



# Prudential Financial



"With a superior mix of high-quality businesses, strong capital position, and focus on innovation and risk management, we believe we are well positioned to sustain our growth as well as meet future economic challenges that may lie ahead."

*Chairman and CEO John Strangfeld*

## Prudential Rankings Snapshot

**No. 1:** *FORTUNE*® magazine's World's Most Admired Companies® ranking in the Insurance: Life and Health category. (Feb. 2016)

**No. 9:** *Pensions & Investments'* Top Money Managers list, May 2016. Ranked by total worldwide assets under management as of Dec. 31, 2015.

## We are The Rock®.

Prudential is one of the world's largest financial institutions, with \$1.314 trillion in assets under management<sup>1</sup> and approximately \$3.5 trillion of gross life insurance in force worldwide.<sup>2</sup> We have one of the most recognized brands in the United States: The Rock®, an icon of strength, stability, expertise and innovation.<sup>3</sup> We are known for our ability to deliver on our promises to our customers and we are recognized as one of the world's most admired companies. We believe our company has the financial strength and depth of resources to deliver value for our customers, shareholders and other stakeholders while meeting our regulatory obligations.

## We have been building on a heritage of success for more than 140 years.

We have built our company on a proud heritage of life insurance and asset management expertise. Our focus on life insurance, retirement and asset management is the result of numerous actions taken over several years, which have produced a highly complementary set of businesses with competitive advantages and opportunities to drive returns that have trended above our peer group.

We offer our individual and institutional clients a wide array of financial products and services, including life insurance, annuities, retirement-related services, mutual funds and investment management. Our clients continue to see value in the solutions we offer, as demonstrated by flows of client assets into our businesses. And we offer these products and services through one of the largest distribution networks in the financial services industry.

Prudential is the second-largest life insurer in the United States (life and health combined) based on total admitted assets.<sup>4</sup> Our domestic insurance company subsidiaries' financial strength is rated by the major independent rating agencies as follows:

- ▶ **A.M. Best Company: A+**
- ▶ **Fitch Ratings: A+**
- ▶ **Standard & Poor's: AA-**
- ▶ **Moody's: A1**

*Moody's does not rate Pruco Life Insurance Company of New Jersey or Prudential Annuities Life Assurance Corporation.*

**Ratings as of Nov. 2, 2016.** *The above ratings are subject to change and do not reflect any subsequent rating agency actions.*

Our balance sheet is strong, and we have solid capital consistent with our "AA" ratings objectives for our insurance companies. Additionally, we maintain appropriate reserves, capital and risk control procedures to help manage risk and protect our clients' assets.

## We are positioned to manage through the changing market.

Changing market conditions are challenging for companies around the world. The balanced mix of risks and businesses that we've built since becoming a public company in 2001 positions us well to manage through the challenging economic environment.

Since we were designated a non-bank SIFI in 2013, we have generated superior returns on equity and produced significant cash flows, a considerable portion of which we have returned to shareholders in a highly disciplined way.

We welcome appropriate regulation across our businesses and, throughout our history, we have successfully innovated and adapted to many changes in regulatory constructs.

## We have a diversified mix of businesses and risks.

The quality of Prudential's business and risk diversification is a strong differentiating factor for the company. We believe Prudential's diversified and balanced mix of U.S. and international businesses positions us well for sustainable long-term performance consistent with our goals.

Our global operations diversify our business risk across a broad range of both geographic and demographic profiles. The mortality risk of life insurance helps balance the risks of our other products, such as the longevity risk of variable annuities and group annuities. Our balanced mix of businesses enables Prudential to provide financial growth and protection to clients at all stages of their lives.

Our international businesses and domestic insurance protection businesses—which comprise more than half our capital—are impacted less by factors in the U.S. equity markets, and more by other factors such as mortality risks and policy persistency.

## We have a diverse mix of clients invested in a broad range of asset classes.

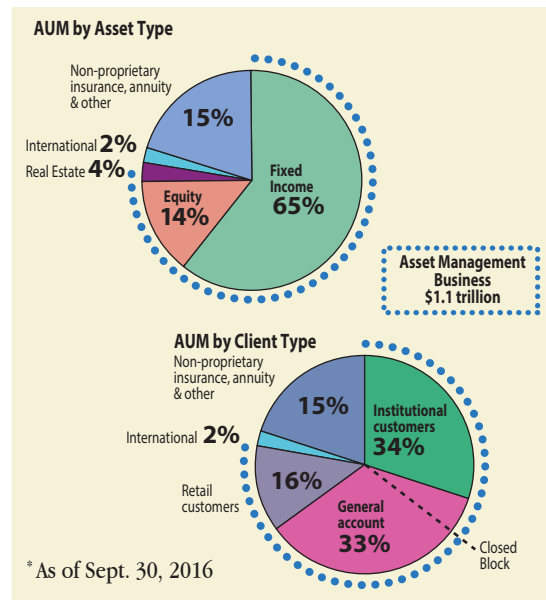
Our specialized investment managers have a global presence and hold strong market positions in each asset class, offering a wide range of products and serving a diversified client base, including corporations, public and private pension plans, and retail clients.

