



4Q19 Investor Update



Prudential
Bring Your Challenges®

Forward-Looking Statements and Non-GAAP Measures

Certain of the statements included in this presentation, including those relating to Prudential Financial, Inc.'s and its subsidiaries' financial strength and flexibility, long-term growth prospects and the ability to generate long-term value for stakeholders, ability to manage risk associated with equity market decline, pandemic insurance shock, interest rate shock, credit shock or currency shock, and capital allocation strategy (including the payment of dividends, acquisitions, and repurchase of shares), constitute forward looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Words such as “expects,” “believes,” “anticipates,” “includes,” “plans,” “assumes,” “estimates,” “projects,” “intends,” “should,” “will,” “shall,” or variations of such words are generally part of forward-looking statements. Forward-looking statements are made based on management's current expectations and beliefs concerning future developments and their potential effects upon Prudential Financial, Inc. and its subsidiaries. Prudential Financial, Inc.'s actual results may differ, possibly materially, from expectations or estimates reflected in such forward-looking statements. Certain important factors that could cause actual results to differ, possibly materially, from expectations or estimates reflected in such forward-looking statements can be found in the “Risk Factors” and “Forward-Looking Statements” sections included in Prudential Financial, Inc.'s Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q. Our financial strength and flexibility, long-term growth prospects and the ability to generate long-term value for stakeholders, ability to manage risk associated with equity market decline, pandemic insurance shock, interest rate shock, credit shock or currency shock, and capital allocation strategy (including the payment of dividends, acquisitions, and repurchase of shares) are subject to the risk that we will be unable to execute our strategy because of economic, market, or competitive conditions or other factors, including the impact of the COVID-19 pandemic. Prudential Financial, Inc. does not undertake to update any particular forward-looking statement included in this presentation.

This presentation includes references to adjusted operating income, adjusted book value, and adjusted operating return on equity, which is based on adjusted operating income and adjusted book value. Consolidated adjusted operating income and adjusted book value are not calculated based on accounting principles generally accepted in the United States of America (GAAP). For reconciliations of adjusted operating income, adjusted book value, and adjusted operating return on equity to the comparable GAAP measures, please refer to the Appendix.

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



Prudential Investment Thesis

ROCK SOLID

Demonstrated financial strength and flexibility

DIFFERENTIATED

Thoughtful strategies and business design produce differentiated outcomes

DISCIPLINED

Positioned for long-term growth

DRIVING SUSTAINABLE LONG-TERM VALUE FOR OUR STAKEHOLDERS

12.1%

Adjusted Operating ROE⁽¹⁾

13%

5-yr Annual Dividends Per Share CAGR⁽²⁾

9%

5-yr Adjusted BVPS CAGR⁽³⁾

(1) Based on 2019 annualized after-tax adjusted operating income and average adjusted book value. See reconciliation in Appendix for more information.

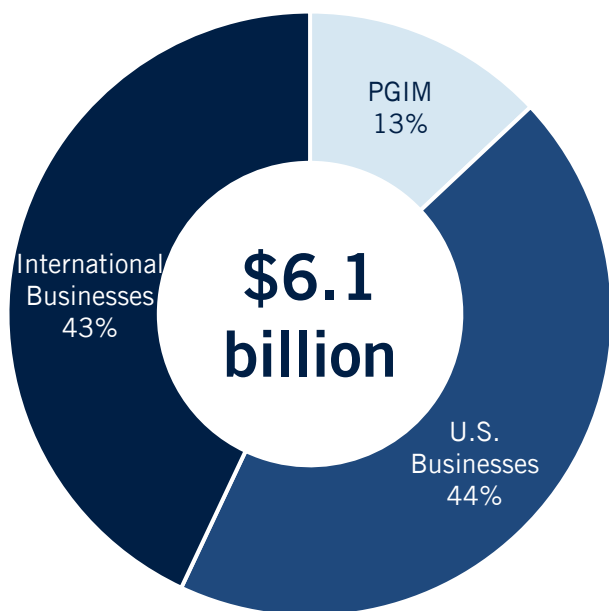
(2) From 2014 to 2019; based on annual dividend per share.

(3) From 2014 to 2019; based on adjusted book value. See reconciliation in Appendix for more information.



Complementary Businesses at Scale with Long-Term Growth Potential

2019 Earnings Contribution⁽¹⁾



Key Statistics

Revenues⁽²⁾: ~\$58B

Adjusted Book Value Per Share⁽³⁾: \$101

Employees: ~50,000

Adjusted Dividend Yield⁽⁴⁾: ~4%

(1) Based on last twelve months of adjusted operating income through 4Q19. Pie chart excludes Corporate & Other operations loss of \$1,766 million.

(2) Based on last twelve months of revenue through 4Q19.

(3) As of December 31, 2019. See reconciliation in Appendix for more information.

(4) Based on 2019 annual dividend per share divided by adjusted book value per share.



Committed to Promoting Long-Term Sustainability

Purpose Driven

- We make lives better by solving the financial challenges of our changing world

Multi-Stakeholder

- Shareholders
- Employees
- Customers
- Society

Investment Strategy

- Global Environmental Commitment
- Investing to Mitigate Climate Change
- ESG-focused Investment Philosophy
- U.N. Principles for Responsible Investing

Governance & Transparency

- Task Force on Climate-related Financial Disclosures
- Sustainability Accounting Standards Board

First U.S. life insurer to issue green bond



A night-time photograph of Rockefeller Center in New York City. The central focus is the glass-clad 30 Rockefeller Plaza, which is brightly lit from within. To its right stands the older, dark-brick 60 Rockefeller Plaza, also illuminated. The foreground shows the circular plaza and the base of the buildings, with some trees and streetlights visible. The sky is a deep blue.

ROCK SOLID

Demonstrated financial strength
and flexibility



Prudential
Bring Your Challenges®

Robust Approach to Capital & Liquidity Management

Financial Strength

“AA” standards
for capital

Liquidity

Diverse sources
provide significant
financial flexibility

Risk Appetite Framework

Capitalized to remain
competitive under
stress scenarios



Demonstrated Financial Strength and Flexibility

Company Measures	December 31, 2019	Target	vs. Target
Highly Liquid Assets ⁽¹⁾	\$4.1 billion	\$3 - \$5 billion	✓
Financial Leverage Ratio ⁽²⁾	24.4%	≤25%	✓
Prudential Insurance Company of America Risk-Based Capital Ratio	411%	>375%	✓
Off-Balance Sheet Resources			
Credit Facility	<ul style="list-style-type: none"> Capacity: \$4.0B Term: 5 years Maturity Date: July 2022 		
Contingent Capital	<ul style="list-style-type: none"> Capacity: \$1.5B Term: 10 years Maturity Date: November 2023 		

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

(2) Financial leverage ratio represents capital debt divided by sum of capital debt and equity. Junior subordinated debt treated as 25% equity, 75% capital debt for purposes of calculation. Equity in calculation excludes the impact of non-controlling interests, foreign exchange re-measurement, and accumulated other comprehensive income (except for pension and post retirement unrecognized costs).



