Prudential Financial

Prudential Financial Investor Day
December 5, 2006

Eric Durant
Senior Vice President, Investor Relations

Prudential Financial

Forward-Looking Statements

Certain of the statements included in this presentation constitute forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. It is possible that actual results may differ materially from any expectations or predictions expressed in this presentation. Words such as “expects,” “believes,” “anticipates,” “includes,” “plans,” “assumes,” “estimates,” “projects,” “intends,” “should,” “will,” “shall,” or variations of such words are generally part of forward-looking statements. Forward-looking statements are made based on management’s current expectations and beliefs concerning future developments and their potential effects upon Prudential Financial, Inc. and its subsidiaries. There can be no assurance that future developments affecting Prudential Financial, Inc. and its subsidiaries will be those anticipated by management. These forward-looking statements are not a guarantee of future performance and involve risks and uncertainties, and there are certain important factors that could cause actual results to differ, possibly materially, from expectations or estimates reflected in such forward-looking statements, including, among others: (1) general economic, market and political conditions, including the performance and fluctuations of stock, real estate, and other financial markets; (2) interest rate fluctuations; (3) reestimates of our reserves for future policy benefits and claims; (4) differences between actual experience regarding mortality, morbidity, persistency, surrender experience, interest rates or market returns and the assumptions we use in pricing our products, establishing liabilities and reserves or for other purposes; (5) changes in our assumptions related to deferred policy acquisition costs, valuation of business acquired or goodwill; (6) changes in our claims-paying or credit ratings; (7) investment losses and defaults; (8) competition in our product lines and for personnel; (9) changes in tax law; (10) economic, political, currency and other risks relating to our international operations; (11) fluctuations in foreign currency exchange rates and foreign securities markets; (12) regulatory or legislative changes; (13) adverse determinations in litigation or regulatory matters and our exposure to contingent liabilities, including in connection with our divestiture or winding down of businesses; (14) domestic or international military actions, natural or man-made disasters including terrorist activities or pandemic disease, or other events resulting in catastrophic loss of life; (15) ineffectiveness of risk management policies and procedures in identifying, monitoring and managing risks; (16) effects of acquisitions, divestitures and restructurings, including possible difficulties in integrating and realizing the projected results of acquisitions; (17) changes in statutory or U.S. GAAP accounting principles, practices or policies; (18) changes in assumptions for retirement expense; (19) Prudential Financial, Inc.’s primary reliance, as a holding company, on dividends or distributions from its subsidiaries to meet debt payment obligations and continue share repurchases, and the applicable regulatory restrictions on the ability of the subsidiaries to pay such dividends or distributions; and (20) risks due to the lack of legal separation between our Financial Services Businesses and our Closed Block Business.

Prudential Financial, Inc. does not intend, and is under no obligation, to update any particular forward-looking statement included in this presentation.

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

Non–GAAP Measure

Adjusted operating income is a non-GAAP measure of performance of our Financial Services Businesses. Adjusted operating income excludes "Realized investment gains (losses), net," as adjusted, and related charges and adjustments. A significant element of realized losses is impairments and losses from sales of credit-impaired securities, the timing of which depends largely on market credit cycles and can vary considerably across periods. The timing of other sales that would result in gains or losses is largely subject to our discretion and influenced by market opportunities. Realized investment gains (losses) representing profit or loss of certain of our businesses which primarily originate investments for sale or syndication to unrelated investors, and those associated with terminating hedges of foreign currency earnings and current period yield adjustments are included in adjusted operating income. Realized investment gains and losses from products that are free standing derivatives or contain embedded derivatives, and from associated derivative portfolios that are part of an economic hedging program related to the risk of those products, are included in adjusted operating income. Adjusted operating income also excludes investment gains and losses on trading account assets supporting insurance liabilities and changes in experience-rated contractholder liabilities due to asset value changes, because these recorded changes in asset and liability values will ultimately accrue to contractholders. Trends in the underlying profitability of our businesses can be more clearly identified without the fluctuating effects of these transactions. In addition, adjusted operating income excludes the results of divested businesses, which are not relevant to our ongoing operations. Discontinued operations, which is presented as a separate component of net income under GAAP, is also excluded from adjusted operating income.

We believe that the presentation of adjusted operating income as we measure it for management purposes enhances understanding of the results of operations of the Financial Services Businesses by highlighting the results from ongoing operations and the underlying profitability of our businesses. However, adjusted operating income is not a substitute for income determined in accordance with GAAP, and the excluded items are important to an understanding of our overall results of operations. The schedules on the following two pages provide a reconciliation of adjusted operating income for the Financial Services Businesses to income from continuing operations in accordance with GAAP.

ROE based on adjusted operating income is determined by dividing adjusted operating income after-tax (giving effect to the direct equity adjustment for earnings per share calculation), annualized for interim periods, by average attributed equity excluding unrealized gains and losses on investments. An alternative measure to ROE based on adjusted operating income is return on average equity based on income from continuing operations. Return on average equity based on income from continuing operations represents income from continuing operations after-tax as determined in accordance with GAAP (giving effect to the direct equity adjustment for earnings per share calculation), annualized for interim periods, divided by average total attributed equity for the Financial Services Businesses. Return on average equity based on income from continuing operations is 14.10% and 18.07% for the nine months ended September 30, 2006 and 2005, respectively, and 15.52%, 9.29%, 5.43% and 3.97% for the years ended December 31, 2005, 2004, 2003 and 2002, respectively.

Our expectations of Common Stock earnings per share and return on equity are based on after-tax adjusted operating income. Because we do not predict future realized investment gains / losses or recorded changes in asset and liability values that will ultimately accrue to contractholders, we cannot provide a measure of our Common Stock earnings per share or return on equity expectations based on income from continuing operations of the Financial Services Businesses, which is the GAAP measure most comparable to adjusted operating income.

For additional information about adjusted operating income and the comparable GAAP measure please refer to our Annual Report on Form 10-K for the year ended December 31, 2005 and our Quarterly Report on Form 10-Q for the quarter ended September 30, 2006, on the Investor Relations Web site at www.investor.prudential.com. Additional historical information relating to the Company's financial performance, including its third quarter 2006 Quarterly Financial Supplement, is also located on the Investor Relations website.

The information referred to above and on the prior page, as well as the risks of our businesses described in our Annual Report on Form 10-K for the year ended December 31, 2005, should be considered by readers when reviewing forward-looking statements contained in this presentation.

Reconciliation between adjusted operating income and the comparable GAAP measure

Prudential Financial, Inc.
FINANCIAL HIGHLIGHTS
(in millions, except per share data)

	Year ended December 31,				Nine months ended	
	2002	2003	2004	2005	Sept 30, 2005	Sept 30, 2006
Financial Services Businesses:						
Pre-tax adjusted operating income by division:						
Insurance Division	$ 545	$ 788	$ 991	$ 1,227	$ 862	$ 1,010
Investment Division	282	289	355	707	711	808
International Insurance and Investments Division	757	803	994	1,416	1,039	1,168
Corporate and other operations	148	90	176	202	126	78
Total pre-tax adjusted operating income	1,732	1,970	2,516	3,552	2,738	3,064
Income taxes, applicable to adjusted operating income	582	644	680	1,120	830	883
Financial Services Businesses after-tax adjusted operating income	1,150	1,326	1,836	2,432	1,908	2,181
Items excluded from adjusted operating income:						
Realized investment gains (losses), net, and related charges and adjustments	(856)	(204)	4	561	563	(40)
Investment gains (losses) on trading account assets supporting insurance liabilities, net	-	-	(55)	(33)	(41)	(8)
Change in experience-rated contractholder liabilities due to asset value changes	-	-	1	(44)	(10)	28
Sales practices remedies and costs	(20)	-	-	-	-	-
Divested businesses	(10)	(171)	(24)	(16)	(5)	13
Total items excluded from adjusted operating income, before income taxes	(886)	(375)	(74)	468	507	(7)
Income taxes, not applicable to adjusted operating income	(494)	(122)	(58)	(401)	(480)	(31)
Total items excluded from adjusted operating income, after income taxes	(392)	(253)	(16)	869	987	24
Income from continuing operations (after-tax) of Financial Services Businesses before extraordinary gain on acquisition and cumulative effect of accounting change	758	1,073	1,820	3,301	2,895	2,205
Income (loss) from discontinued operations, net of taxes	(79)	(48)	(88)	(82)	(53)	46
Extraordinary gain on acquisition, net of taxes	-	-	21	-	-	-
Cumulative effect of accounting change, net of taxes	-	-	(79)	-	-	-
Net income of Financial Services Businesses	679	1,025	1,674	3,219	2,842	2,251
Earnings per share of Common Stock (diluted):						
Financial Services Businesses after-tax adjusted operating income	$ 2.06	$ 2.53	$ 3.61	$ 4.83	$ 3.76	$ 4.48
Items excluded from adjusted operating income:						
Realized investment gains (losses), net, and related charges and adjustments	(1.48)	(0.37)	0.01	1.08	1.07	(0.08)
Investment gains (losses) on trading account assets supporting insurance liabilities, net	-	-	(0.10)	(0.06)	(0.08)	(0.02)
Change in experience-rated contractholder liabilities due to asset value changes	-	-	-	(0.08)	(0.02)	0.06
Sales practices remedies and costs	(0.03)	-	-	-	-	-
Divested businesses	(0.02)	(0.31)	(0.05)	(0.04)	(0.01)	0.03
Total items excluded from adjusted operating income, before income taxes	(1.53)	(0.68)	(0.14)	0.90	0.96	(0.01)
Income taxes, not applicable to adjusted operating income	(0.86)	(0.22)	(0.11)	(0.76)	(0.92)	(0.06)
Total items excluded from adjusted operating income, after income taxes	(0.67)	(0.46)	(0.03)	1.66	1.88	0.05
Income from continuing operations (after-tax) of Financial Services Businesses before extraordinary gain on acquisition and cumulative effect of accounting change	1.39	2.07	3.58	6.49	5.64	4.53
Income (loss) from discontinued operations, net of taxes	(0.14)	(0.09)	(0.16)	(0.15)	(0.10)	0.09
Extraordinary gain on acquisition, net of taxes	-	-	0.04	-	-	-
Cumulative effect of accounting change, net of taxes	-	-	(0.15)	-	-	-
Net income of Financial Services Businesses	1.25	1.98	3.31	6.34	5.54	4.62
Weighted average number of outstanding Common shares (diluted basis)	578.0	548.4	531.2	520.9	524.5	497.8
Reconciliation to Consolidated Net Income of Prudential Financial, Inc:						
Net income of Financial Services Businesses (above)	$ 679	$ 1,025	$ 1,674	$ 3,219	$ 2,842	$ 2,251
Net income (loss) of Closed Block Business	(485)	239	582	321	334	140
Consolidated net income	194	1,264	2,256	3,540	3,176	2,391
Direct equity adjustments for earnings per share calculations	$ 43	$ 60	$ 84	$ 82	$ 63	$ 51

Reconciliation between adjusted operating income and the comparable GAAP measure (Continued)

Prudential Financial, Inc.

COMBINED STATEMENTS OF OPERATIONS - FINANCIAL SERVICES BUSINESSES

(in millions)	Year ended December 31,				Nine months ended	
	2002	2003	2004	2005	Sept 30, 2005	Sept 30, 2006
Revenues (1):						
Premiums	$ 7,195	$ 7,848	$ 8,736	$ 10,128	$ 7,678	$ 7,694
Policy charges and fee income	1,815	1,978	2,385	2,529	1,900	1,912
Net investment income	5,020	4,913	5,728	6,810	5,000	5,618
Asset management fees, commissions and other income	3,979	3,258	3,065	3,608	2,660	3,044
Total revenues	18,009	17,997	19,914	23,075	17,238	18,268
Benefits and Expenses (1):						
Insurance and annuity benefits	7,662	8,158	8,897	9,990	7,551	7,818
Interest credited to policyholders' account balances	1,730	1,718	2,220	2,516	1,884	2,045
Interest expense	195	200	296	568	388	663
Deferral of acquisition costs	(1,064)	(1,270)	(1,528)	(1,801)	(1,362)	(1,492)
Amortization of acquisition costs	739	533	766	910	738	431
General and administrative expenses	7,015	6,688	6,747	7,340	5,301	5,739
Total benefits and expenses	16,277	16,027	17,398	19,523	14,500	15,204
Adjusted operating income before income taxes	1,732	1,970	2,516	3,552	2,738	3,064
Items excluded from adjusted operating income before income taxes:						
Realized investment gains (losses), net, and related adjustments	(862)	(161)	62	669	667	(70)
Related charges	6	(43)	(58)	(108)	(104)	30
Total realized investment gains (losses), net, and related charges and adjustments	(856)	(204)	4	561	563	(40)
Investment gains (losses) on trading account assets supporting insurance liabilities, net	-	-	(55)	(33)	(41)	(8)
Change in experience-rated contractholder liabilities due to asset value changes	-	-	1	(44)	(10)	28
Sales practices remedies and costs	(20)	-	-	-	-	-
Divested businesses	(10)	(171)	(24)	(16)	(5)	13
Total items excluded from adjusted operating income before income taxes	(886)	(375)	(74)	468	507	(7)
Income from continuing operations before income taxes, extraordinary gain on acquisition and cumulative effect of accounting change	846	1,595	2,442	4,020	3,245	3,057
Income tax expense	88	522	622	719	350	852
Income from continuing operations before extraordinary gain on acquisition and cumulative effect of accounting change	758	1,073	1,820	3,301	2,895	2,205

(1) Revenues exclude realized investment gains, net of losses and related charges and adjustments, investment gains, net of losses, on trading account assets supporting insurance liabilities, and revenues of divested businesses. Benefits and expenses exclude charges related to realized investment gains, net of losses; changes in experience-rated contractholder liabilities due to asset value changes, benefits and expenses of divested businesses, and sales practices remedies and costs.

Prudential Financial

Prudential Financial, Inc.

