1Q20 Earnings Call

May 6, 2020

Key Messages

Living up to our purpose in response to COVID-19

Supported by our rock solid balance sheet

Taking action to accelerate our initiatives

WE MAKE LIVES BETTER *by* SOLVING *the* FINANCIAL CHALLENGES *of our* CHANGING WORLD

Living Up to Our Purpose in Response to COVID-19

Supporting Our Employees

- New and expanded initiatives for family support and healthcare, including covering co-insurance costs for COVID-19 testing
- 98% of U.S. employees and majority of international employees are working remotely
- Providing additional flexibility for paid-time off and non-traditional work hours

Serving Our Customers

- Expanded assistance including premium deferrals, fee waivers, and eliminating medical exams for new life applicants where possible
- Additional engagement options including online tools, chatbot, and voice-activated systems to facilitate consultations and transactions
- Accelerated process for customers to withdraw funds from annuity and life insurance policies

Helping Our Communities

- Donated more than 150,000 face masks, including 75,000 N95 respirators, to New Jersey healthcare workers
- Member of NJ Governor's Restart and Recovery Commission
- Partnering with the American Nurses Association to sponsor outreach initiatives and offer financial wellness services

Supported by Our Rock Solid Balance Sheet

Capital continued to exceed AA strength levels as of March 31, 2020

Enacted stress scenario playbook in 1Q20, further enhancing balance sheet strength

- Raised $1.5 billion of debt, intended to cover maturities through 2021, including $500 million green bond issuance – 1st U.S. company in our sector
- Increased liquidity in subsidiaries
- Temporary suspension of share repurchases

Variable annuity hedging 99% effective

Conservative investment portfolio

Significant additional resources available

Taking Action to Accelerate Our Initiatives

2020 Initiatives	Commentary	Status
Actions to Mitigate Low Interest Rates	▪ Repricing products more quickly ▪ Pivoting to less interest rate sensitive products	On Track
International Earnings Mix	▪ Announced sale of Prudential of Korea on April 10th ▪ Continuing to explore strategic options for Taiwanese insurance business	On Track
Cost Savings Initiative	▪ On track to achieve the $140 million cost savings target for 2020 ▪ Realized ~$30 million of cost savings in 1Q20	On Track

First Quarter 2020 Highlights

($ millions, except per share amounts)

Financial Highlights

	1Q20
Pre-Tax Adjusted Operating Income[1]	$1,192
Adjusted Earnings Per Share[1]	$2.32
GAAP Net Income Per Share	($0.70)
Adjusted Operating ROE[2]	9.3%
Adjusted Book Value Per Share[1]	$99.71

Earnings Drivers

U.S. Businesses

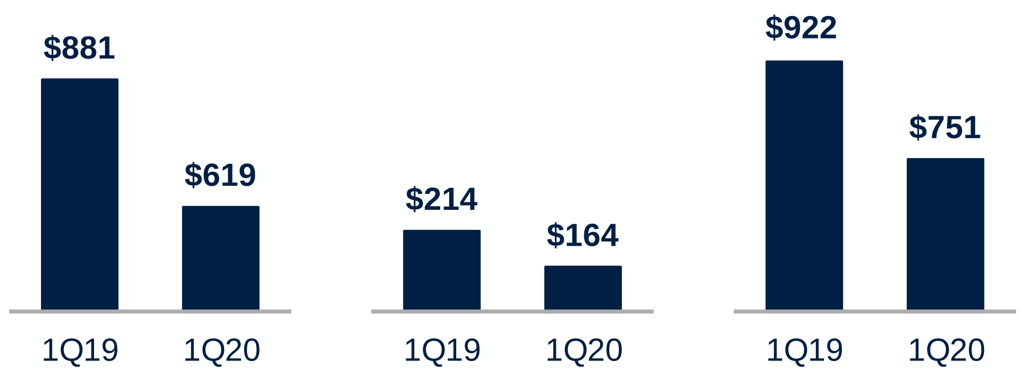
– Lower underwriting
– Lower fee income
– Lower spread income

PGIM

– Lower Other Related Revenues
– Loss of Wells Fargo fees
+ Higher asset management fees

International Businesses

– Lower spread income
– Higher expenses
– Lower JV earnings
+ Business growth



1Q20 Corporate & Other operations include $25 million of expenses to support $500 million of run-rate cost savings by the end of 2022

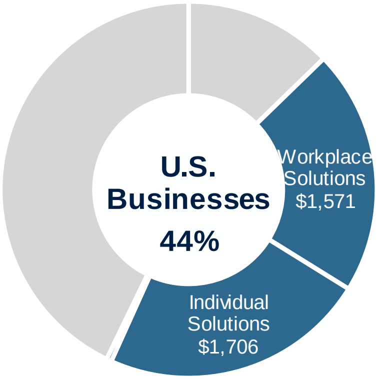
Note: See Appendix for segment results.
(1) See reconciliation in appendix for Adjusted Operating Income, Adjusted Earnings Per Share, and Adjusted Book Value Per Share.
(2) Based on year-to-date 2020 annualized after-tax Adjusted Operating Income and average Adjusted Book Value. See appendix for more information.

U.S. Businesses

Diversified Business Portfolio with Expanding Market Opportunities

Earnings Contribution to Prudential

Trailing twelve months(1)
($ millions)

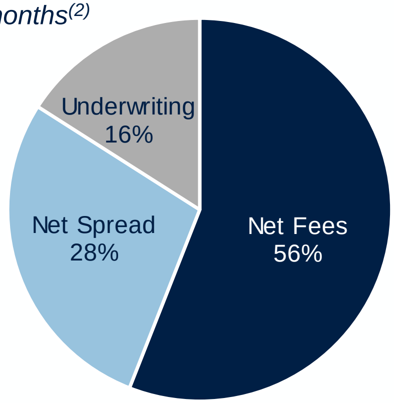


Key Priorities

- Transform our capabilities to realize efficiencies and improve customer experiences
- Pursue targeted growth opportunities and maintain appropriate returns in the current market environment
- Expand addressable market to improve the financial wellness of individuals through the combined capabilities of Prudential and Assurance IQ

Diversified Sources of Earnings

Trailing twelve months(2)



Key Performance Indicators

- Retirement Full Service persistency of 98% and Group Life persistency of 97%
- Individual Annuities variable annuity product hedging highly effective at 99%, despite market volatility
- Launched Prudential's "SimplyTerm" on Assurance platform
- Product and pricing discipline in an increasingly challenged environment
- Expansion of workplace Financial Wellness offerings through third-party partnerships

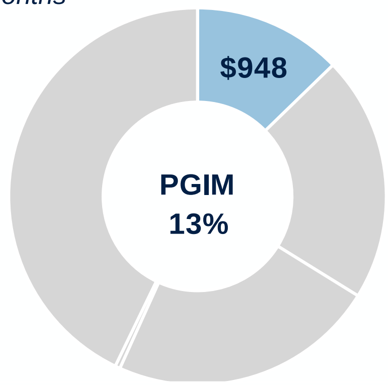
Note: See Appendix for segment results.
(1) Based on pre-tax adjusted operating income excluding Corporate & Other operations. U.S. Businesses include Retirement, Group Insurance, Individual Annuities, Individual Life, and Assurance IQ.
(2) Based on net fee income, net spread income, and underwriting margin and claims experience gross of expenses. Excludes actuarial assumptions and other refinements and market experience updates.