Preserving Balance Sheet Strength, as We Have Done for 140+ Years

Stress Parameters

Equity Market Decline

Pandemic Insurance Shock

Interest Rate Shock

Credit Shock

Currency Shock

Our Toolbox

- Disciplined ALM and hedging
- On balance sheet capital capacity
- Off-balance sheet resources
 - Credit facilities
 - Contingent capital
- Shift in our product mix
- Ability to adjust product pricing
- Reinsurance
- Prudent management

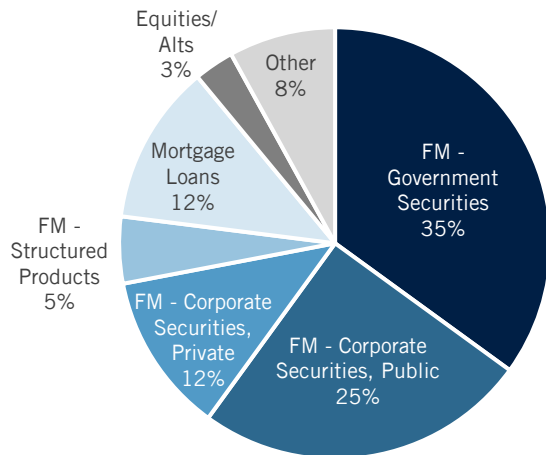
Outcomes

- Maintain appropriate and competitive regulatory capital levels at insurance companies
- Opportunistically pre-funded \$1.5 billion of 2020 and 2021 debt maturities
- Maintain adequate cash position at parent company
- Relatively resilient to equity market and interest rates declines

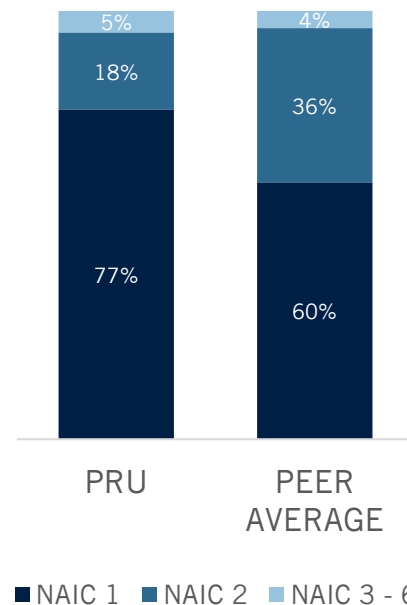


Broadly Diversified, High Quality Investment Portfolio

Portfolio Composition⁽¹⁾ \$457 billion



Fixed Maturities (FM) Credit Quality⁽²⁾



Highlights:

- Conservative portfolio construction and disciplined Asset Liability Management
 - Nearly half of BBB (NAIC 2) corporate securities are privates
 - Within BBB, lower exposure to BBB-
 - High allocation to government securities (U.S. Treasuries and Japanese government bonds)
- Only purchase the AAA tranche of collateralized loan obligations
- Benefits of PGIM's expertise and direct origination capabilities

(1) General Account excluding the Closed Block Division as of December 31, 2019, on a U.S. GAAP carrying value basis. Equities/Alts include equity securities, investments in LPs/LLCs, and real estate held through direct ownership. Structured products include commercial and residential mortgage-backed securities, collateralized loan obligations, and other asset-backed securities. Other includes approximately 5% for assets supporting experience-related contractholder liabilities (ASCL) where investment results generally accrue to contractholders, and the remaining includes policy loans, fixed maturities - trading, short-term investments, derivatives, and other miscellaneous assets.

(2) Fixed maturity holdings as disclosed in Company financial statements as of December 31, 2019. PRU represents General Account excluding the Closed Block Division. NAIC or equivalent rating as disclosed in Company 10-K filings or quarterly supplements. Peer average includes ATH, BHF, EQH, LNC, MET, PFG, UNM, and VOYA.