Art Ryan
Chairman and CEO

Prudential Financial

Prudential Financial's First Five Years

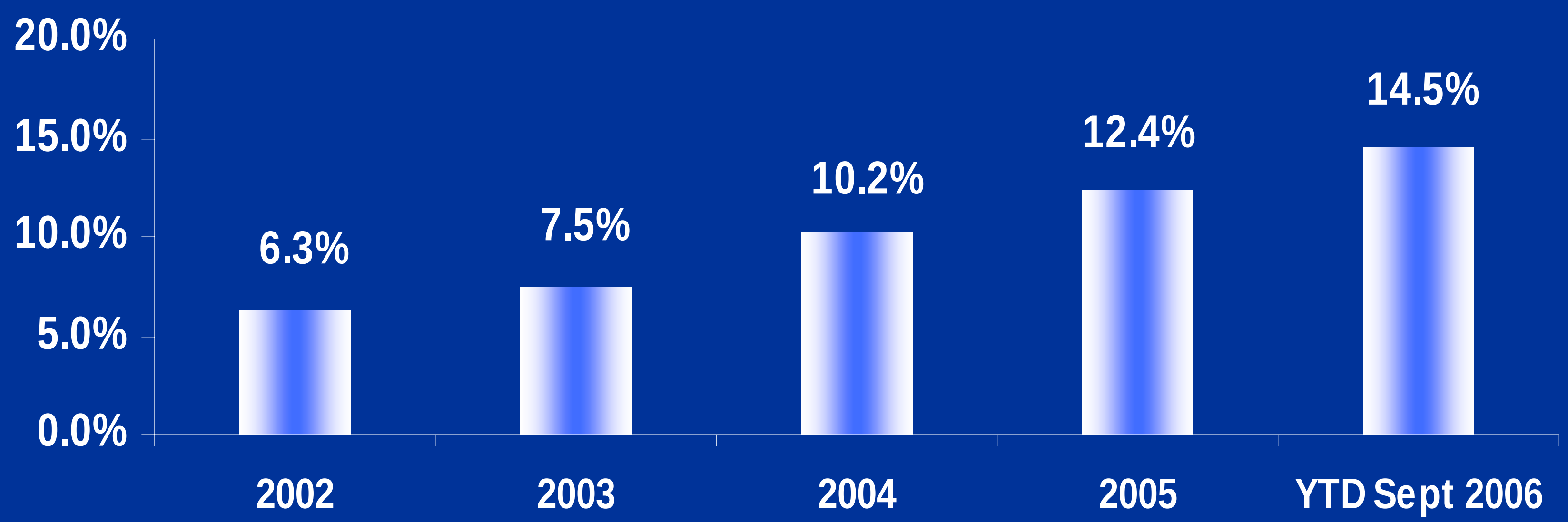
- Achieved significant expense reductions
- Divested P&C business
- Acquired: American Skandia, CIGNA Retirement and Allstate Variable Annuity Business
- Combined retail brokerage into Wachovia
- Repurchased $7.3 billion of Common Stock [1]
- Achieved "AA" financial strength ratings from four agencies

1) Through September 30, 2006

Earnings Per Share Growth [1]

1) Based on after-tax adjusted operating income of the Financial Services Businesses (FSB)

ROE Progress [1]



1) Based on after-tax adjusted operating income of the FSB; interim period on an annualized basis

Where We Are Today

- Balanced mix of businesses and risks
- Strong capital position and cash flow generation
- Sustained high returns and growth of international insurance business
- Leading position in domestic retirement and savings market
- Asset management skills complement product manufacturing
- Complementary distribution channels
- Acquisition and integration track record

Where We're Headed

Two substantial growth opportunities:

- International businesses
- Domestic retirement and savings businesses

Evolving multi-channel distribution strategy

Manage margins and returns

Substantial operating cash flows enable share repurchases, growing cash dividends

Opportunistic acquisitions

Prudential Financial

Prudential Financial, Inc.

Mark Grier
Vice Chairman, Financial Management

Prudential Financial

Financial Highlights [1]

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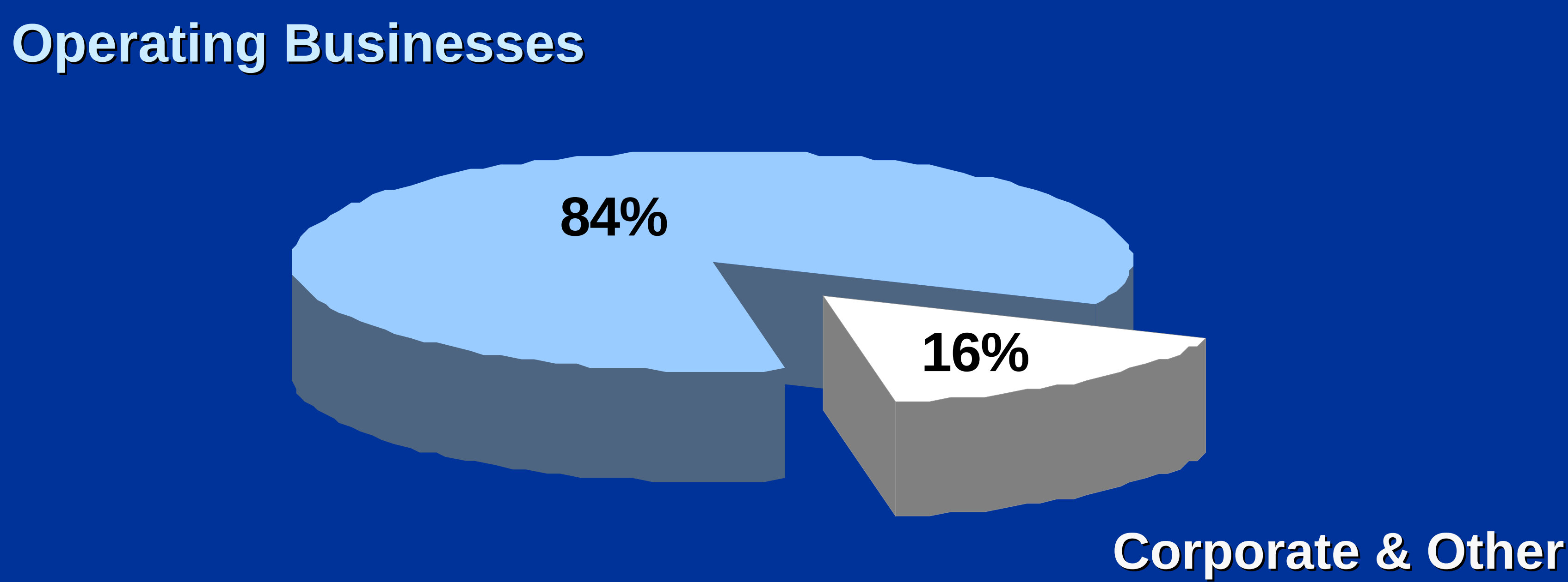
	Year ended December 31, 2003	2004	2005	Nine months ended September 30, 2006
Pre-tax adjusted operating income [2]	$ 1,970	$ 2,516	$ 3,552	$ 3,064
Earnings per share of Common Stock [3]	$ 2.53	$ 3.61	$ 4.83	$ 4.48
Return on Equity [3][4]	7.5%	10.2 %	12.4 %	14.5 %

1) For the Financial Services Businesses (FSB)
2) In millions
3) Based on after-tax adjusted operating income
4) Interim period on an annualized basis

84% of Equity is Attributed to Operating Businesses

Total attributed equity of $21 billion [(1)]



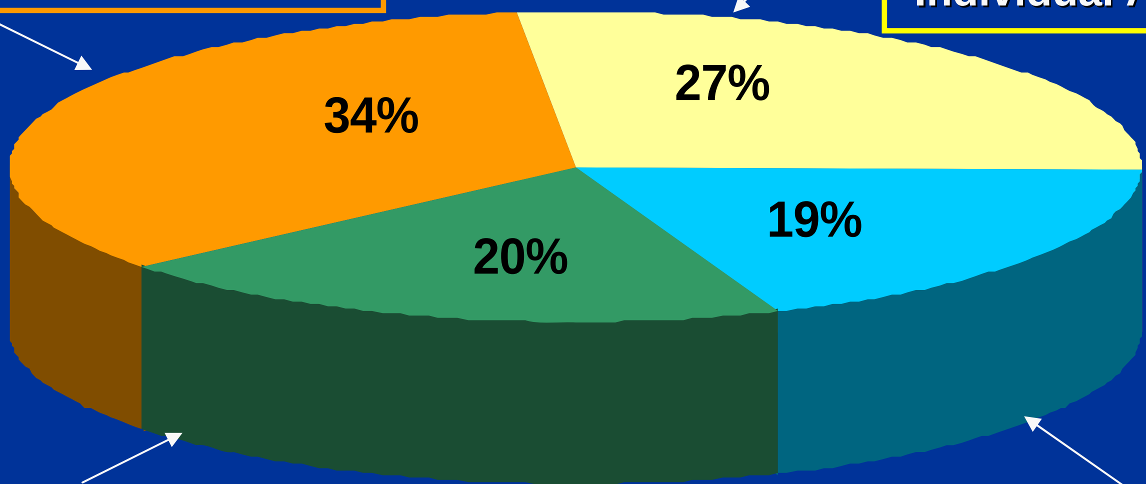
1) As of September 30, 2006 for the FSB; excludes unrealized gains and losses on investments

Complementary and Diversified Businesses

Adjusted operating income (1) $3,064 million

INTERNATIONAL INSURANCE
- Life Planner model
- Gibraltar Life

RETIREMENT & SAVINGS
- Retirement
- Individual Annuities



INVESTMENT BUSINESSES & CORPORATE
- Financial Advisory
- Asset Management
- International Investments
- Corporate & Other

DOMESTIC INSURANCE
- Individual Life
- Group Insurance

1) Before-tax; for the FSB; nine months ended September 30, 2006

International Insurance

5,802 Life Planners [(1)]

6,036 Gibraltar Life Advisors [(1)]

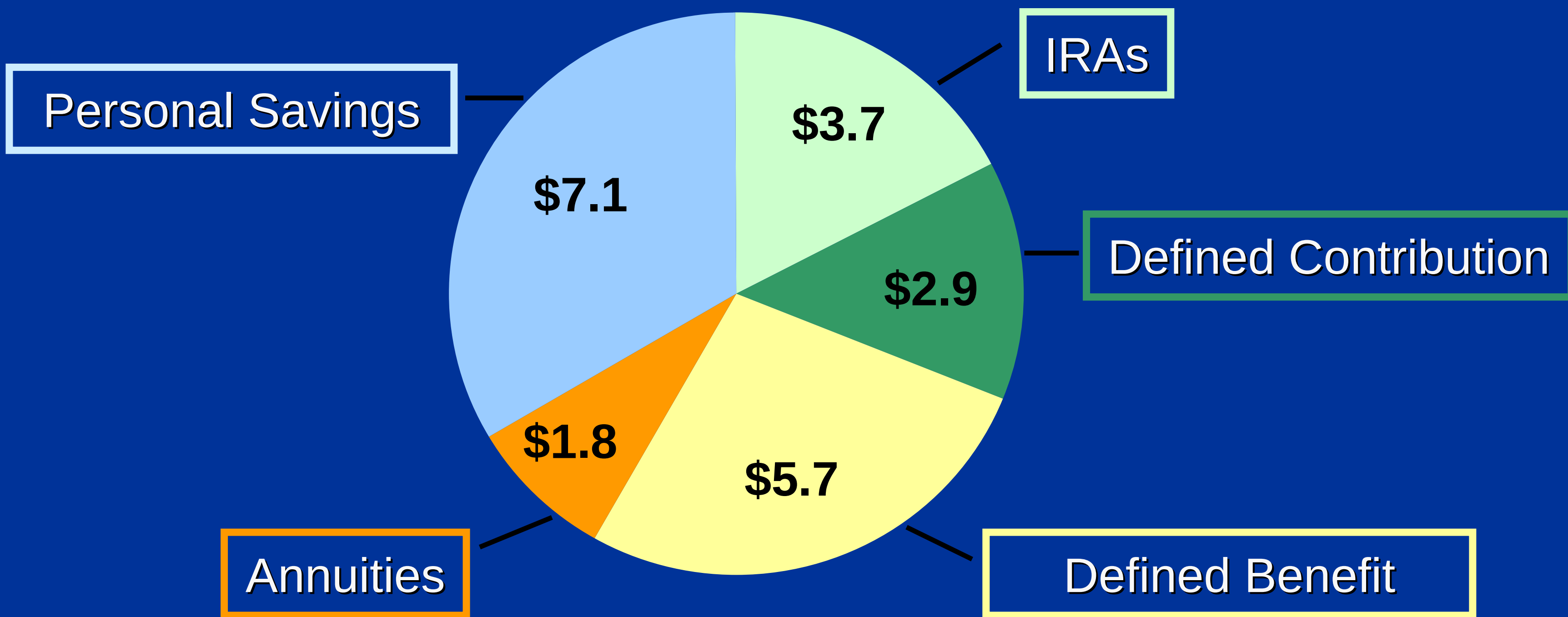
7.1 million policies in force [(1)]

Annualized new business premiums: $1.2 billion [(2)]

1) As of September 30, 2006
2) For the year ended December 31, 2005; GAAP exchange rate basis – translated based on applicable average exchange rate for period

