

PRUDENTIAL FINANCIAL INC  
Form 11-K  
June 23, 2015  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, D.C. 20549**  
**FORM 11-K**

(MARK ONE)

x **ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the fiscal year ended December 31, 2014

OR

.. **TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

*Commission file number 001-16707*

Full title of the plan and the address of the plan, if different from

that of the issuer named below:

The Prudential Employee Savings Plan

Name of issuer of the securities held pursuant to the plan and the

address of its principal executive office:

**Prudential Financial, Inc.**

**751 Broad Street**

**Newark, New Jersey 07102**

Financial Statements and Exhibits

(a) Financial Statements for the Year Ended December 31, 2014, and Independent Registered Public Accounting Firm's Report.

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(b) The financial statements required to be filed hereunder appear commencing at page 3 hereof.

(c) Exhibits

(1) Exhibit 23.1 Consent of Independent Registered Public Accounting Firm (following financial statements).

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**The Prudential Employee Savings Plan**

**Financial Statements and Supplemental Information**

**(Modified Cash Basis)**

**December 31, 2014 and 2013**

**CBA**

Compensation & Benefits Accounting

*Employee Benefit Plans Regulatory Reporting (EBPRR)*

3 Gateway Plaza 7th Floor Newark, NJ 07102

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**The Prudential Employee Savings Plan**

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**December 31, 2014 and 2013**

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\* Other schedules required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA are not included as they are not applicable.

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**Report of Independent Registered Public Accounting Firm**

To the Participants and Administrator of

The Prudential Employee Savings Plan

We have audited the accompanying statements of net assets available for benefits (modified cash basis) of The Prudential Employee Savings Plan (the Plan) as of December 31, 2014 and 2013, and the related statement of changes in net assets available for benefits (modified cash basis) for the year ended December 31, 2014. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 2, the financial statements and supplemental schedule have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits (modified cash basis) of the Plan as of December 31, 2014 and 2013, and the changes in net assets available for benefits (modified cash basis) for the year ended December 31, 2014, on the basis of accounting as described in Note 2.

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202-821-1320

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The supplemental information in the accompanying supplemental schedule of assets held for investment purposes (modified cash basis) as of December 31, 2014 has been subjected to audit procedures performed in conjunction with the audit of the Plan's financial statements. The supplemental information is presented for the purpose of additional analysis and is not a required part of the financial statements but includes supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental information is the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information in the accompanying schedule, we evaluated whether the supplemental information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the supplemental information in the accompanying schedule is fairly stated, in all material respects, in relation to the financial statements as a whole.

Washington, DC  
June 15, 2015

**Table of Contents****The Prudential Employee Savings Plan****Statements of Net Assets Available for Benefits****(Modified Cash Basis)****December 31, 2014 and 2013**

|  | <b>2014</b>      | <b>2013</b>      |
|--|------------------|------------------|
| <b>Assets:</b>   |                  |                  |
| Investments at fair value                                      |                  |                  |
| PESP Fixed Rate Fund (Note 3)                                  | \$ 3,435,113,113 | \$ 3,451,934,578 |
| Insurance Company Separate Accounts                            |                  |                  |
| Artisan U.S. Mid-Cap Value Fund                                | 216,103,236      | 216,850,594      |
| Core Bond Enhanced Index/PIM Fund                              | 123,354,368      | 106,631,962      |
| Core Equity Account, VCA-IF                                    |                  | 274,065,781      |
| Jennison Mid-Cap Growth Fund                                   | 203,087,776      | 189,315,206      |
| Large Cap Growth/Jennison Fund                                 | 496,272,197      | 456,435,896      |
| Large Cap Value/LSV Asset Management Fund                      | 288,667,628      | 255,101,601      |
| Prudential Retirement Real Estate Fund                         | 98,965,473       | 88,720,241       |
| QMA International Developed Markets Index Fund                 | 178,803,686      | 157,574,379      |
| QMA U.S. Broad Market Index Fund                               | 638,680,484      | 306,817,834      |
| Small Company Stock Account, VCA-6                             | 443,257,342      | 436,941,416      |
| Wells Capital International Bond Fund                          | 37,887,042       |                  |
| Common/Collective Trusts                                       |                  |                  |
| Prudential High Yield Collective Investment Trust              | 64,810,476       | 60,947,138       |
| Wellington Trust Co. International Opportunities Fund          | 153,375,513      |                  |
| Registered Investment Companies                                |                  |                  |
| Fidelity Government Income Fund                                | 20,775,863       | 19,088,571       |
| GE Institutional International Equity Investment Fund          |                  | 171,851,667      |
| Prudential Jennison Natural Resources Fund, Class Q            | 49,614,558       | 40,852,420       |
| Wells Fargo Advantage International Bond Fund Institutional    |                  | 31,399,866       |
| Master Trust (Note 12)   |                  |                  |
| Prudential Financial, Inc. Common Stock Fund                   | 87,573,837       | 88,493,885       |
| Prudential Financial, Inc. Common Stock Fund - (ESOP) (Note 9) | 629,789,065      | 631,922,631      |
| Prudential IncomeFlex Select                                   |                  |                  |
| Aggressive Growth Fund   | 98,945,357       | 99,748,340       |
| Conservative Growth Fund                                       | 19,261,105       | 18,367,857       |
| Moderate Growth Fund   | 38,143,184       | 37,231,562       |
| Prudential IncomeFlex Target Balanced Fund                     | 12,355,374       |                  |

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|  |                  |                  |
|--|------------------|------------------|
| Total investments at fair value  | 7,334,836,677    | 7,140,293,425    |
| Notes receivable for participant loans   | 47,481,058       | 46,517,863       |
| Other - noninterest-bearing cash   |                  | 383              |
| Net assets available for benefits at fair value  | 7,382,317,735    | 7,186,811,671    |
| Adjustment from fair value to contract value for fully benefit-responsive investment contract (PESP Fixed Rate Fund) | (150,278,333)    | (161,479,791)    |
| Net assets available for benefits  | \$ 7,232,039,402 | \$ 7,025,331,880 |

The accompanying notes are an integral part of these financial statements.

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**Table of Contents****The Prudential Employee Savings Plan****Statement of Changes in Net Assets Available for Benefits****(Modified Cash Basis)****For the Year Ended December 31, 2014****Additions to net assets:**

## Investment income:

|   |                |
|---|----------------|
| Net appreciation in fair value of investments | \$ 204,835,737 |
| Interest and dividend income                  | 131,270,181    |
| Other income                                  | 1,652,865      |

|                         |             |
|-------------------------|-------------|
| Total investment income | 337,758,783 |
|-------------------------|-------------|

|                              |             |
|------------------------------|-------------|
| Investment expenses (Note 6) | (1,120,402) |
|------------------------------|-------------|

|                       |             |
|-----------------------|-------------|
| Net investment income | 336,638,381 |
|-----------------------|-------------|

|   |           |
|---|-----------|
| Interest income on notes receivable from participants | 1,518,384 |
|---|-----------|

## Contributions:

|          |             |
|----------|-------------|
| Employer | 59,813,471  |
| Employee | 170,803,177 |
| Rollover | 38,640,657  |

|                     |             |
|---------------------|-------------|
| Total contributions | 269,257,305 |
|---------------------|-------------|

|                 |             |
|-----------------|-------------|
| Total additions | 607,414,070 |
|-----------------|-------------|

**Deductions from net assets:**

|                               |             |
|-------------------------------|-------------|
| Benefits paid to participants | 400,699,030 |
| Administrative expenses       | 7,518       |

|                  |             |
|------------------|-------------|
| Total deductions | 400,706,548 |
|------------------|-------------|

|              |             |
|--------------|-------------|
| Net increase | 206,707,522 |
|--------------|-------------|

**Net assets available for benefits:**

|                   |               |
|-------------------|---------------|
| Beginning of year | 7,025,331,880 |
|-------------------|---------------|

|             |                  |
|-------------|------------------|
| End of year | \$ 7,232,039,402 |
|-------------|------------------|

The accompanying notes are an integral part of these financial statements.



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**The Prudential Employee Savings Plan**

**Notes to Financial Statements**

**December 31, 2014 and 2013**

**1. Description of the Plan**

The following description of The Prudential Employee Savings Plan (the Plan or PESP) provides only general information. Participants should refer to the Plan documents for a more complete description of the Plan's provisions.

**General**

The Plan is a defined contribution plan generally covering all United States employees and statutory agents of The Prudential Insurance Company of America (the Company) and its participating affiliates. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

**Participation**

Each eligible employee may enroll in PESP at any time, starting on their first day of employment with the Company and its participating affiliates.

Employees hired on or after January 1, 2001, who do not affirmatively elect either to participate or to decline participation in PESP within 30 days of hire, are enrolled automatically in PESP until they affirmatively elect otherwise.

**Contributions**

*Employee Contributions.* Participants can contribute from 1% to 50% of eligible earnings as defined in the Plan, in any combination of before-tax, Roth 401(k) (after-tax), and/or traditional after-tax contributions. Through automatic enrollment, participants contribute 4% of eligible earnings on a before-tax basis. Rollover contributions are allowed.

Participants may elect to increase, decrease or stop their contributions at any time, subject to the Company's Personal Securities Trading Policy.

*Roth In-Plan Rollovers.* The Plan was amended, effective December 1, 2010, to add a provision allowing Roth In-Plan Rollovers. Under this feature, a participant may elect to rollover all or a portion of his or her vested Plan account that is then available for distribution or in-service withdrawal into Roth (after-tax) funds. A participant is required to pay income taxes on the amount rolled over and, assuming the applicable holding period and distribution requirements are satisfied, the Roth In-Plan Rollover held in the Plan together with subsequent investment earnings will not be subject to Federal income taxes at the time of distribution. A participant is permitted to make up to four (4) separate Roth In-Plan Rollovers in a single plan year.

Roth In-Plan Rollovers, totaling \$1,732,472 in 2014, are included in Rollovers in the Statement of Changes in Net Assets Available for Benefits.

*Company Matching Contributions.* The Company matches 100% of before-tax and Roth 401(k) contributions up to a maximum of 4% of eligible earnings. Employees hired on or after January 1, 2004 are required to complete one year of service prior to becoming eligible for Company matching contributions.

*Catch-Up Contributions.* Participants age 50 or older who will reach the 401(k) limit for contributions for the year or certain of the Plan's other limits for contributions, may be eligible to make before-tax and Roth 401(k) catch-up contributions to the Plan during the plan year from eligible earnings. Catch-up contributions are not eligible for Company matching contributions. For 2014, catch-up contributions were limited to \$5,500.

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**The Prudential Employee Savings Plan**

**Notes to Financial Statements**

**December 31, 2014 and 2013**

**1. Description of the Plan (Continued)**

Contributions are subject to certain limitations imposed by applicable provisions of the Plan and the Internal Revenue Code of 1986, as amended ( "IRC" ), including compliance with applicable statutory limits and non-discrimination rules.

**Participant Accounts**

Each participant's account is credited with the participant's contributions and allocations of (a) the Company's matching contributions, and (b) Plan net earnings. Allocations are made pursuant to the terms of the Plan based on the participant's eligible earnings and account balances. A participant is entitled to the benefit that can be provided from the participant's vested account.

**Vesting**

Participants are immediately vested in their before-tax, Roth 401(k), after-tax, and rollover contributions plus earnings thereon. Generally, participants become 100% vested in Company matching contributions upon the completion of three years of vesting service.

Vesting will be accelerated and participants will be 100% vested in the Company's matching contribution and earnings thereon upon reaching age 65, or as a result of death, or becoming totally disabled while an employee. A participant will be considered totally disabled for purposes of the Plan if he or she is eligible to receive long-term disability benefits under The Prudential Welfare Benefits Plan.

**Forfeitures**

If a participant terminates employment with the Company prior to full vesting, the non-vested portion of his or her account attributable to the Company matching contributions and earnings thereon is forfeited. If the participant is reemployed within five years from the date of termination, the forfeited amount may be reinstated, subject to certain Plan provisions. During the five-year period, as stated above, the pending forfeiture amounts attributable to any participants who terminated employment with the Company on or after May 29, 2012 will continue to be invested in accordance with the participant's investment directions or the Plan's default investment provisions, as applicable. Any amounts not reinstated to a participant, after the five-year period, are considered forfeitures that the Plan permits to be used to reduce future Company matching contributions or to pay administrative expenses.

As of December 31, 2014 and 2013, forfeiture amounts invested in the PESP Fixed Rate Fund amounted to \$1,480,516 and \$1,363,302, respectively. Forfeitures of \$1,500,000 were used to reduce the Company's matching contributions in 2014.

## **Investment Options**

*Employee Contributions.* Participants may direct their current account balance and future contributions in 1% increments in any of the Plan's investment options.

Participants who are automatically enrolled and do not direct investment of their accounts will be invested by default into the age-appropriate conservative portfolio mix available under GoalMaker®, a computer asset allocation program available to participants as described below.

Generally, there are no restrictions on the participant's investment directions; however, participants are subject to provisions of the PESP Market Timing Policy. Participant investment direction in regard to the Prudential Financial, Inc. Common Stock Fund is subject to provisions of the Company's Personal Securities Trading Policy. In addition, participants employed with affiliated service providers may be restricted as to investment directions in connection with certain funds and/or services being provided.

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**The Prudential Employee Savings Plan**

**Notes to Financial Statements**

**December 31, 2014 and 2013**

**1. Description of the Plan (Continued)**

*Company Matching Contributions.* Half of the Company matching contributions is automatically invested in the Prudential Financial, Inc. Common Stock Fund. The remainder of the participant's Company matching contributions is invested according to the participant's current investment allocation direction.

Generally, there are no restrictions on transferring Company matching contributions from the Prudential Financial, Inc. Common Stock Fund to any of the other investment options under the Plan, except for certain limitations including, but not limited to, the provisions of the Company's Personal Securities Trading Policy.