Balanced Approach to Capital Allocation

1. Maintain Strong Capital Position

2. Organic Growth at Attractive Returns

3. Sustainable and Growing Dividends

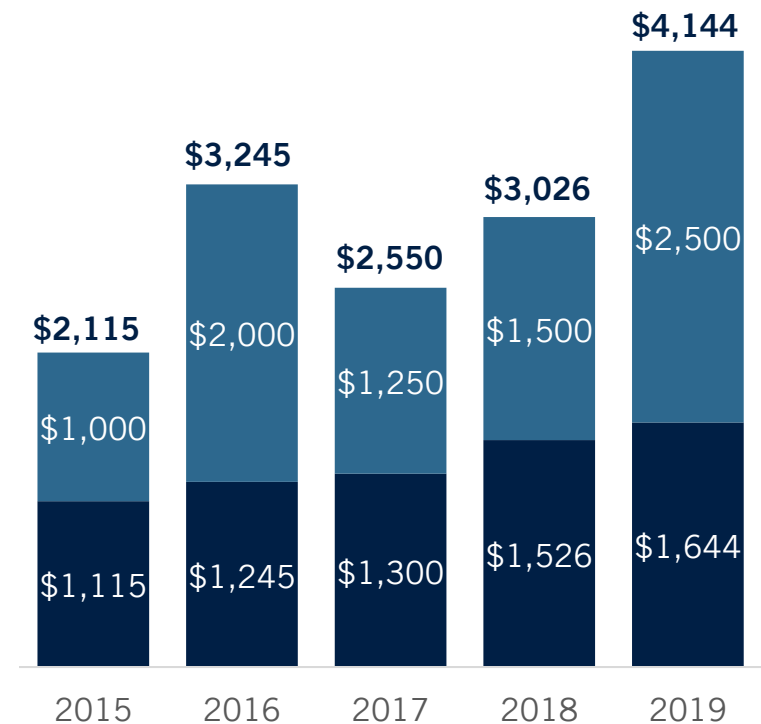
4. Acquisitions

5. Share Repurchases

Shareholder Distributions

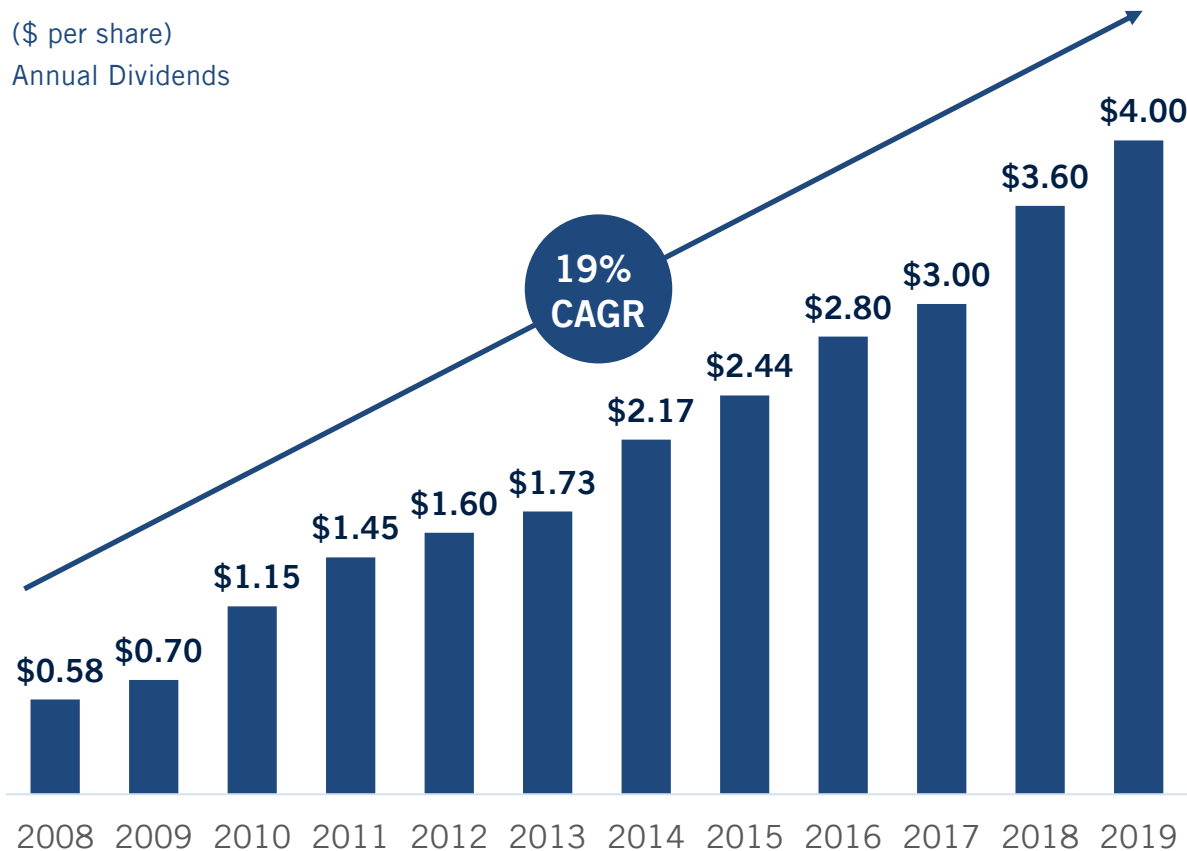
(\$ millions)

■ Dividends ■ Share Repurchases



Double-Digit Dividend Growth Supported by Strong Earnings and Cash Flow Coverage

(\$ per share)
Annual Dividends



34%
2019 Dividend
Payout Ratio⁽¹⁾

(1) Based on annual dividend per share divided by annual after-tax adjusted operating income per share.





DIFFERENTIATED

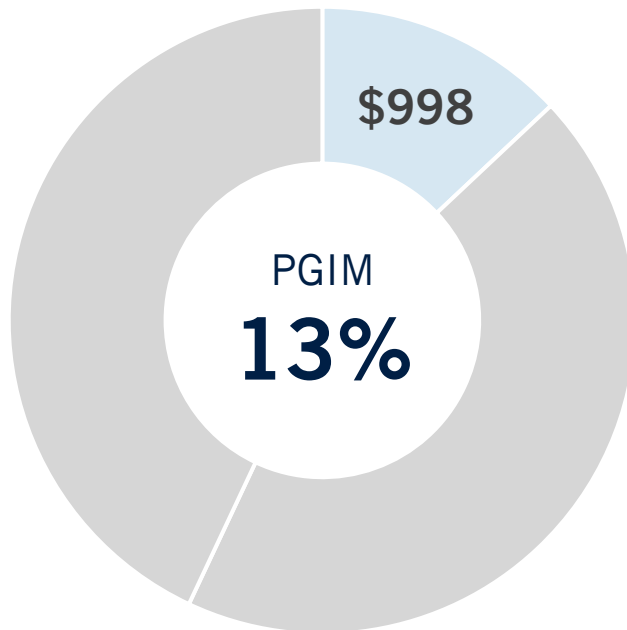
Thoughtful strategies and business design
produce differentiated outcomes



Prudential
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Diversified Top 10 Global Asset Manager with a Differentiated Active Multi-Manager Model

2019 Earnings Contribution⁽¹⁾ (\$ millions)



Business Highlights:

- Diverse offering with scale – Attractive asset classes, client segments, and worldwide geographic presence
- Proven ability to capture industry flows and market share while preserving fee levels
- Alignment of incentive – Pay for performance model

Stable earnings, strong operating margin, and sustained cash flows to PFI

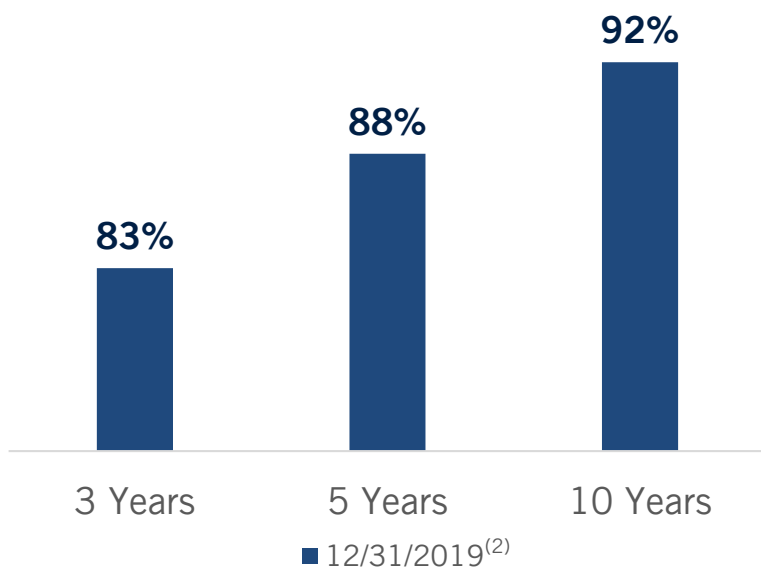
Note: See Appendix for sources of rankings.