PGIM

Active Global Investment Manager Across a Broad Range of Private and Public Asset Classes

Earnings Contribution to Prudential

Trailing twelve months[1]
($ millions)

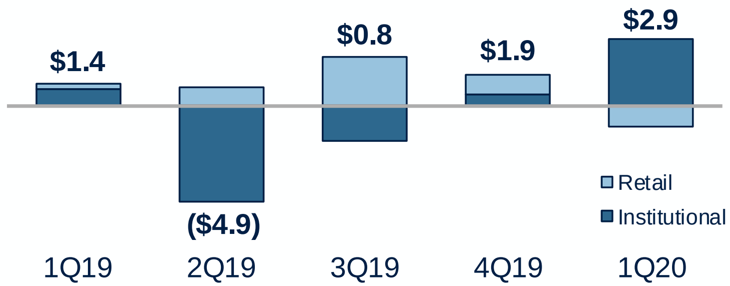


Key Priorities

- Maintain strong investment performance[2]
  - Percentage of AUM[3] outperforming benchmark: 3 Year: 46%, 5 Year: 79%, 10 Year: 94%
- Leverage scale of $1.3 trillion AUM[4] through multi-manager model and Prudential enterprise relationship
- Globalize the product and client footprint
- Continue to diversify products into high margin areas
- Selectively acquire new capabilities

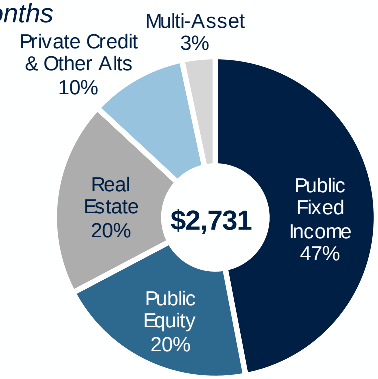
3rd Party Net Flows

($ billions)



Asset Management Fees

Trailing twelve months
($ millions)



(1) Based on pre-tax adjusted operating income excluding Corporate & Other operations.
(2) PGIM calculations as of March 31, 2020 for $709 billion of third-party AUM managed against public benchmarks. 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).
(3) Represents PGIM's benchmarked AUM (77% of total third-party AUM is benchmarked over 3 years, 67% over 5 years, and 44% over 10 years respectively). 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 (QMA), PGIM Real Estate, PGIM Private Capital, PGIM Global Partners, and PGIM Real Estate Finance.
(4) Based on assets under management as of March 31, 2020.

International Businesses

Highly Productive Proprietary Distribution and Expanding Presence in Growth Markets

Earnings Contribution to Prudential

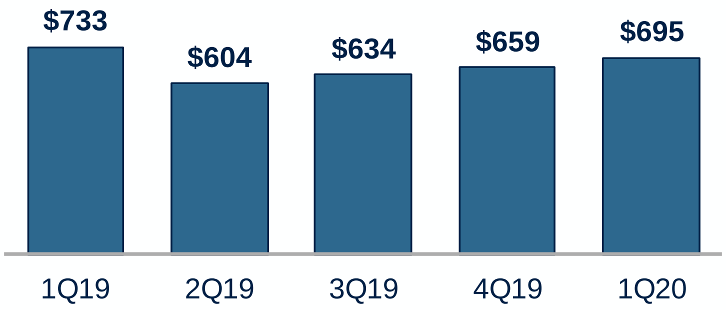
Trailing twelve months(1)
($ millions)

Key Priorities

- Lead with protection solutions and innovate as client needs evolve
- Nurture and grow high quality proprietary distribution
- Strategically expand in third-party channels
- Expand in emerging growth markets including through selective M&A opportunities
- Build digital, mobile, and data analytics capabilities

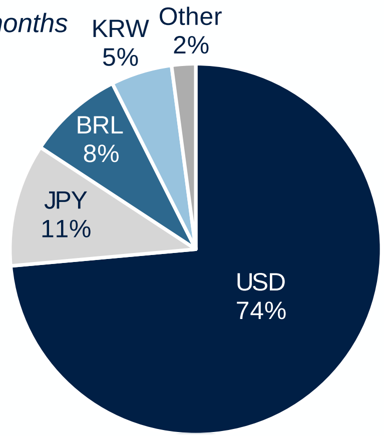
Sales(2)

($ millions)



Sales – Currency Mix(2)

Trailing twelve months



Note: See Appendix for Life Planner and Gibraltar Life and Other operating results.

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

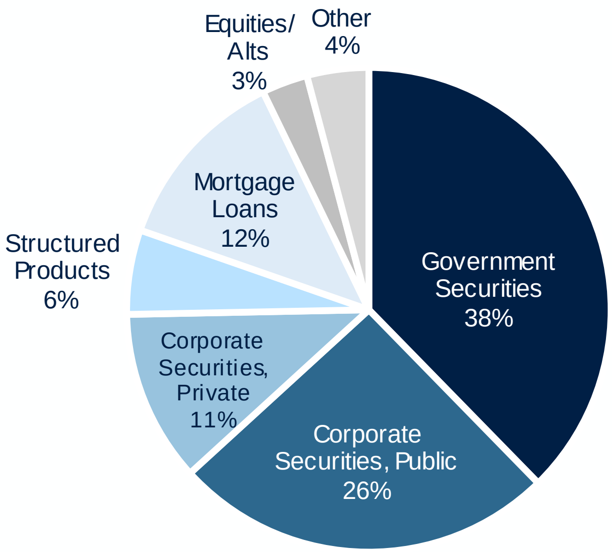
(2) Constant exchange rate basis. Foreign denominated activity translated to U.S. Dollars (USD) at uniform exchange rates for all periods presented, including Japanese Yen (JPY) 104 per U.S. Dollar, Korean Won (KRW) 1,090 per U.S. Dollar, and Brazilian Real (BRL) 3.9 per U.S. Dollar. U.S. Dollar-denominated activity is included based on the amounts as transacted in U.S. Dollars. Sales represented by annualized new business premiums.

Investment Portfolio

Conservative Investment Portfolio Focusing on Quality

Portfolio Composition(1)

$436 billion



Highlights

- High quality, defensively positioned portfolio with disciplined Asset Liability Management
  - High allocation to government securities (mostly U.S. and Japan)
  - Significant protections with private credit
  - Well protected mortgages, underweight office and retail with low LTVs
  - Low exposure to vulnerable sectors (Energy, Retail, Other "At Risk" Corporates)
- Favorable credit loss experience relative to peers
  - Outperformed in 2008 / 2009 and through cycle ending in 2019
- Benefits of PGIM's expertise and direct origination capabilities
- Credit asset leverage lower than peer average at 6.2x(2)

(1) General Account excluding the Closed Block Division and assets supporting experience-related contractholder liabilities (ASCL) as of March 31, 2020, on a U.S. GAAP carrying value basis. ASCL represents investment results that generally accrue to contractholders. 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 policy loans, fixed maturities - trading, short-term investments, derivatives, and other miscellaneous assets.

(2) Asset leverage defined as (a) invested assets adjusted to isolate credit risk by including only Credit Bonds (fixed maturities including mortgage loans less government bonds), excluding the Closed Block Division and ASCL, divided by (b) equity excluding the portion of AOCI attributable to FX remeasurement and goodwill. Peer average includes AFL, AEL, AMP, ATH, BHF, CNO, EQH, LNC, MET, PFG, RGA, UNM, and VOYA. As of December 31, 2019 and sourced from Company Form 10-K filings or quarterly financial supplements.

