FEDERAL RESERVE BANK OF ATLANTA
22ND ANNUAL FINANCIAL MARKETS CONFERENCE

SCOTT SLEYSTER
CHIEF INVESTMENT OFFICER
PRUDENTIAL FINANCIAL, INC.

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Certain of the statements included in this presentation 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. 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” section included in Prudential Financial, Inc.’s Annual Report on Form 10-K for the year ended December 31, 2016. Prudential Financial, Inc. does not intend, and is under no obligation, to update any particular forward-looking statement included in this presentation.

ASSET LIABILITY MANAGEMENT APPROACH

- Our investment objective is to satisfy financial liabilities and preserve pricing economics throughout the product life cycle

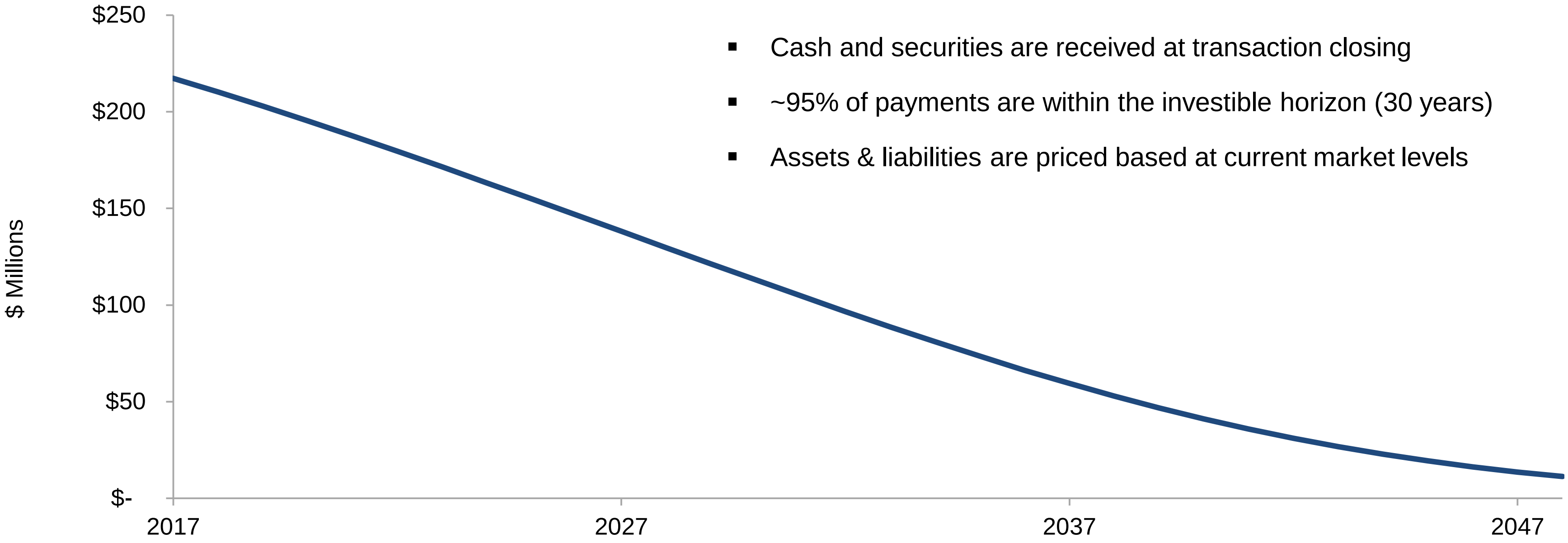
- Life insurance liabilities lend themselves to a portfolio predominantly constructed of fixed income assets

- We maintain a high quality asset mix due to our rating aspirations, regulatory capital standards and market forces

Portfolio Construction is Liability-Driven

- Prudential has executed over $48 billion of pension risk transfer (PRT) transactions in the U.S. since 2012
- PRT participants are generally 70+ years old
- There is limited exposure beyond the investible horizon (30 years)
- Plan participants typically cannot accelerate payments, i.e. there is no optionality

