that are still in force at the end of the period (excluding Servicemembers' Group Life Insurance and Prudential Employee Benefit Plan).

26. Policy Persistency - International Insurance:

13 month persistency represents the percentage of policies issued that are still in force at the beginning of their second policy year. 25 month persistency represents the percentage of policies issued that are still in force at the beginning of their third policy year.

27. Prudential Agents:

Captive insurance agents in our insurance operations in the United States.

28. Prudential Agent productivity:

Commissions on new sales of all products by Prudential Agents under contract for the entire period, divided by the number of those Prudential Agents. Excludes commissions on new sales by Prudential Agents hired or departed during the period. For interim reporting periods, the productivity measures are annualized.

29. Separate Accounts:

Assets of our insurance companies allocated under certain policies and contracts that are segregated from the general account and other separate accounts. The policyholder or contractholder predominantly bears the risk of investments held in a separate account.

30. Wrap-Fee Products:

Investment products generating asset-based fees in which the funds of the customer are generally invested in other investment products such as mutual funds.

RATINGS AND INVESTOR INFORMATION

FINANCIAL STRENGTH RATINGS

as of November 2, 2016

	A.M. Best	Standard & Poor's	Moody's	Fitch Ratings
The Prudential Insurance Company of America	A+	AA-	A1	A+
PRUCO Life Insurance Company	A+	AA-	A1	A+
PRUCO Life Insurance Company of New Jersey	A+	AA-	NR *	A+
Prudential Annuities Life Assurance Corporation	A+	AA-	NR	A+
Prudential Retirement Insurance and Annuity Company	A+	AA-	A1	A+
The Prudential Life Insurance Co., Ltd. (Prudential of Japan)	NR	A+	NR	NR
Gibraltar Life Insurance Company, Ltd.	NR	A+	NR	NR
The Prudential Gibraltar Financial Life Insurance Co. Ltd.	NR	A+	NR	NR
Prudential Life Insurance Co. of Taiwan, Inc.	NR	twAA+	NR	NR

CREDIT RATINGS:

as of November 2, 2016

Prudential Financial, Inc.:

Short-Term Borrowings	AMB-1	A-1	P-2	F2
Long-Term Senior Debt	a-	A	Baa1	BBB+
Junior Subordinated Long-Term Debt	bbb	BBB+	Baa2	BBB-

The Prudential Insurance Company of America :

Capital and surplus notes	a	A	A3	A-
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Prudential Funding, LLC:

Short-Term Debt	AMB-1	A-1+	P-1	F1
Long-Term Senior Debt	a+	AA-	A2	A

PRICOA Global Funding I

Long-Term Senior Debt	aa-	AA-	A1	A+
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* NR indicates not rated.

(1) Prudential Life Insurance Co. of Taiwan was assigned a financial strength rating by Taiwan Ratings Corporation, a partner of Standard and Poor's.

INVESTOR INFORMATION:

Corporate Offices:

Prudential Financial, Inc.
751 Broad Street
Newark, New Jersey 07102

Investor Information Hotline:

Dial 877-998-ROCK for additional printed information or inquiries.

Web Site:

www.prudential.com

Common Stock:

Common Stock of Prudential Financial, Inc. is traded on the New York Stock Exchange under the symbol PRU.