The following are the investment options under the Plan:

*PESP Fixed Rate Fund* - The goal of the PESP Fixed Rate Fund is to provide preservation of principal and stable competitive interest rates based on current market conditions. The fund credits interest on an annual effective rate basis. The interest crediting rate is reset periodically (currently on a quarterly basis) and is announced in advance. The PESP Fixed Rate Fund is offered under a group annuity contract issued by the Company. It is subject to the credit risk of the Company.

**Insurance Company Separate Accounts**

All the Insurance Company Separate Accounts are pooled except for the Artisan U.S. Mid-Cap Value Fund which is a Single Client Account.

*Artisan U.S. Mid-Cap Value Fund* - This separate account seeks to maximize long-term capital growth using a mid-cap value strategy. The fund primarily invests in the common stocks of mid-capitalization companies that Artisan Partners believes to be undervalued relative to their current market price. It defines a mid-cap company as one that falls within the market capitalization range of companies in the Russell Mid-Cap Index. The separate account is offered under a group annuity contract issued by the Prudential Retirement Insurance and Annuity Company, an affiliate of the Company, and is advised by Artisan Partners.

*Core Bond Enhanced Index/PIM Fund* - This separate account seeks to achieve performance results similar to the Barclays Capital U.S. Aggregate Bond Index. This fund invests primarily in corporate and government bonds. The separate account is offered under a group annuity contract issued by the Prudential Retirement Insurance and Annuity Company, an affiliate of the Company, and is advised by Prudential Investment Management, Inc., also an affiliate of the Company.

*Core Equity Account, VCA-IF* - This separate account seeks to provide long-term growth, taking into account both income and capital appreciation. This fund invests primarily in the equities of major, well-established companies that have the potential for price appreciation greater than broadly based stock indices. The separate account is offered under a group annuity contract issued by the Company, and is advised by Jennison Associates, LLC, an affiliate of the Company. Effective September 30, 2014, this fund was replaced by the QMA U.S. Broad Market Index Fund, an insurance company separate account.

*Jennison Mid-Cap Growth Fund* - This separate account seeks to outperform the Russell Mid-Cap Growth Index on a rolling three-year basis. This fund invests in mid-size companies that may generate above average earnings growth. The separate account is offered under a group annuity contract issued by the Prudential Retirement Insurance and Annuity Company, an affiliate of the Company, and is advised by Jennison Associates, LLC, also an affiliate of the Company.



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**The Prudential Employee Savings Plan**

**Notes to Financial Statements**

**December 31, 2014 and 2013**

**1. Description of the Plan (Continued)**

*Large Cap Growth/Jennison Fund* - This separate account seeks long-term growth of capital and to outperform both the Russell 1000 Growth and S&P 500 Indexes. This fund invests at least 65% in equity securities issued by companies with market capitalization exceeding \$1 billion and believed to have above-average growth prospects. The separate account is offered under a group annuity contract issued by the Prudential Retirement Insurance and Annuity Company, an affiliate of the Company, and is advised by Jennison Associates, LLC, also an affiliate of the Company.

*Large Cap Value/LSV Asset Management Fund* - This separate account seeks appreciation of capital and to outperform the Russell 1000 Value Index over rolling 3- and 5-year periods, or market cycles if longer. This fund invests primarily in equity-related securities of large companies in a value style. LSV Asset Management employs a quantitative model to select out-of-favor (undervalued) stocks that they believe have the potential for near-term appreciation. The separate account is offered under a group annuity contract issued by the Prudential Retirement Insurance and Annuity Company, an affiliate of the Company, and is advised by LSV Asset Management.

*Prudential Retirement Real Estate Fund* - This separate account seeks to meet or exceed a customized real estate and real estate securities benchmark return after fees and expenses. This fund of funds invests primarily in existing private real estate funds, publicly traded real estate securities, including Real Estate Investment Trust ( REIT ) securities, and other real estate related investments. The manager seeks to provide maximum exposure to private real estate funds, while seeking to maintain liquidity for the purpose of meeting withdrawal requests through a combination of cash and cash equivalents, as well as investments in marketable real estate securities. The fund may, to the extent available in the market on reasonable terms, obtain a line of credit. The separate account is offered under a group annuity contract issued by the Prudential Retirement Insurance and Annuity Company, an affiliate of the Company, and is advised by Prudential Investment Management, Inc., also an affiliate of the Company.

*QMA International Developed Markets Index Fund* - This separate account seeks to provide investment results that track the Morgan Stanley Capital International Europe, Australasia, and Far East Index ( MSCI EAFE Index ). The fund will not hold actively managed stock positions as it does not attempt to outperform the market. The separate account is offered under a group annuity contract issued by the Company and is advised by Quantitative Management Associates, LLC, an affiliate of the Company.

*QMA U.S. Broad Market Index Fund* - This separate account seeks to provide long-term growth of capital and investment results that approximate the performance of the Standard & Poor's Composite 1500 Index (S&P 1500 Index). The separate account is offered under a group annuity contract issued by the Prudential Retirement Insurance and Annuity Company, an affiliate of the Company, and is advised by Quantitative Management Associates, LLC, also an affiliate of the Company.

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*Small Company Stock Account, VCA-6* - This separate account seeks to outperform the Russell 2000 Index by investing in a diversified portfolio of small companies. The separate account is offered under a group annuity contract issued by the Company, and is advised by Jennison Associates, LLC, an affiliate of the Company.

*Wells Capital International Bond Fund* - Effective September 30, 2014. This separate account seeks to provide total return, consisting of a high level of current income and capital appreciation by investing principally in investment-grade securities of government, agency or corporate issuers worldwide, denominated in various currencies. The separate account is offered under a group annuity contract issued by the Prudential Retirement Insurance and Annuity Company, an affiliate of the Company, and is advised by Wells Capital Management.

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**The Prudential Employee Savings Plan**

**Notes to Financial Statements**

**December 31, 2014 and 2013**

**1. Description of the Plan (Continued)**

Common/Collective Trusts

*Prudential High Yield Collective Investment Trust* - This collective trust seeks to outperform the Barclays U.S. High-Yield Ba/B 1% Issuer Capped Bond Index ( Bond Index ) by 150 basis points over a full market cycle. This fund uses a highly diversified, research-driven strategy targeting an excess return over the Bond Index. The strategy emphasizes the higher quality segment of the high yield market (BB and B-rated corporate bonds) with heavy emphasis on default avoidance. The collective trust is offered by the Prudential Trust Company, an affiliate of the Company.

*Wellington Trust Co. International Opportunities Fund* - Effective September 30, 2014. This collective trust seeks to provide long-term total return in excess of the Morgan Stanley Capital International All Country World Index Ex-US ( MSCI ACWI Ex-US ). This fund invests in international large to mid-cap companies with returns on capital underestimated by the market either on a value or a growth basis with a split between 45% to 55% at any time. A cash position up to 10% may also be held. The collective trust is offered by the Wellington Trust Company, NA Multiple Collective Investment Funds Trust II.

Registered Investment Companies

*Fidelity Government Income Fund* - This mutual fund seeks to provide a high level of current income (interest), consistent with preservation of principal. This fund invests at least 80% of its assets in U.S. government securities as well as repurchase agreements for those securities. It invests in U.S. government securities issued by entities that are chartered or sponsored by Congress but whose securities are neither issued nor guaranteed by the U.S. Treasury. The fund invests in instruments related to U.S. government securities and allocates assets across different market sectors and maturities. It engages in transactions that have a leveraging effect on the fund, including derivatives. The mutual fund is advised by Fidelity Management & Research Company. The ticker symbol for this fund is FGOVX.

*GE Institutional International Equity Investment Fund* - This mutual fund seeks long-term growth of capital. This fund normally invests at least 80% of its net assets in equity securities. It invests primarily (meaning at least 65%) in companies in both developed and emerging market countries outside the United States. The fund's assets under normal circumstances are invested in foreign (non-U.S.) securities of companies representing at least three different countries. It may also invest, to a lesser extent, in debt securities and may invest in securities of companies located in the U.S. The mutual fund is advised by GE Asset Management Inc. The ticker symbol for this fund is GIEIX. Effective November 28, 2014, this fund was replaced by the Wellington Trust Co. International Opportunities Fund, a common/collective trust.

*Prudential Jennison Natural Resources Fund, Class Q* - This mutual fund seeks long-term growth of capital. This fund generally invests at least 80% of assets in equity securities of natural resource companies and in asset-based securities. Natural resource companies are U.S. and foreign companies that own, explore, mine, process or otherwise develop, or provide goods and services with respect to natural resources. The principal type of equity and equity-related security in which the fund invests is common stock. The fund is non-diversified and is considered to be a sector fund because its investments focus on natural resource companies and securities. The mutual fund is advised by Prudential Investments, LLC, and Jennison Associates, LLC serves as a sub-advisor. Both are affiliates of the Company. The ticker symbol for this fund is PJNQX.

*Wells Fargo Advantage International Bond Fund Institutional* - This mutual fund seeks total return, consisting of income and capital appreciation. This fund generally invests at least 80% of net assets in foreign debt securities, including obligations of governments, corporate entities or supranational agencies, denominated in various currencies. It invests in at least three countries or supranational agencies. The fund

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**The Prudential Employee Savings Plan**

**Notes to Financial Statements**

**December 31, 2014 and 2013**

**1. Description of the Plan (Continued)**

also invests up to 35% of total assets in debt securities that are below investment grade and up to 5% of total assets in debt obligations or similar securities denominated in the currencies of developing countries that have a sovereign debt rating below investment grade. The mutual fund is advised by Wells Fargo Funds Management, LLC. The ticker symbol for this fund is ESICX. Effective September 30, 2014, this fund was replaced by the Wells Capital International Bond Fund, an insurance company pooled separate account.

**Master Trust**

*Prudential Financial, Inc. Common Stock Fund* - This master trust invests in Prudential Financial, Inc. ( PFI ) common stock with a small portion invested in money market shares or other investments expected to be liquid. This fund's goal is to approximate the returns of a direct investment in shares of PFI common stock in a fund that also seeks to provide modest liquidity. Values for fund units are not identical to the current values of shares of PFI common stock. This option has an ESOP and non-ESOP portion (Note 9).

**Prudential IncomeFlex Select**

Prudential IncomeFlex Select provides a guaranteed income for life without requiring an irrevocable election to receive PESP benefit payments as an annuity. Prudential IncomeFlex Select is designed to help invest the participant's PESP accounts to provide future retirement income that is guaranteed for their lifetime. This investment option was only available to participants age 50 or older. Participants could choose to invest their money in one or more of the three IncomeFlex separate accounts (Aggressive Growth, Conservative Growth, and Moderate Growth), which are described in more detail below. Effective December 31, 2013, Prudential IncomeFlex Select was closed to new participants and to new contributions, loan repayments, and transfers. The three Prudential IncomeFlex separate accounts (Aggressive Growth, Conservative Growth, and Moderate Growth) are offered by the Prudential Retirement Insurance and Annuity Company, an affiliate of the Company, who also serves as the manager of those three separate accounts.

*Aggressive Growth Fund* - The Prudential IncomeFlex Select Aggressive Growth Fund invests in a fixed asset allocation of underlying funds that are separate accounts available under group variable annuity contracts issued by the Company and the Prudential Retirement Insurance and Annuity Company, an affiliate of the Company. The asset class mix for this fund is 70% stock (39% large cap stocks, 8% mid cap stocks, 9% small cap stocks, and 14% international stocks) and 30% bonds. Each portfolio is rebalanced daily.

*Conservative Growth Fund* - The Prudential IncomeFlex Select Conservative Growth Fund invests in a fixed asset allocation of underlying funds that are separate accounts available under group variable annuity contracts issued by

the Company and the Prudential Retirement Insurance and Annuity Company, an affiliate of the Company. The asset class mix for this fund is 35% stock (18% large cap stocks, 5% mid cap stocks, 5% small cap stocks, and 7% international stocks) and 65% bonds. Each portfolio is rebalanced daily.

*Moderate Growth Fund* - The Prudential IncomeFlex Select Moderate Growth Fund invests in a fixed asset allocation of underlying funds that are separate accounts available under group variable annuity contracts issued by the Company and the Prudential Retirement Insurance and Annuity Company, an affiliate of the Company. The asset class mix for this fund is 55% stock (31% large cap stocks, 6% mid cap stocks, 7% small cap stocks, and 11% international stocks) and 45% bonds. Each portfolio is rebalanced daily.

**Table of Contents****The Prudential Employee Savings Plan****Notes to Financial Statements****December 31, 2014 and 2013****1. Description of the Plan (Continued)****Prudential IncomeFlex Target Balanced Fund**

Effective January 2, 2014, Prudential IncomeFlex Target is a new product that provides certain guarantees on retirement income. The investment option under IncomeFlex Target is the Prudential IncomeFlex Target Balanced Fund, which invests in a mix of the index funds currently offered in PESP. The index funds invest in bonds (40%), U.S. stocks (45%), and international stocks (15%) and are rebalanced daily. Unlike a target date fund, the IncomeFlex Target does not reduce exposure to the stock market as participants get older. In exchange for a guarantee fee of 0.95%, IncomeFlex Target provides guaranteed lifetime income, potential for income and asset growth, downside market protection for retirement income, and flexible access to market value. The guaranteed fee is applied only to those dollars invested in IncomeFlex Target. IncomeFlex Target does not guarantee market value, which will fluctuate with market volatility. The underlying index funds are separate accounts available under group variable annuity contracts issued by the Company and by Prudential Retirement Insurance and Annuity Company, an affiliate of the Company.