Framework to Assess Potential Credit Cycle Scenario

Overview

- **Credit losses modeled based on assumptions applied to our investment portfolio:**
  - Defaults
  - Impairments
  - Ratings migration

- **Assumptions primarily based on third-parties:**
  - Losses on defaults: Moody’s and Society of Actuaries (SOA)
  - Impairments: 50% of losses on defaults for credits downgraded to B or below
  - Ratings migration: Moody’s 3-year recession scenario

Key Findings

- **Credit losses under stress scenarios expected to be manageable**
  - 3-year loss less than 1-year of free cash flow[(1)]
  - Total 3-year after-tax loss: ~$2.4 billion
    - Defaults: ~$1.7 billion
    - Impairments: ~$0.7 billion
  - Ratings migration impacts
    - ~40 RBC points on PICA
    - Less than 25 solvency margin ratio points on Japanese subsidiaries

Note: See Appendix for methodology and disclosures.

(1) Assumes an average year’s free cash flows. Management view of free cash flow includes dividends and returns of capital, net receipts from capital related intercompany loans, capital contributions to subsidiaries, and adjustments for M&A funding.

Adjusted Operating Income & EPS Considerations

($ millions, except per share amounts)

		Adjusted Operating Income Pre-Tax	Adjusted Earnings Per Share After-Tax
1Q20 Reported[1]		**$1,192**	**$2.32**
Variable Investment Income	• Net impact of variable investment income below expectations by $150 million in 1Q20 and $300 million in 2Q20	(150)	(0.30)
Seasonal Expenses and Implementation Costs	• Lower seasonal expenses, partially offset by higher implementation costs in 2Q20	50	0.10
Other	• Net earnings impacts for certain segments	45	0.09
Account Value Adjustment	• Lower net fee income run-rate adjusting for account values ending 1Q20 below the average account values for the quarter	(80)	(0.16)
COVID-19	• Estimated 2Q20 impact due to mortality and elevated expenses from COVID-19	(250)	(0.49)
Interest Rates[2]	• 2Q20 quarterly reduction in net investment income from portfolio reinvestment	(15)	(0.03)
2Q20 Baseline[3]		**$792**	**$1.53**

2Q20 baseline includes items specific to the second quarter that reduce EPS by $1.22[4]

Note: See Appendix for segment detail.

(1) See reconciliation in appendix for Adjusted Operating Income and Adjusted Earnings Per Share.

(2) Impact of low interest rate environment may not be linear and may vary from indicated sensitivities at thresholds greater than those indicated. Assumes 7% annual turnover on ~$360 billion fixed income portfolio reinvested at new money yields consistent with 1Q20, 90 basis points below disposition yields on average. The earnings impact is split approximately 50% to U.S. Businesses and 50% to International Businesses.

(3) EPS rollforward list of considerations not intended to be exhaustive and rollforward is not a projection of 2Q20 results. Does not consider future items such as share repurchases, business growth, and certain market impacts.

(4) Items specific to the second quarter include variable investment income, implementation costs, underwriting seasonality, International seasonal premiums and expenses, and COVID-19 impacts.

COVID-19 Potential Net Mortality and Cost Impacts

Net Mortality / Morbidity

- Well-positioned to manage net mortality / morbidity risk
- Compared to general population, impacts are mitigated by our younger age distribution, lower insured mortality reflecting impact of underwriting, and offsets associated with longevity businesses
- Key assumptions:
  - Estimated U.S. fatalities of 100,000 and Japan fatalities of 40,000
  - Infection and infection fatality rates based on academic and industry studies
  - Assumed peak fatalities in 2Q

Pre-tax AOI Impact *($ millions)*	2Q20	FY 2020
COVID-19 Net Mortality / Morbidity(1)	**($135)**	**($200)**

Costs

- The company has taken steps to assist and care for our employees, their families, and our distribution partners and ensure we are able to serve our customers
- COVID-19 costs primarily related to:
  - Sales Support
  - Employee Health Protection
  - Technology
  - Other Expenses

Pre-tax AOI Impact *($ millions)*	2Q20	FY 2020
COVID-19 Costs(2)	**($115)**	**($230)**

(1) 2Q20 COVID-19 net mortality / morbidity includes $105 million in U.S. Businesses and $30 million in International Businesses. FY 2020 includes $140 million in U.S. Businesses and $60 million in International Businesses.

(2) 2Q20 COVID-19 costs include $10 million in U.S. Businesses, $70 million in International, and $35 million in Corporate & Other. FY 2020 includes $15 million in U.S. Businesses, $130 million in International, and $85 million in Corporate & Other.

Robust Capital Position and Sources of Funding

Capital Position

- Parent company liquid assets > 3x annual fixed charges
- Financial Leverage ratio at 25%(1)
- PICA RBC ratio > 375%
- Japan solvency margin ratios > 700%

Sources of Funding

- Parent company highly liquid assets of $5.3 billion(2)
- POK net sales proceeds of $1.7 billion in 2H20(3)
- Free cash flow(4) ~65% of earnings

Off-Balance Sheet Resources

Resource	Capacity	Maturity Date
Credit Facility	$4.0 billion	July 2022
Contingent Capital	$1.5 billion	November 2023
Prudential Holdings of Japan Facility	¥100 billion	September 2024

As of March 31, 2020.

(1) Financial leverage ratio represents capital debt divided by sum of capital debt and equity. Junior subordinated debt treated as 25% equity, 75% capital debt for purposes of calculation. Equity excludes non-controlling interest, AOCI (except for pension and postretirement unrecognized costs), and the impact of foreign currency exchange rate remeasurement.

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

(3) Net proceeds primarily include the impact of intercompany loan settlements and other estimated closing costs.

(4) Management view of free cash flow as a percentage of after-tax adjusted operating income includes dividends and returns of capital, net receipts from capital related intercompany loans, capital contributions to subsidiaries, and adjustments for M&A funding.

Key Messages

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Supported by our rock solid balance sheet

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WE MAKE LIVES BETTER *by*

SOLVING *the* FINANCIAL CHALLENGES

of our CHANGING WORLD

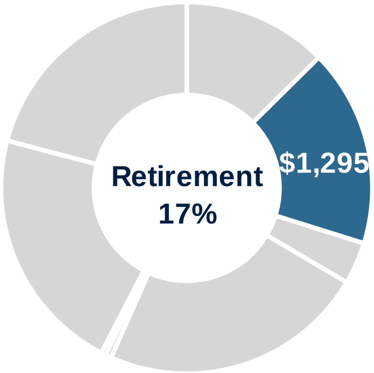
Appendix

Retirement

Differentiated Capabilities Drive Growth in PRT, Full Service, and Stable Value

Earnings Contribution to Prudential

Trailing twelve months[1]
($ millions)