Large Retirement / Savings Market

$21 trillion market in 2005



Sources: Federal Reserve Flow of Funds; LIMRA; company estimates

Retirement and Annuities
A Leading Provider in a Growing Market

1) Includes acquired businesses from dates of acquisitions

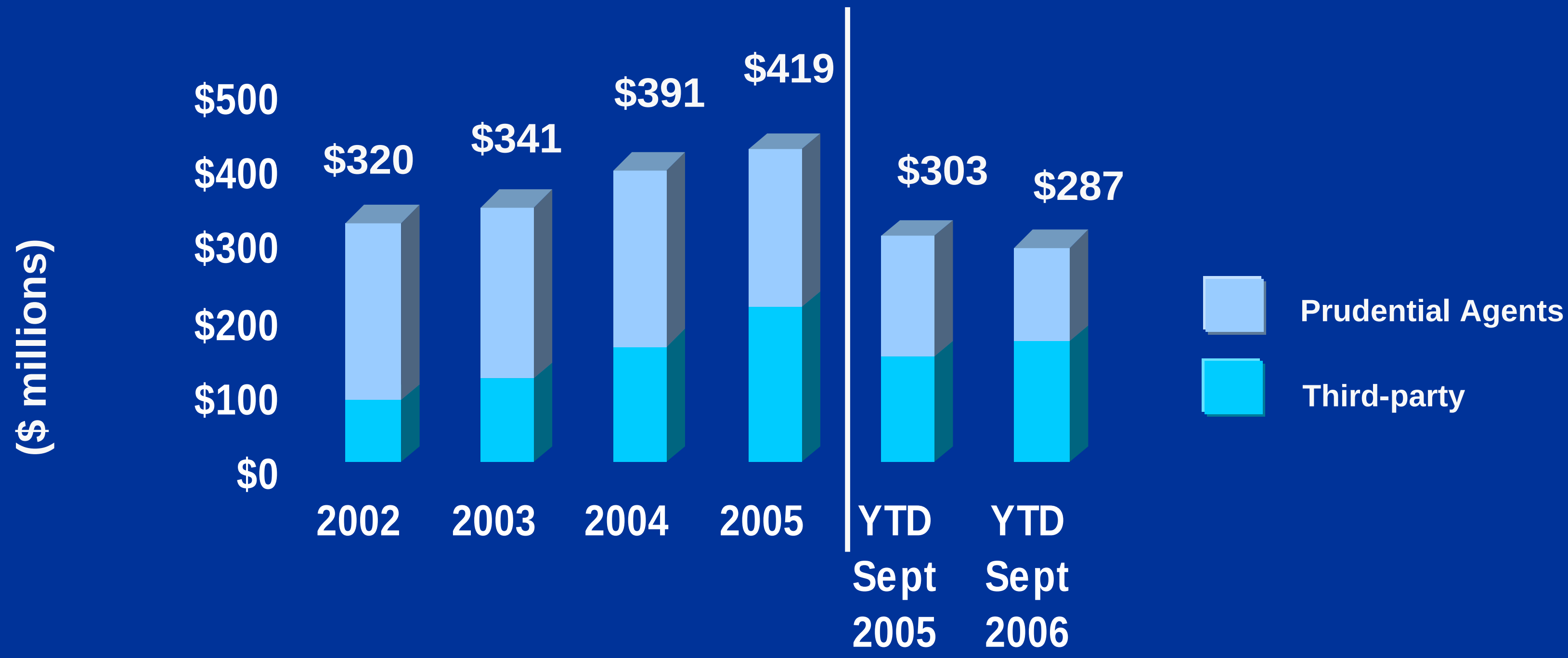
Individual Life ROE

	Nine months ended September 30, 2006
Pre-tax adjusted operating income [(1)]	$ 412
Equity [(2)]	$ 2.6
Return on equity [(3)]	18 %

1) In millions
2) Average attributed equity for the period; in billions
3) Based on annualized after-tax adjusted operating income giving effect to direct equity credit

Individual Life Sales

Sales by distribution channel (1)



1) Scheduled premiums from new sales on an annualized basis and first year excess premiums and deposits on a cash-received basis, excluding COLI; for the years ended December 31

Group Insurance

Controlled growth – emphasis on margins

High persistency of quality business

Voluntary life opportunity

Return on equity of 14%[1]

1) Based on annualized after-tax adjusted operating income for the nine months ended September 30, 2006

Financial Advisory

Combination of Private Client Group with Wachovia closed July 1, 2003

62% Wachovia, 38% Prudential

Combined business created 3rd largest brokerage firm in the U.S.[1]

JV operating results represent 16% ROE [2]

Segment results absorb expense for retained obligations and costs

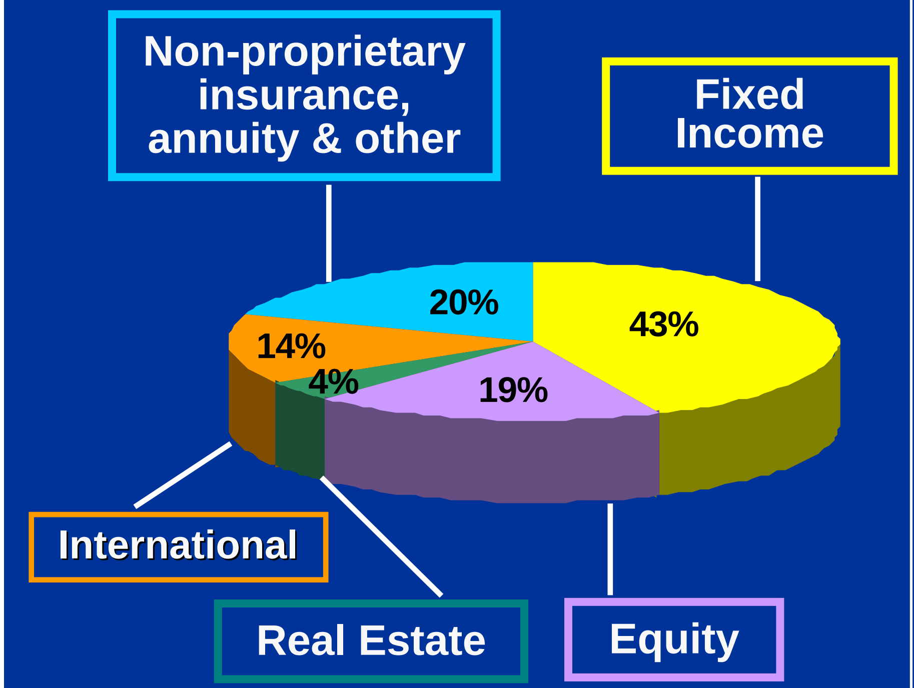
Prudential put options

1) Based on client assets of $532.1 billion as of March 31, 2003
2) Based on annualized after-tax adjusted operating income contribution for the nine months ended September 30, 2006

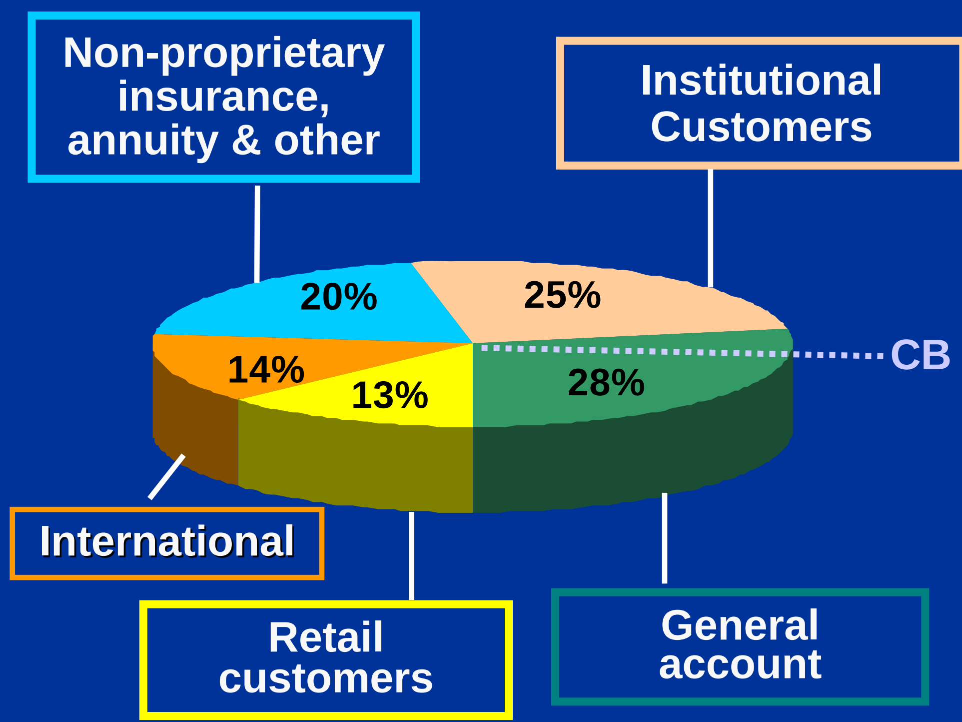
Asset Management: Significant Scale and Breadth

Total AUM $586 billion [1]

AUM by Asset Type



AUM by Client Type



1) As of September 30, 2006

Rating Agencies Have Recognized Financial Strength

	A. M. Best	Moody's	Standard & Poor's
Insurance Claims Paying Ratings [1]:			
Prudential Insurance	A+	Aa3	AA-
Prudential Retirement Insurance and Annuity Company	A+ [2]	Aa3 [3]	AA-
	Upgraded February 2004	Upgraded October 2004	Upgraded November 2004

1) As of November 1, 2006
2) Assigned April 2004
3) Assigned March 2005

Well Diversified Portfolio of Businesses and Risks

INTERNATIONAL INSURANCE

- Life Planner model
- Gibraltar Life

RETIREMENT & SAVINGS

- Retirement
- Individual Annuities

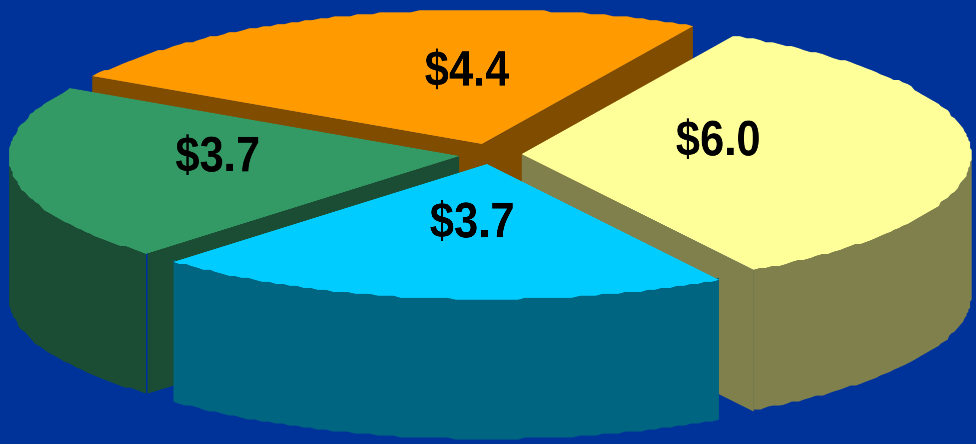
DOMESTIC INSURANCE

- Individual Life
- Group Insurance

INVESTMENT BUSINESSES

- Financial Advisory
- Asset Management
- International Investments

Attributed equity $17.8 billion (1)



1) As of September 30, 2006 for the FSB operating businesses; excludes unrealized gains and losses on investments

Prudential's Value Proposition to Investors

- High value-added business models produce high returns with low risk
- Highest return businesses are our fastest growing businesses:
  - International
  - Domestic Retirement and Savings
- "Portfolio of businesses": risks are well diversified by type and are largely uncorrelated
- Significant opportunities remain to redeploy excess capital and to optimize capital structure

Prudential Financial

Individual Annuities

David Odenath
President, Prudential Annuities

Prudential Financial

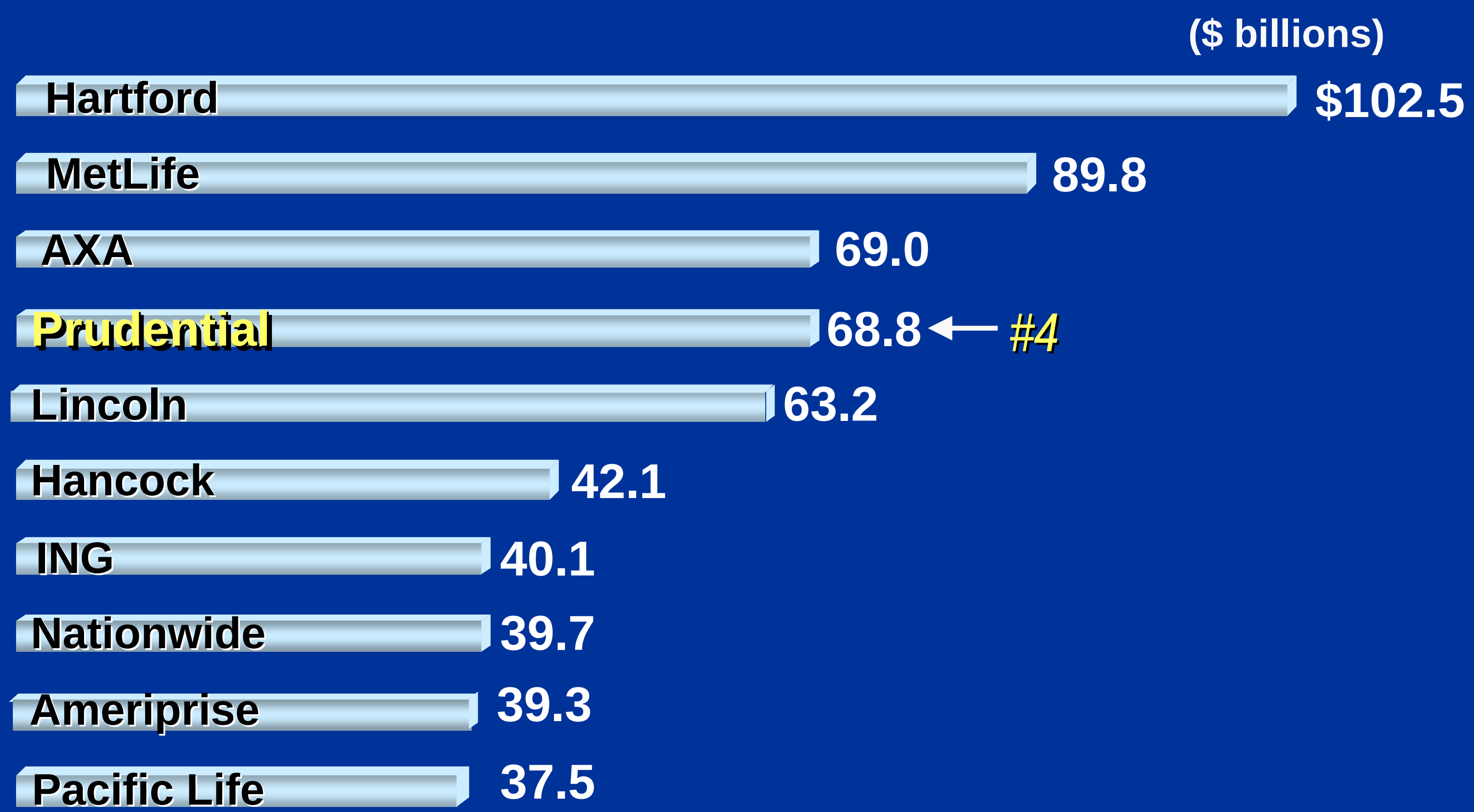
Individual Annuities Financial Performance[1]

