

Prudential Financial, Inc.
John Strangfeld
Chairman and CEO

Sanford C. Bernstein 24th Annual
Strategic Decisions Conference



Forward-Looking Statements and Non-GAAP Measure

This presentation may include some forward-looking statements. It is possible that actual results may differ materially from any expectations or predictions expressed in this presentation. Additional information regarding factors that could cause such a difference appears in the section titled “Forward-Looking Statements” of our Form 10-K and Form 10-Q SEC filings and in our earnings press releases, which can be found on our Web site at www.investor.prudential.com.

This presentation includes references to “adjusted operating income” and to earnings per share, or EPS, and return on equity, or ROE, which are determined based on “adjusted operating income”. 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 investment gains and losses are impairments and credit-related and interest rate-related gains and losses. Impairments and losses from sales of credit-impaired securities, the timing of which depends largely on market credit cycles, can vary considerably across periods. The timing of other sales that would result in gains or losses, such as interest rate-related gains or losses, is largely subject to our discretion and influenced by market opportunities as well as our tax profile. 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 comparable GAAP presentation and the reconciliation between the two are set out in our Form 10-K, Form 10-Q, our earnings press releases and Quarterly Financial Supplements, which can be found on our Web site.



Forward-Looking Statements and Non-GAAP Measure (continued)

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 for the Financial Services Businesses excluding accumulated other comprehensive income related to unrealized gains and losses on investments for all periods and accumulated other comprehensive income related to pension and postretirement benefits for periods including and after 2004. 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 1.58% and 18.25% for the three months ended March 31, 2008 and 2007, respectively, and 16.20%, 14.67%, 15.48%, 9.23%, 5.38% and 3.79% for the years ended December 31, 2007, 2006, 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.

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



Where We Are Today

- Balanced portfolio of businesses and risks
- High ROE combined with strong capital position and cash flow generation
- Growth engines in international insurance and U.S. retirement and annuities
- Asset management capabilities complement product manufacturing and generate strong earnings
- Diversified distribution channels
- Acquisition and integration track record

ROE Progress ⁽¹⁾



1) For the Financial Services Businesses (FSB); based on after-tax adjusted operating income and on attributed equity excluding accumulated other comprehensive income related to unrealized gains and losses on investments for all periods and accumulated other comprehensive income related to pension and postretirement benefits for periods including and after 2004.



Earnings Per Share Growth ⁽¹⁾



1) Based on after-tax adjusted operating income of the FSB

Adjusted Operating Income Results⁽¹⁾

	<u>First Quarter</u> <u>2008</u>	<u>First Quarter</u> <u>2007</u>
Earnings per Share	\$1.65	\$1.83
ROE ⁽²⁾	13.0%	16.3%

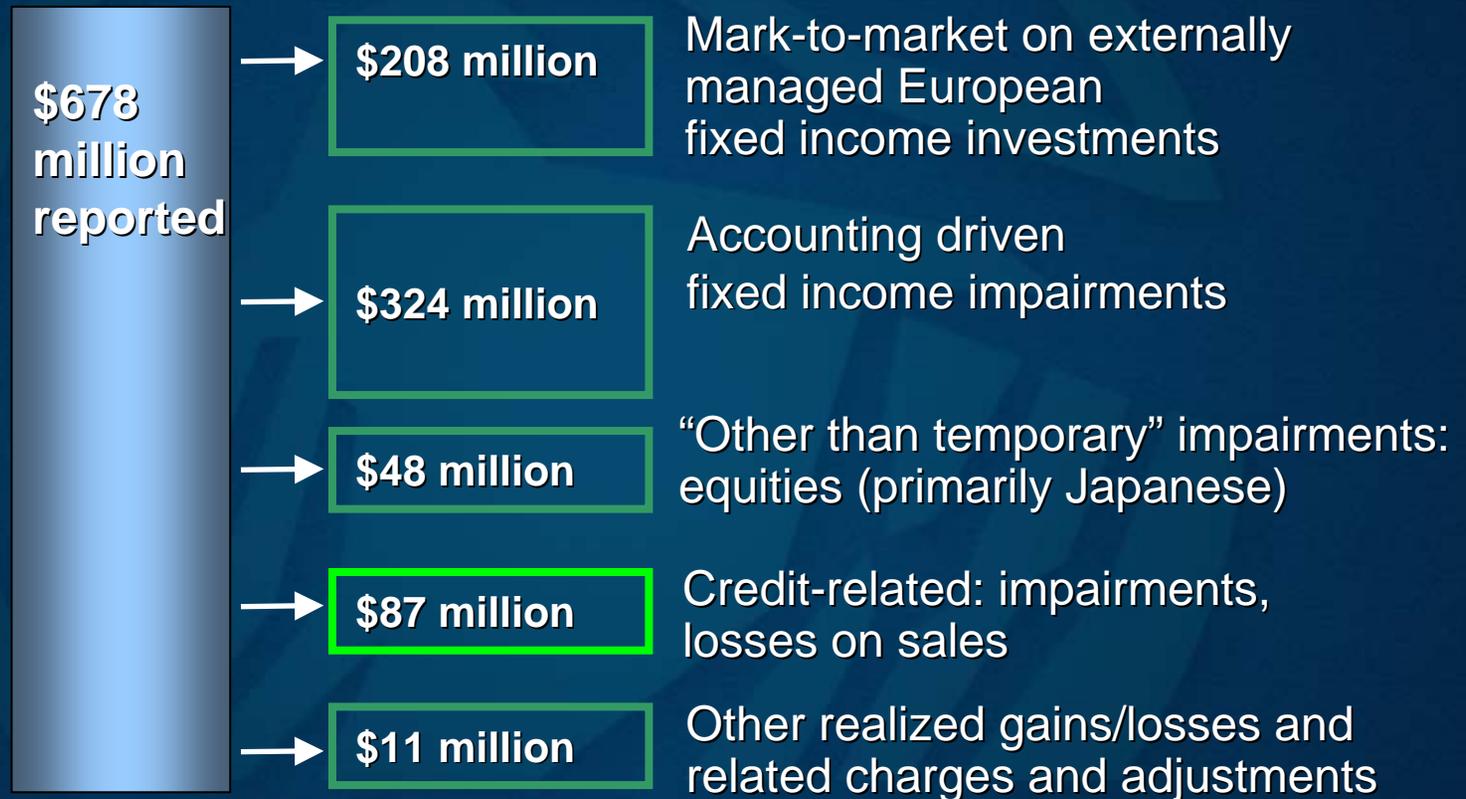
1) Based on after-tax adjusted operating income of the FSB.