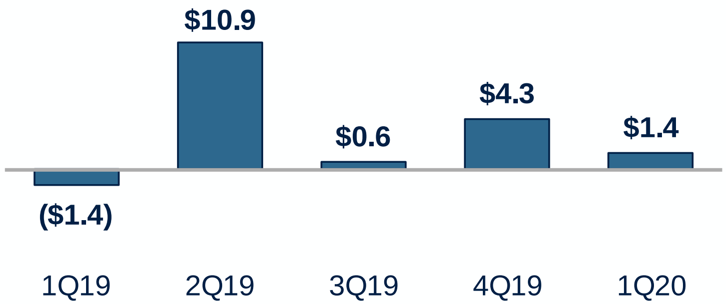


Key Priorities

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

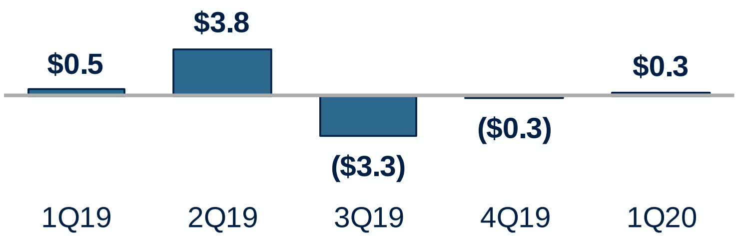
Institutional Investment Products Net Flows

($ billions)



Full Service Net Flows

($ billions)



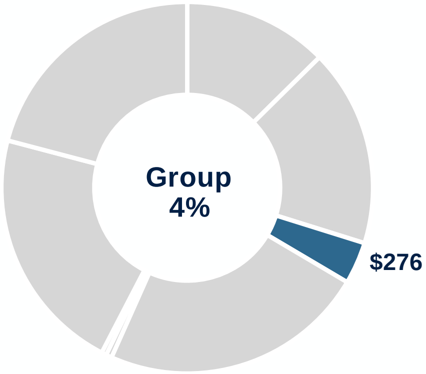
(1) Based on pre-tax adjusted operating income excluding Corporate & Other operations.

Group Insurance

Leading Group Benefits Provider with Opportunity to Further Diversify

Earnings Contribution to Prudential

Trailing twelve months(1)
($ millions)

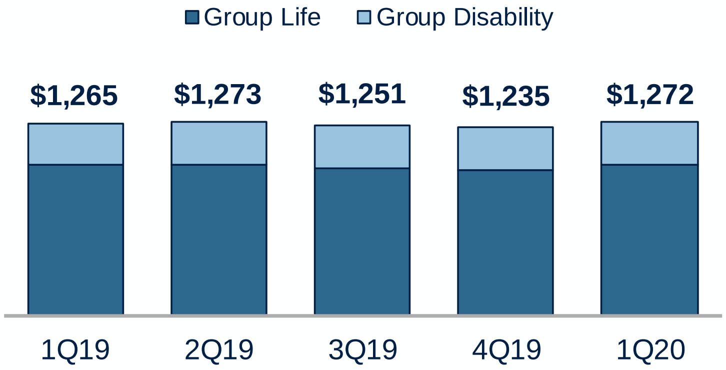


Key Priorities

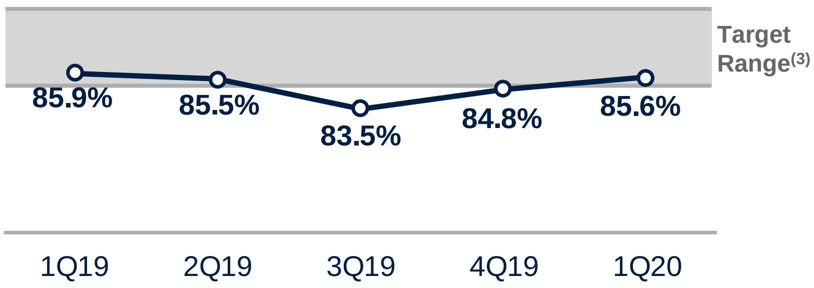
- Deepen employer and participant relationships with Financial Wellness programs
- Execute on diversification strategy while maintaining pricing discipline
  - Maintain National segment share (>5,000 lives) and grow both Premier segment (100 to 5,000 lives) and Association
  - Diversify further into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

Earned Premiums & Fees

($ millions)



Total Group Insurance Benefits Ratio(2)



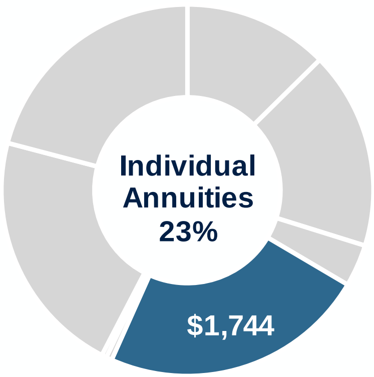
(1) Based on pre-tax adjusted operating income excluding Corporate & Other operations.
(2) Benefits ratios excluding the impact of the annual assumption update and other refinements.
(3) Targeted total benefit ratio range of 85% - 89%.

Individual Annuities

Strong Free Cash Flow Generation and Attractive Returns

Earnings Contribution to Prudential

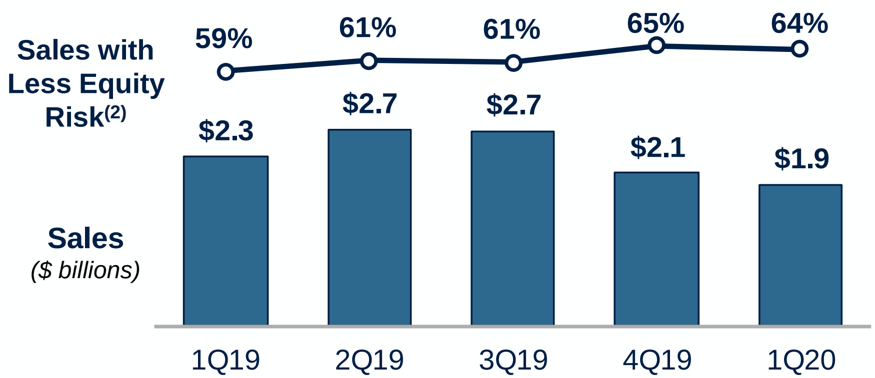
Trailing twelve months[(1)]
($ millions)



Key Priorities

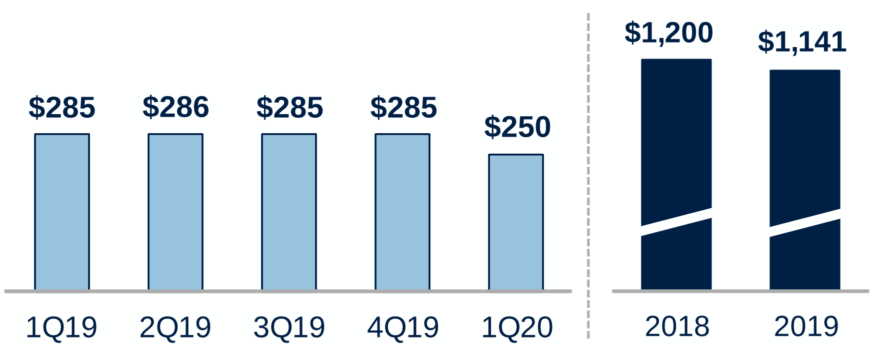
- Develop the next generation of innovative solutions to address changing market conditions
- Expand and deepen our reach through new and existing distribution channels
- Embrace technology to transform the way we do business

Sales



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

($ millions)



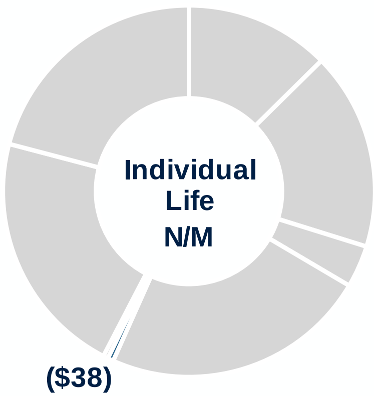
(1) Based on pre-tax adjusted operating income excluding Corporate & Other operations.
(2) Includes fixed annuities and other variable annuities. Excludes Highest Daily Suite.
(3) Dividends include Prudential Annuities Holding Co. but does not include Prudential Insurance Company of America.