As of December 31, 2014, the asset allocation by the Plan's investment options under the Prudential IncomeFlex Select and Prudential IncomeFlex Target are shown in the following chart:

|  | <b>Prudential IncomeFlex<br/>Select</b> |                     | <b>Prudential IncomeFlex<br/>Target<br/>Balanced</b> |     |
|--|---|---------------------|--|-----|
|  | <b>Aggressive</b>                       | <b>Conservative</b> | <b>Moderate</b>                                      |     |
| <b>Large Cap Stocks</b>                        |   |                     |  |     |
| Large Cap Growth/Jennison Fund                 | 14%                                     | 6%                  | 11%  |     |
| Large Cap Value/LSV Asset Management Fund      | 10%                                     | 5%                  | 8%   |     |
| QMA U.S. Broad Market Index Fund               | 15%                                     | 7%                  | 12%  | 45% |
| <b>Mid Cap Stocks</b>                          |   |                     |  |     |
| Jennison Mid-Cap Growth Fund                   | 8%                                      | 5%                  | 6%   |     |
| <b>Small Cap Stocks</b>                        |   |                     |  |     |
| Small Company Stock Account, VCA-6             | 9%                                      | 5%                  | 7%   |     |
| <b>International Stocks</b>                    |   |                     |  |     |
| QMA International Developed Markets Index Fund | 14%                                     | 7%                  | 11%  | 15% |

**Bonds**

|                                   |     |     |     |     |
|-----------------------------------|-----|-----|-----|-----|
| Core Bond Enhanced Index/PIM Fund | 30% | 65% | 45% | 40% |
|-----------------------------------|-----|-----|-----|-----|

**GoalMaker®**

GoalMaker® is a computer asset allocation program available to participants. It establishes 12 portfolios, each invested in a different asset allocation mix. Participants select a portfolio based on their completion of an investment risk profile and estimated time to retirement; defaulting participants are assigned to the conservative portfolio applicable to their current age, assuming retirement at age 65. GoalMaker® provides automatic rebalancing of investments once per quarter.



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**The Prudential Employee Savings Plan**

**Notes to Financial Statements**

**December 31, 2014 and 2013**

**1. Description of the Plan (Continued)**

**Payment of Benefits**

When employment with Prudential and its affiliates ends, if the value of a vested participant's account is in excess of \$5,000, the participant may elect to (a) receive a lump sum distribution equal to the value of the participant's vested interest in his or her account, (b) receive an annuity from the Company in the amount that can be purchased with the vested value in his or her account, (c) receive a combination of a single payment for less than the total vested value of his or her account plus an annuity, (d) receive partial distributions (no more than five withdrawals per Plan year, and the amount of any such withdrawal must equal at least \$300), or (e) delay taking a distribution of the vested value of his or her account until it is required by law. If the value of a terminated vested participant's account is \$5,000 or less, the participant may not defer distribution of his or her account.

Actively employed participants can make in-service withdrawals from PESP. The amount available for in-service withdrawals includes amounts credited to a participant's After-Tax Contributions Account, Rollover Contributions Account, and pre-2001 Company Matching Contributions Account. Participants who have attained age 59 ½ can also withdraw amounts from their Before-Tax Contributions Account, Roth 401(k) Contributions Account and Roth In-Plan Rollover Contributions Account. Participants can make up to five withdrawals each calendar year, and the withdrawals are subject to a 10% federal early distribution tax for participants less than 59 ½ years of age, in addition to the regular income tax that applies, except for After-Tax Contribution amounts. Other penalties may apply to Roth 401(k) and Roth In-Plan Rollover amounts if the withdrawals are not qualified distributions.

When funds are not available from an in-service withdrawal or when a loan will create a hardship, participants may apply for a hardship withdrawal without first taking a loan. To qualify for a hardship withdrawal under the Plan, participants must demonstrate that they need the money to meet an immediate and heavy financial need for which they have no other resources available to them.

**Participant Loans**

Participants may take loans from their Before-Tax Contributions Account and/or Rollover Contributions Account.

Loans may range from a minimum of \$500 up to a maximum equal to the lesser of:

- a) \$50,000 reduced by the participant's highest outstanding loan balance during the preceding twelve months in the Plan, or

b) 50% of their entire vested Plan account, or

c) 100% of the value of the sum of the balance, if any, of the participant's Before-Tax Contribution Account and Rollover Contributions Account.

The \$50,000 maximum takes into account all loans to the participant from any Plan maintained by the Company or an affiliate of the Company.

Only one loan is permitted to be outstanding at any time. The loan repayment period may range from one to five years. Currently, the interest rate applicable to the loan is the prime rate as of the fifteenth business day of March, June, September or December and is effective for loans initiated during the following quarter.

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**The Prudential Employee Savings Plan**

**Notes to Financial Statements**

**December 31, 2014 and 2013**

**2. Summary of Significant Accounting Policies**

**Basis of Accounting**

The financial statements of the Plan are prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles in the United States of America ( U.S. GAAP ). The modified cash basis of accounting is a cash receipts and disbursements method of accounting unlike U.S. GAAP where information is reported on an accrual basis. However, under the modified basis of accounting investments are stated at fair value, which is consistent with U.S. GAAP.

**Use of Estimates**

The preparation of financial statements in conformity with a modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

**Investment Valuation**

The Plan's investments are stated at fair value (see Note 5 for more information on fair value measurements) except for its investment contract (the PESP Fixed Rate Fund ), which is valued at contract value (Note 3).

The fair value of the participation units owned by the Plan in insurance company separate accounts is based on quoted redemption values.

The fair value of the participation units owned by the Plan in common/collective trusts is based on quoted redemption values.

The fair value of the shares owned by the Plan in registered investment companies is based on quoted net asset value of shares.

The fair value of the participation units owned by the Plan in the master trust is based on quoted redemption values.

**Purchases**

Purchases of units of participation in insurance company separate accounts are recorded on a trade-date basis.

Purchases of units of participation in common/collective trusts are recorded on a trade-date basis.

Purchases of shares in registered investment companies are recorded on a trade-date basis.

Purchases of units of participation in the master trust are recorded on a trade-date basis.

**Income Recognition**

The Plan presents in the Statement of Changes in Net Assets Available for Benefits the net appreciation/(depreciation) in the fair value of its investments, which consists of the realized gains or losses and unrealized appreciation/(depreciation) on those investments.

Interest, dividend and other income is recorded when received.

Sales of units of participation in insurance company separate accounts are recorded on a trade-date basis.

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**The Prudential Employee Savings Plan**

**Notes to Financial Statements**

**December 31, 2014 and 2013**

**2. Summary of Significant Accounting Policies (Continued)**

Sales of units of participation in common/collective trusts are recorded on a trade-date basis.

Sales of shares in registered investment companies are recorded on a trade-date basis.

Sales of units of participation in the master trust are recorded on a trade-date basis.

**Payment of Benefits**

Benefits are recorded when paid.

**Participant Loans**

Participant loans are funded directly from the participant's account balance. Repayments of principal and interest related to the loan are credited to the participant's account on a pro-rata basis, based on their selected investment options. The carrying value is cost, which approximates fair value.

**Recently Issued Accounting Pronouncements**

In January 2013, the FASB issued Accounting Standards Update (ASU) No. 2013-01, Clarifying the Scope of Disclosures About Offsetting Assets and Liabilities. ASU No. 2013-01 limits the scope of the new balance sheet offsetting disclosure requirements to derivatives (including bifurcated embedded derivatives), repurchase agreements and reverse repurchase agreements, and securities borrowing and lending transactions.

The adoption of this ASU, effective January 1, 2013, did not have an impact on the Plan's financial statements and did not require additional disclosures.

**3. Investment Contract with Insurance Company**

The financial statement presentation and disclosure of the PESP Fixed Rate Fund (the Fund) complies with the FASB Accounting Standards Codification (ASC) 946 on the fair value reporting of fully benefit-responsive investment contracts as of December 31, 2014 and 2013.

The Fund is a fully benefit-responsive investment contract and is valued at fair value. Accordingly, the contract meets all of the following criteria:

- a. The investment contract is effected directly between the Fund and the issuer and prohibits the Fund from assigning or selling the contract or its proceeds to another party without the consent of the issuer.
- b. The contract issuer is obligated to (i) repay principal and interest, or (ii) prospective crediting rate adjustments with assurance the crediting rate will not be less than zero.
- c. The terms of the contract require all permitted participant-initiated transactions with the Fund to occur at contract value with no conditions, limits, or restrictions. Permitted participant-initiated transactions are those transactions allowed by the underlying defined-contribution plan, such as withdrawals for benefits, loans, or transfers to other funds within the Plan.
- d. An event that limits the ability of the Fund to transact at contract value with the issuer (for example, premature termination of the contracts by the Fund, plant closings, layoffs, Plan termination, bankruptcy, mergers, and early retirement incentives), and that also limits the ability of the Fund to transact at contract value with the participants in the Fund must be probable of not occurring.
- e. The Fund itself must allow participants reasonable access to their funds.

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**The Prudential Employee Savings Plan**

**Notes to Financial Statements**

**December 31, 2014 and 2013**

**3. Investment Contract with Insurance Company (Continued)**

The estimated fair value of the Fund as of December 31, 2014 and 2013 was \$3,435,113,113 and \$3,451,934,578, respectively. The fair value was calculated using the following methodology:

1. A present value of expected cash flow method was used to develop fair value.
2. Cash flows were estimated based on the termination provisions of the contract. The contract allows for an installment payout over a 5-year period. The balance of the Fund grows over the 5-year period at the expected crediting rate less 50 basis points. This growth rate is not below the minimum crediting rate of 3.50%.
3. Market rates of interest used to discount the cash flows were based upon the Fiduciary Capital Management Weekly Bullet GIC/BIC Statistics for 2014. The data includes contract rates for major guaranteed investment contract providers over the expected 5-year time period.

The Fund represents the fixed dollar account under an unallocated group annuity contract. The investment in the contract is presented at fair value. An adjustment is made to the fair value in the Statements of Net Assets Available for Benefits to present the investment at contract value. Contract value is based upon contributions made under the contract, plus interest credited, and less participant withdrawals. There are no reserves against contract value for credit risk of the contract issuer or otherwise.

The interest crediting rate is determined quarterly, and during 2014 was 3.50% for each of the quarters. The minimum crediting rate is 3.50%. The interest crediting rate is calculated based upon many factors, including current economic and market conditions, the general interest rate environment, and both the expected and actual experience of a reference portfolio within the issuer's general account. Key factors that could influence future interest crediting rates are changes in interest rates, and default or credit failures of the reference portfolio.

There is no relationship between future crediting rates and the adjustment to contract value reported in the Statements of Net Assets Available for Benefits.

The average market yield of the Fund for the years ended December 31, 2014 and 2013 was 3.30%. The average yield earned by the Fund that reflects the actual interest credited to participants for each of the years ended December 31, 2014 and 2013 was 3.50%. There is no event that limits the ability of the Plan to transact at contract value with the

issuer. There are also no events and circumstances that would allow the issuer to terminate the fully benefit-responsive investment contract with the Plan and settle at an amount different from contract value.



**Table of Contents****The Prudential Employee Savings Plan****Notes to Financial Statements****December 31, 2014 and 2013****4. Investments**

The following presents the Plan's investments that represent 5 percent or more of the Plan's net assets:

|  | <b>December 31,</b> |                  |
|--|---------------------|------------------|
|  | <b>2014</b>         | <b>2013</b>      |
| <b>Investments at fair value as determined by<br/>quoted net asset/redemption values</b> |                     |                  |
| Insurance Company Separate Accounts  |                     |                  |
| Large Cap Growth/Jennison Fund   | \$ 496,272,197      | \$ 456,435,896   |
| QMA U.S. Broad Market Index Fund   | \$ 638,680,484      | N/A              |
| Small Company Stock Account, VCA-6   | \$ 443,257,342      | \$ 436,941,416   |
| Master Trust   |                     |                  |
| Prudential Financial, Inc. Common Stock Fund<br>(ESOP and NON-ESOP)                      | \$ 717,362,902      | \$ 720,416,516   |
| <b>Investments at contract value</b>   |                     |                  |
| PESP Fixed Rate Fund   | \$ 3,284,834,780    | \$ 3,290,454,787 |

**Table of Contents****The Prudential Employee Savings Plan****Notes to Financial Statements****December 31, 2014 and 2013****4. Investments (Continued)**

During 2014, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by \$204,835,737 as follows:

|  | <b>Year Ended<br/>December 31, 2014</b> |
|--|---|
| <b>Investments - Net Appreciation/(Depreciation) in<br/>Fair Value</b> |   |
| Insurance Company Separate Accounts                                    |   |
| Artisan U.S. Mid-Cap Value Fund  | \$ 3,913,618                            |
| Core Bond Enhanced Index/PIM Fund                                      | 6,568,401                               |
| Core Equity Account, VCA-IF  | 24,759,832                              |
| Jennison Mid-Cap Growth Fund   | 18,255,119                              |
| Large Cap Growth/Jennison Fund   | 45,913,448                              |
| Large Cap Value/LSV Asset Management Fund                              | 33,759,298                              |
| Prudential Retirement Real Estate Fund                                 | 11,142,643                              |
| QMA International Developed Markets Index Fund                         | (8,752,579)                             |
| QMA U.S. Broad Market Index Fund                                       | 55,700,719                              |
| Small Company Stock Account, VCA-6                                     | 32,347,632                              |
| Wells Capital International Bond Fund                                  | (774,153)                               |
| Common/Collective Trusts   |   |
| Prudential High Yield Collective Investment Trust                      | 2,465,788                               |
| Wellington Trust Co. International Opportunities Fund                  | (4,937,984)                             |
| Registered Investment Companies  |   |
| Fidelity Government Income Fund  | 717,669                                 |
| GE Institutional International Equity Investment Fund                  | (5,676,538)                             |
| Prudential Jennison Natural Resources Fund, Class Q                    | (9,977,132)                             |
| Wells Fargo Advantage International Bond Fund<br>Institutional         | 208,496                                 |
| Master Trust (Note 12)   |   |
| Prudential Financial, Inc. Common Stock Fund                           | (9,199,406)                             |
| Prudential IncomeFlex Select   |   |

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|   |                |
|---|----------------|
| Aggressive Growth Fund                        | 6,489,269      |
| Conservative Growth Fund                      | 1,153,164      |
| Moderate Growth Fund                          | 2,391,719      |
| Prudential IncomeFlex Target Balanced Fund    | 476,273        |
| Common stock *                                | (2,109,559)    |
| Net appreciation in fair value of investments | \$ 204,835,737 |

\* During 2014, certain equity based funds were transitioned to new equity funds. During the period of transition, assets were held in common stocks. A transition account was used to liquidate stocks in one fund and purchase shares in a new fund.