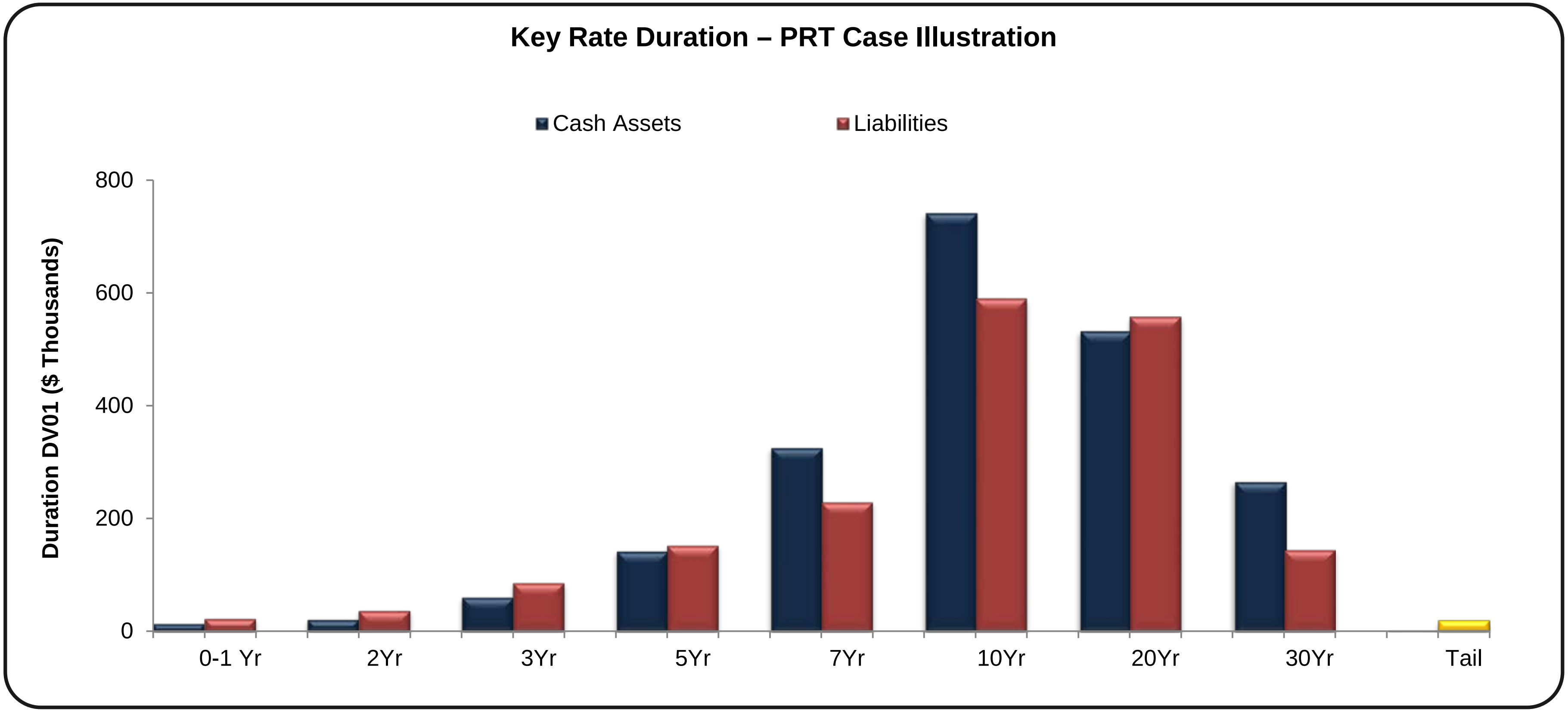
Illustrative Liability Cash Flows
Pension Risk Transfer (PRT) Case Study



- Cash and securities are received at transaction closing
- ~95% of payments are within the investible horizon (30 years)
- Assets & liabilities are priced based at current market levels