Individual Life

Broad Product Portfolio and Multi-Channel Distribution

Earnings Contribution to Prudential

Trailing twelve months[(1)]
($ millions)

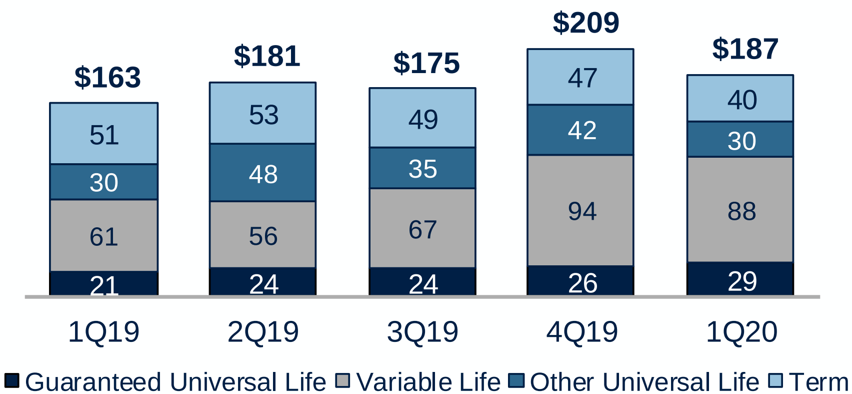


Key Priorities

- Continue to drive deeper distribution relationships by leveraging and continuing to expand end-to-end digital capabilities
- Drive sales through new channel development, including leveraging the Assurance IQ platform for additional distribution capabilities
- Improve profitability through operating model transformation and continued expense and pricing discipline

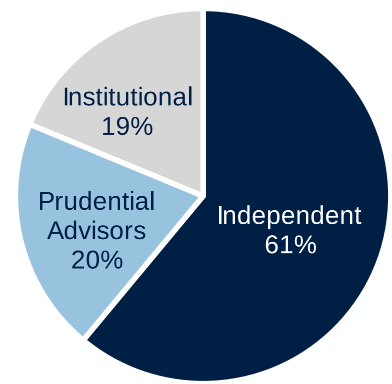
Sales[(2)] – Product Mix

($ millions)



Sales[(2)] – Distribution Mix

Trailing twelve months



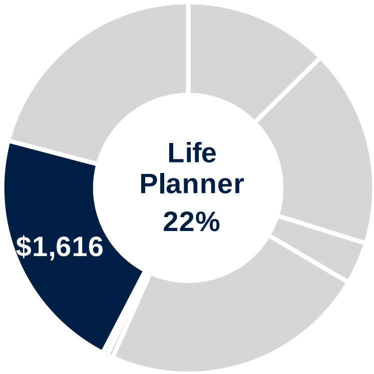
(1) Based on pre-tax adjusted operating income excluding Corporate & Other operations.
(2) Sales represented by annualized new business premiums.

Life Planner

Highly Productive Proprietary Distribution with Steady Long-term Growth Potential

Earnings Contribution to Prudential

Trailing twelve months[(1)]
($ millions)

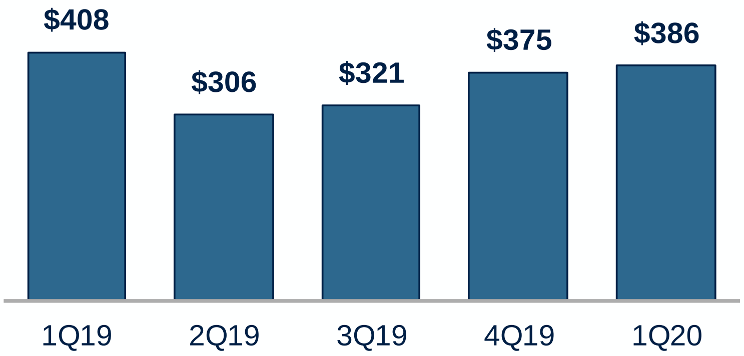


Key Priorities

- Lead with protection solutions and innovate as client needs evolve
- Nurture and grow Life Planners
- Expand in emerging growth markets including through selective M&A opportunities
- Build digital, mobile, and data analytics capabilities

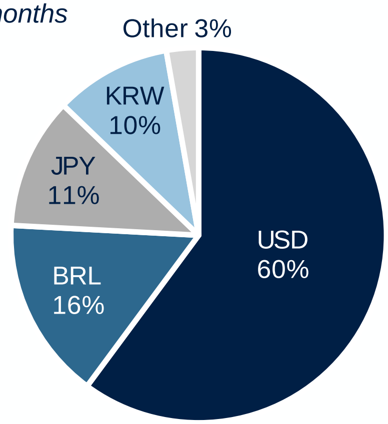
Sales[(2)]

($ millions)



Sales – Currency Mix[(2)]

Trailing twelve months



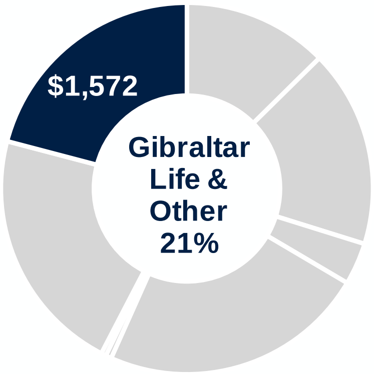
(1) Based on pre-tax adjusted operating income excluding Corporate & Other operations.
(2) Constant exchange rate basis. Foreign denominated activity translated to U.S. Dollars (USD) at uniform exchange rates for all periods presented, including Japanese Yen (JPY) 104 per U.S. Dollar, Korean Won (KRW) 1,090 per U.S. Dollar, and Brazilian Real (BRL) 3.9 per U.S. Dollar. U.S. Dollar-denominated activity is included based on the amounts as transacted in U.S. Dollars. Sales represented by annualized new business premiums.