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**Table of Contents****The Prudential Employee Savings Plan****Notes to Financial Statements****December 31, 2014 and 2013****4. Investments (Continued)**

The investment options bear expenses related to investment management and other fees. The above appreciation/(depreciation) on investments reflects these expenses. The gross expense ratio as a percentage of net assets attributable to each investment option as of December 31, 2014 was as follows:

|   | <b>Gross Expense Ratio</b> |
|---|----------------------------|
| PESP Fixed Rate Fund                                  | 0.00%                      |
| <b>Insurance Company Separate Accounts</b>            |                            |
| Artisan U.S. Mid-Cap Value Fund                       | 0.79%                      |
| Core Bond Enhanced Index/PIM Fund                     | 0.23%                      |
| Jennison Mid-Cap Growth Fund                          | 0.57%                      |
| Large Cap Growth/Jennison Fund                        | 0.47%                      |
| Large Cap Value/LSV Asset Management Fund             | 0.62%                      |
| Prudential Retirement Real Estate Fund                | 1.05%                      |
| QMA International Developed Markets Index Fund        | 0.10%                      |
| QMA U.S. Broad Market Index Fund                      | 0.05%                      |
| * Small Company Stock Account, VCA-6                  | 0.00%                      |
| Wells Capital International Bond Fund                 | 0.47%                      |
| <b>Common/Collective Trusts</b>                       |                            |
| Prudential High Yield Collective Investment Trust     | 0.48%                      |
| Wellington Trust Co. International Opportunities Fund | 0.74%                      |
| <b>Registered Investment Companies</b>                |                            |
| Fidelity Government Income Fund                       | 0.45%                      |
| Prudential Jennison Natural Resources Fund, Class Q   | 0.74%                      |
| <b>Prudential IncomeFlex Select</b>                   |                            |
| Aggressive Growth Fund                                | 1.10%                      |
| with Spouse Coverage                                  | 1.60%                      |
| Conservative Growth Fund                              | 1.10%                      |
| with Spouse Coverage                                  | 1.60%                      |
| Moderate Growth Fund                                  | 1.10%                      |
| with Spouse Coverage                                  | 1.60%                      |

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|  |       |
|--|-------|
| Prudential IncomeFlex Target Balanced Fund   | 1.08% |
| <b>Master Trust</b>                          |       |
| Prudential Financial, Inc. Common Stock Fund | 0.00% |

\* The Company pays investment management fees for the Small Company Stock Account, VCA-6, which is why the gross expense ratio is zero. The Company has the right to change the practice of paying those fees in the future.

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**Notes to Financial Statements**

**December 31, 2014 and 2013**

**5. Fair Value Measurements**

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

FASB ASC 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. This framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities ( Level 1 measurements), the next priority to quoted values based on observable inputs ( Level 2 measurements), and the lowest priority to unobservable inputs ( Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access. For example, stocks listed on a recognized exchange or listed mutual funds.

Level 2 Inputs to the valuation methodology include:

Quoted prices for similar assets or liabilities in active markets;

Quoted prices for identical or similar assets or liabilities in inactive markets;

Inputs other than quoted prices that are observable for the asset or liability;

Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement. The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2014 and 2013.

*PESP Fixed Rate Fund* - The fair value is based on discounted cash flows assuming termination of the contract, based on current yields of similar instruments with comparable durations and considering the credit worthiness of the issuer.

Changes in the discount rate assumption are accompanied by a directionally opposite change in fair value.

*Insurance Company Separate Accounts* - Plan assets are represented by a unit of account and a per unit value whose value is the result of the accumulated values of underlying investments. The underlying investments are valued in the following ways:

Equity securities (stock): Valued at the closing price reported on the active market on which individual securities are traded.

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**December 31, 2014 and 2013**

**5. Fair Value Measurements (Continued)**

**Bonds:** Securities are priced by industry standard vendors, such as Interactive Data Corporation, using inputs such as benchmark yields, reported trades, broker/dealer quotes, and issuer spreads. The pricing vendor also monitors market indices and industry and economic events, including credit rating agency actions. Prices are reviewed to ensure comfort and can be challenged with the vendor and/or overridden if the advisor believes that the different price would be more reflective of fair value.

**Real estate:** Values are determined through an independent appraisal process. The estimate of fair value is based on three approaches: (1) current cost of reproducing the property less deterioration and functional/economic obsolescence; (2) discounting a series of income streams and reversion at a specific yield or by directly capitalizing an income estimate by an appropriate factor; and (3) value indicated by recent sales of comparable properties in the market. Each approach requires the exercise of subjective judgment.

Significant increases/(decreases) in any unobservable inputs used in the fair value measurement of real estate would result in a significantly different fair value measurement. Generally, a change in the assumption used for reproducing the property, income streams, or the value of recent sales of comparable properties is accompanied by a directionally similar change, while changes in the discounting assumption is accompanied by a directionally opposite change.

*Common/Collective Trusts* - Plan assets are represented by a unit of account and a per unit value whose value is the result of the accumulated values of underlying investments. As the sponsor of the trusts, the Trustee specifies to the fund accountants the source(s) to use for underlying investment asset prices. The fund accountant values the fund using the protocol the Trustee has issued. The underlying investments are valued as follows:

**Equity securities (stock):** Securities are priced at the closing price reported on the active market on which individual securities are traded.

**Bonds:** Securities are priced by industry standard vendors, such as Interactive Data Corporation, using inputs such as benchmark yields, reported trades, broker/dealer quotes, and issuer spreads. The pricing vendor also monitors market indices and industry and economic events, including credit rating agency actions. Prices are reviewed to ensure comfort and can be challenged with the vendor and/or overridden if the advisor believes that the different price would be more reflective of fair value.

*Registered Investment Companies* - Valued at the net asset value ( NAV ) of shares held at year end.

*Master Trust* - Valued at the closing price reported on the active market on which individual securities are traded.



*Prudential IncomeFlex Select and Prudential IncomeFlex Target* - Plan assets are represented by a unit of account and a per unit value whose value is the result of the accumulated values of underlying investments. The underlying investments are valued in the following ways:

Equity securities (stock): Valued at the closing price reported on the active market on which individual securities are traded.

**Table of Contents****The Prudential Employee Savings Plan****Notes to Financial Statements****December 31, 2014 and 2013****5. Fair Value Measurements (Continued)**

Bonds: Securities are priced by industry standard vendors, such as Interactive Data Corporation, using inputs such as benchmark yields, reported trades, broker/dealer quotes, and issuer spreads. The pricing vendor also monitors market indices and industry and economic events, including credit rating agency actions. Prices are reviewed to ensure comfort and can be challenged with the vendor and/or overridden if the advisor believes that the different price would be more reflective of fair value.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Plan investments may be redeemed by the participant or by the Plan. Participants redeem investments when they elect to receive a withdrawal, make a transfer to another investment, or take a loan. The Plan redeems investments when the fiduciaries determine that an investment will no longer be offered as a Plan investment. The following is a high-level summary of the terms and conditions related to the redemption of Plan investments. For more detailed information on the terms and conditions under which participants or the Plan may redeem investments, please see the relevant Plan and investment documentation (e.g., prospectus) for each investment.

|                                       | <b>Redemption</b>          |                 |                      |   |
|---------------------------------------|----------------------------|-----------------|----------------------|---|
|                                       | <b>Terms</b>               |                 | <b>Conditions</b>    |   |
|                                       | <b>Participant *</b>       | <b>Plan</b>     | <b>Participant *</b> | <b>Plan</b>   |
| PESP Fixed Rate Fund                  | Notice Period for:         | 6 months notice | None                 | Installment payments over 5 years with interest credit. |
| (Only contractual values are payable) | Transfers: 5 business days |                 |                      |   |
|                                       | Withdrawals: 7 days        |                 |                      |   |

**Insurance Company Separate Accounts**

|                                   |   |   |   |   |
|-----------------------------------|---|---|---|---|
| Artisan U.S. Mid-Cap Value Fund   | Immediate   | Immediate, termination date set at first of month following notice.             | Under severe adverse economic conditions, delay up to 6 months. | 90 days after receipt of all required documents.                            |
| Core Bond Enhanced Index/PIM Fund | Immediate   | Immediate, termination date set at first of month following notice.             | Under severe adverse economic conditions, delay up to 6 months. | 90 days after receipt of all required documents.                            |
| Core Equity Account, VCA-IF       | Notice Period for:<br><br>Transfers: 5 business days<br><br>Withdrawals: 7 days | Notice Period for:<br><br>Transfers: 5 business days<br><br>Withdrawals: 7 days |   | Under severe adverse economic conditions, delay up to 6 months.<br><br>None |

**Table of Contents****The Prudential Employee Savings Plan****Notes to Financial Statements****December 31, 2014 and 2013****5. Fair Value Measurements (Continued)**

|  | Participant * | Terms   | Redemption  |   |
|--|---------------|---|---|---|
|  |               |   | Plan  | Conditions  |
|  |               |   | Participant *   | Plan  |
| <b>Insurance Company Separate Accounts</b> |               |   |   |   |
| Jennison Mid-Cap Growth Fund               | Immediate     | Immediate, termination date set at first of month following notice. | Under severe adverse economic conditions, delay up to 6 months. | 90 days after receipt of all required documents.                |
|  |               |   |   | Under severe adverse economic conditions, delay up to 6 months. |
| Large Cap Growth/Jennison Fund             | Immediate     | Immediate, termination date set at first of month following notice. | Under severe adverse economic conditions, delay up to 6 months. | 90 days after receipt of all required documents.                |
|  |               |   |   | Under severe adverse economic conditions, delay up to 6 months. |
| Large Cap Value/LSV Asset Management Fund  | Immediate     | Immediate, termination date set at first of month following notice. | Under severe adverse economic conditions, delay up to 6 months. | 90 days after receipt of all required documents.                |

|  |                            |   |  |   |
|--|----------------------------|---|--|---|
|  |                            |   |  | Under severe adverse economic conditions, delay up to 6 months. |
| Prudential Retirement Real Estate Fund         | Immediate                  | Immediate, termination date set at first of month following notice. | May delay up to 12 months, if negative impact on other investors. May also delay for exchange closures, SEC restriction, or financial emergency. |   |
| QMA International Developed Markets Index Fund | Immediate                  | Immediate, termination date set at first of month following notice. | Under severe adverse economic conditions, delay up to 6 months.  | 90 days after receipt of all required documents.                |
|  |                            |   |  | Under severe adverse economic conditions, delay up to 6 months. |
| QMA U.S. Broad Market Index Fund               | Immediate                  | Immediate, termination date set at first of month following notice. | Under severe adverse economic conditions, delay up to 6 months.  | 90 days after receipt of all required documents.                |
|  |                            |   |  | Under severe adverse economic conditions, delay up to 6 months. |
| Small Company Stock Account, VCA-6             | Notice Period for:         | Notice Period for:  |  | None  |
|  | Transfers: 5 business days | Transfers: 5 business days  |  |   |
|  | Withdrawals: 7 days        | Withdrawals: 7 days   |  |   |
| Wells Capital International Bond Fund          | Immediate                  | Immediate, termination date set at first of month following notice. | Under severe adverse economic conditions, delay up to 6 months.  | 90 days after receipt of all required documents.                |

Under severe  
adverse economic  
conditions, delay  
up to 6 months.

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**Table of Contents****The Prudential Employee Savings Plan****Notes to Financial Statements****December 31, 2014 and 2013****5. Fair Value Measurements (Continued)**

|   | Terms  |  | Redemption   |  |
|---|--|--|--|--|
|   | Participant *  | Plan   | Participant *  | Plan   |
| <b>Common/Collective Trusts</b>                             |  |  |  |  |
| Prudential High Yield Collective Investment Trust           | Immediate  | Ten-day notice period may be imposed on withdrawals. | None   | Withdrawal shall be paid within 30 days after receipt of all required documents and may be limited to the greater of \$2 million or 5% of the value of the assets in the Fund. |
| Wellington Trust Co. International Opportunities Fund       | Written notice, honored same day if before 4 PM, otherwise next business day, although trustee has discretion to elect to accept shorter notice. |  | None   |  |
| <b>Registered Investment Companies</b>                      |  |  |  |  |
| Fidelity Government Income Fund                             | Trade order received, honored next business day.   |  | May take up to 7 days, if negative impact on the fund.   |  |
| GE Institutional International Equity Investment Fund       | Immediate  |  | None   |  |
| Prudential Jennison Natural Resources Fund, Class Q         | Written notice, honored same day if before 4 PM, otherwise next business day.  |  | May delay for exchange closures, SEC or other trading restrictions.  |  |
| Wells Fargo Advantage International Bond Fund Institutional | Written notice, honored same day if before 4 PM, otherwise next business day.  |  | May delay for exchange closures, SEC or other trading restrictions. In addition, for 30 days following a redemption of shares valued at \$5,000 or more, any |  |

transfer into the Fund is barred by the Fund (known as a purchase block).

**Master Trust**

Prudential Financial, Inc.  
Common Stock Fund

Immediate

None

If insufficient cash, may seek direction from Plan.