(1) Based on pre-tax adjusted operating income excluding Corporate & Other operations.



Strong Investment Performance Across Attractive Asset Classes Leads to Significant Organic Growth

Percentage of PGIM AUM⁽¹⁾ Outperforming Benchmark



Successful History with 16 out of 17 Years of Positive Third-Party Net Flows (\$ billions)

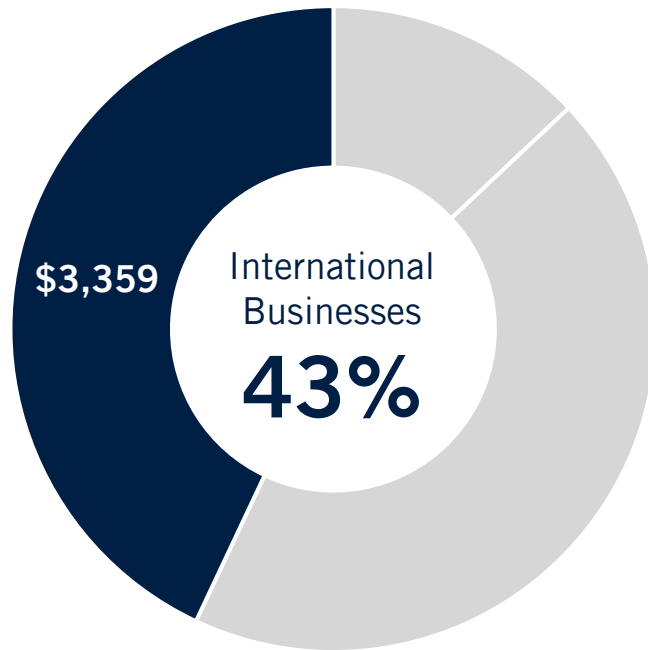


- (1) Represents PGIM's benchmarked AUM (77% of total third-party AUM is benchmarked over 3 years, 66% over 5 years, and 42% over 10 years). This calculation does not include non-benchmarked assets (including general account assets and assets not managed by PGIM). Returns are calculated gross of investment management fees, which would reduce an investor's net return. Excess performance is based on all actively managed Fixed Income, Equity and Real Estate AUM for Jennison Associates, PGIM Fixed Income, Quantitative Management Associates, PGIM Real Estate, PGIM Private Capital, PGIM Global Partners, and PGIM Real Estate Finance.
- (2) PGIM calculations as of December 31, 2019. Past performance is not a guarantee or reliable indicator of future results. All investments involve risk, including the possible loss of capital. Performance is defined as outperformance (gross of fees) relative to each individual strategy's respective benchmark(s).



Highly Productive, Elite Proprietary Distribution and Expanding Presence in Growth Markets

2019 Earnings Contribution⁽¹⁾ (\$ millions)



Business Highlights:

- Best in class, profitable Japanese franchise consistently taking market share
- Continuing rotation from mature to developing markets with greater growth prospects and favorable demographic trends
- Synergies with PGIM's investment expertise

**Stable earnings, high returns,
and sustained cash flows to PFI**

Note: See Appendix for earnings by business.

(1) Based on pre-tax adjusted operating income excluding Corporate & Other operations.



Attractive Mix of Developed and Emerging Markets Provide Long-term Growth

Developed: Japan

- Highly productive distribution system; world class captive agents, complemented by third-party channels
- Aging population provides opportunity for expanding product solutions
- Wealthy households with significant investable assets

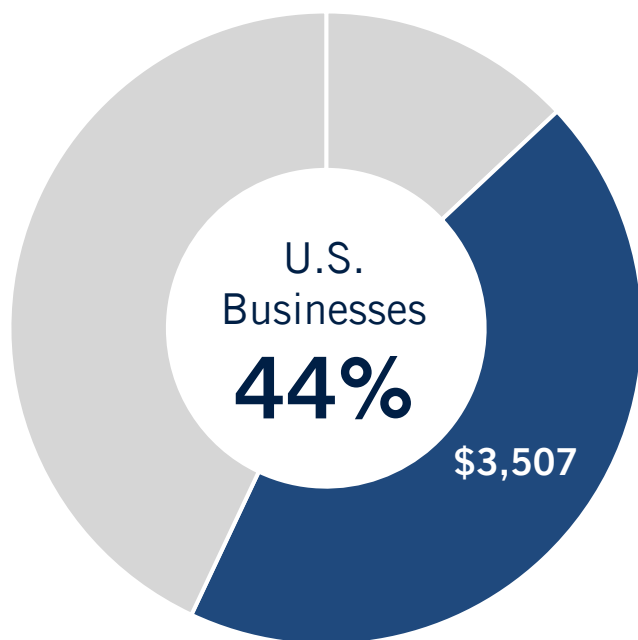
Emerging Markets

- Expanding economies and rising affluent and middle class: Latin America, China, Southeast Asia, Africa
- Low insurance penetration with growing demand for protection and savings products
- Thoughtful ownership approaches and business models tailored to local market dynamics and opportunities



Diversified Business Portfolio with Expanding Market Opportunities

2019 Earnings Contribution⁽¹⁾ (\$ millions)



Business Highlights:

- Diversified customer base
- Broad set of complementary solutions
- Strong multi-channel distribution
- Synergies with PGIM's investment expertise