Gibraltar Life and Other

Meeting Client Needs Via Multiple Channels

Earnings Contribution to Prudential

Trailing twelve months[(1)]
($ millions)

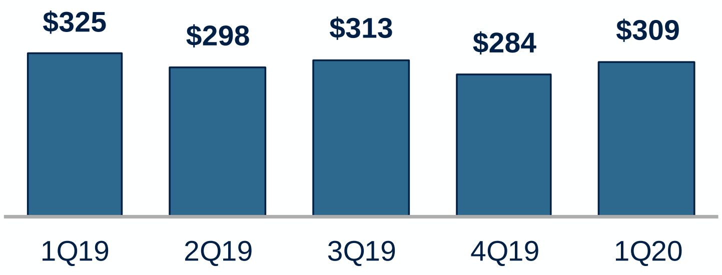


Key Priorities

- Lead with protection solutions and innovate as client needs evolve
- Optimize Life Consultant force through quality and productivity
- Strategically expand in third-party channels
- Expand in emerging growth markets including through selective M&A opportunities
- Build digital, mobile, and data analytics capabilities

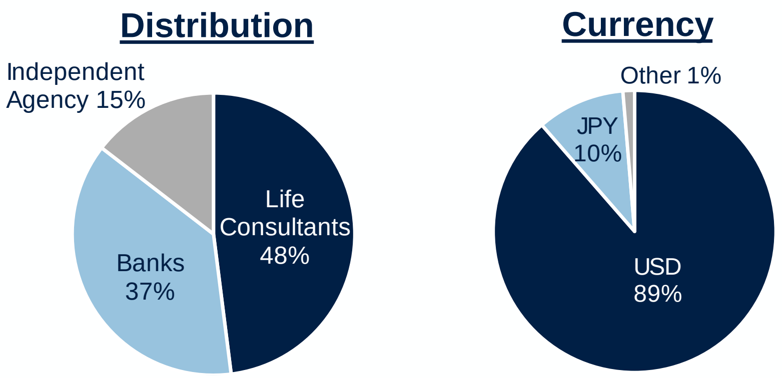
Sales[(2)]

($ millions)



Sales Mix[(2)]

Trailing twelve months



(1) Based on pre-tax adjusted operating income excluding Corporate & Other operations.
(2) Constant exchange rate basis. Foreign denominated activity translated to U.S. Dollars (USD) at uniform exchange rates for all periods presented, including Japanese Yen (JPY) 104 per U.S. Dollar. U.S. Dollar-denominated activity is included based on the amounts as transacted in U.S. Dollars. Sales represented by annualized new business premiums.

Investment Portfolio

Exposures in Focus

Areas of Exposure	Amount[(1)]	% of Portfolio[(1)]	Commentary	
BBB Corporates	$65B	15%	• Lower allocation vs. peers[(2)] • Nearly half are privates	• Lower exposure to BBB-, predominately in private credit with historically more favorable recoveries
Commercial Mortgages	$54B	12%	• Overweight more defensive sectors (Industrial and Multi-Family) • Underweight Office and Retail	• Well protected with weighted average LTV of 56% and DSCR of 2.47x • Benefits from PGIM's direct origination
Structured Securities	$25B	6%	• Well balanced, high quality with 99% rated AAA-AA • CLOs are 100% AAA rated, with ~35% credit enhancement	• CMBS are highly diversified collateral pools with no Single Asset Single Borrower exposure
Below Investment Grade Corporates	$15B	3%	• 45% are privates	• Heavily weighted towards higher quality
Equity & Alternative Investments	$13B	3%	• Lower allocation than peers[(2)] (Pru ~3% vs. peers ~5%) • Broadly diversified by strategy, manager, and vintage years	• Returns have exceeded expectations over time
Energy Corporates	$11B	3%	• Lower allocation vs. peers[(2)] • 82% rated investment grade • 30% are privates	• Primarily concentrated in regulated midstream (40%) and major producers (integrated energy, 24%) • $0.4 billion below investment grade publics in riskier sectors[(3)]
Retail Corporates[(4)]	$5B	1%	• 90% are investment grade	• Significant portion of investments (65% of total exposure in 10 companies) in large, essential retailers
Other "At Risk" Corporates	$5B	1%	• 80% are investment grade	• Includes Automotive, Restaurants, Gaming, Leisure, Lodging, and Airlines

(1) General Account excluding the Closed Block Division and assets supporting experience-related contractholder liabilities as of March 31, 2020, on a U.S. GAAP carrying value basis.
(2) Peer average includes ATH, BHF, LNC, MET, and PFG. As of December 31, 2019 and sourced from Company Form 10-K filings or Statutory filings.
(3) Independent Energy and Oil Field Services.
(4) Includes real estate investment trusts.

Adjusted Operating Income Rollforward by Business

($ millions, pre-tax)	1Q20 Reported[(1)]	Variable Investment Income[(2)]	Seasonal Expenses & Implementation Costs[(3)]	Other[(4)]	Account Value Adjustment	COVID-19	Interest Rates[(5)]	2Q20 Baseline[(6)]
PGIM	**164**	0	40	55	(30)	0	0	**229**
Retirement	**245**	(165)	0	10	0	70	(6)	**154**
Group Insurance	**44**	(15)	0	10	0	(105)	(2)	**(68)**
Individual Annuities	**373**	10	0	0	(50)	0	0	**333**
Individual Life	**(20)**	(35)	0	90	0	(80)	0	**(45)**
Life Planner	**417**	5	0	(115)	0	(50)	(2)	**255**
Gibraltar Life & Other	**334**	50	0	(5)	0	(50)	(5)	**324**
Corporate & Other	**(342)**	0	10	0	0	(35)	0	**(367)**

(1) See reconciliation for Adjusted Operating Income on slide 31.

(2) 1Q20 variable investment income was below expectations by $15 million in Retirement, $5 million in Group Insurance, $30 million in Individual Annuities, $10 million in Individual Life, $35 million in Life Planner, and $55 million in Gibraltar Life & Other. Based on market observations through April 28, 2020, 2Q20 variable investment income is expected to be below expectations by $180 million in Retirement, $20 million in Group Insurance, $20 million in Individual Annuities, $45 million in Individual Life, $30 million in Life Planner, and $5 million in Gibraltar Life & Other.

(3) Includes 1Q20 long-term compensation expense for retiree eligible employees of $40 million and $30 million in PGIM and Corporate & Other, respectively. Corporate & Other includes implementation costs of $25 million in 1Q20 and $45 million in 2Q20.

(4) Includes Other Related Revenues in PGIM below a normalized quarterly level by $55 million in 1Q20. 1Q20 underwriting experience was above / (below) expectations by $20 million in Retirement, ($10 million) in Group Insurance, ($70 million) in Individual Life, ($10 million) in Life Planner, and ($5 million) in Gibraltar Life & Other. Includes 2Q20 seasonal underwriting experience above average expectations of $20 million in Retirement. Retirement had $10 million of higher than typical expenses and Individual Life had $20 million of unfavorable other reserve refinements in 1Q20. Life Planner and Gibraltar Life & Other include seasonally high annual premiums in 1Q20 of $35 million and $20 million, respectively, and expect seasonally low premiums in 2Q20 of $20 million and $10 million, respectively. Life Planner reflects $50 million decline in run-rate earnings due to the designation of Prudential of Korea as a divested business beginning in 2Q20. Gibraltar Life & Other includes $30 million of lower earnings from joint venture investment performance in 1Q20. Life Planner and Gibraltar Life & Other had lower than typical expenses of $10 million and $5 million in 1Q20 and expect higher than typical expenses in 2Q20 of $10 million and $5 million, respectively.

(5) Impact of low interest rate environment may not be linear and may vary from indicated sensitivities at thresholds greater than those indicated. Assumes 7% annual turnover on ~$360 billion fixed income portfolio reinvested at new money yields consistent with 1Q20, 90 basis points below disposition yields on average. The earnings impact is split approximately 50% to U.S. Businesses and 50% to International Businesses.

(6) EPS rollforward list of considerations not intended to be exhaustive and rollforward is not a projection of 2Q20 results. Does not consider future items such as share repurchases, business growth, and certain market impacts.