**Table of Contents****The Prudential Employee Savings Plan****Notes to Financial Statements****December 31, 2014 and 2013****5. Fair Value Measurements (Continued)**

|                                     | Participant * | Terms   | Redemption  |   |
|-------------------------------------|---------------|---|---|---|
|                                     |               |   | Plan  | Conditions  |
|                                     |               |   | Participant *   | Plan  |
| <b>Prudential IncomeFlex Select</b> |               |   |   |   |
| Aggressive Growth Fund              | Immediate     | Immediate, termination date set at first of month following notice. | Under severe adverse economic conditions, delay up to 6 months. | 90 days after receipt of all required documents.                |
| Conservative Growth Fund            |               |   |   |   |
| Moderate Growth Fund                |               |   |   | Under severe adverse economic conditions, delay up to 6 months. |
| <b>Prudential IncomeFlex Target</b> |               |   |   |   |
| Balanced Fund                       | Immediate     | Immediate, termination date set at first of month following notice. | Under severe adverse economic conditions, delay up to 6 months. | 90 days after receipt of all required documents.                |
|                                     |               |   |   | Under severe adverse economic conditions, delay up to 6 months. |

\* For participants, notice periods and other conditions are routinely waived, although Purchase Blocks imposed by a Fund are not. Transactions input through the Plan's online system or through interactive voice response also constitute written notice.



**Table of Contents****The Prudential Employee Savings Plan****Notes to Financial Statements****December 31, 2014 and 2013****5. Fair Value Measurements (Continued)**

The following tables set forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2014 and 2013:

|   | <b>Investments at Fair Value as of December 31, 2014</b> |                |                  |                  |
|---|--|----------------|------------------|------------------|
|   | <b>Level 1</b>   | <b>Level 2</b> | <b>Level 3</b>   | <b>Total</b>     |
| PESP Fixed Rate Fund (Note 3)                     | \$   | \$             | \$ 3,435,113,113 | \$ 3,435,113,113 |
| Insurance Company Separate Accounts               |  |                |                  |                  |
| Artisan U.S. Mid-Cap Value Fund                   |  | 216,103,236    |                  | 216,103,236      |
| Core Bond Enhanced Index/PIM Fund                 |  | 123,354,368    |                  | 123,354,368      |
| Jennison Mid-Cap Growth Fund                      |  | 203,087,776    |                  | 203,087,776      |
| Large Cap Growth/Jennison Fund                    |  | 496,272,197    |                  | 496,272,197      |
| Large Cap Value/LSV Asset Management Fund         |  | 288,667,628    |                  | 288,667,628      |
| Prudential Retirement Real Estate Fund            |  |                | 98,965,473       | 98,965,473       |
| QMA International Developed Markets Index Fund    |  | 178,803,686    |                  | 178,803,686      |
| QMA U.S. Broad Market Index Fund                  |  | 638,680,484    |                  | 638,680,484      |
| Small Company Stock Account, VCA-6                |  | 443,257,342    |                  | 443,257,342      |
| Wells Capital International Bond Fund             |  | 37,887,042     |                  | 37,887,042       |
| Common/Collective Trusts                          |  |                |                  |                  |
| Prudential High Yield Collective Investment Trust |  | 64,810,476     |                  | 64,810,476       |
|   |  | 153,375,513    |                  | 153,375,513      |

|   |               |                  |                  |                  |
|---|---------------|------------------|------------------|------------------|
| Wellington Trust Co.                                |               |                  |                  |                  |
| International Opportunities Fund                    |               |                  |                  |                  |
| Registered Investment Companies                     |               |                  |                  |                  |
| Fidelity Government Income Fund                     | 20,775,863    |                  |                  | 20,775,863       |
| Prudential Jennison Natural Resources Fund, Class Q | 49,614,558    |                  |                  | 49,614,558       |
| Master Trust (Note 12)                              |               |                  |                  |                  |
| Prudential Financial, Inc. Common Stock Fund        |               | 717,362,902      |                  | 717,362,902      |
| Prudential IncomeFlex Select                        |               |                  |                  |                  |
| Aggressive Growth Fund                              |               | 98,945,357       |                  | 98,945,357       |
| Conservative Growth Fund                            |               | 19,261,105       |                  | 19,261,105       |
| Moderate Growth Fund                                |               | 38,143,184       |                  | 38,143,184       |
| Prudential IncomeFlex Target                        |               |                  |                  |                  |
| Balanced Fund                                       |               | 12,355,374       |                  | 12,355,374       |
| Total investments at fair value                     | \$ 70,390,421 | \$ 3,730,367,670 | \$ 3,534,078,586 | \$ 7,334,836,677 |

**Table of Contents****The Prudential Employee Savings Plan****Notes to Financial Statements****December 31, 2014 and 2013****5. Fair Value Measurements (Continued)**

|   | Investments at Fair Value as of December 31, 2013 |             |                  |                  |
|---|---|-------------|------------------|------------------|
|   | Level 1   | Level 2     | Level 3          | Total            |
| PESP Fixed Rate Fund (Note 3)                         | \$  | \$          | \$ 3,451,934,578 | \$ 3,451,934,578 |
| Insurance Company Separate Accounts                   |   |             |                  |                  |
| Artisan U.S. Mid-Cap Value Fund                       |   | 216,850,594 |                  | 216,850,594      |
| Core Bond Enhanced Index/PIM Fund                     |   | 106,631,962 |                  | 106,631,962      |
| Core Equity Account, VCA-IF                           |   | 274,065,781 |                  | 274,065,781      |
| Jennison Mid-Cap Growth Fund                          |   | 189,315,206 |                  | 189,315,206      |
| Large Cap Growth/Jennison Fund                        |   | 456,435,896 |                  | 456,435,896      |
| Large Cap Value/LSV Asset Management Fund             |   | 255,101,601 |                  | 255,101,601      |
| Prudential Retirement Real Estate Fund                |   |             | 88,720,241       | 88,720,241       |
| QMA International Developed Markets Index Fund        |   | 157,574,379 |                  | 157,574,379      |
| QMA U.S. Broad Market Index Fund                      |   | 306,817,834 |                  | 306,817,834      |
| Small Company Stock Account, VCA-6                    |   | 436,941,416 |                  | 436,941,416      |
| Common/Collective Trust                               |   |             |                  |                  |
| Prudential High Yield Collective Investment Trust     |   | 60,947,138  |                  | 60,947,138       |
| Registered Investment Companies                       |   |             |                  |                  |
| Fidelity Government Income Fund                       | 19,088,571  |             |                  | 19,088,571       |
| GE Institutional International Equity Investment Fund | 171,851,667                                       |             |                  | 171,851,667      |

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|  |                |                  |                  |                  |
|--|----------------|------------------|------------------|------------------|
| Prudential Jennison Natural Resources Fund, Class Q                    | 40,852,420     |                  |                  | 40,852,420       |
| Wells Fargo Advantage International Bond Fund Institutional            | 31,399,866     |                  |                  | 31,399,866       |
| Master Trust (Note 12)<br>Prudential Financial, Inc. Common Stock Fund |                | 720,416,516      |                  | 720,416,516      |
| Prudential IncomeFlex Select<br>Aggressive Growth Fund                 |                | 99,748,340       |                  | 99,748,340       |
| Conservative Growth Fund   |                | 18,367,857       |                  | 18,367,857       |
| Moderate Growth Fund   |                | 37,231,562       |                  | 37,231,562       |
| Total investments at fair value  | \$ 263,192,524 | \$ 3,336,446,082 | \$ 3,540,654,819 | \$ 7,140,293,425 |

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**Table of Contents****The Prudential Employee Savings Plan****Notes to Financial Statements****December 31, 2014 and 2013****5. Fair Value Measurements (Continued)**

The following table sets forth a summary of changes in the fair value of the Plan's Level 3 investments for the year ended December 31, 2014:

|  | <b>PESP Fixed<br/>Rate Fund</b> | <b>Prudential<br/>Retirement Real<br/>Estate Fund</b> |
|--|---------------------------------|---|
| <b>Additions to net assets</b>                   |                                 |   |
| Investment income:                               |                                 |   |
| Net appreciation in fair value of investments *  | \$                              | \$ 11,142,643   |
| Interest and dividend income                     | 114,060,428                     |   |
| Other income                                     | 1,652,865                       |   |
| Total investment income                          | 115,713,293                     | 11,142,643  |
| <b>Investment expenses (Note 6)</b>              |                                 |   |
| Net investment income                            | 115,713,293                     | 11,142,643  |
| <b>Contributions:</b>                            |                                 |   |
| Employer   | 5,012,477                       | 864,867   |
| Employee   | 39,302,456                      | 4,744,294   |
| Rollover   | 16,963,301                      | 710,337   |
| Total contributions                              | 61,278,234                      | 6,319,498   |
| Total additions                                  | 176,991,527                     | 17,462,141  |
| Net transfers (to) from other investment options | 37,399,022                      | 4,225,533   |
| <b>Deductions from net assets:</b>               |                                 |   |
| Benefits paid to participants                    | 218,887,140                     | 11,442,285  |

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|   |                     |                   |
|---|---------------------|-------------------|
| Administrative expenses                               | 1,123,416           | 157               |
| <b>Total deductions</b>                               | <b>220,010,556</b>  | <b>11,442,442</b> |
| Net (decrease)/increase                               | (5,620,007)         | 10,245,232        |
| <b>Contract value to fair value adjustment change</b> | <b>(11,201,458)</b> |                   |
| <b>Net assets at fair value:</b>                      |                     |                   |
| Beginning of year                                     | 3,451,934,578       | 88,720,241        |
| End of year   | \$ 3,435,113,113    | \$ 98,965,473     |
| <b>* Actual return on assets:</b>                     |                     |                   |
| Relating to assets still held at the reporting date   | \$                  | \$ 3,662,747      |
| Relating to assets sold during the reporting period   | \$                  | \$ 7,479,896      |

During the year ended December 31, 2014, there were no transfers between levels.



**Table of Contents****The Prudential Employee Savings Plan****Notes to Financial Statements****December 31, 2014 and 2013****5. Fair Value Measurements (Continued)****Quantitative Information about Significant Unobservable Inputs Used in Level 3 Fair Value Measurements**

The following table represents the Plan's Level 3 financial instruments, the valuation techniques used to measure the fair value of those financial instruments, and the significant unobservable inputs and the ranges of values for those inputs:

| Instrument                           | Fair Value       | As of December 31, 2014       |  |                      |         | Weighted Average      |                      |
|--------------------------------------|------------------|-------------------------------|--|----------------------|---------|-----------------------|----------------------|
|                                      |                  | Valuation Technique           | Inputs   | Minimum              | Maximum |                       |                      |
| PESP Fixed Rate Fund<br><br>(Note 3) | \$ 3,435,113,113 | Discounted Cash Flow          | Crediting Rate   | 3.50%                | -       | 3.50%                 | 3.50%                |
|                                      |                  |                               | Payout Percentage  | 20%                  | -       | 100%                  | N/A                  |
|                                      |                  |                               | Payout Date  | 12/31/2015           | -       | 12/31/2019            | N/A                  |
| Prudential Retirement                | \$ 98,965,473    | Independent Appraisal Process | Current cost of reproducing less deterioration                               |                      |         |                       |                      |
| Real Estate Fund                     |                  |                               | Discounted income streams or estimate of capitalization multiplied by factor | Discount rate: 6.00% | -       | Discount rate: 15.00% | Discount rate: 7.36% |
|                                      |                  |                               |  | Capitalization rate: |         | Capitalization rate:  | Capitalization rate: |

4.50% - 9.75% 6.05%

Value of recent sales of comparable properties

As of December 31, 2013

Valuation

| Instrument                             | Fair Value       | Technique                     | Inputs   | Minimum                    | Maximum                     | Weighted Average           |
|--|------------------|-------------------------------|--|----------------------------|-----------------------------|----------------------------|
| PESP Fixed Rate Fund<br><br>(Note 3)   | \$ 3,451,934,578 | Discounted Cash Flow          | Crediting Rate   | 3.50%                      | - 3.50%                     | 3.50%                      |
|  |                  |                               | Payout Percentage  | 20%                        | - 100%                      | N/A                        |
|  |                  |                               | Payout Date  | 12/31/2014                 | - 12/31/2018                | N/A                        |
| Prudential Retirement Real Estate Fund | \$ 88,720,241    | Independent Appraisal Process | Current cost of reproducing less deterioration                               |                            |                             |                            |
|  |                  |                               | Discounted income streams or estimate of capitalization multiplied by factor | Discount rate: 6.00%       | Discount rate: 15.00%       | Discount rate: 7.71%       |
|  |                  |                               |  | Capitalization rate: 4.15% | Capitalization rate: 11.00% | Capitalization rate: 6.35% |
|  |                  |                               | Value of recent sales of comparable properties                               |                            |                             |                            |

**Table of Contents****The Prudential Employee Savings Plan****Notes to Financial Statements****December 31, 2014 and 2013****6. Related Party Transactions**

The Company (or an affiliate of the Company) acts as the investment manager for each of the investment options currently offered by the Plan, except for the Artisan U.S. Mid-Cap Value Fund, the Large Cap Value/LSV Asset Management Fund, the Wells Capital International Bond Fund, the Wellington Trust Co. International Opportunities Fund, and the Fidelity Government Income Fund.

The Plan has an ERISA Budget Account (described below) was established for the Plan. On a quarterly basis, certain revenue sharing payments (e.g., 12b-1 fees, etc.) received by an affiliate of the Company from certain of the Plan's investment options are deposited into a dedicated account in the Plan, known as the ERISA Budget Account. Revenue sharing payments are reported as Other income in the Statement of Changes in Net Assets Available for Benefits. Amounts deposited in the ERISA Budget Account are used to pay on-going administrative expenses of the Plan in accordance with ERISA and guidance issued by the U.S. Department of Labor ( DOL Guidance ).