**Scaled and diversified businesses
with runway for growth**

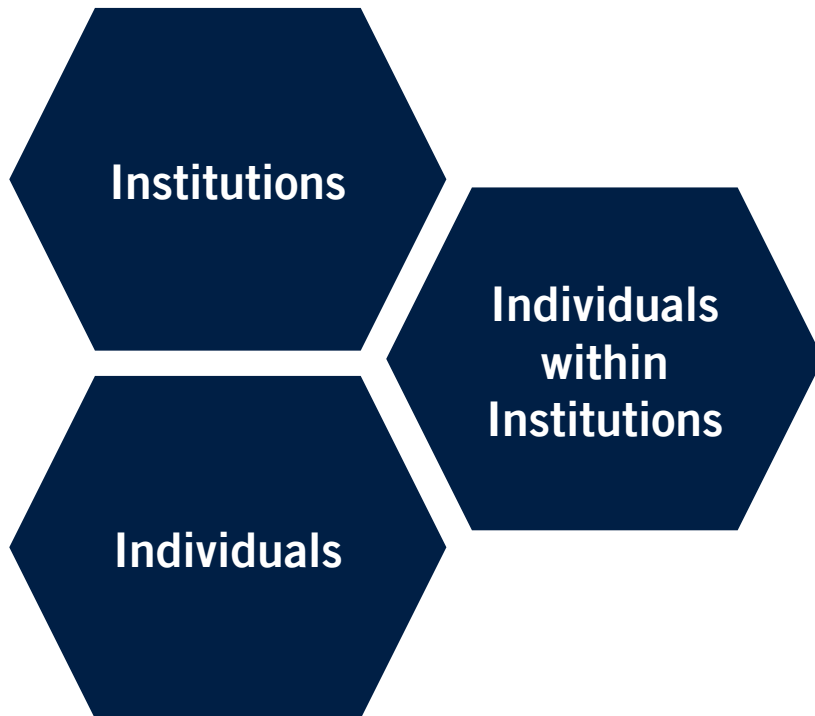
Note: See Appendix for earnings by business.

(1) Based on pre-tax adjusted operating income excluding Corporate & Other operations. U.S. Businesses include Retirement, Group Insurance, Individual Annuities, Individual Life, and Assurance IQ.

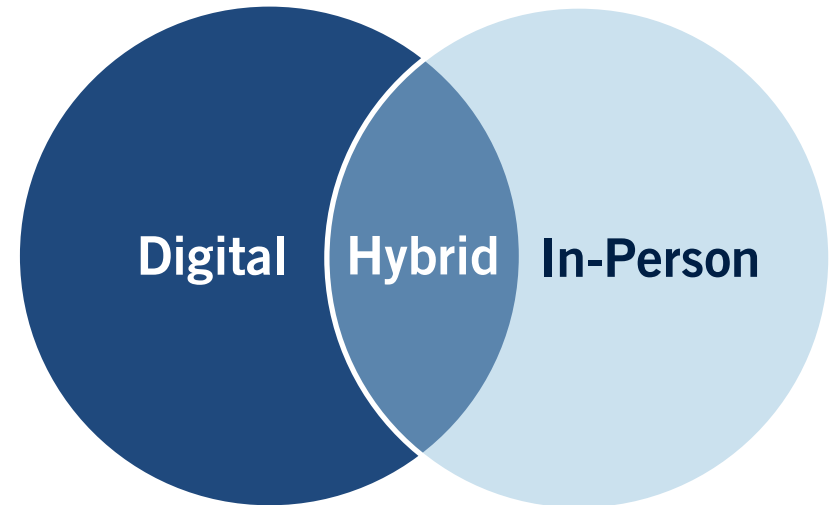


Broad, End-to-End Engagement Model

We Can Meet Customers...



... How and When They Want



Complementary Businesses Amplify Growth and Mitigate Risk

Competitive Synergies

- PGIM is the “investment engine” of Prudential – generates higher returning assets that enhance the competitiveness of U.S. and International Businesses
- U.S. and International Businesses significantly increase PGIM’s scale
- Individual businesses enhance Workplace value proposition

Risk Mitigation Synergies

- Diversification of earnings, capital, and risks
- Natural hedging
 - Mortality / Longevity
 - Offsetting equity exposure across businesses

← **Global Intelligence** — **Idea Sharing** — **Common Purpose** →





DISCIPLINED
Positioned for long-term growth



Prudential
Bring Your Challenges®

2020: Focus on Execution

**Enhance
Customer
Experience and
Realize Cost
Savings**

**Rotate
International
Earnings Mix to
Growth Markets**

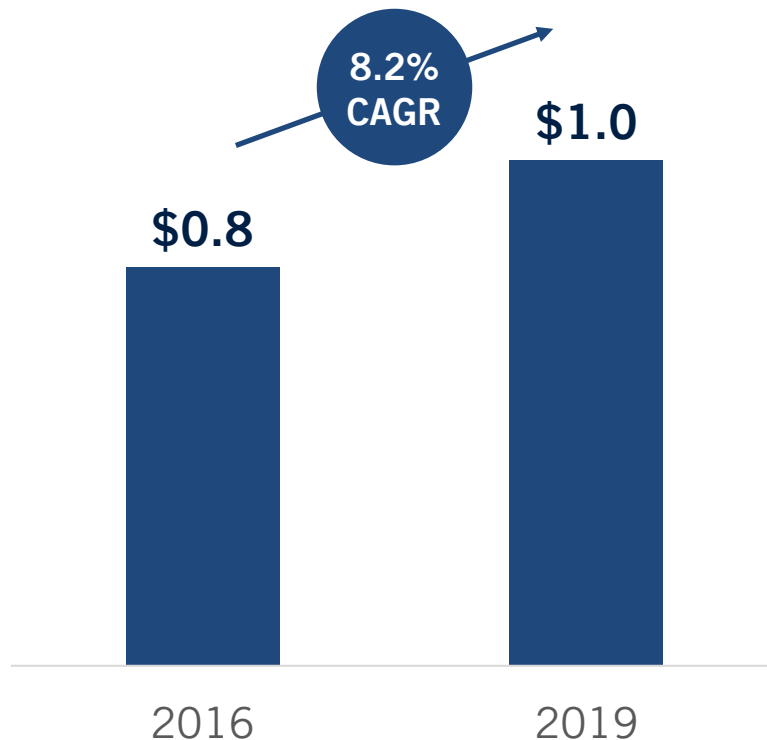
**Mitigate
Effect of Low
Interest Rates**



Earnings and Margin Continue to Expand

(\$ billions)
Pre-tax AOI

Earnings



Growth opportunities from:

- Alternatives
- International
- Retail

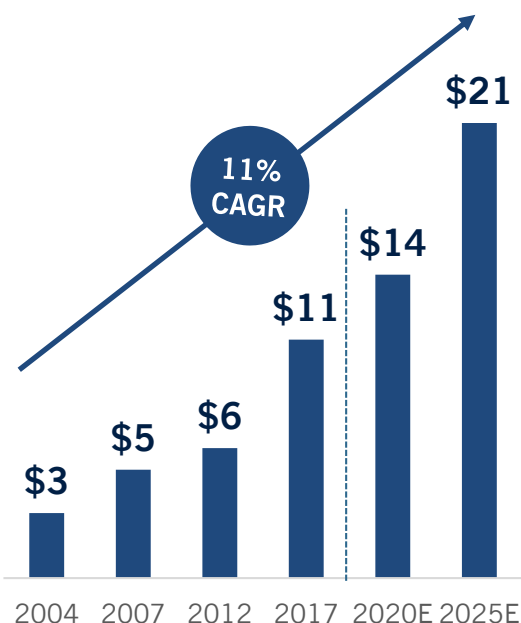
**Margin expansion from
positive operating leverage**



Growth in Alternatives

Market Opportunity⁽¹⁾

(\$ trillions)



PGIM's Positioning

Alternatives⁽²⁾ **\$237B** **Top 3**

Real Estate⁽²⁾ **\$189B** **Top 3**

Private Credit⁽²⁾ **\$91B** **Top 3**

Investments for Future Growth

- Building out private credit capabilities (e.g. mezzanine, direct lending)
- Entering the Private Equity Secondaries space
- Further scaling and broadening PGIM Fixed Income's suite of hedge funds
- Driving growth of QMA's global macro and managed futures strategies

Note: See Appendix for sources of rankings.

(1) PwC Asset & Wealth Management Revolution, published 2018.

(2) Data reflects AUM as of December 31, 2019. Alternatives AUM represents hedge fund, mezzanine and other private credit, real asset, and infrastructure products across all PGIM businesses.



Significant Opportunity Outside the U.S.

Japan

~\$252B in Assets⁽¹⁾

- **Top 3** foreign manager of Japanese Institutional assets
- Generated a total of ~**\$40B** in third-party net flows over the last 5 years
- Increased appetite for non-Japan assets

Europe

~\$75B in Assets⁽¹⁾

- AUM from European clients grew by **12% CAGR** over the last 5 years
- ~30 sales professionals covering EU institutions and intermediaries, tripled since 2013
- Entering Retail market

Emerging Markets

~\$34B in Assets⁽¹⁾

- China: **\$19B AUM JV⁽¹⁾** up from **\$5B** in 2010; deepening local coverage of top institutions
- Top 10 EM active manager with **\$49B⁽¹⁾** across public debt and equities strategies

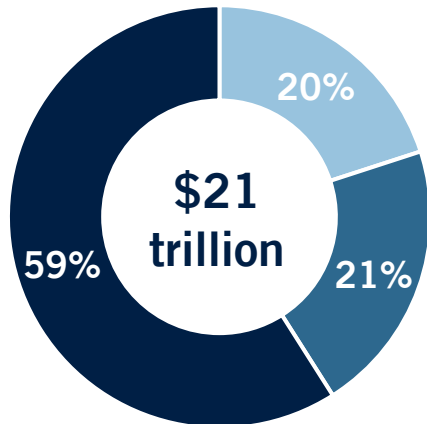
Note: See Appendix for sources of rankings.

(1) As of December 31, 2019.



Momentum in U.S. Retail

Market Opportunity⁽¹⁾



- Passive MFs
- Passive ETFs
- Active MFs and ETFs

PGIM's Positioning

- Ranked **#7** by flows
- Institutional approach to serving retail intermediaries
- Leading Fixed Income franchise meets investors' demand for yield

Investments for Future Growth

- Continue to build on strategic partner status (e.g. Edward Jones)
- Scale up suite of active ETFs and Retail Separate Accounts

Note: See Appendix for sources of rankings.

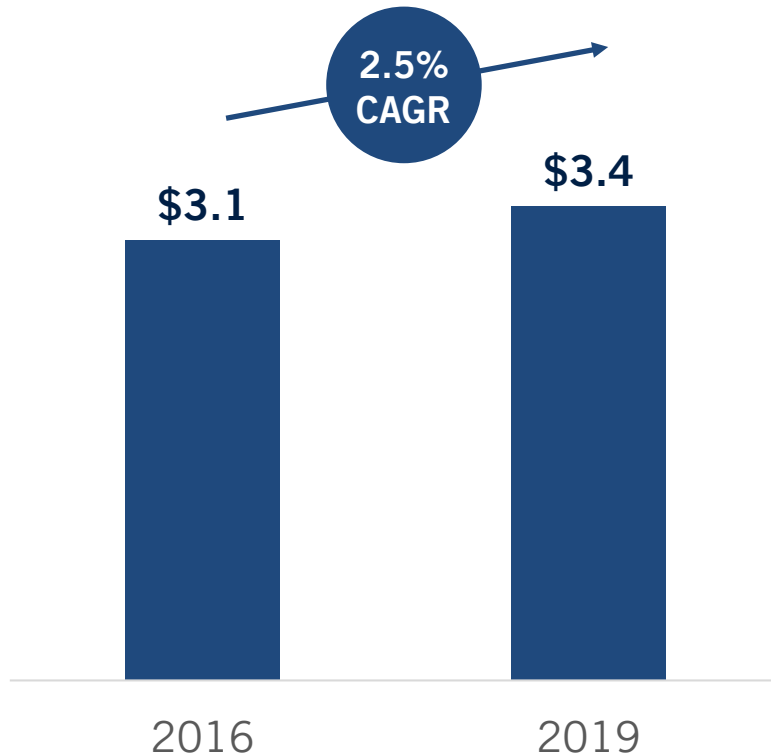
(1) Morningstar data as of year ended December 31, 2019 (excludes money market funds).



Earnings Expansion with Stable Margins

(\$ billions)
Pre-tax AOI

Earnings



Growth opportunities from:

- Continuing to outpace the market in Japan
- Expanding our presence in emerging markets

Note: See Appendix for earnings by business.