Seasonality of Key Financial Items

($ millions) *(pre-tax range)*	2Q20	3Q20	4Q20	1Q21
PGIM			Other Related Revenues tend to be higher driven by Incentive & Agency Fees	($40) Higher compensation expense[(1)]
Retirement	$20 Higher reserve gains	($20) Lower reserve gains	($30) Lower reserve gains	$30 Higher reserve gains
Group Insurance				($15) Lowest underwriting gains
Individual Annuities				
Individual Life		$20 Highest underwriting gains		($30) Lowest underwriting gains
Assurance IQ			Higher revenue (annual Medicare enrollment)	Lowest revenue
Life Planner	($20) Lowest premiums			$20 Highest premiums
Gibraltar Life & Other	($10) Lowest premiums			$10 Highest premiums
Corporate & Other			($75) Higher expenses[(2)]	($30) Higher compensation expense[(1)]

(1) Long-term compensation expense for retiree eligible employees is recognized when awards are granted, typically in the first quarter of each year.
(2) Total company expenses are typically higher than the quarterly average in the fourth quarter by $125 - $175 million. Approximately 50% of these seasonally higher expenses occur in Corporate & Other with the remaining expenses incurred within the other business units.

Diverse Businesses Create Complementary Exposures to Mortality and Longevity

1.41%

Cumulative Net Mortality(1) as % of AOI (2013 – YTD 2020)

- Annual net mortality impact on AOI is minimal, ranging from (5.9%) to 2.8%
- Net mortality was a positive contributor to AOI in six out of last seven years

(1) Mortality experience compared to expectations includes Individual Life, Group Life, and International Businesses. Longevity experience compared to expectations includes Retirement and Individual Annuities.

Methodology for Potential Credit Cycle Scenario

Summary

- Credit cycle scenario shows the potential loss from defaults and impairments, including the effect of ratings migration
- Based on 3/31/2020 investment portfolio, using the four categories below, each split by rating[(1)]:

GAAP Fair Value ($ millions)

	Public Corporate	Private Placement	Structured Credit	Other Credit	Total
Aaa	4,093	189	19,013	3,693	26,988
Aa	10,320	315	5,140	13,381	29,156
A	54,811	12,196	30	4,803	71,840
Baa	33,484	30,789	123	2,446	66,842
Ba	4,123	3,906	13	1,378	9,420
B	2,706	2,181	38	151	5,076
Caa-C	1,029	511	147	31	1,718
Total	**110,566**	**50,087**	**24,504**	**25,883**	**211,040**

Analysis (See example on slide 28):

1) Calculate new ratings distribution for the investment portfolio by applying a ratings migration matrix
   – For example, large portion of Baa rated securities will migrate to Ba, B, CCC-C, and some may default
2) For each asset class we:
   a) Sum the portfolio exposure that moves into B, CCC-C, and Default status
   b) Apply a loss rate against the assets that were impaired or in default:
      - Defaults: loss given default of 35% for Private Placements, 70% for Public Corporates and Other Credit, and 100% for Structured Credit
      - Impairments: 50% of loss given default % applied to credits assumed to migrate from Investment Grade into ‘B’ or ‘CCC-C’ ratings
3) The default and impairment losses for all four asset classes are then added to develop a total loss amount

(1) General Account excluding the Closed Block Division, assets supporting experience-related contractholder liabilities, and Prudential of Korea. See “Disclosures for Potential Credit Cycle Scenario” on slide 29.

Potential Credit Cycle Scenario – Example

The information below illustrates an example of how the credit cycle scenario would work for Corporate Public Securities

Calculate new ratings distribution, based on Moody's ratings migration matrix

From\To	Aaa	Aa	A	Baa	Ba	B	Caa-C	Default
Aaa	68.3%	28.3%	2.1%	1.2%	0.1%	-	-	-
Aa	0.5%	58.9%	34.6%	2.6%	2.4%	0.5%	0.1%	0.3%
A	0.1%	2.2%	73.6%	18.8%	3.2%	1.1%	0.2%	0.9%
Baa	0.1%	0.2%	5.4%	81.7%	8.4%	1.9%	0.7%	1.5%
Ba	-	0.0%	0.8%	15.2%	60.1%	16.9%	2.8%	4.2%
B	-	0.2%	0.2%	2.4%	8.3%	57.8%	14.8%	16.3%
Caa-C	-	-	-	0.1%	1.5%	13.8%	40.5%	44.1%

Sum the portfolio exposure that moves into B, CCC-C, and Default status

GAAP Fair Value ($ millions)			Future Rating							
Rating			**Aaa**	**Aa**	**A**	**Baa**	**Ba**	**B**	**Caa-C**	**Default**
Aaa	4,093	*Migrate→*	2,795	1,160	85	50	2	-	-	-
Aa	10,320	*Migrate→*	52	6,078	3,575	271	244	51	15	35
A	54,811	*Migrate→*	33	1,199	40,343	10,294	1,749	590	99	503
Baa	33,484	*Migrate→*	40	72	1,815	27,353	2,814	652	225	507
Ba	4,123	*Migrate→*	-	2	34	628	2,476	695	116	172
B	2,706	*Migrate→*	-	4	6	66	225	1,564	400	441
Caa-C	1,029	*Migrate→*	-	-	-	1	15	142	417	454
Total	**110,566**		**2,921**	**8,515**	**45,859**	**38,664**	**7,525**	**3,693**	**1,274**	**2,112**

	IG to B	IG to CCC	Default
Amount	1,293	340	2,112

Applies a loss rate against the assets that were impaired or default:

		IG to B	IG to CCC	Default
[A]	**Amount**	1,293	340	2,112
[B]	**Loss Rate**	35%	35%	70%
[A x B]	**Loss***	**453**	**119**	**1,479**
		Impairment		Default

Disclosures for Potential Credit Cycle Scenario

Investment portfolio represents March 31, 2020 GAAP fair value for Prudential Financial, Inc excluding the Closed Block Division, assets supporting experience-rated contractholder liabilities, policy loans, assets for Prudential of Korea, government securities, such as U.S. Treasuries and foreign government securities supporting local liabilities (portfolio exposure includes emerging markets and some other government securities), and mortgages, as we already have a mortgage loan reserve under new CECL framework. Ratings are the lowest assigned by nationally recognized rating agencies as of March 31, 2020, including S&P, Moody's, Fitch Ratings Inc. ("Fitch"), and Morningstar Inc. ("Morningstar").

Stress Scenarios based on the following reports:

- Moody's Global Corporate Rating Transitions During Recessions (October 14, 2019).
- Moody's Annual default study: Defaults will edge higher in 2020.
- Society of Actuaries 1986-2002 Credit Risk Loss Experience Study: Private Placement Bonds.
- Society of Actuaries 2003-12 Credit Risk Loss Experience Study: Private Placement Bonds.

Scenarios include adjustments for withdrawn ratings and rounding, among others.

Moody's and Society of Actuaries stress scenarios do not represent Prudential Financial, Inc's (the "Company") estimates or forecasts. The Company does not, by its use of such scenarios, imply its endorsement or concurrence. In particular, the Company expresses no view of the appropriateness, reasonableness, or application of any of the assumptions underlying the stress scenarios and the use of different assumptions may result in materially different loss patterns.

Losses from defaults and impairments on structured securities are likely to be higher than that for public and private corporate bonds due to the leveraged nature of structured securities. For Prudential, the analysis is not meaningfully affected as a result of the limited amount of structured securities in the portfolio and the credit profile consisting of 99% of securities rated AAA or AA.