	Year ended December 31, 2004	Year ended December 31, 2005	Nine months ended September 30, 2006
Account values:[2]			
Variable annuities	$ 47,418	$ 50,778	$ 70,555
Fixed annuities	3,879	3,991	3,814
Total	51,297	54,769	74,369
Gross sales [3]	6,338	7,467	7,045
Pre-tax adjusted operating income [3]	427	505	432
Attributed equity [4]	2.0	2.0	2.5

1) Includes results of Allstate variable annuity business from June 1, 2006 acquisition date
2) In millions; at end of period
3) In millions
4) In billions; at end of period

Top 10 Variable Annuity Company Account Values

Prudential Annuities is ranked #4 in advisor-sold VA account values[1]



1) Source: VARDS 2Q06 and Company data; Advisor-sold market excludes group/retirement plan contracts

Consistent Annuity Business Strategy

- Develop innovative products and features to meet needs of retirement market
- Utilize risk management skills to offer attractive value proposition for customers, favorable risk-adjusted return for Prudential
- Expand distribution
- Focus on expense management

The Changing Variable Annuity Market

Circa 1999	2006
VA viewed as savings/investment product	VA is key element of individual's retirement solution
VA's main advantage is tax deferral wrapper for mutual fund	VA offers sophisticated risk and investment management in favorable value proposition
Investment selection: favored "hot managers"	Asset allocation programs serve long-term retirement goals
Product guarantees relatively unimportant; basic death benefit "nice-to-have"	Protection from risks to retirement security: premature death while accumulating, loss of principal, outliving income

Prudential Annuities: Competitive Advantage in Retirement-Focused VA Market

- Proven product innovation capabilities; speed to market
- Sophisticated risk management skills
- Scale allows competitive pricing
- Growing multi-channel distribution
- Strong branding

Market-Leading Product Innovation

Guaranteed Minimum Death Benefits	▪ Basic protection ▪ Roll-up, step-up options ▪ Highest daily value option
Full suite of living benefits **3Q:06** **Take-Rate** **77%**	▪ Guaranteed minimum accumulation benefit ("GRO Plus") ▪ Guaranteed minimum income benefit ▪ Guaranteed minimum withdrawal benefit ▪ Guaranteed lifetime withdrawal benefits - Lifetime Five - Spousal Lifetime Five

Variable Annuity Guarantees

($ billions)	12/31/04	12/31/05	9/30/06 Excluding Allstate	9/30/06 Allstate Contribution	9/30/06 Total
Total variable annuity account values	**$47.4**	**$50.8**	**$54.2**	**$16.4**	**$70.6**
Account values with living benefit features:					
Accumulation (GMAB)	5.8	7.2	8.1	1.6	9.7
Income (GMIB)	2.4	3.0	3.2	3.9	7.1
Withdrawal (GMWB)	0.5	0.8	0.9	0.9	1.8
Lifetime Five	--	3.0	6.7	--	6.7
Total	8.7	14.0	18.9	6.4	25.3
GMDB net amount at risk	4.4	3.8	3.3	1.4	4.7

Current Generation Living Benefits Meet Retirement Security Needs

	Lifetime Five	Spousal Lifetime Five
Income Benefit Feature	5% of protected value for individual's life	5% of protected value for life for married couple, no reduction at first death
Alternate Guaranteed Withdrawal Benefit	7% of protected value until reduced to zero (14 years)	N/A
Initial Protected Value, Greatest of:	▪ 5% roll-up for 10 years or until first withdrawal ▪ Highest anniversary value for 10 years or until first withdrawal ▪ Account value at first withdrawal	
Cost	60 basis points x account value	75 basis points x account value

Highest Daily Lifetime Five

- Introduced November 2006
- Withdrawal benefit: 5% of protected value for individual's life
- Initial protected value:
  - Greatest 5% roll-up based on each daily account value (10 years or until first withdrawal); or
  - Account value at first withdrawal; if greater
- Equity risk management: "GRO-type" self-hedging feature
- Cost = 60 basis points x variable account value

Active Management of Product Risks

- Product/feature “risk management by design”
- Strategic risk retention
  - Retain risks we are best suited to carry
  - Actively hedge risks where appropriate
- Strong governance structure provides constant monitoring and oversight

Product/Feature
Risk Management by Design

Guaranteed Minimum Accumulation Benefit, "GRO Plus"	Automatic allocation to fixed bucket (i.e., "Self-hedging")
Guaranteed Minimum Income Benefit	"Special" annuity rates and mortality table
Lifetime Five, Spousal Lifetime Five, HD Lifetime Five	▪ Requires asset allocation programs; maximum equity allocation is 80% ▪ Minimum purchase ages ▪ Incentive to delay withdrawal to maintain protected value growth ▪ HD feature: "GRO-type" equity risk management

Hedging Program Reduces Market Exposure

Hedging Objectives

– Provide protection in severe scenarios

– Maximize capital efficiency

– Reduce earnings volatility

Hedging Approach

– “Three-Greek” hedging program for Lifetime Five, GMWB, Allstate GMAB

– Long-dated options and swaps used to better match economic risk

– Weekly purchasing decisions on assets for new business and rebalancing

– “Embedded derivative” and hedging asset value changes included in adjusted operating income

Growing Multi-Channel Distribution

Channel	Percentage of 3Q:06 Sales	Strategy	3Q:05 Sales[1]	3Q:06 Sales[1]
Independent Financial Planners	60%	Maintain leadership position	$1,300	$1,407
Insurance Agents	20%	Maintain momentum in Prudential agent channel Develop Allstate agent channel	373	466
Wirehouses	11%	Capitalize on new relationships and doubled wholesaling force	149	257
Banks	9%	Penetrate channel with two wholesaling forces: Prudential and Allstate	147	226
New business development desk augments wholesaler channel development				

1) In millions

Allstate Variable Annuity Business Enhances Distribution and Scale

- Exclusive rights to sell variable annuities through Allstate's 13,700 independent contractors and financial professionals for three years
- Opportunity to enhance relationships with wirehouse firms including Morgan Stanley
- Enhances bank distribution: Allstate-branded, Prudential designed variable annuity to be marketed by Allstate wholesalers
- Adds $16 billion of variable annuity account values[(1)]

1) As of June 1, 2006 date of acquisition

Allstate Variable Annuity Business Integration On Track

Major Project Milestones

Transition Service Agreement Period with Allstate[(1)]

2006				2007	2008
	June 1	**August**	**September**	**March[(2)]**	**February[(2)]**
Signed Allstate Agreement	**Closed** Allstate Transaction	Launch Prudential products in Allstate proprietary channel	Launch Prudential products in Morgan Stanley	Launch Allstate-branded, Prudential-designed product in Bank Channel	Prudential assumes administration of Allstate book of business

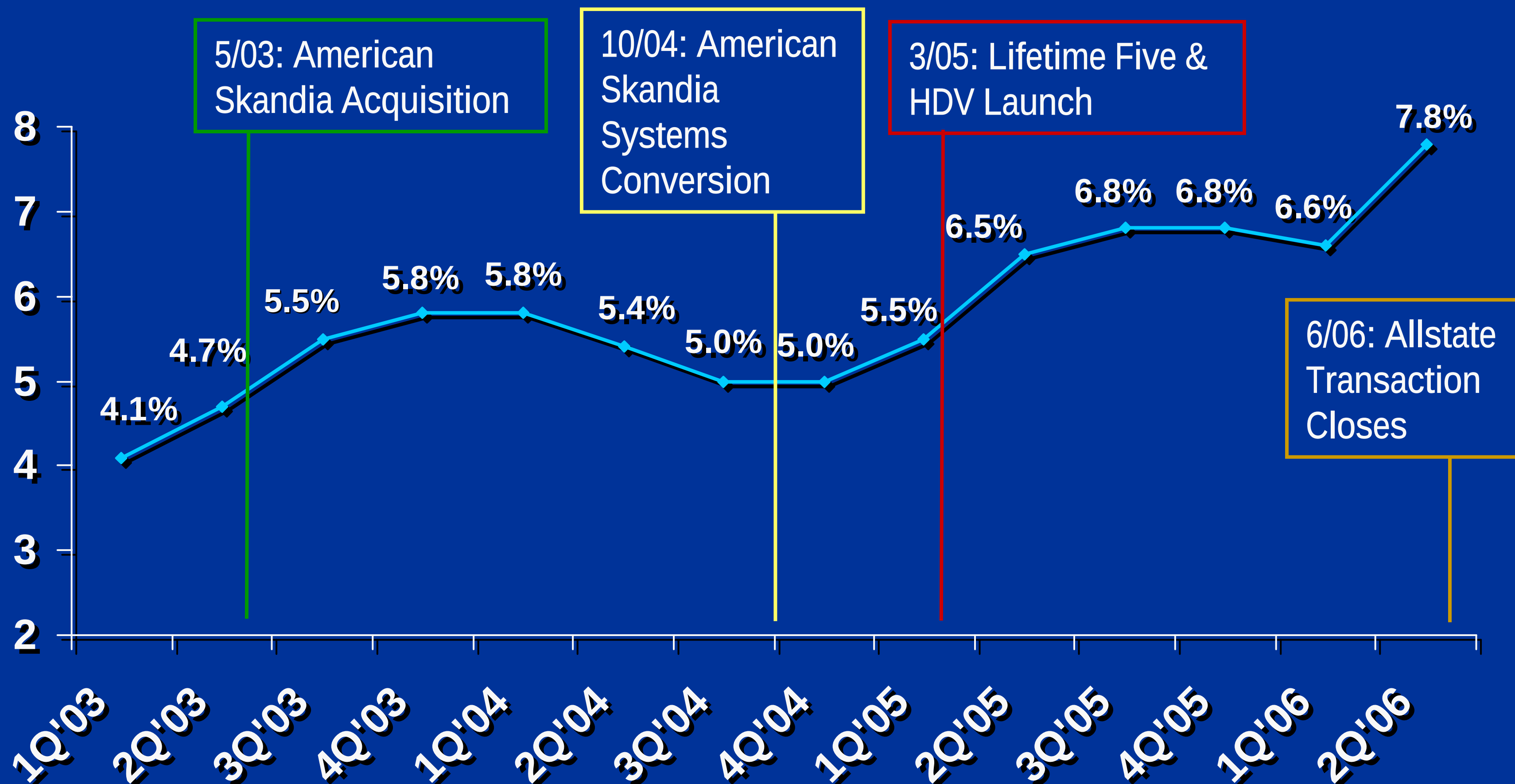
1) Allstate administers business acquired by Prudential for initial period
2) Represents approximate target dates

Products and Distribution Drive Sales Growth

1) Includes American Skandia from May 1, 2003 acquisition date
2) Includes Allstate variable annuity business from June 1, 2006 acquisition date
3) All annuity products (variable and fixed)

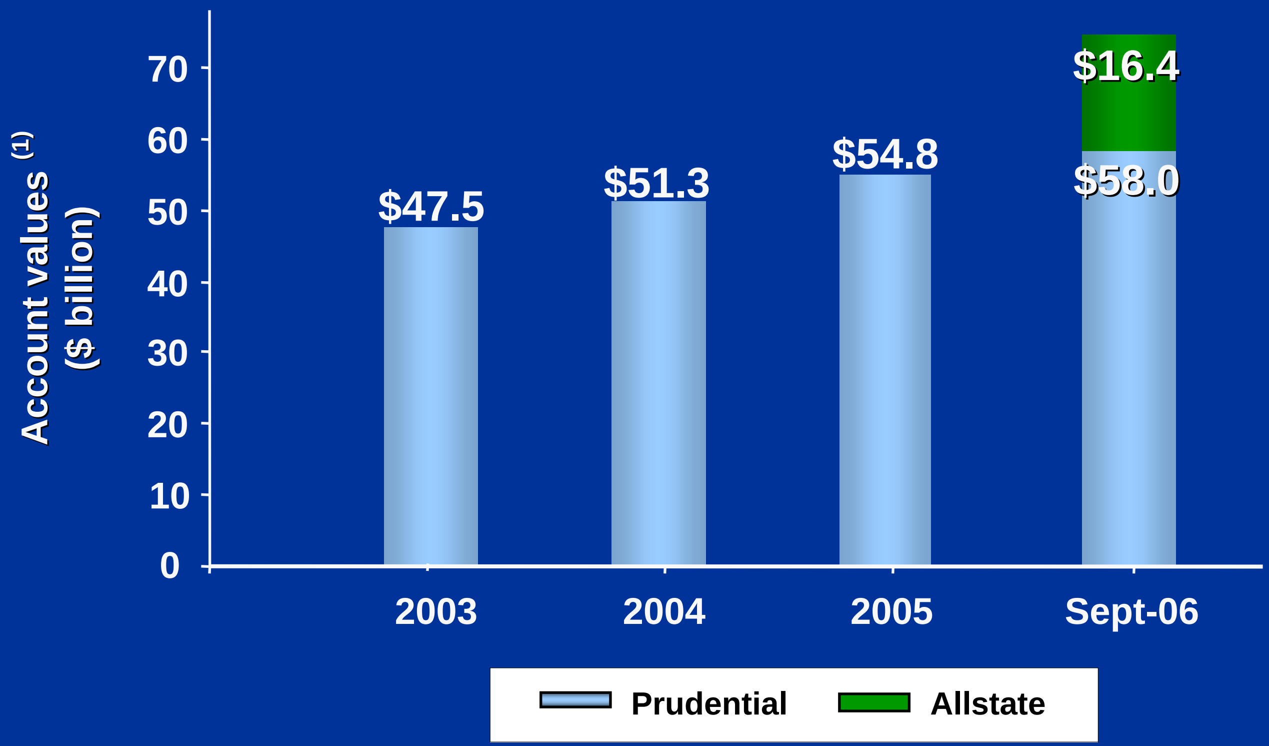
Variable Annuity Market Share [1]

Allstate Transaction Increases Market Share



1) Source: VARDS 2Q06 and Company data; excludes group/retirement plan contracts. Includes American Skandia for all periods and Allstate variable annuity business from June 1, 2006 acquisition date.