Most of the administrative expenses shown in the Statement of Changes in Net Assets Available for Benefits were direct expenses (as defined in the DOL Guidance) that the Plan and the Company paid to the Company's affiliate for recordkeeping services.

The Company also paid certain expenses of the Plan. Some of these expenses were paid to the Company (or an affiliate of the Company).

The Company paid investment management fees for the Core Equity Account, VCA-IF and the Small Company Stock Account, VCA-6 in the amount of \$2,984,516 for the year ended December 31, 2014.

The Company paid administrative fees for trustee services in the amount of \$5,000 for the year ended December 31, 2014.

**7. Reconciliation of Financial Statements to Form 5500**

The following is a reconciliation of participant loans and benefit payments per the financial statements to Form 5500:

|   | <b>December 31,</b> |               |
|---|---------------------|---------------|
|   | <b>2014</b>         | <b>2013</b>   |
| Notes receivable for participant loans per the financial statements | \$ 47,481,058       | \$ 46,517,863 |

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|  |                |               |
|--|----------------|---------------|
| Less: Certain cumulative deemed distributions of participant loans | (855,001)      | (913,829)     |
| Participant loans per Form 5500                                    | \$ 46,626,057  | \$ 45,604,034 |
| Benefits paid to participants per the financial statements         | \$ 400,699,030 |               |
| Less: Prior period active loan defaults foreclosed                 | (243,802)      |               |
| Total benefit payments per Form 5500                               | 400,455,228    |               |
| Add: Certain deemed distributions of participant loans             | 184,974        |               |
| Total benefit payments and deemed distributions                    | \$ 400,640,202 |               |

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**Table of Contents****The Prudential Employee Savings Plan****Notes to Financial Statements****December 31, 2014 and 2013****7. Reconciliation of Financial Statements to Form 5500 (Continued)**

The following is a reconciliation of assets of the Single Client Insurance Company Separate Account per the Statements of Net Assets Available for Benefits to Form 5500 at December 31, 2014:

|                            | <b>Single Client Insurance Company<br/>Separate Accounts</b> |  |                                |
|----------------------------|--|--|--------------------------------|
|                            | <b>Artisan<br/>U.S.<br/>Mid-Cap<br/>Value Fund</b>           | <b>Wells<br/>Capital<br/>International<br/>Bond Fund</b> | <b>Total per<br/>Form 5500</b> |
| Per Financial Statements   | \$ 216,103,236   | \$ 37,887,042  |                                |
| Per Form 5500              |  |  |                                |
| Receivables Other          | 292,497  | 276,850  | \$ 569,347                     |
| Interest-bearing Cash      | 18,709,794   | 2,507,871  | 21,217,665                     |
| U.S. Government Securities |  | 1,540,919  | 1,540,919                      |
| Corporate Debt Instruments |  | 2,381,416  | 2,381,416                      |
| Common Stock               | 197,331,828  |  | 197,331,828                    |
| Other                      |  | 33,167,535   | 33,167,535                     |
| Other Liabilities          | (230,883)  | (1,987,549)  | (2,218,432)                    |
| Total                      | \$ 216,103,236   | \$ 37,887,042  |                                |

**Table of Contents****The Prudential Employee Savings Plan****Notes to Financial Statements****December 31, 2014 and 2013****7. Reconciliation of Financial Statements to Form 5500 (Continued)**

The following is a reconciliation of a component of the Statements of Net Assets Available for Benefits per the financial statements to Form 5500 at December 31, 2014 due to the Prudential IncomeFlex investment options:

|   | Per Financial<br>Statements | Reallocation  |   |               | Prudential<br>IncomeFlex<br>Target<br>Balanced | Per<br>Form 5500 |
|---|-----------------------------|---------------|---|---------------|--|------------------|
|   |                             | Aggressive    | Prudential<br>IncomeFlex Select<br>Conservative | Moderate      |  |                  |
| Insurance<br>Company<br>Separate<br>Accounts          |                             |               |   |               |  |                  |
| Core Bond<br>Enhanced<br>Index/PIM<br>Fund            | \$ 123,354,368              | \$ 29,683,607 | \$ 12,519,717                                   | \$ 17,164,433 | \$ 4,942,150                                   | \$ 187,664,275   |
| Jennison<br>Mid-Cap<br>Growth Fund                    | 203,087,776                 | 7,915,628     | 963,056   | 2,288,591     |  | 214,255,051      |
| Large Cap<br>Growth/<br>Jennison Fund                 | 496,272,197                 | 13,852,350    | 1,155,666                                       | 4,195,750     |  | 515,475,963      |
| Large Cap<br>Value/LSV<br>Asset<br>Management<br>Fund | 288,667,628                 | 9,894,536     | 963,056   | 3,051,455     |  | 302,576,675      |
| Prudential<br>Retirement<br>Real Estate<br>Fund       | 98,965,473                  |               |   |               |  | 98,965,473       |
| QMA<br>International                                  | 178,803,686                 | 13,852,350    | 1,348,277                                       | 4,195,750     | 1,853,306                                      | 200,053,369      |

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|  |                  |               |               |               |               |                  |
|--|------------------|---------------|---------------|---------------|---------------|------------------|
| Developed<br>Markets Index<br>Fund             |                  |               |               |               |               |                  |
| QMA U.S.<br>Broad Market<br>Index Fund         | 638,680,484      | 14,841,803    | 1,348,277     | 4,577,182     | 5,559,918     | 665,007,664      |
| Small<br>Company<br>Stock<br>Account,<br>VCA-6 | 443,257,342      | 8,905,083     | 963,056       | 2,670,023     |               | 455,795,504      |
|  | \$ 2,471,088,954 | \$ 98,945,357 | \$ 19,261,105 | \$ 38,143,184 | \$ 12,355,374 | \$ 2,639,793,974 |

|                                    |                |                 |                 |                 |                 |    |
|------------------------------------|----------------|-----------------|-----------------|-----------------|-----------------|----|
| Prudential<br>IncomeFlex<br>Select |                |                 |                 |                 |                 |    |
| Aggressive<br>Growth Fund          | \$ 98,945,357  | \$ (98,945,357) | \$              | \$              | \$              | \$ |
| Conservative<br>Growth Fund        | 19,261,105     |                 | (19,261,105)    |                 |                 |    |
| Moderate<br>Growth Fund            | 38,143,184     |                 |                 | (38,143,184)    |                 |    |
| Prudential<br>IncomeFlex<br>Target |                |                 |                 |                 |                 |    |
| Balanced Fund                      | 12,355,374     |                 |                 |                 | (12,355,374)    |    |
|                                    | \$ 168,705,020 | \$ (98,945,357) | \$ (19,261,105) | \$ (38,143,184) | \$ (12,355,374) | \$ |

**Table of Contents****The Prudential Employee Savings Plan****Notes to Financial Statements****December 31, 2014 and 2013****7. Reconciliation of Financial Statements to Form 5500 (Continued)**

The following is a reconciliation of interest and dividend income per the Statement of Changes in Net Assets Available for Benefits to Form 5500 for the year ended December 31, 2014:

|  |                    |
|--|--------------------|
| Interest and dividend income per the financial statements  | \$ 131,270,181     |
| Add: Interest income on notes receivable from participants | 1,518,384          |
| Add: Interest on interest-bearing cash                     | 21,202             |
| Add: U.S. Government securities                            | 1,262              |
| Add: Corporate debt instruments                            | 354,022            |
| Less: Dividends on registered investment company shares    | (606,574)          |
| Less: Master Trust dividends                               | (17,129,642)       |
| <br>Total interest per Form 5500                           | <br>\$ 115,428,835 |

The following is a reconciliation of net appreciation/(depreciation) of the Single Client Insurance Company Separate Account included in the Statement of Changes in Net Assets Available for Benefits to Form 5500 for the year ended December 31, 2014:

|                            | <b>Single Client Insurance Company<br/>Separate Accounts</b> |  |                         | <b>Total per<br/>Form 5500</b> |
|----------------------------|--|--|-------------------------|--------------------------------|
|                            | <b>Artisan<br/>U.S.<br/>Mid-Cap<br/>Value<br/>Fund</b>       | <b>Wells<br/>Capital<br/>International<br/>Bond Fund</b> | <b>Common<br/>Stock</b> |                                |
| Per Financial Statements   | \$ 3,913,618   | \$ (774,153)   | \$ (2,109,559)          |                                |
| Per Form 5500              |  |  |                         |                                |
| Interest-bearing Cash      | \$ 20,635  | \$ 345   | \$ 222                  | \$ 21,202                      |
| U.S. Government Securities |  | 1,262  |                         | 1,262                          |
| Corporate Debt Instruments |  | 354,022  |                         | 354,022                        |
| Dividends on Common Stock  | 4,391,168  |  | 31,885                  | 4,423,053                      |



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|   |              |              |                |             |
|---|--------------|--------------|----------------|-------------|
| Net Realized Gains                      | 5,575,066    | (366,760)    | (2,141,384)    | 3,066,922   |
| Unrealized Depreciation of Assets       | (4,345,849)  | (721,183)    |                | (5,067,032) |
| Investment Advisory and Management Fees | (1,727,402)  | (41,839)     | (282)          | (1,769,523) |
| Total                                   | \$ 3,913,618 | \$ (774,153) | \$ (2,109,559) |             |

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**Table of Contents****The Prudential Employee Savings Plan****Notes to Financial Statements****December 31, 2014 and 2013****7. Reconciliation of Financial Statements to Form 5500 (Continued)**

The following is a reconciliation of a component of net appreciation/(depreciation) in fair value of investments included in the Statement of Changes in Net Assets Available for Benefits to Form 5500 for the year ended December 31, 2014 due to the Prudential IncomeFlex investment options:

|  | Per<br>Financial<br>Statements | Reallocation |   |              | Prudential<br>IncomeFlex<br>Target<br>Balanced | Per<br>Form 5500 |
|--|--------------------------------|--------------|---|--------------|--|------------------|
|  |                                | Aggressive   | Prudential<br>IncomeFlex Select<br>Conservative | Moderate     |  |                  |
| Insurance Company<br>Separate Accounts               |                                |              |   |              |  |                  |
| Core Bond Enhanced<br>Index/PIM Fund                 | \$ 6,568,401                   | \$ 1,946,781 | \$ 749,557                                      | \$ 1,076,274 | \$ 190,509                                     | \$ 10,531,522    |
| Core Equity Account,<br>VCA-IF                       | 24,759,832                     | 730,042      | 60,541  | 215,254      |  | 25,765,669       |
| Jennison Mid-Cap<br>Growth Fund                      | 18,255,119                     | 519,142      | 57,659  | 143,503      |  | 18,975,423       |
| Large Cap Growth/<br>Jennison Fund                   | 45,913,448                     | 908,498      | 69,190  | 263,089      |  | 47,154,225       |
| Large Cap Value/LSV<br>Asset Management<br>Fund      | 33,759,298                     | 648,927      | 57,658  | 191,338      |  | 34,657,221       |
| Prudential Retirement<br>Real Estate Fund            | 11,142,643                     |              |   |              |  | 11,142,643       |
| QMA International<br>Developed Markets<br>Index Fund | (8,752,579)                    | 908,498      | 80,721  | 263,089      | 71,441   | (7,428,830)      |
| QMA U.S. Broad<br>Market Index Fund                  | 55,700,719                     | 243,347      | 20,180  | 71,752       | 214,323  | 56,250,321       |
| Small Company Stock<br>Account, VCA-6                | 32,347,632                     | 584,034      | 57,658  | 167,420      |  | 33,156,744       |
|  | \$ 219,694,513                 | \$ 6,489,269 | \$ 1,153,164                                    | \$ 2,391,719 | \$ 476,273                                     | \$ 230,204,938   |

|                       |               |               |               |               |             |
|-----------------------|---------------|---------------|---------------|---------------|-------------|
| Prudential IncomeFlex |               |               |               |               |             |
| Select                |               |               |               |               |             |
| Aggressive Growth     |               |               |               |               |             |
| Fund                  | \$ 6,489,269  | \$(6,489,269) | \$            | \$            | \$          |
| Conservative Growth   |               |               |               |               |             |
| Fund                  | 1,153,164     |               | (1,153,164)   |               |             |
| Moderate Growth Fund  | 2,391,719     |               |               | (2,391,719)   |             |
| Prudential IncomeFlex |               |               |               |               |             |
| Target                |               |               |               |               |             |
| Balanced Fund         | 476,273       |               |               | (476,273)     |             |
|                       | \$ 10,510,425 | \$(6,489,269) | \$(1,153,164) | \$(2,391,719) | \$(476,273) |

**Table of Contents****The Prudential Employee Savings Plan****Notes to Financial Statements****December 31, 2014 and 2013****7. Reconciliation of Financial Statements to Form 5500 (Continued)**

The following is a reconciliation of net appreciation/(depreciation) of the Master Trust included in the Statement of Changes in Net Assets Available for Benefits to Form 5500 for the year ended December 31, 2014:

|   |                  |
|---|------------------|
| Net depreciation of Master Trust investment per the financial statements    | \$ (9,199,406)   |
| Add: Master Trust dividends   | 17,129,642       |
| <br>Net investment gain from Master Trust investment accounts per Form 5500 | <br>\$ 7,930,236 |

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 Supplemental Information, Schedule I - Schedule of Assets Held for Investment Purposes as of December 31, 2014:

|  |                      |
|--|----------------------|
| Net assets available for benefits per the financial statements     | \$ 7,232,039,402     |
| Less: Certain cumulative deemed distributions of participant loans | (855,001)            |
| Less: Receivables of Artisan U.S. Mid-Cap Value Fund               | (292,497)            |
| Add: Liabilities of Artisan U.S. Mid-Cap Value Fund                | 230,883              |
| Less: Receivables of Wells Capital International Bond Fund         | (276,850)            |
| Add: Liabilities of Wells Capital International Bond Fund          | 1,987,549            |
| <br>Total per the Schedule of Assets Held for Investment Purposes  | <br>\$ 7,232,833,486 |

**8. Plan Termination**

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and amend or terminate the Plan subject to the provisions of ERISA. In the event of Plan

termination, participants would become 100% vested in their Company matching contributions account.