PORTFOLIO CONSTRUCTION – PRT ILLUSTRATION

- We primarily use cash instruments to manage duration and interest rate risk
- Mismatches across product segments are netted within legal entities
- Derivatives are used to ensure interest rate risk is managed within appropriate tolerances



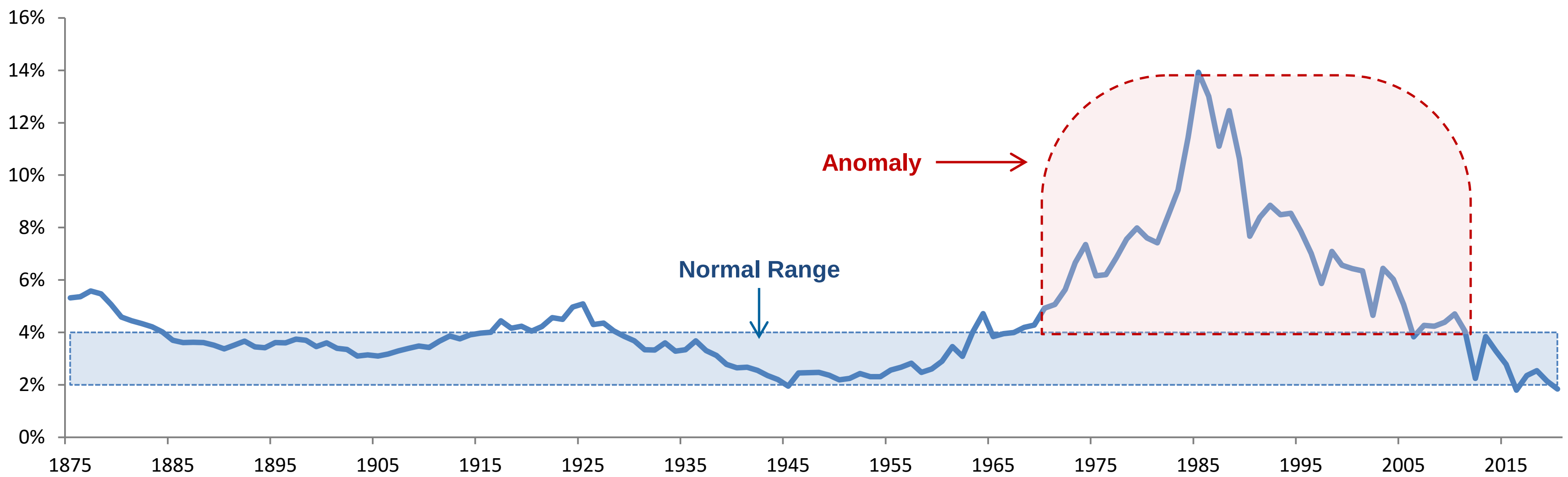
IMPACT OF LOW RATES IS MUTED BY LDI DISCIPLINE

- We maintain a relatively **tight duration discipline** on assets supporting insurance liabilities throughout the investible horizon
- The **impact of low rates** is consequently **fairly modest**
- However, there is a negative effect on surplus assets, optional or unexpected changes in cash flows (experience different than expected) and tail cash flows as they roll into the investable horizon
- The impact of various rate and equity market scenarios is part of our annual reserve testing
- We **strengthen our reserves** to the extent that testing implies potential shortfalls

US TREASURIES: BACK TO LONG TERM "NORMAL" RANGE

- From a long-term perspective, the ***high-rate*** environment from 1960 to 1990 appears to be the anomaly
- Recent experience represents a return to the 2% - 4% range that persisted for nearly a century