Well Positioned for Continued Outperformance in Japan

**Market
Penetration
Beyond Tokyo**

**Highly Skilled
Distribution**

**Adept at
Product
Evolution**



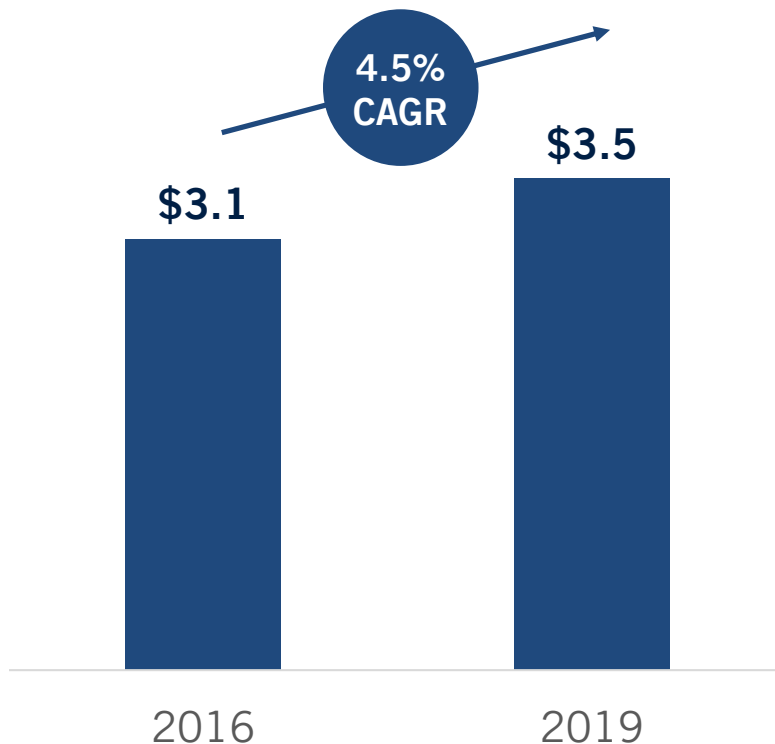
Delivering on Our Strategic Imperatives to Capture Growth in Emerging Markets



Executing Against Three Strategic Pillars

(\$ billions)
Pre-tax AOI

Earnings



Growth opportunities from:

- Strengthening our foundational businesses
- Transforming capabilities and efficiency
- Expanding addressable markets to accelerate growth

Note: See Appendix for earnings by business.



Strengthening Our Foundational Businesses

Retirement

- Enhance Full Service platform customer experience and competitiveness
 - Pursue disciplined growth in PRT
-

Group Insurance

- Expand in target customer segments
 - Enhance voluntary platform and products
-

Individual Annuities & Individual Life

- Expand in target distribution and customer segments
- Further diversify product mix to mitigate interest rate sensitivity

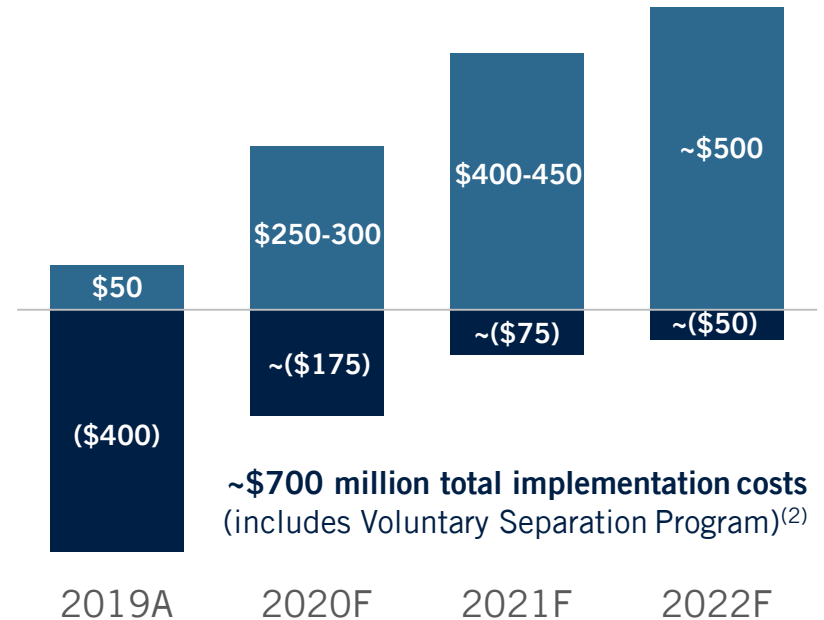


Transforming Capabilities and Efficiency

Changing the way we work to improve the customer experience:

- Call Center Optimization
- Process Automation
- Technology Enablement (Digital, Mobile)

Resulting in ~\$500 million of annual run-rate cost savings⁽¹⁾
(by year-end 2022)



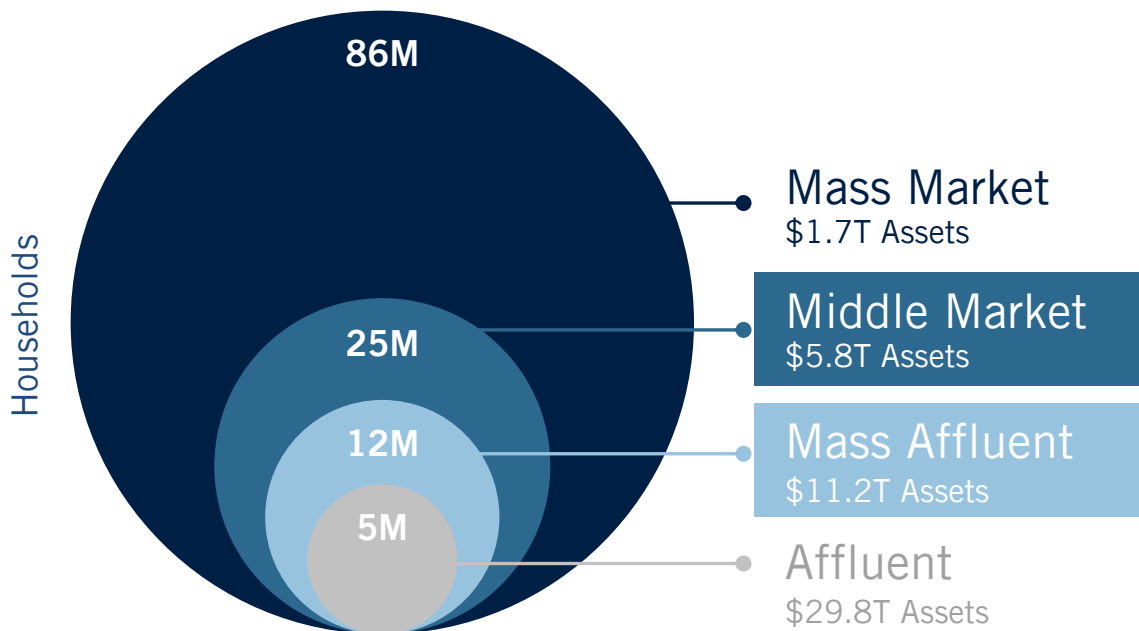
(1) Run-rate at the end of the year. Earnings impact includes U.S. Businesses, PGIM, and Corporate & Other and is subject to timing.