**9. Employee Stock Ownership Plan ( ESOP )**

The Employee Stock Ownership Plan ( ESOP ) portion of the Plan was established in accordance with sections 401(a), 4975(e)(7) of the IRC and section 407(d)(6) of ERISA. The ESOP invests primarily in qualifying employer securities in accordance with IRC section 4975(e)(8). An ESOP account is established for each participant in the Plan, and is invested in the PFI Common Stock Fund. To fund the ESOP, the recordkeeper, annually, transfers ( sweeps ) to the ESOP portion all of the participant s fully vested amounts in the non-ESOP portion of the PFI Common Stock Fund. Participants may redirect the amounts credited to the ESOP account into any other investment option subject to certain limitations including, but not limited to, the provisions of the Company s personal securities trading policy. Funds that are swept into the ESOP portion are treated the same as funds in the non-ESOP portion for purposes of distributions, reallocations, and transfers. Cash dividends are paid to the ESOP, and thereafter, either distributed to participants or reinvested into participants ESOP accounts. All participants have a choice of either reinvesting the cash dividends into the ESOP account or receiving cash on a yearly basis. Participants cannot contribute directly to the ESOP.

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**The Prudential Employee Savings Plan**

**Notes to Financial Statements**

**December 31, 2014 and 2013**

**9. Employee Stock Ownership Plan ( ESOP ) (Continued)**

The trustee of the Plan purchases shares of PFI common stock on behalf of the PFI Common Stock Fund at fair value or by private purchase (including from an affiliate). Voting rights in shares of PFI common stock held by the Plan shall be exercised by the trustee in a timely manner and by the direction of the participants. Dividends and other income credited to the PFI Common Stock Fund are allocated to all participants with units in the PFI Common Stock Fund when such amounts are received by the Plan.

**10. Tax Status**

The Internal Revenue Service has determined and informed the Company by a letter dated September 25, 2013, that the Plan, as then designed, was in compliance with the applicable requirements of the IRC. Although the Plan has been amended since the receipt of the letter, the Plan administrator and the Company's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC, and no provision for income tax is necessary.

U. S. GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2011.

**11. Risks and Uncertainties**

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

**12. Interest in Master Trust**

A portion of the Plan's investments are in the Master Trust which was established for the investment of

assets of the Plan and other defined contribution plans sponsored by affiliated companies. The assets of the Master Trust are held by Prudential Trust Company (the Trustee ). As of December 31, 2014 and 2013, the Plan's interest in the net assets of the Master Trust was 100%.

### **13. Subsequent Events**

The Plan Administrator has evaluated events subsequent to December 31, 2014 and through June 15, 2015, the date the financial statements were available to be issued, and determined there have not been any events that occurred, other than those listed below. The events do not require adjustments to these financial statements.

The following will occur in 2015:

The Vanguard Emerging Markets Stock Index Fund, a mutual fund (Ticker Symbol: VEMIX), will be added to the Plan's investment options.

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**The Prudential Employee Savings Plan**

**Notes to Financial Statements**

**December 31, 2014 and 2013**

**13. Subsequent Events (Continued)**

The following funds will be eliminated from Prudential IncomeFlex Select portfolio and replaced with the QMA US Broad Market Index Fund:

Jennison Mid-Cap Growth Fund;

Large Cap Growth/Jennison Fund;

Large Cap Value/LSV Asset Management Fund; and

Small Company Stock Account, VCA-6.

The following changes will be made to the investment options available under the Plan.

The following investment options:

Artisan U.S. Mid-Cap Value Fund;

Jennison Mid-Cap Growth Fund;

Large Cap Growth/Jennison Fund; and

Large Cap Value/LSV Asset Management Fund.

will be replaced by the Jennison Opportunistic Equity Fund, a collective trust, and the AllianceBernstein Core Opportunities Fund, an insurance company separate account, with 50% of prior assets going to each new fund.



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The Small Company Stock Account, VCA-6 will be replaced by the Delaware Small Cap Core Equity Fund, an insurance company separate account, and the Vanguard Small Cap Index Fund, a mutual fund (Ticker Symbol: VSCPX), with 50% of prior assets going to each new fund.

The Fidelity Government Income Fund will be replaced by the Vanguard Intermediate Government Bond Index Fund, a mutual fund (Ticker Symbol: VIIGX).

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**Table of Contents****Prudential Employee Savings Plan  
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December 31, 2014****Supplemental Information  
Schedule I****Identity of Issue, Borrower**

| <b>Lessor or Similar Party</b>                        | <b>Description of Investment</b>         | <b>Cost</b>             | <b>Current Value</b>    |
|---|--|-------------------------|-------------------------|
| * PESP Fixed Rate Fund                                | Prudential Insurance Co. General Account | <b>\$ 3,284,834,780</b> | <b>\$ 3,284,834,780</b> |
| * Core Bond Enhanced Index/PIM Fund                   | Insurance Co. Pooled Separate Account    | 162,455,081             | 187,664,275             |
| * Jennison Mid-Cap Growth Fund                        | Insurance Co. Pooled Separate Account    | 170,261,468             | 214,255,051             |
| * Large Cap Growth/Jennison Fund                      | Insurance Co. Pooled Separate Account    | 357,733,025             | 515,475,963             |
| * Large Cap Value/LSV Asset Management Fund           | Insurance Co. Pooled Separate Account    | 193,936,281             | 302,576,675             |
| * Prudential Retirement Real Estate Fund              | Insurance Co. Pooled Separate Account    | 79,018,187              | 98,965,473              |
| * QMA International Developed Markets Index Fund      | Insurance Co. Pooled Separate Account    | 171,239,362             | 200,053,369             |
| * QMA U.S. Broad Market Index Fund                    | Insurance Co. Pooled Separate Account    | 518,407,484             | 665,007,664             |
| * Small Company Stock Account, VCA-6                  | Insurance Co. Pooled Separate Account    | 177,271,078             | 455,795,504             |
|   | <b>Sub-Total</b>                         | <b>1,830,321,966</b>    | <b>2,639,793,974</b>    |
| Prudential High Yield Collective Investment Trust     | Common/Collective Trust                  | 61,717,600              | 64,810,476              |
| Wellington Trust Co. International Opportunities Fund | Common/Collective Trust                  | 158,258,883             | 153,375,513             |
|   | <b>Sub-Total</b>                         | <b>219,976,483</b>      | <b>218,185,989</b>      |
| Fidelity Government Income Fund                       | Mutual Fund                              | 21,217,233              | 20,775,863              |
| Prudential Jennison Natural Resources Fund, Class Q   | Mutual Fund                              | 57,381,836              | 49,614,558              |

|   |                                 |                        |                    |
|---|---------------------------------|------------------------|--------------------|
|   | <b>Sub-Total</b>                | <b>78,599,069</b>      | <b>70,390,421</b>  |
| * Prudential Financial, Inc.<br>Common Stock Fund | Master Trust Investment Account | <b>407,030,501 ***</b> | <b>717,362,902</b> |
| * Participant Loans                               | 3.25%**                         |                        | <b>46,626,057</b>  |
| Cigna Corp  | Common Stock, shares: 69,491    | 3,161,841              | 7,151,319          |
| Allstate Corp                                     | Common Stock, shares: 91,910    | 3,473,430              | 6,456,677          |
| Analog Devices                                    | Common Stock, shares: 115,360   | 4,709,975              | 6,404,787          |
| Alleghany Corp                                    | Common Stock, shares: 13,041    | 4,536,556              | 6,044,503          |
| Edison International                              | Common Stock, shares: 91,968    | 4,273,503              | 6,022,065          |
| Arrow Electronics Inc                             | Common Stock, shares: 102,994   | 3,758,278              | 5,962,323          |
| Avnet Inc   | Common Stock, shares: 135,324   | 4,315,001              | 5,821,639          |
| Kroget Co   | Common Stock, shares: 84,453    | 1,886,680              | 5,422,727          |
| Flir Systems Inc                                  | Common Stock, shares: 154,491   | 3,088,170              | 4,991,604          |
| Bed Bath & Beyond                                 | Common Stock, shares: 63,669    | 3,663,179              | 4,849,668          |
| Block H and R Inc                                 | Common Stock, shares: 134,599   | 2,463,904              | 4,634,334          |
| AON Corp  | Common Stock, shares: 47,828    | 2,503,273              | 4,535,529          |
| Arch Capital Group Ltd                            | Common Stock, shares: 74,451    | 3,023,421              | 4,400,054          |
| Omnicom Group Inc                                 | Common Stock, shares: 54,730    | 2,847,454              | 4,239,933          |
| Teradata Corp                                     | Common Stock, shares: 96,409    | 4,119,473              | 4,211,145          |
| Goldcorp Inc                                      | Common Stock, shares: 226,289   | 4,227,707              | 4,190,872          |
| Torchmark Corp                                    | Common Stock, shares: 75,826    | 2,737,460              | 4,107,494          |

**Table of Contents****Prudential Employee Savings Plan  
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| <b>Lessor or Similar Party</b> | <b>Description of Investment</b> | <b>Cost</b>  | <b>Current Value</b> |
|--------------------------------|----------------------------------|--------------|----------------------|
| Jacobs Engineering Group       | Common Stock, shares: 90,603     | \$ 4,218,697 | \$ 4,049,048         |
| Progressive Corp Ohio          | Common Stock, shares: 145,254    | 2,831,468    | 3,920,405            |
| Nordstrom Inc                  | Common Stock, shares: 49,026     | 2,766,578    | 3,892,174            |
| Xcel Energy Inc                | Common Stock, shares: 108,296    | 3,204,357    | 3,889,992            |
| Gannett Co                     | Common Stock, shares: 117,861    | 3,181,113    | 3,763,302            |
| Rockwell Collins               | Common Stock, shares: 44,338     | 2,181,220    | 3,745,674            |
| ManPower Group                 | Common Stock, shares: 51,052     | 2,299,028    | 3,480,215            |
| Liberty Interactive Corp       | Common Stock, shares: 117,599    | 2,103,743    | 3,459,763            |
| EnSCO Plc                      | Common Stock, shares: 115,008    | 6,205,117    | 3,444,490            |
| Mattel Inc                     | Common Stock, shares: 109,230    | 4,013,755    | 3,380,122            |
| Lowes Corp                     | Common Stock, shares: 76,954     | 3,181,075    | 3,233,607            |
| Allied World Assurance Co      | Common Stock, shares: 84,665     | 2,414,312    | 3,210,497            |
| Kennametal Inc                 | Common Stock, shares: 88,573     | 3,664,271    | 3,170,028            |
| Fluor Corp                     | Common Stock, shares: 52,108     | 3,039,719    | 3,159,308            |
| Intercontinental Exchange      | Common Stock, shares: 14,333     | 1,428,824    | 3,143,084            |
| Coach Inc                      | Common Stock, shares: 83,174     | 4,190,030    | 3,124,015            |
| IAC Interactive Corp           | Common Stock, shares: 51,206     | 3,376,092    | 3,112,813            |
| Joy Global Inc                 | Common Stock, shares: 66,668     | 3,316,633    | 3,101,395            |
| Denbury Resources              | Common Stock, shares: 379,727    | 5,494,827    | 3,087,181            |
| American Capital Agency Corp   | Common Stock, shares: 141,072    | 3,139,878    | 3,079,602            |
| Southwestern Energy            | Common Stock, shares: 108,941    | 3,695,660    | 2,973,000            |
| Hatteras Financial             | Common Stock, shares: 149,795    | 3,921,538    | 2,760,722            |
| Republic Services Inc          | Common Stock, shares: 68,501     | 1,930,609    | 2,757,165            |
| Hubbell Inc                    | Common Stock, shares: 25,332     | 2,064,305    | 2,706,218            |
| M&T Bank Corp                  | Common Stock, shares: 21,293     | 2,206,805    | 2,674,827            |
| Synopsys Inc                   | Common Stock, shares: 59,727     | 2,047,393    | 2,596,333            |
| Scana Corp                     | Common Stock, shares: 42,844     | 2,126,570    | 2,587,778            |
| SM Energy Co                   | Common Stock, shares: 65,715     | 3,921,695    | 2,535,285            |
| Kinross Gold Corp              | Common Stock, shares: 782,622    | 4,569,485    | 2,206,994            |
| Neustar Inc                    | Common Stock, shares: 69,153     | 3,315,208    | 1,922,453            |
| KLA Tencor Corp                | Common Stock, shares: 27,184     | 1,499,898    | 1,911,579            |
| LAM Research                   | Common Stock, shares: 23,942     | 797,590      | 1,899,558            |
| L-3 Communications Corp        | Common Stock, shares: 13,552     | 935,901      | 1,710,398            |
| Patterson UTI Energy Inc       | Common Stock, shares: 99,886     | 1,488,301    | 1,657,109            |
| Ryder System Inc               | Common Stock, shares: 17,634     | 705,536      | 1,637,317            |
| Liberty Interactive Corp       | Common Stock, shares: 59,856     | 850,333      | 1,126,168            |

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|                             |                               |                    |                    |
|-----------------------------|-------------------------------|--------------------|--------------------|
| Hess Corp                   | Common Stock, shares: 14,498  | 719,208            | 1,070,242          |
| Northern Trust              | Common Stock, shares: 14,587  | 681,832            | 983,164            |
| Keysight Technologies       | Common Stock, shares: 25,992  | 857,881            | 877,750            |
| McDermott International Inc | Common Stock, shares: 259,795 | 2,809,880          | 756,003            |
| Westar Energy               | Common Stock, shares: 2,143   | 74,561             | 88,377             |
|                             | <b>Sub-Total</b>              | <b>166,260,231</b> | <b>197,331,828</b> |