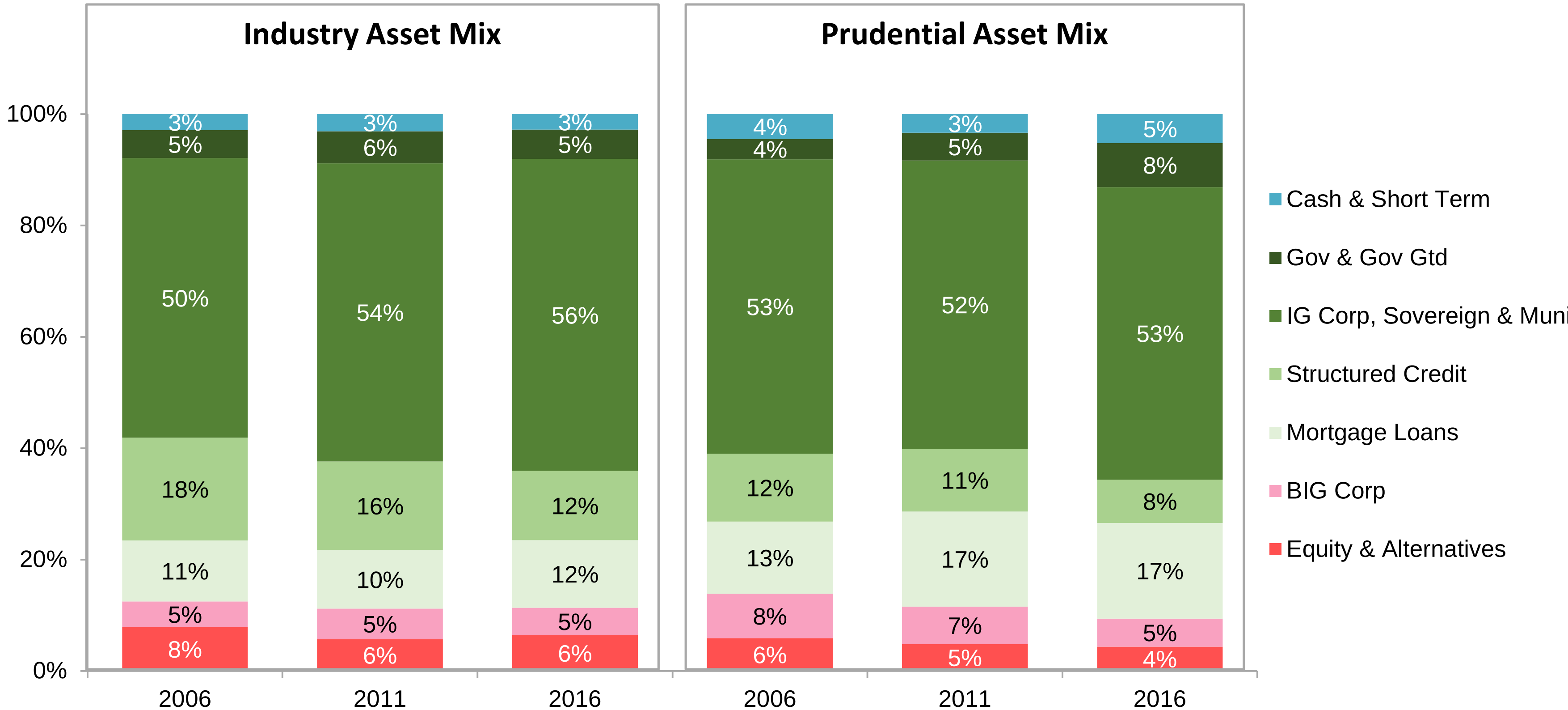
U.S. Treasury Rates: 1875 to 2016



Sources: 1874-1961, Robert Shiller, Yale; 1962-Present, Bloomberg

Industry Asset Mix Has Remained Relatively Consistent

- The Industry Asset Allocation continues to be well diversified and quality focused
- Industry Below Investment Grade ("BIG") holdings have remained at 5% of the portfolio
- Equity holdings have actually declined over the past decade



Sources: A.M . Best 's Global Insurance Database
Excludes Policy Loans and Affiliated Investments