(2) Includes technology, systems, severance, reskilling, and other one-time costs.



Expanding Addressable Markets to Accelerate Growth

Opportunity to Accelerate Growth in Mass Affluent and Middle Market



Significant opportunity to expand and grow:

- Underserved markets with significant gaps for protection and retirement

How we make it happen:

- Simplified and affordable products
- Alternative distribution channels
 - Workplace Financial Wellness
 - Prudential Advisors
 - LINK/Hybrid Advisors
 - Assurance IQ

Sources: Cerulli 2018 Retail Asset Management Report; Prudential 2018 Financial Wellness Survey.



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12.1%

Adjusted Operating ROE⁽¹⁾

13%

5-yr Annual Dividends Per Share CAGR⁽²⁾

9%

5-yr Adjusted BVPS CAGR⁽³⁾

(1) Based on 2019 annualized after-tax adjusted operating income and average adjusted book value. See reconciliation in Appendix for more information.

(2) From 2014 to 2019; based on annual dividend per share.

(3) From 2014 to 2019; based on adjusted book value. See reconciliation in Appendix for more information.





APPENDIX



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Sources of Rankings

Business	Market Position	Source
PGIM	Top 10 Global Asset Manager	Pensions & Investments Top Money Manager's list, May 27, 2019. AUM as of December 31, 2018.
	Top 3 Alternatives Asset Manager	Based on Willis Towers Watson Global Alternatives Survey, July 2017. AUM as of December 2016.
	Top 3 Real Estate Manager	IPE Real Assets, Real Estate Managers by Worldwide AUM as of June 30, 2018. Publication as of November/December 2018 issue.
	Top 3 Assets in Investment Grade Credit Strategies	Investment Grade Credit Manager Survey, IPE International Publishers Limited, March 2019. AUM as of December 31, 2018.
	Top 3 Foreign Manager of Japanese Institutional Assets	Nenkin Joho by R&I. AUM as of December 31, 2018. AUM ranking pertains to separate accounts and does not include AUM for institutional funds.
	Top 10 EM Active Manager	Based on eVestment data as of December 31, 2019.
	#7 Flows	Strategic Insight/Simfund FY 2019. Ranking only references long-term mutual funds and excludes ETF and money markets. Results may differ from PGIM Investments (Strategic Insight/Simfund excludes Day One and private funds).



Earnings by Business

(\$ millions)

	Full Year	
	2019	2016
Adjusted operating income (loss) before income taxes		
PGIM	\$ 998	\$ 787
U.S. Businesses:		
Retirement	1,301	1,012
Group Insurance	285	220
Individual Annuities	1,843	1,765
Individual Life	87	79
Assurance IQ	(9)	-
Total U.S. Businesses	3,507	3,076
International Businesses:		
Life Planner	1,680	1,539
Gibraltar Life & Other	1,679	1,578
Total International Businesses	3,359	3,117
Corporate & Other	(1,766)	(1,581)
Total adjusted operating income before income taxes	6,098	5,399
Income taxes, applicable to adjusted operating income	1,253	1,292
After-tax adjusted operating income	<u>\$ 4,845</u>	<u>\$ 4,107</u>



Reconciliations between Adjusted Operating Income and the Comparable GAAP Measure

(\$ millions, except per share data)

	Full Year	
	2019	2016
Net income attributable to Prudential Financial, Inc.	\$ 4,186	\$ 4,368
Income attributable to noncontrolling interests	52	51
Net income	4,238	4,419
Less: Earnings attributable to noncontrolling interests	52	51
Income attributable to Prudential Financial, Inc.	4,186	4,368
Less: Equity in earnings of operating joint ventures, net of taxes and earnings attributable to noncontrolling interests	48	(2)
Income (after-tax) before equity in earnings of operating joint ventures	4,138	4,370
Less: Reconciling Items:		
Realized investment gains (losses), net, and related charges and adjustments ⁽¹⁾	(889)	527
Market experience updates	(462)	-
Divested and Run-off Businesses:		
Closed Block division	36	(132)
Other Divested and Run-off Businesses	452	(84)
Equity in earnings of operating joint ventures and earnings attributable to noncontrolling interests	(103)	(5)
Other adjustments ⁽²⁾	(47)	-
Total reconciling items, before income taxes	(1,013)	306
Less: Income taxes, not applicable to adjusted operating income	(306)	43
Total reconciling items, after income taxes	(707)	263
After-tax adjusted operating income	4,845	4,107
Income taxes, applicable to adjusted operating income	1,253	1,292
Adjusted operating income before income taxes	\$ 6,098	\$ 5,399
After-tax adjusted operating income per share	\$ 11.69	\$ 9.13
Net Income Return on Equity	7.1%	8.8%
Adjusted Operating Return on Equity ⁽³⁾	12.1%	12.0%

(1) Prior period has been reclassified to conform to current period presentation.

(2) Represents adjustments not included in the above reconciling items. "Other adjustments" include certain components of the consideration for the Assurance IQ acquisition, which are recognized as compensation expense over the requisite service periods, as well as changes in the fair value of contingent consideration.

(3) Represents 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 amounts included for foreign currency exchange rate remeasurement.



Reconciliations between Adjusted Book Value and the Comparable GAAP Measure⁽¹⁾

(\$ millions, except per share data)

	December 31,	
	2019	2014
GAAP book value	\$ 63,115	\$ 40,981
Less: Accumulated other comprehensive income (AOCI)	24,039	15,882
GAAP book value excluding AOCI	39,076	25,099
Less: Cumulative effect of remeasurement of foreign currency	(1,835)	(4,783)
Adjusted book value	<u>\$ 40,911</u>	<u>\$ 29,882</u>
 Number of diluted shares	 404.9	 461.5
 GAAP book value per Common share - diluted ⁽¹⁾	 \$ 155.88	 \$ 88.80
GAAP book value excluding AOCI per Common share - diluted ⁽¹⁾	\$ 96.51	\$ 54.39
Adjusted book value per Common share - diluted ⁽¹⁾	\$ 101.04	\$ 64.75

(1) Represents results of Financial Services Businesses for 2014. The \$500 million of exchangeable surplus notes were converted into 6.2 million shares of Common Stock in the third quarter of 2019. Book value per share as of December 31, 2014 excludes the impact of exchangeable surplus notes due to the anti-dilutive impact of conversion.