Sustained Account Value Growth



1) As of end of period

Summary

- Leading variable annuity market position
- Innovative products and features meet retirement market needs
- Risk management skills drive attractive value proposition, favorable risk-adjusted returns
- Allstate variable annuity business acquisition adds distribution and scale
- Developing multi-channel distribution offers growth opportunity

Prudential Financial

Prudential Retirement

John Kim
President, Prudential Retirement

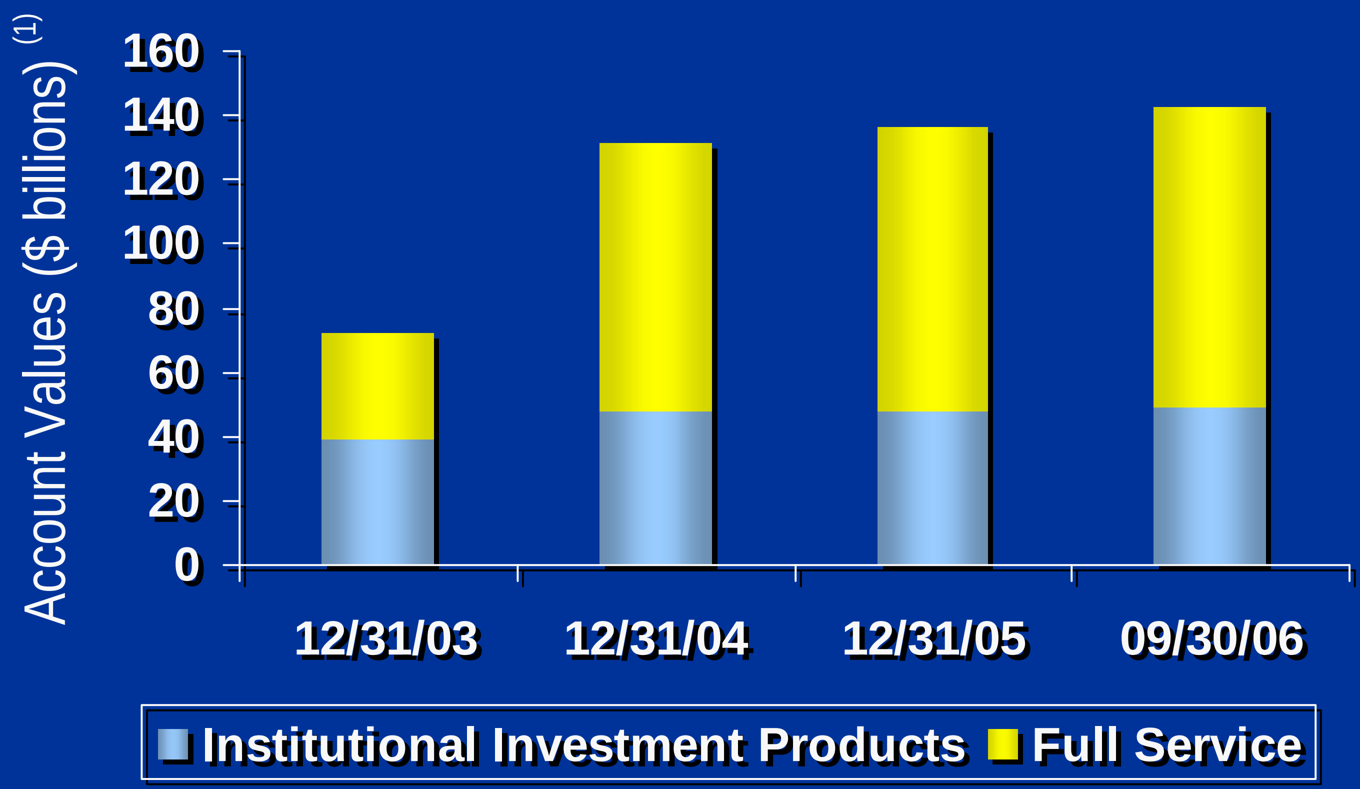
Prudential Financial

Prudential Retirement Financial Performance[1]

	Year ended December 31, 2004	Year ended December 31, 2005	Nine months ended September 30, 2006
Account values: [2] [3]			
Institutional Investment Products	$ 47,680	$ 48,080	$ 49,468
Full Service Retirement	83,891	88,385	93,364
Total	131,571	136,465	142,832
Gross deposits and sales [2]	14,616	17,071	17,061
Pre-tax adjusted operating income [2]	334	498	388
Attributed equity [3][4]	3.4	3.4	3.5

1) Includes results of business acquired from CIGNA from April 1, 2004 acquisition date
2) In millions
3) At end of period
4) In billions

Emphasis on Full Service Retirement



1) Includes results of business acquired from CIGNA from April 1, 2004 acquisition date

Full Service Retirement – Deposits and Sales [1]

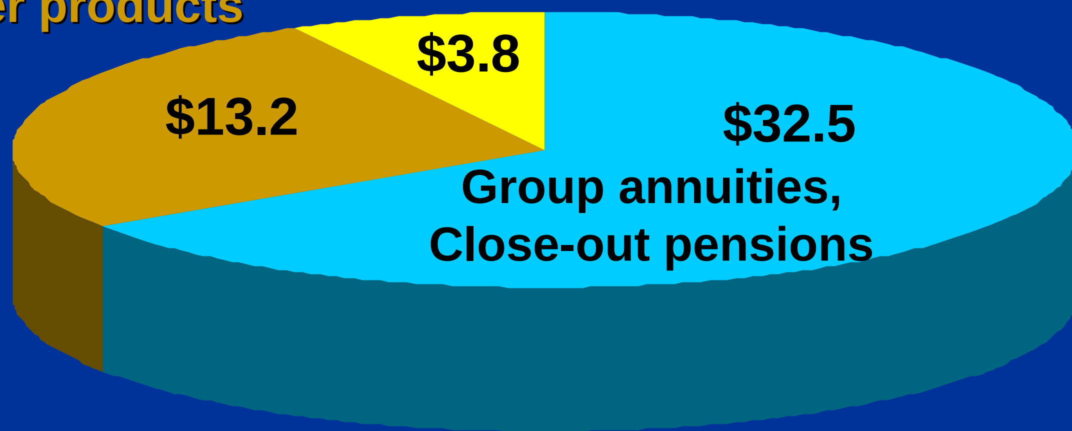
($ millions)	Year ended December 31, 2003	Year ended December 31, 2004	Year ended December 31, 2005	Nine months ended September 30, 2005	Nine months ended September 30, 2006
Gross deposits and sales	$6,311	$11,665	$13,006	$9,960	$12,433
Net additions (withdrawals)	2,663	(1,422)	(912)	572	278

CIGNA Retirement Business integration complete March 2006

1) Includes results of business acquired from CIGNA from April 1, 2004 acquisition date

Institutional Investment Products Complement Portfolio

Account values $49.5 billion (1)



1) As of September 30, 2006

Full Service Retirement
Broad Market Coverage

	Emerging (Small) Corporate Market	Mid/Large Case Market	Tax Exempt Market
Primary Products	DC plans	- DC plans - DB plans - Total Retirement Services - Non-qualified plans - Investment only products	
Distribution Channels	- Commission based advisors - Third party administrators	- Fee based consultants - Commission based advisers - Direct	Specialized consultants
Account Values (1) (2)	$ 13,200	$ 47,200	$ 30,900
Participants (2)	435,000	1,272,000	831,000

1) In millions

2) As of September 30, 2006; excludes $2 billion retail account values for approximately 46,000 participants

Today’s Retirement Market

- Individuals increasingly responsible for their own retirement security
- Focus moving from “saving for retirement” to satisfaction of retirement income needs
- Defined contribution plans becoming only retirement solution for many, as defined benefit plans are de-emphasized
- Employers seeking bundled overall solutions for retirement benefit programs
- Pension reform legislation encourages solutions tailored to individual retirement responsibility

Prudential Retirement Competitive Advantages

- Total Retirement Services capabilities support bundled solutions
- Robust product lineup includes full suite of stable value products
- Scale allows market-leading service capabilities with competitive pricing structure
- Access to Prudential's risk management, asset management, and annuity product design capabilities
- Distribution breadth, supported by strong brand
- Successful business integration track record

Prudential Retirement Positioned for Market Trends

Development	Prudential Positioning
▪ Individuals seek independent retirement security ▪ Aging baby boomers need to convert assets into income	▪ Stable value products offer principal protection ▪ Risk management and product design skills support income product development
▪ DC plans becoming sole retirement solution	▪ "Secure Retirement" program enables goal satisfaction with DC plan as foundation
▪ Employers seek to outsource retirement benefit programs	▪ A leader in Total Retirement Services solutions
▪ Rollover assets increasing	▪ Enhancing rollover platform and solutions
▪ Industry consolidation is accelerating	▪ Platforms, scale, business integration skills support attractive acquisitions

Full Service Stable Value Products

- $31 billion account values [(1)]
- Principal guarantee feature attractive to security-minded pre-retirees
- Low risk profile: Substantially all balances experience-rated, with employer clients sharing investment risk
- Rate resets semi-annually on most products
- Future crediting rates typically reflect prior experience
- Low interest rate floors; competitive conditions main factor in rate setting

1) As of September 30, 2006

Retirement Income Products

Traditional DC Focus

New Option

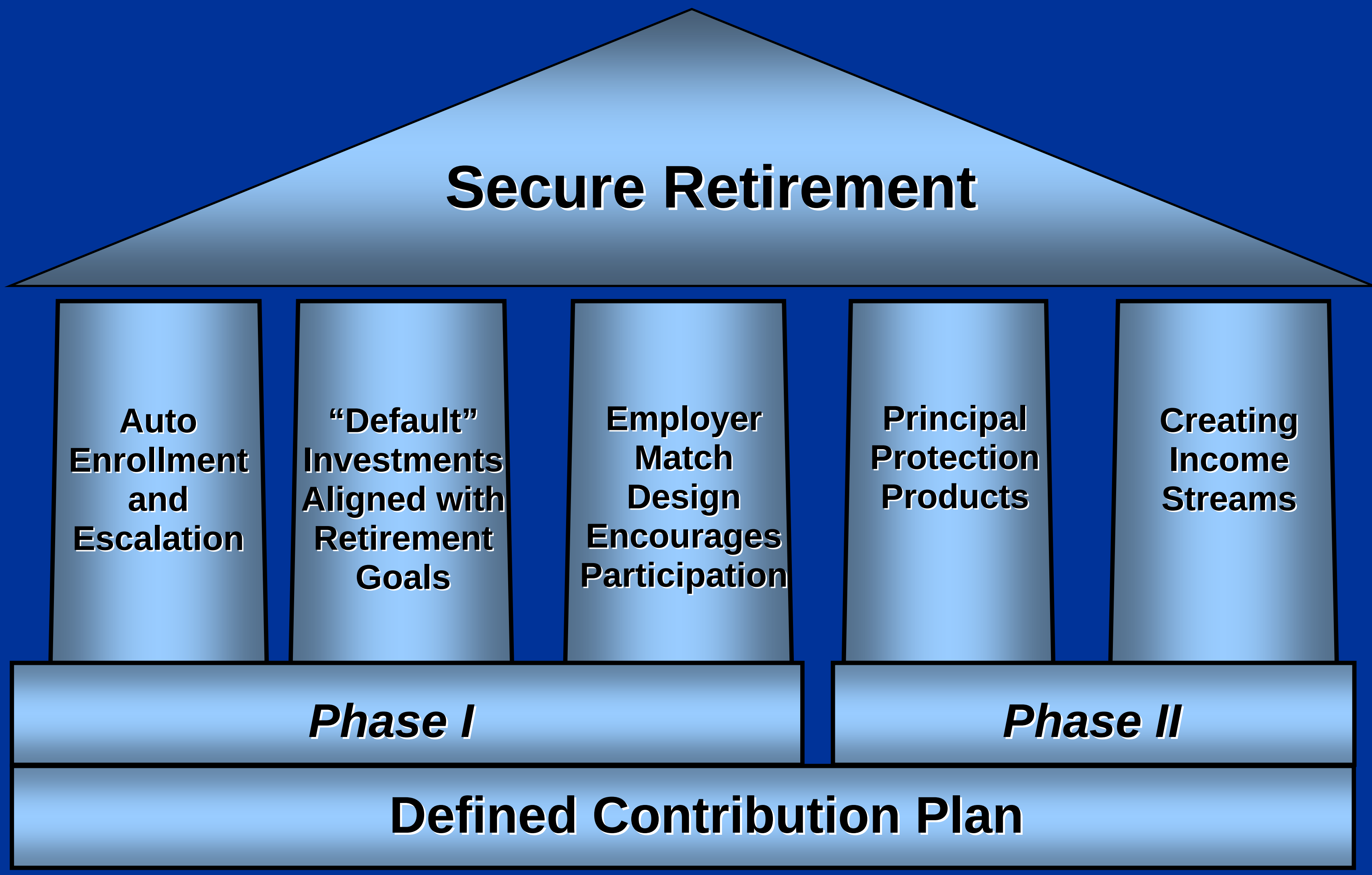
Age 20 yrs 30 yrs 40 yrs 50 yrs 60 yrs 65+