Prudential has \$1.314 trillion in assets under management, with \$1.1 trillion managed by our asset management businesses.



## Prudential Financial's Assets Under Management (AUM)—Significant Scale and Breadth

Total AUM \$1.314 trillion\*



### Diverse U.S. Business Portfolio

- ▶ Retirement
- ▶ Investment Management
- ▶ Annuities
- ▶ Life Insurance
- ▶ Group Insurance
- ▶ Mutual Funds

### We help people around the world with their insurance and financial needs.

Prudential has expanded its operations outside its base in the United States to serve customers in Asia, Europe and Latin America. We can help address financial concerns of people during every phase of life, from helping them save for the future, to helping them protect their assets, to converting their money into a guaranteed stream of income in retirement, to transferring their wealth to loved ones.

### We are committed to serving our clients in a highly professional and ethical way.

As a company, Prudential is committed to serving our clients with professionalism in all we do, providing quality products and excellent customer service from a solid base of ethics and integrity.

AAA (Extremely Strong) is the highest of 23 ratings that Standard & Poor's extends, the lowest being D (Default), and is a measure of financial strength. Aaa (Exceptional) is the highest of 21 ratings that Moody's extends, the lowest being C (Lowest), and is a measure of financial security. A++ (Superior) is the highest of 16 ratings that A.M. Best extends, the lowest being S (Suspended), and is a measure of claims-paying ability. AAA (Exceptionally Strong) is the highest of 19 ratings that Fitch Ratings extends, the lowest being C (Distressed), and is a measure of insurer financial strength. Ratings are not an indication of any variable portfolio's performance, which fluctuates with market conditions. Ratings are not a guarantee of future financial strength and/or claims-paying ability.

Life insurance and annuities are issued by The Prudential Insurance Company of America and its affiliates. Securities and investment advisory products and services are offered through Pruco Securities, LLC (member SIPC). Each of the foregoing is a Prudential Financial company located in Newark, N.J., that is solely responsible for its own financial condition and contractual obligations. All guarantees are based on the claims-paying ability of the issuer.

Securities and Insurance Products:

Not Insured by FDIC or any Federal Government Agency.

May Lose Value.

Not a Deposit of or Guaranteed by any Bank or Bank Affiliate.

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FORTUNE and "The World's Most Admired Companies" are registered trademarks of Time, Inc.

<sup>1</sup> As of Sept. 30, 2016.

<sup>2</sup> As of Dec. 31, 2015, from the Prudential Financial, Inc. 2015 Form 10-K.

<sup>3</sup> Prudential's 2007 Brand Image Tracking Study.

<sup>4</sup> At Dec. 31, 2015, ranking for Prudential Financial, through its life insurance companies, according to A.M. Best.

Prudential, Prudential Financial and The Rock are registered service marks of The Prudential Insurance Company of America and its affiliates.

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### We are a leader on retirement issues.

We are a consistent force in the federal, state and local levels of government, and, as a leader on retirement issues, actively participate in public policy discussions in Washington, D.C., and the 50 states.

### We encourage diversity in our workplace.

We recognize that the diverse perspectives and talents of our employees provide a competitive advantage in the marketplace. Prudential is committed to offering a rewarding and inclusive work environment where employees can develop to their full potential. And we are frequently recognized in the media and by other organizations for our commitment to diversity.

### We support our communities.

We also recognize the importance of investing in the communities where we live and work. The Prudential Foundation contributed nearly \$37 million to non-profit organizations in 2015.

### We measure our long-term success on our ability to meet customer needs.

We are committed to delivering innovative products that help our clients—both individuals and institutions—achieve their unique objectives. We provide information, advice and choice on a broad range of asset management, insurance, securities and employment solutions through a global network of professionals. We are proud to be recognized by millions as a symbol of financial strength, quality and trust in helping our clients achieve financial security.