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| <b>Lessor or Similar Party</b> | <b>Description of Investment</b>         | <b>Cost</b>      | <b>Current Value</b> |
|--------------------------------|--|------------------|----------------------|
| New S Wales Treasury Cro       | Corporate Bond, 5.00%, mature 8/20/2024  | \$ 826,588       | \$ 820,815           |
| Kommunalbanken AS              | Corporate Bond, 5.25%, mature 7/15/2024  | 330,969          | 325,660              |
| Princeline                     | Corporate Bond, 2.38%, mature 9/23/2024  | 243,201          | 244,938              |
| Verizon Communications Inc     | Corporate Bond, 3.25%, mature 2/17/2026  | 192,500          | 190,223              |
| Petrobras Intl Finance         | Corporate Bond, 5.75%, mature 1/20/2020  | 176,863          | 163,205              |
| Walgreens Boots Alliance       | Corporate Bond, 3.60%, mature 11/20/2025 | 158,486          | 160,315              |
| BEFESA ZC                      | Corporate Bond, 8.88%, mature 5/15/2018  | 133,725          | 127,358              |
| Banco De Credito Del Per       | Corporate Bond, 4.25%, mature 4/01/2023  | 100,495          | 99,738               |
| B Communications Ltd           | Corporate Bond, 7.38%, mature 2/15/2021  | 93,610           | 93,060               |
| Iron Mountain Inc              | Corporate Bond, 6.75%, mature 10/15/2018 | 65,521           | 62,608               |
| British Sky Broadcasting       | Corporate Bond, 3.12%, mature 11/26/2022 | 37,012           | 37,220               |
| NBC Universal Medial LLC       | Corporate Bond, 2.88%, mature 1/15/2023  | 34,342           | 34,965               |
| Petrobras Intl Finance         | Corporate Bond, 5.38%, mature 1/27/2021  | 23,228           | 21,311               |
|                                | <b>Sub-Total</b>                         | <b>2,416,540</b> | <b>2,381,416</b>     |
| US Treasury                    | Federal Bonds, 1.88%, mature 11/30/2021  | <b>1,546,752</b> | <b>1,540,919</b>     |
| Bonos Y Oblig Del Estado       | Foreign Gov t, 2.75%, mature 10/31/2024  | 3,282,301        | 3,289,731            |
| Australian Government          | Foreign Gov t, 3.25%, mature 4/21/2025   | 2,280,268        | 2,268,439            |

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|                                |  |           |           |
|--------------------------------|--|-----------|-----------|
| Poland Government Bond         | Foreign Gov t, 4.00%, mature 10/25/2023  | 1,739,184 | 1,689,784 |
| New Zeland Government          | Foreign Gov t, 5.50%, mature 4/15/2023   | 1,571,478 | 1,621,139 |
| Mexican Fixed Rate Bonds       | Foreign Gov t, 10.00%, mature 12/05/2024 | 1,646,220 | 1,588,130 |
| Federal Republic of Brazil     | Foreign Gov t, 12.50%, mature 1/05/2016  | 1,759,317 | 1,563,440 |
| France Govt Of                 | Foreign Gov t, 1.75%, mature 11/25/2024  | 1,550,084 | 1,546,359 |
| UK TSY 2 3/4% 2024             | Foreign Gov t, 2.75%, mature 9/07/2024   | 1,433,630 | 1,458,946 |
| Italy Buoni Poliennali Del Tes | Foreign Gov t, 1.50%, mature 8/01/2019   | 1,259,929 | 1,241,563 |
| UK TSY 1 3 4 2019              | Foreign Gov t, 1.75%, mature 7/22/2019   | 1,088,853 | 1,079,490 |
| Thailand Government Bond       | Foreign Gov t, 3.88%, mature 6/13/2019   | 1,055,819 | 1,061,398 |
| South Africa Government Bond   | Foreign Gov t, 7.75%, mature 2/28/2023   | 1,004,963 | 964,919   |
| Turkey Government Bond         | Foreign Gov t, 9.00%, mature 7/24/2024   | 1,027,012 | 964,650   |
| United Kingdom Gilt            | Foreign Gov t, 3.75%, mature 9/07/2021   | 826,257   | 823,967   |
| Italy Buoni Poliennali Del Tes | Foreign Gov t, 3.75%, mature 9/01/2024   | 801,015   | 797,777   |
| Queensland Treasury Corp       | Foreign Gov t, 5.75%, mature 7/22/2024   | 745,952   | 740,273   |
| Norwegian Government           | Foreign Gov t, 3.75%, mature 5/25/2021   | 600,671   | 534,733   |
| Nordea Hypotek AB              | Foreign Gov t, 2.25%, mature 6/19/2019   | 493,171   | 463,692   |
| KFW                            | Foreign Gov t, 5.00%, mature 3/19/2024   | 435,882   | 428,400   |
| UK TSY                         | Foreign Gov t, 3.25%, mature 1/22/2044   | 356,061   | 381,356   |
| United Kingdom Gilt            | Foreign Gov t, 4.75%, mature 12/07/2030  | 356,272   | 368,452   |
| Ontario Province Of            | Foreign Gov t, 6.25%, mature 9/29/2020   | 363,903   | 350,450   |
| British Columbia Prov Of       | Foreign Gov t, 4.25%, mature 11/27/2024  | 343,942   | 340,613   |
| Norway Government Bond         | Foreign Gov t, 2.00%, mature 5/24/2023   | 330,862   | 326,287   |
| Malaysia Government            | Foreign Gov t, 4.18%, mature 7/15/2024   | 350,812   | 325,802   |
| Norwegian Government           | Foreign Gov t, 4.50%, mature 5/22/2019   | 341,481   | 299,688   |
| EP Energy AS                   | Foreign Gov t, 5.88%, mature 11/01/2019  | 295,952   | 281,486   |
| Autoroutes DU Sud De LA France | Foreign Gov t, 2.95%, mature 1/17/2024   | 280,090   | 275,223   |

**Table of Contents****Prudential Employee Savings Plan  
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| <b>Lessor or Similar Party</b> | <b>Description of Investment</b>        | <b>Cost</b> | <b>Current Value</b> |
|--------------------------------|---|-------------|----------------------|
| Telefonica Emisiones Sau       | Foreign Gov t, 5.29%, mature 12/09/2022 | \$ 267,600  | \$ 269,233           |
| Italy Buoni Poliennali Del Tes | Foreign Gov t, 2.15%, mature 12/15/2021 | 266,401     | 266,511              |
| Transurban Finance Co PTY Ltd  | Foreign Gov t, 1.88%, mature 9/16/2024  | 252,770     | 248,139              |
| European Investment Bank       | Foreign Gov t, 4.75%, mature 1/22/2019  | 225,433     | 227,478              |
| Asia Development Bank          | Foreign Gov t, 3.75%, mature 3/12/2025  | 227,382     | 227,218              |
| America Movil Sab De CV        | Foreign Gov t, 3.00%, mature 7/12/2021  | 229,134     | 222,895              |
| Heineken NV                    | Foreign Gov t, 2.12%, mature 8/04/2020  | 220,203     | 213,361              |
| Bacardi Ltd                    | Foreign Gov t, 2.75%, mature 7/03/2023  | 199,766     | 195,050              |
| Anheuser-Busch Inbev NV        | Foreign Gov t, 2.88%, mature 9/25/2024  | 188,290     | 188,282              |
| AA Bond Co Ltd                 | Foreign Gov t, 4.25%, mature 7/31/2043  | 180,487     | 180,935              |
| Heathrow Funding Ltd           | Foreign Gov t, 1.88%, mature 5/23/2022  | 181,052     | 175,335              |
| GE Capital UK Funding          | Foreign Gov t, 4.12%, mature 9/13/2023  | 174,216     | 172,818              |
| Jaguar Land Rover Automoto     | Foreign Gov t, 8.25%, mature 3/15/2020  | 179,291     | 171,518              |
| FirstGroup Plc                 | Foreign Gov t, 5.25%, mature 11/29/2022 | 174,024     | 170,462              |
| Tesco Plc                      | Foreign Gov t, 6.12%, mature 2/24/2022  | 179,739     | 170,079              |
| Imperial Tobacco Finance       | Foreign Gov t, 2.25%, mature 2/26/2021  | 172,550     | 168,246              |
| KFW                            | Foreign Gov t, 4.00%, mature 3/4/2016   | 175,423     | 150,094              |
| Casino Guichard Perrachon SA   | Foreign Gov t, 4.73%, mature 5/26/2021  | 151,728     | 146,367              |
| Telstra Corp Ltd               | Foreign Gov t, 3.75%, mature 5/16/2022  | 149,005     | 145,003              |
| Gas Natural Fenosa Finan       | Foreign Gov t, 3.88%, mature 4/11/2022  | 147,334     | 143,343              |
| Volkswagen Leasing GMBH        | Foreign Gov t, 2.62%, mature 1/15/2024  | 143,567     | 142,390              |
| United Utilities Water Plc     | Foreign Gov t, 5.75%, mature 3/25/2022  | 140,687     | 139,830              |
| European Investment Bank       | Foreign Gov t, 3.00%, mature 5/22/2019  | 158,245     | 138,496              |
| Stadshypotek AB                | Foreign Gov t, 2.50%, mature 9/18/2019  | 144,619     | 138,117              |
| Luxottica Group Spa            | Foreign Gov t, 3.62%, mature 3/19/2019  | 142,110     | 136,403              |
| Casino Guichard Perrachon SA   | Foreign Gov t, 3.31%, mature 1/25/2023  | 139,520     | 135,659              |
| Gestamp Funding Luxembourg SA  | Foreign Gov t, 5.88%, mature 5/31/2020  | 133,012     | 128,084              |
| HP Pelzer Holding GMBH         | Foreign Gov t, 7.50%, mature 7/15/2021  | 129,810     | 126,450              |
| Portaventura Entertainment Bar | Foreign Gov t, 7.25%, mature 12/01/2020 | 128,200     | 124,635              |
| Schaeffler Finance BV          | Foreign Gov t, 3.50%, mature 5/15/2022  | 126,566     | 123,135              |
| Samvardhana Motherson Automoti | Foreign Gov t, 4.12%, mature 7/15/2021  | 122,185     | 118,564              |
| BRF-Brasil Foods SA-ADR        | Foreign Gov t, 7.75%, mature 5/22/2018  | 129,762     | 118,123              |



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|                                |   |                   |                   |
|--------------------------------|---|-------------------|-------------------|
| GRP Isolux Corsan Fin BV       | Foreign Gov t, 6.62%, mature 4/15/2021  | 122,516           | 104,548           |
| European Investment Bank       | Foreign Gov t, 6.50%, mature 8/07/2019  | 99,047            | 94,619            |
| Daimler AG                     | Foreign Gov t, 2.25%, mature 1/24/2022  | 81,656            | 80,023            |
| Thailand Government Bond       | Foreign Gov t, 3.25%, mature 6/16/2017  | 79,935            | 79,316            |
| Heidelbergcement Finance Luxem | Foreign Gov t, 8.50%, mature 10/31/2019 | 76,995            | 75,000            |
| TES Finance Plc                | Foreign Gov t, 6.75%, mature 7/15/2020  | 76,194            | 74,064            |
| Foreign Currency Contracts     | Foreign Gov t                           | 56,729            | 56,729            |
| Daimler AG                     | Foreign Gov t, 2.00%, mature 6/25/2021  | 38,927            | 37,922            |
| GE Capital Australia Funding P | Foreign Gov t, 6.00%, mature 3/15/2019  | 36,057            | 34,272            |
| Petroleos Mexicanos            | Foreign Gov t, 7.19%, mature 9/12/2024  | 20,152            | 18,104            |
| European Investment Bank       | Foreign Gov t, 9.00%, mature 3/31/2021  | 14,696            | 14,498            |
|                                | <b>Sub-Total</b>                        | <b>33,904,396</b> | <b>33,167,535</b> |

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**Table of Contents****Prudential Employee Savings Plan  
Schedule of Assets Held for Investment Purposes****Supplemental Information****December 31, 2014****Schedule I****Identity of Issue, Borrower**

| <b>Lessor or Similar Party</b>                         | <b>Description of Investment</b> | <b>Cost</b>             | <b>Current Value</b>    |
|--|----------------------------------|-------------------------|-------------------------|
| State Street STIF                                      | Interest-bearing Cash            | \$ 20,634,028           | \$ 20,634,028           |
| Artisan U.S. Mid-Cap Value Short<br>Term Account       | Interest-bearing Cash            | 337,482                 | 337,482                 |
| Wells Capital International Bond<br>Short Term Account | Interest-bearing Cash            | 246,155                 | 246,155                 |
|  | <b>Sub-Total</b>                 | <b>21,217,665</b>       | <b>21,217,665</b>       |
| <b>Grand Total</b>                                     |                                  | <b>\$ 6,046,108,384</b> | <b>\$ 7,232,833,486</b> |

\* Party-in-interest.

\*\* Represents range of annual interest rates on outstanding loans.

\*\*\* No cost was attributed to the PFI common stock that the Plan received as a result of demutualization. The value of the shares was credited to eligible participants' accounts as units in Prudential Financial, Inc. Common Stock Fund on April 26, 2002.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Prudential Administrative Committee (or other persons who administer the Prudential Employee Savings Plan) has duly caused this annual report to be signed on their behalf by the undersigned thereunto duly authorized.

**THE PRUDENTIAL EMPLOYEE SAVINGS PLAN**

By: /s/ Kevin Prue

Kevin Prue

Vice President, Human Resources

Chairperson of the Prudential Administrative Committee

Dated: June 23, 2015