Accumulation	Income

- DC Plan investment options
- Guaranteed accumulation products

- Guaranteed income
- Downside protection with upside potential
- Revocable

Think “Lifetime Five”

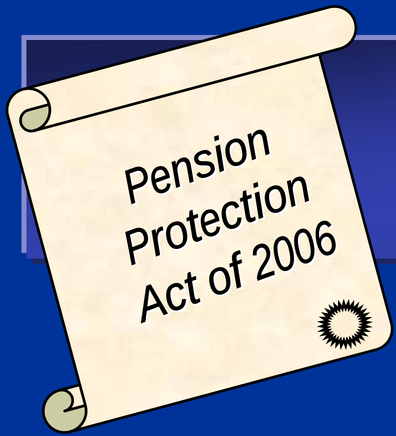

Secure Retirement
Auto Enrollment and Escalation
“Default” Investments Aligned with Retirement Goals
Employer Match Design Encourages Participation
Principal Protection Products
Creating Income Streams
Phase I
Phase II
Defined Contribution Plan

A Leader In Total Retirement Services

Integrated Solution for Plan Sponsors

DB Plan	DC Plan	Non-qualified Plan

- **Recordkeeping**
- **Participant communications**
- **Actuarial services**
- **Compliance**
- **Investment products and services**



Pension Reform Legislation
Enhanced Opportunities

	Reform	Expected Impact
401(k) Automatic Enrollment	Encourages employers to auto-enroll workers	Greater participation rates
401(k) Automatic Contribution Escalation	Facilitates automatic increases of participants' contribution rates	Greater account balance growth
Investment Advice	Plan sponsors and record keepers can provide advice to participants	Greater account balance growth and participation
Annuities	Facilitates annuities as DC plan option	Retirement income product opportunities

Summary

- Leading position in retirement market, emphasizing full service products
- Stable value products attractive to security-minded pre-retirees, offer favorable risk-adjusted returns to Prudential
- Leveraging Prudential's risk management, asset management and annuity product capabilities as market focus on retirement security grows
- Total Retirement Services capability serves employers seeking bundled solutions
- Recent pension reform legislation enhances retirement market opportunities

Prudential Financial

International Division

Rodger Lawson
Vice Chairman
International Insurance and Investments Division

Prudential Financial

International Division Financial Performance

($ millions)	Year ended December 31, 2002	2003	2004	2005	Nine months ended Sept. 30, 2006
Adjusted operating income before tax:					
Life Planner businesses	$ 379	$ 449	$ 515	$ 808	$ 698
Gibraltar Life	378	370	402	502	361
International Insurance			24.5% ROE (1)		1,059
International Investments	0	(16)	77	106	109
International Division	$ 757	$ 803	$ 994	$ 1,416	$ 1,168

1) Based on annualized after-tax adjusted operating income and average attributed equity for the period

Our Division Goals

- Sustainable low to mid-teen AOI growth
- Sustainable 20% ROE’s
- Strong free cash flow
- Complementary group of International businesses with short-term and long-term growth potential

Key Elements of Our International Strategy

Concentrate on a limited number of attractive countries

Emphasize proprietary distribution:
recruiting, selection, needs-based selling

Target the affluent and mass affluent consumer

Focus on both life insurance and asset management

Establish a strong Prudential presence

Grow both organically and through
opportunistic acquisitions

Life Planning Insurance

Distribution: Competitive Advantage

- Very selective recruiting
- Highly trained, professional field force
- Financial planning approach; needs-based selling

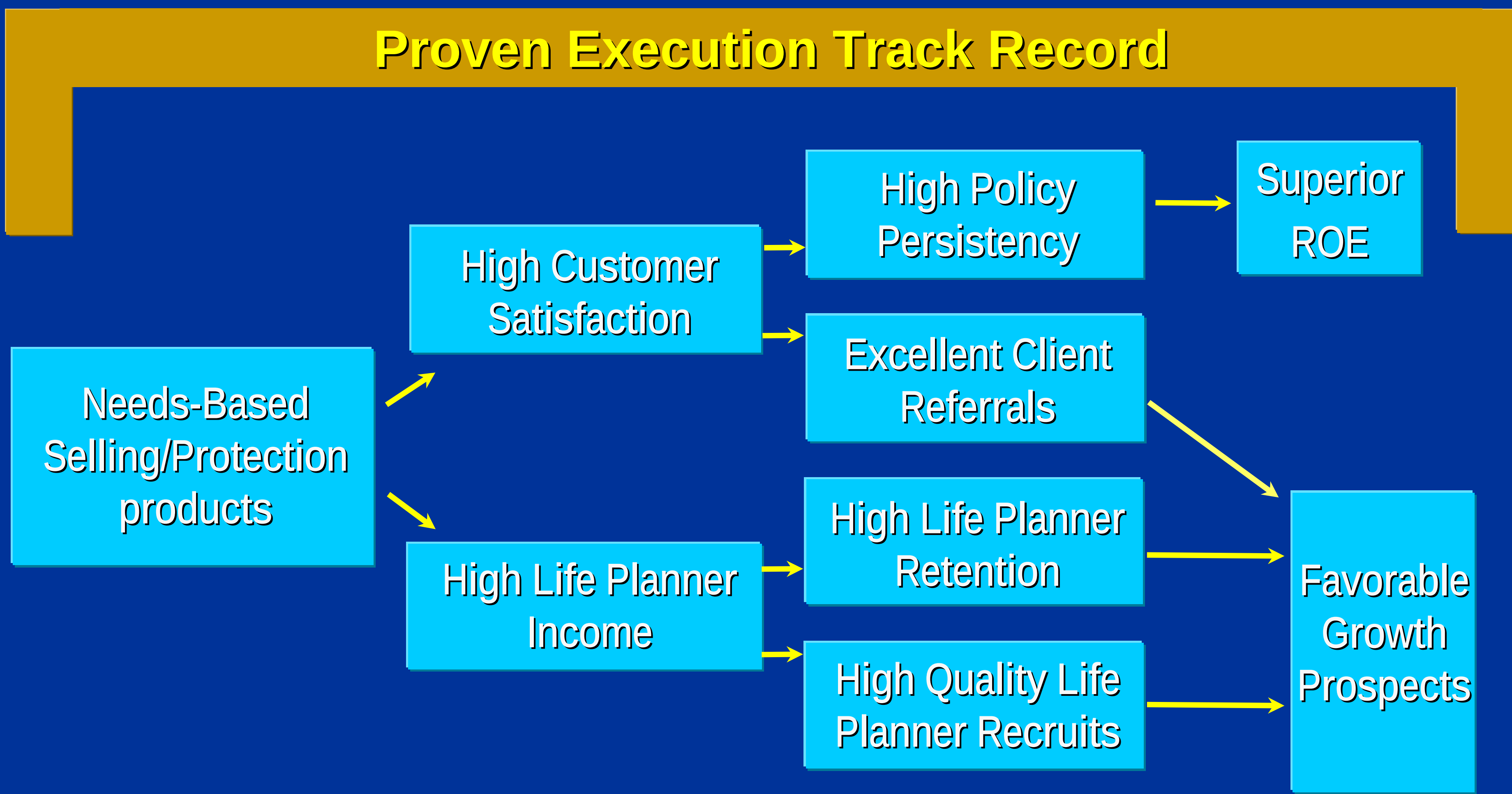
Emphasis on Protection Products

- Life insurance plans tailored to specific client needs
- U.S. dollar products and “third-sector” features complement portfolio

Compensation Aligns Customer / Agent / Company Interests

- Variable compensation structure
- Rewards productivity and persistency

The Beneficial Cycle



Gibraltar Life

- Strong affinity group relationships
- Face amount in force, \$178 billion(1)
- \$33.5 billion in assets (1)
- 80 sales offices (2)
- Solvency margin ratio, 1,125% (3)
- Ratings: Standard & Poor's, AA–
  Moody's, A1

1) As of September 30, 2006; translated based on exchange rate as of December 31, 2005
2) As of September 30, 2006
3) As of September 30, 2006; based on Japanese statutory accounting

Japanese Life Insurance Market Developments

Development	Prudential Positioning
Privatization of “Kampo” postal life insurance	Needs-based selling continues as competitive advantage
Growing demand for savings and retirement products	U.S. dollar fixed annuities offer attractive value proposition and favorable returns
Demand for medical riders driven by greater individual responsibility for costs	Medical riders with favorable margins sold in tandem with protection life insurance
Regulations allow growth of bancassurance	Commenced bank distribution of selected products

Where We Are Today

- Leadership positions in life planning
- Gibraltar generates high ROE's and cash flows
- Developing asset management platforms
- Profitability dominated by Japan and Korea
- Acquisitions potentially additive
- Expect to achieve our financial goals

Prudential Financial

International Insurance Finance

John Hanrahan
Chief Financial Officer
Prudential International Insurance

Prudential Financial

Drivers of Sustainable Financial Performance

- Sales and persistency drive organic growth; increasing scale benefits
- Emphasis on protection products
- U.S. dollar product and investment strategies
- Strong capital generation; capital management opportunities
- Strengthening yen can contribute to results

Life Planner Business

Established Sales Force and Excellent Persistency Drive Baseline Growth

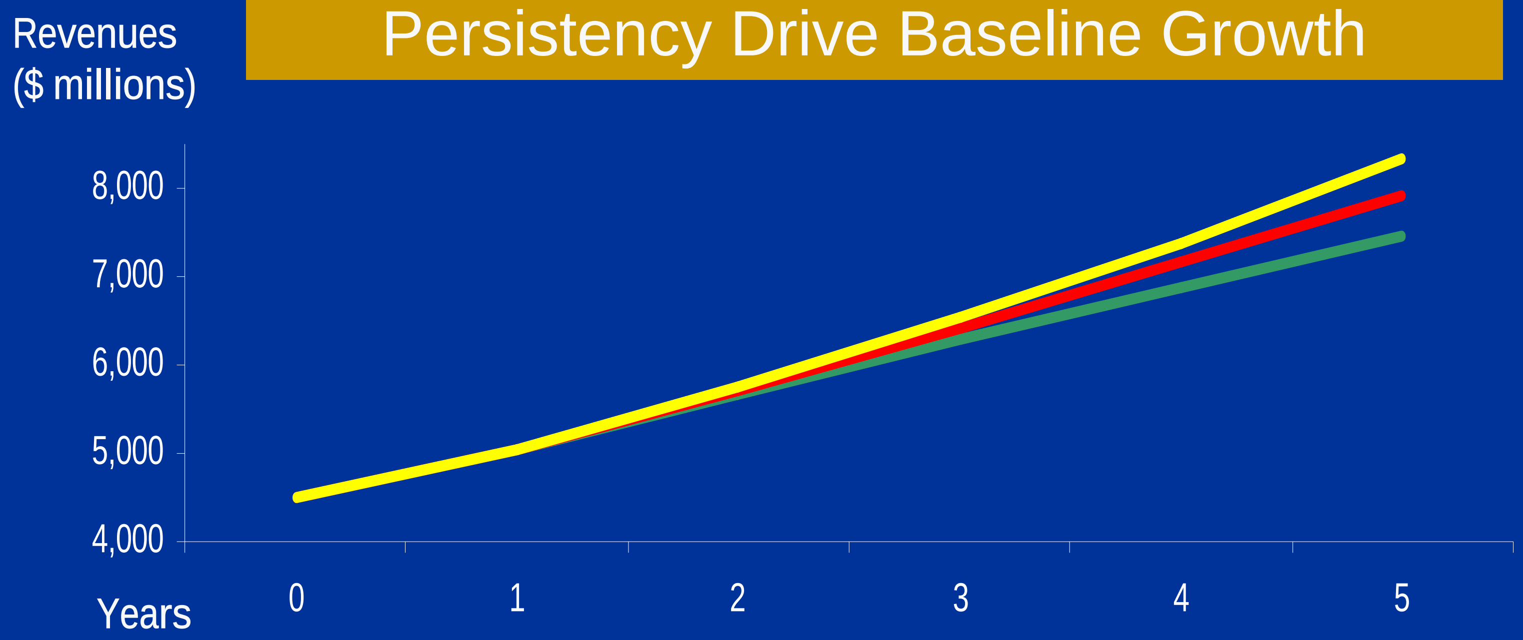


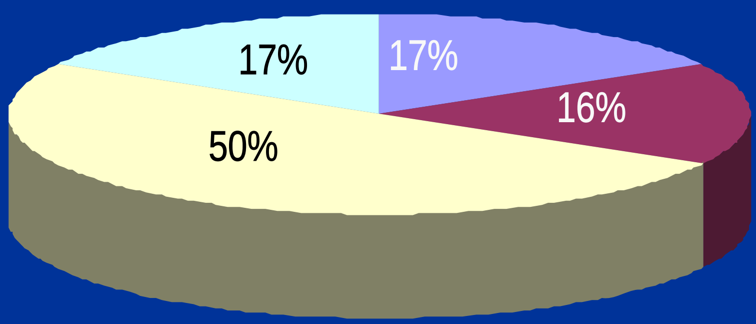
Illustration assuming current policy persistency and Life Planner productivity, and

- No Life Planner count increase
- 5% annual Life Planner count increase
- 10% annual Life Planner count increase

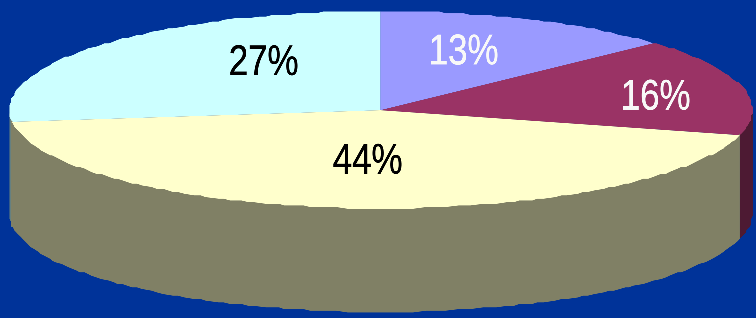
(Not a forecast)

Prudential of Japan
Emphasis on Protection Products

In-Force Annualized Premium as of September 30, 2006 [1]