The potential credit experience analysis is presented for illustrative purposes and includes only the hypothetical impact of the indicated stress scenarios on the indicated portions of the Company's general account portfolio as of March 31, 2020. The credit experience analysis does not illustrate other impacts from stress scenarios, such as the Company's ability or willingness to offer certain products, changes in asset-based fees recognized as revenue, changes in estimates of total gross profits used as a basis for amortizing deferred policy acquisition and other costs, or changes in any other assumptions such as market volatility or mortality, utilization, or persistency rates. Actual stresses and their impacts may exceed, possibly materially, those indicated. The credit experience analysis is comprised of forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. See "Forward-Looking Statements and Non-GAAP Measures" for important information about forward-looking statements. Prudential Financial, Inc. does not undertake to update any particular forward-looking statement included in the credit experience analysis.

Forward-Looking Statements and Non-GAAP Measures

Certain of the statements included in this presentation, including those regarding our international earnings mix, expected cost savings, the sale of Prudential of Korea, product actions, 2020 initiatives, and those under the headings “Key Priorities”, “Framework to Assess Potential Credit Cycle Scenario-Key Findings”, “Adjusted Operating Income & EPS Considerations”, “COVID-19 Potential Net Mortality and Cost Impacts”, “Adjusted Operating Income Rollforward by Business”, and “Seasonality of Key Financial Items” constitute forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Words such as “expects”, “believes”, “anticipates”, “includes”, “plans”, “assumes”, “estimates”, “projects”, “intends”, “should”, “will”, “shall”, or variations of such words are generally part of forward-looking statements. Forward-looking statements are made based on management’s current expectations and beliefs concerning future developments and their potential effects upon Prudential Financial, Inc. and its subsidiaries. Prudential Financial, Inc.’s actual results may differ, possibly materially, from expectations or estimates reflected in such forward-looking statements. Certain important factors that could cause actual results to differ, possibly materially, from expectations or estimates reflected in such forward-looking statements can be found in the “Risk Factors” and “Forward-Looking Statements” sections included in Prudential Financial, Inc.’s Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q. Our (i) international earnings mix, expected cost savings, sale of Prudential of Korea, product actions, 2020 initiatives and “Key Priorities” and “Adjusted Operating Income & EPS Considerations” are subject to the risk that we will be unable to execute our strategy, (ii) “Seasonality of Key Financial Items” is subject to the risk that different earnings and expense patterns will emerge, (iii) “COVID-19 Potential Net Mortality and Cost Impacts” are subject to the risk that actual deaths, mortality/morbidity losses, and expenses will exceed, possibly materially, those indicated, and (iv) “Framework to Assess Potential Credit Cycle Scenario-Key Findings” is subject to the risk that actual stresses and their impacts may exceed, possibly materially, those indicated, in each case, 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 additional information about adjusted operating income, adjusted book value, and adjusted operating return on equity and the comparable GAAP measures, including reconciliations between the comparable measures, please refer to our quarterly results news releases, which are available on our website at www.investor.prudential.com. Reconciliations are also included as part of this presentation. Information regarding PGIM’s adjusted operating margin, which is also a non-GAAP measure, and a reconciliation are included in our quarterly financial supplements, which are also available on our website.

Our 2Q20 earnings rollforward is based on after-tax adjusted operating income. Due to the inherent difficulty in reliably quantifying future realized investment gains/losses and changes in asset and liability values given their unknown timing and potential significance, we cannot, without unreasonable effort, provide rollforward based on income from continuing operations, which is the GAAP measure most comparable to adjusted operating income.

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

Reconciliations between Adjusted Operating Income and the Comparable GAAP Measure

($ millions)

	First Quarter 2020	First Quarter 2019
Net income (loss) attributable to Prudential Financial, Inc.	$ (271)	$ 932
Income attributable to noncontrolling interests	1	5
Net income (loss)	(270)	937
Less: Earnings attributable to noncontrolling interests	1	5
Income (loss) attributable to Prudential Financial, Inc.	(271)	932
Less: Equity in earnings of operating joint ventures, net of taxes and earnings attributable to noncontrolling interests	9	24
Income (loss) (after-tax) before equity in earnings of operating joint ventures	(280)	908
Less: Reconciling Items:		
Realized investment losses, net, and related charges and adjustments [1]	(698)	(587)
Market experience updates	(947)	-
Divested and Run-off Businesses:		
Closed Block Division	(1)	(19)
Other Divested and Run-off Businesses	80	174
Equity in earnings of operating joint ventures and earnings attributable to noncontrolling interests	(9)	(33)
Other adjustments [2]	45	-
Total reconciling items, before income taxes	(1,530)	(465)
Less: Income taxes, not applicable to adjusted operating income	(311)	(114)
Total reconciling items, after income taxes	(1,219)	(351)
After-tax adjusted operating income	939	1,259
Income taxes, applicable to adjusted operating income	253	346
Adjusted operating income before income taxes	$ 1,192	$ 1,605
Net Income Return on Equity	-1.8%	7.2%
Adjusted Operating Return on Equity [3]	9.3%	12.6%

(1) Prior period numbers have been reclassified to conform to current period presentation.
(2) Represents adjustments not included in 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 Operating Income Per Share and the Comparable GAAP Measure

	First Quarter 2020	First Quarter 2019
Net income (loss) per share attributable to Prudential Financial, Inc.	$ (0.70)	$ 2.22
Less: Reconciling Items:		
Realized investment losses, net, and related charges and adjustments (1)	(1.75)	(1.41)
Market experience updates	(2.37)	-
Divested and Run-off Businesses:		
Closed Block Division	-	(0.05)
Other Divested and Run-off Businesses	0.20	0.42
Difference in earnings allocated to participating unvested share-based payment awards	0.02	0.01
Other adjustments (2)	0.11	-
Total reconciling items, before income taxes	(3.79)	(1.03)
Less: Income taxes, not applicable to adjusted operating income	(0.77)	(0.25)
Total reconciling items, after income taxes	(3.02)	(0.78)
After-tax adjusted operating income per share	$ 2.32	$ 3.00

(1) Prior period numbers have been reclassified to conform to current period presentation.
(2) Represents adjustments not included in 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.

Reconciliations between Adjusted Book Value and the Comparable GAAP Measure

($ millions, except per share data)	March 31, 2020	March 31, 2019
GAAP book value	$ 60,447	$ 55,010
Less: Accumulated other comprehensive income (AOCI)	22,600	17,218
GAAP book value excluding AOCI	37,847	37,792
Less: Cumulative effect of remeasurement of foreign currency	(1,687)	(2,142)
Adjusted book value	$ 39,534	$ 39,934
Number of diluted shares	396.5	417.9
GAAP book value per Common share - diluted(1)	$ 152.45	$ 132.83
GAAP book value excluding AOCI per Common share - diluted(1)	$ 95.45	$ 91.63
Adjusted book value per Common share - diluted(1)	$ 99.71	$ 96.76

(1) As of the first quarter of 2019, book value per share of Common Stock includes a $500 million increase in equity and a 6.1 million increase in diluted shares, reflecting the dilutive impact of exchangeable surplus notes when book value per share is greater than $82.16. The $500 million of exchangeable surplus notes were converted into 6.2 million shares of Common Stock in the third quarter of 2019.