New Business Annualized Premium nine months ended September 30, 2006 [1]



- **Yen-based protection products** [2]
- **Yen-based savings and retirement income products** [3]
- **U.S. Dollar-based products** [4]
- **Third Sector** [5]

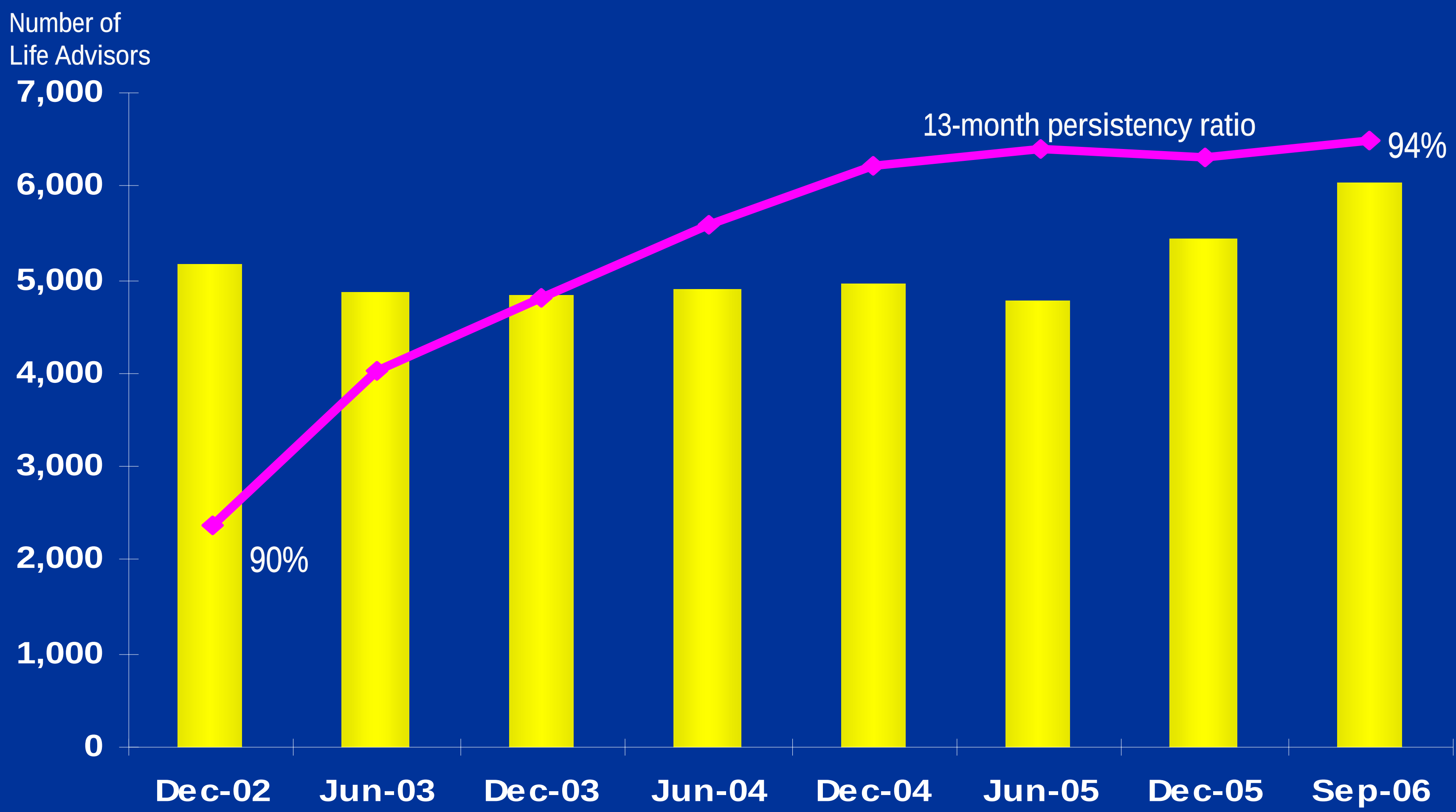
1) Includes single premium business at 10%
2) Primarily whole life and term
3) Primarily endowment
4) Whole life and retirement income
5) Cancer, medical, accident and sickness; primarily riders

Strong Protection Insurance Margins Continue[1]

	1994-1996	1996-1999	1999-2001	2001-Current
Interest Rate	4.50%	3.10%	2.35%	2.00%
Whole Life Premium Per $1,000 (approx.)	$13	$17	$20	$22

1) Based on a typical Prudential of Japan whole life policy for a male at age 30, paid up at 60 years old

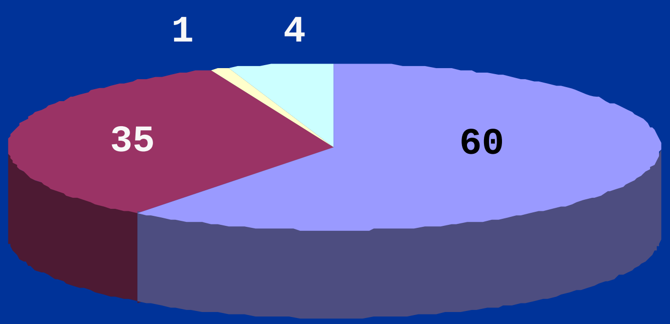
Gibraltar Life – Growing Distribution, Maintaining High Persistency



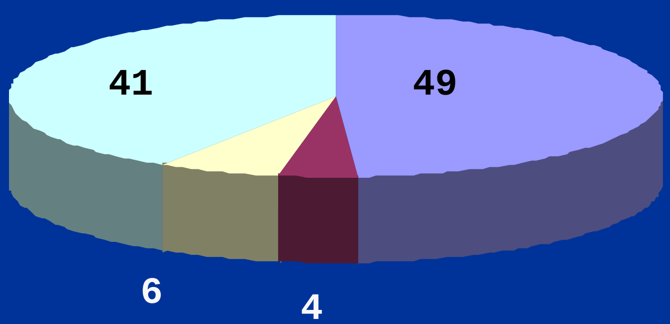
Gibraltar Life

U.S. Dollar Fixed Annuities
Complement Core Protection Products

In-force Annualized Premium as of September 30, 2006 (1)



New Business Annualized Premium nine months ended September 30, 2006 (1)



- Yen-based protection products
- Yen-based savings and retirement income products
- U.S. dollar-based life insurance
- U.S. dollar fixed annuities

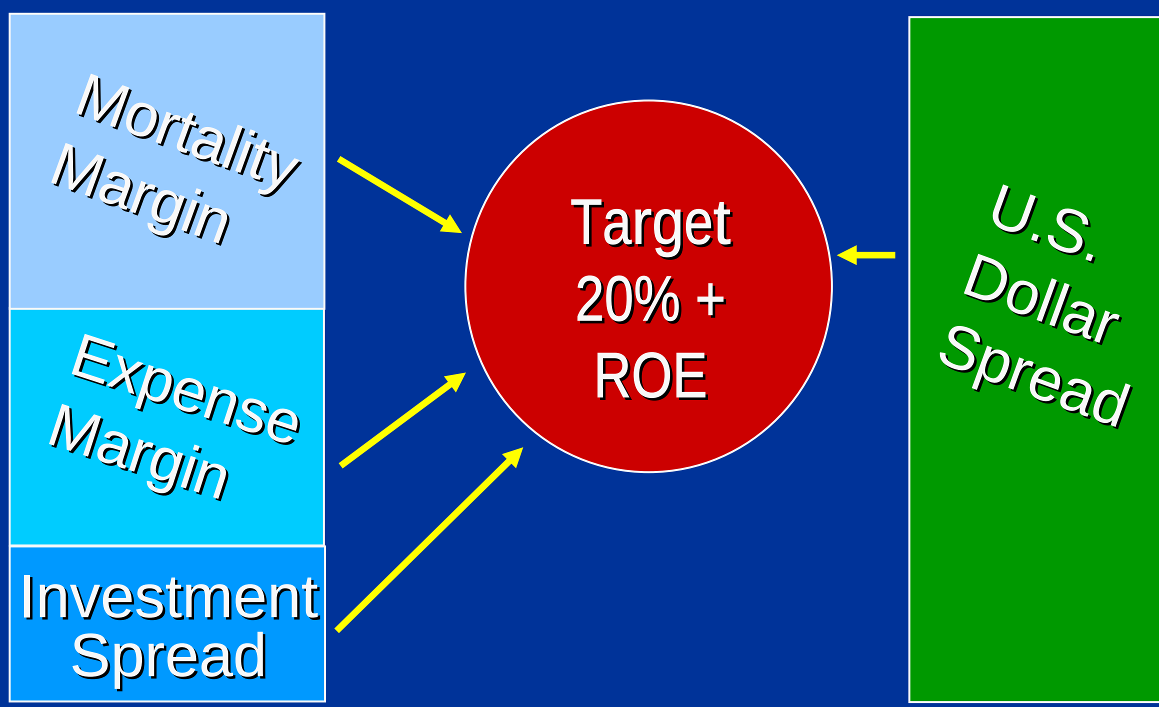
1) Includes single premium business at 10%

Gibraltar Life

U.S. Dollar Fixed Annuities
Expected Returns Consistent with Overall Portfolio

Life Insurance

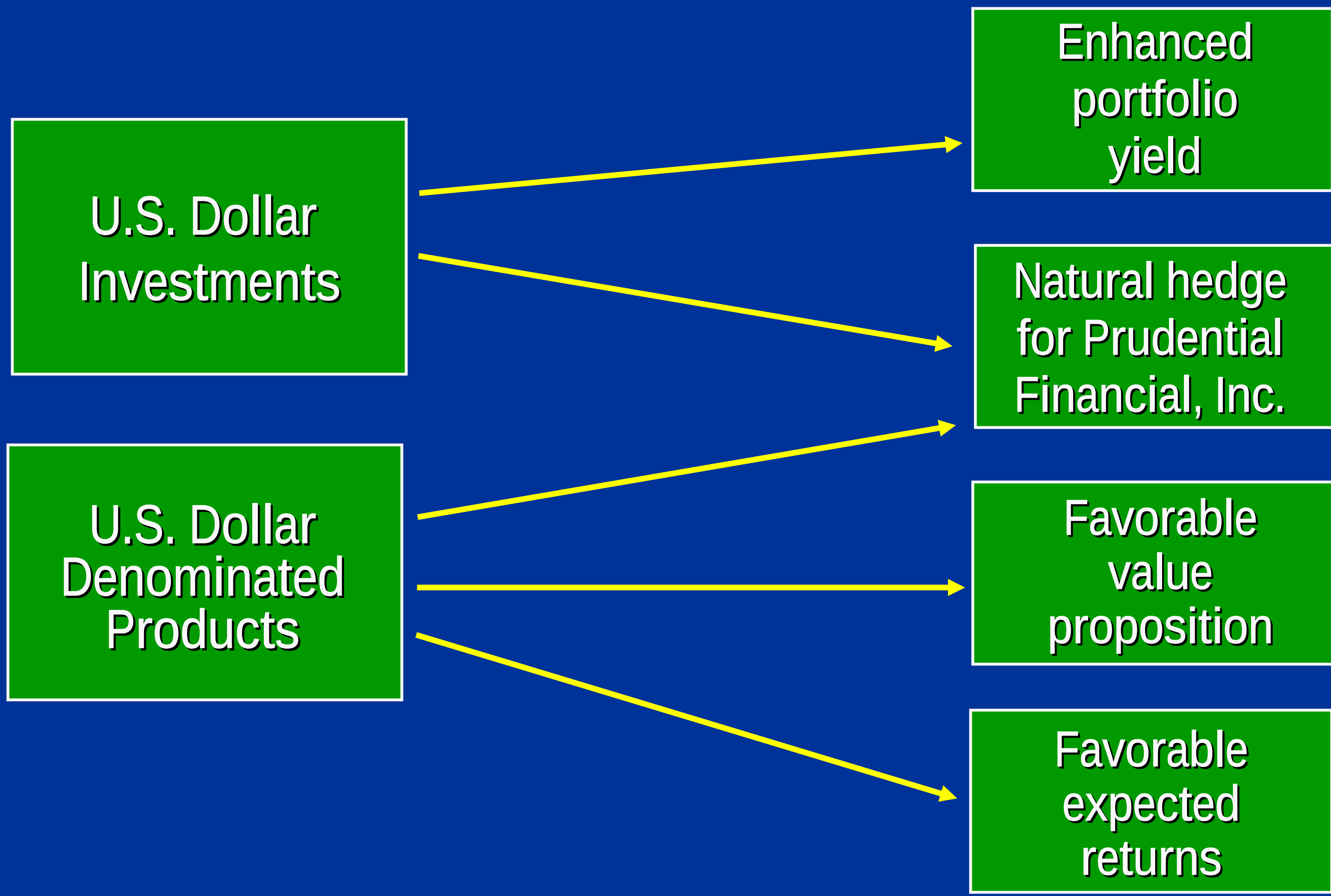
U.S. Dollar Fixed Annuities



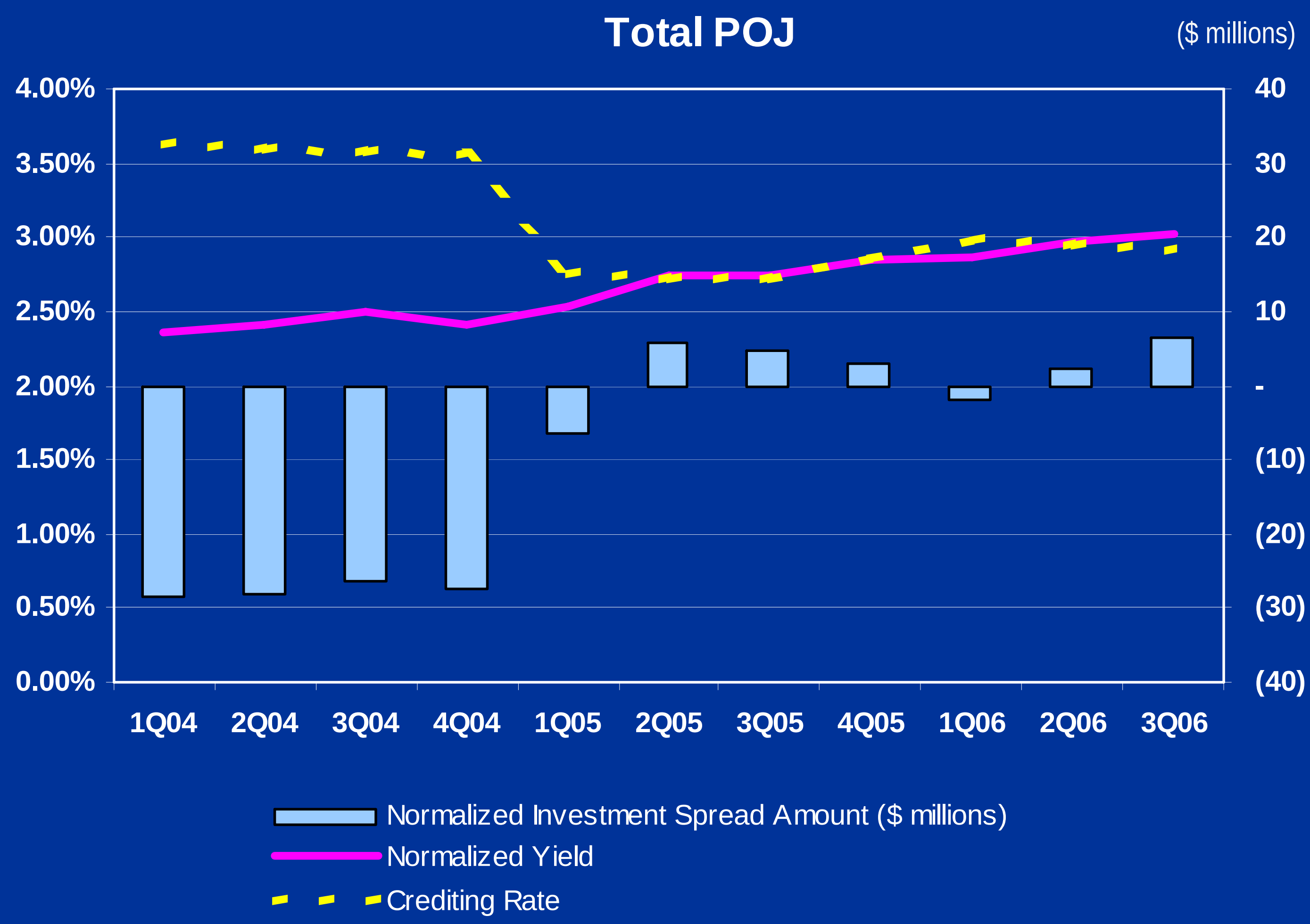
– "MVA" Products: limited capital requirements

– Conservative investment strategy allows attractive value proposition to customers

U.S. Dollar Product and Investment Strategies



Improving Investment Portfolio Returns[1]



1) Excludes US dollar reinsurance activity, Prudential's Tokyo office building, and one-time activities

Strong Capital Generation

- High ROE business generates significant excess capital
- "Net level premium reserves" achieved at POJ in 2005; first dividend paid in 2006
- Gibraltar Life: full amortization of "statutory goodwill" enhances capital generating capacity

Capital Management Opportunities

- Cross entity investments
- Acquisitions
- Subordinated debt repayments
- Reinsurance
- POJ dividend capacity adds flexibility

Summary

- Sales and persistency drive baseline growth
- Emphasis on protection products; continued favorable margins
- U.S. dollar product and investment strategies contributing to results
- Strong capital generation; capital management opportunities
- Strengthening yen can contribute to results

Prudential Financial

Capital Management and Financial Outlook

Rich Carbone
Chief Financial Officer

Prudential Financial

Capital Management
A Tool for ROE Expansion

- Equity attributed to businesses:
  - Regulatory/rating agency models
  - Business risks
  - “Actual usage” in some instances
- Business level equity requirements: managed by strategy and design
- Capital migrating to businesses with favorable growth and return prospects
- Strong “available capital” position
- Diverse cash flow sources enhance flexibility

Attributed Equity Based on Nature of Business

Business	Basis			
- Domestic Insurance - Retirement - Annuities	Regulatory Models (RBC)	Rating Agency Models	Business Risk Analysis	GAAP Requirements (DAC)
International Insurance	Actual Equity Resident in Business			
	Regulatory Models	Rating Agency Models	Business Risk Analysis	
Wachovia Joint Venture	Actual Investment			
	Risk Analysis [2]			
Other Businesses	Business Risk Analysis			

Attributed Equity for Operating Businesses $17.8 Billion [1]

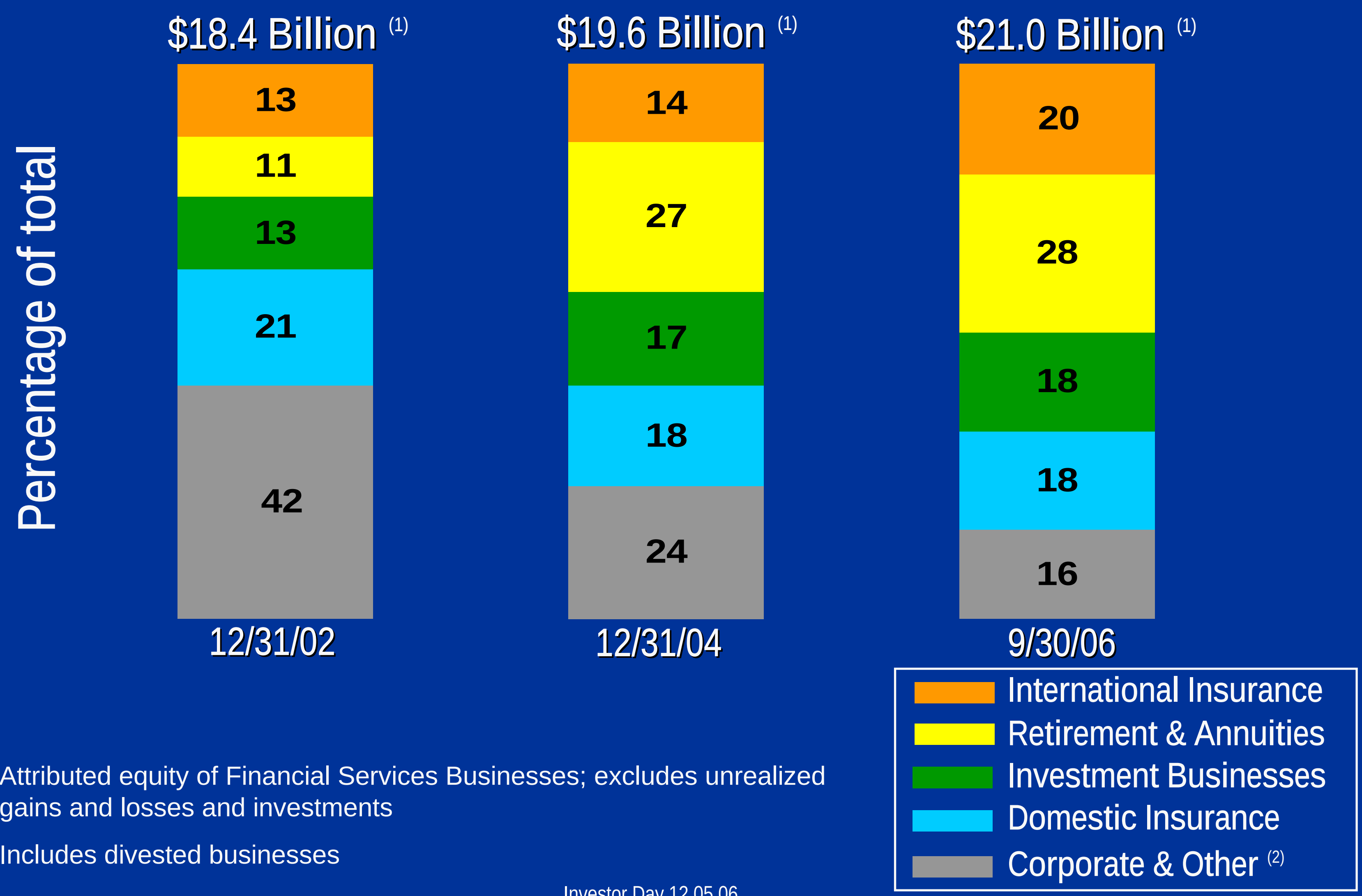
1) For the FSB; as of September 30, 2006

2) Considers "AA" credit associated with "put" feature

Managing Equity Capital Requirements by Strategy and Design

Product Emphasis	Offer products with relatively low risk profile, attractive value proposition	• Retirement – Stable value • International Insurance – Protection products
Product Design	Build risk management features into attractive products	• Annuities – Asset allocation requirements; self-hedging GMAB
Capital Efficient Structures	Identify redundant regulatory reserves/capital and finance with alternatives to equity	• Individual Life – Term "XXX" internal reinsurance • Annuities – C3 Phase II internal reinsurance
Capital Redeployment "in place"	Utilize capital resident in businesses to finance attractive opportunities	• Gibraltar Life – Financing of Hyundai Securities acquisition

Equity Capital Migration → Businesses with Favorable Growth and Return Prospects

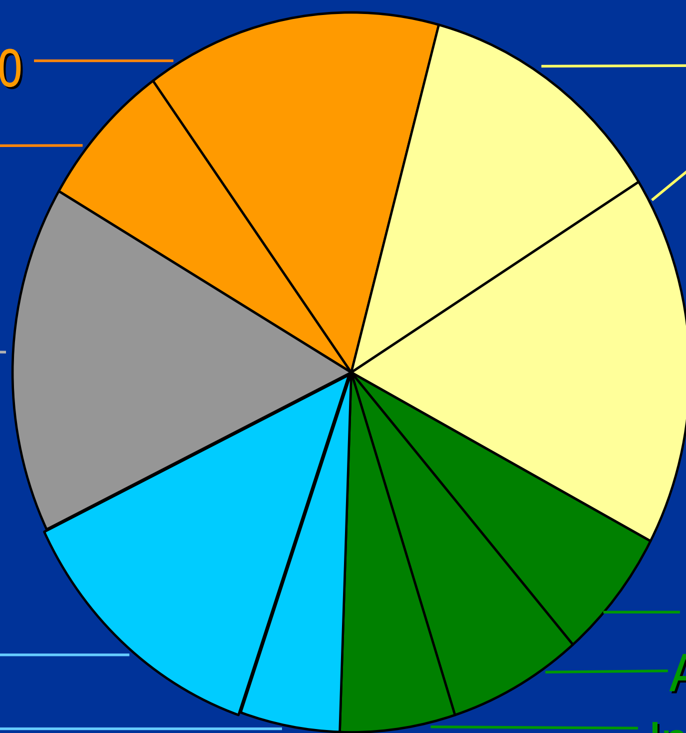


1) Attributed equity of Financial Services Businesses; excludes unrealized gains and losses and investments

2) Includes divested businesses

Attributed Equity – September 30, 2006

$21.0 billion (1)



1) For the Financial Services Businesses; excludes unrealized gains and losses on investments

Strong "Available Capital" Position

September 30, 2006

$10

Available Capital ($ billions)

- Potential value of Wachovia JV "put"
- International Insurance excess capital
- Hybrid security issuance capacity (1)
- Unused debt capacity (1)
- Corporate & other excess capital

Available for share repurchases

Potentially available for attractive transactions

Ongoing Capital Generation

High ROE, high growth businesses

Mature businesses: favorable returns, modest capital needs

1) Assuming a capital structure of 70% common equity, 30% capital debt and hybrids

Migrating to Optimal Capital Structure

9/30/06

17%
Capital Debt

83%
Equity
(approx. $21 billion)

Share Repurchases

"Assuming no Acquisitions"

Share Repurchase Program
Considerations: - Capital generation - Business growth requirements - Market opportunities - Rating agency views - Sustainability
$3 billion annual authorization effective 2007

Not later than 2009

10%
Hybrid Securities

20%
Capital Debt

70%
Equity
(approx. $21 billion)

Diverse and Consistent Cash Flow Sources Enhance Flexibility

- De-stacked structure enhances flexibility
- Mature domestic insurance businesses: strong cash flow generation
- International Insurance: dividends commenced in 2006 to complement cash flow “alternatives”
- Non-insurance businesses provide additional cash flows to parent
  - Asset management
  - Wachovia JV

Considerations for 2007

- Baseline 2006 earnings
- Business growth
- Allstate variable annuity business
- Capital management: share repurchases, increased leverage
- US dollar @ 102 yen
- 8% equity market appreciation
- 29.5% effective tax rate

FSB Full Year 2007 Earnings Guidance

2007 Guidance [1]	$6.60 - $6.80

2006 Guidance [1]
$5.90 - $6.00

Non Recurring/ Unsustainable 2006 Items

Baseline Earnings Level $5.70 - $5.80

Growth / Expense Management

Allstate variable annuity business

Capital management: share repurchases, increased leverage

1) Based on after-tax adjusted operating income for the Financial Services Businesses

Prudential Financial

Prudential Financial, Inc.

Art Ryan
Chairman and CEO

Prudential Financial

2007 – 2009 Financial Objectives

- ROE expansion to 15% – 17% range[1]
- Solid double digit average annual growth in EPS[1]
- Reasonably consistent operating results
- Stock buybacks of $3 billion a year through 2009 under base case
- "AA" capital management

1) Based on after-tax adjusted operating income of the Financial Services Businesses; ROE targets based on attributed equity excluding unrealized gains and losses on investments and accumulated other comprehensive income related to pension and post-retirement benefits

Summary

- History of successful execution as public company
- Well positioned in high return, growth businesses: International, Domestic Retirement & Savings
- Rely on high value-added business models to drive superior results
- Maintain disciplined capital management
- Expect to achieve optimal capital structure under base case within 2 – 3 years

Prudential's goal is to achieve "differentiated" financial returns through 2009 and beyond: ROE, EPS growth

Prudential Financial