2) Annualized; based on attributed equity excluding accumulated other comprehensive income related to unrealized gains and losses on investments and pension and postretirement benefits.



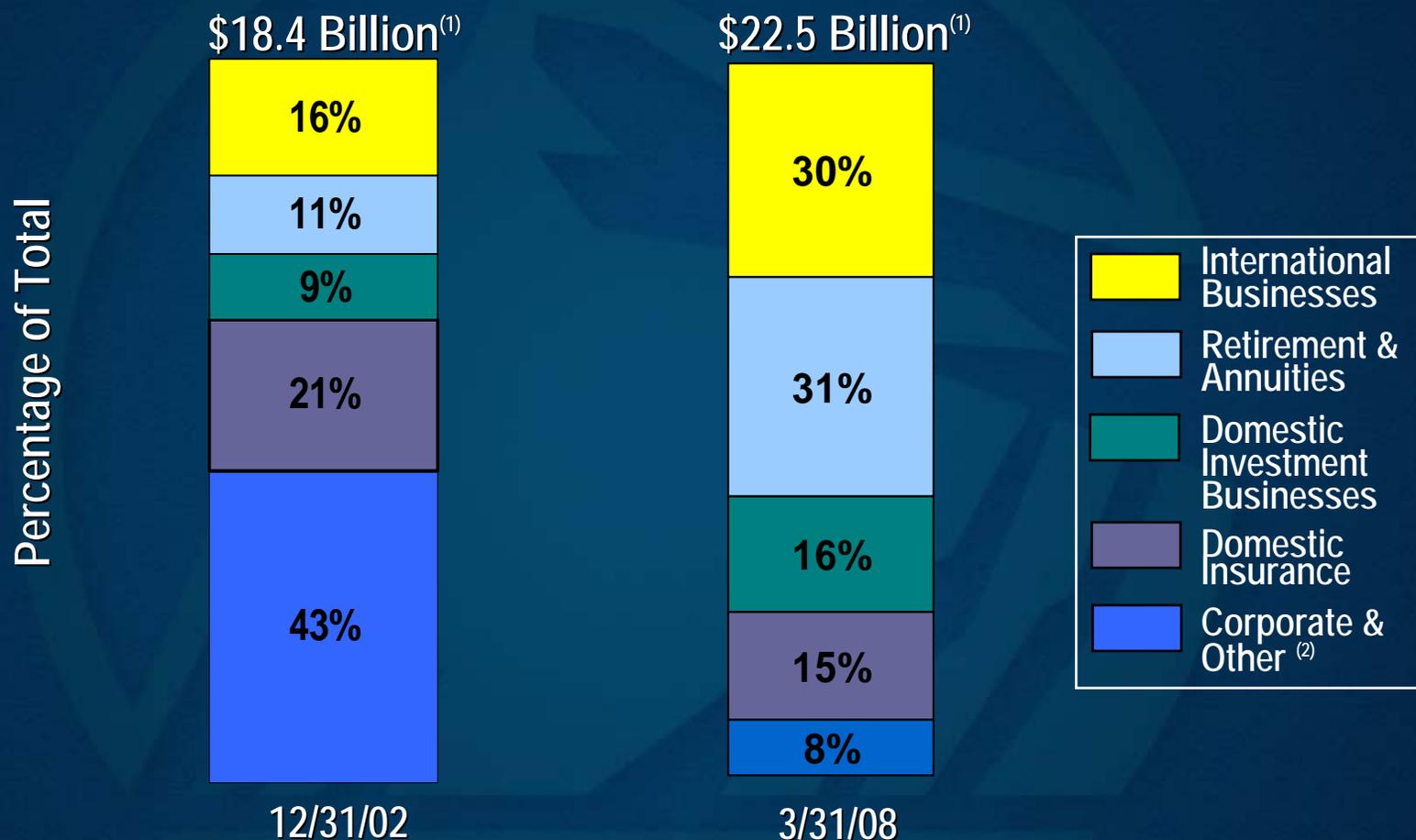
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First Quarter 2008 Realized Investment Losses⁽¹⁾



1) For the FSB; pre-tax; includes related charges and adjustments

Equity Capital Migration → Businesses with Favorable Growth and Return Prospects

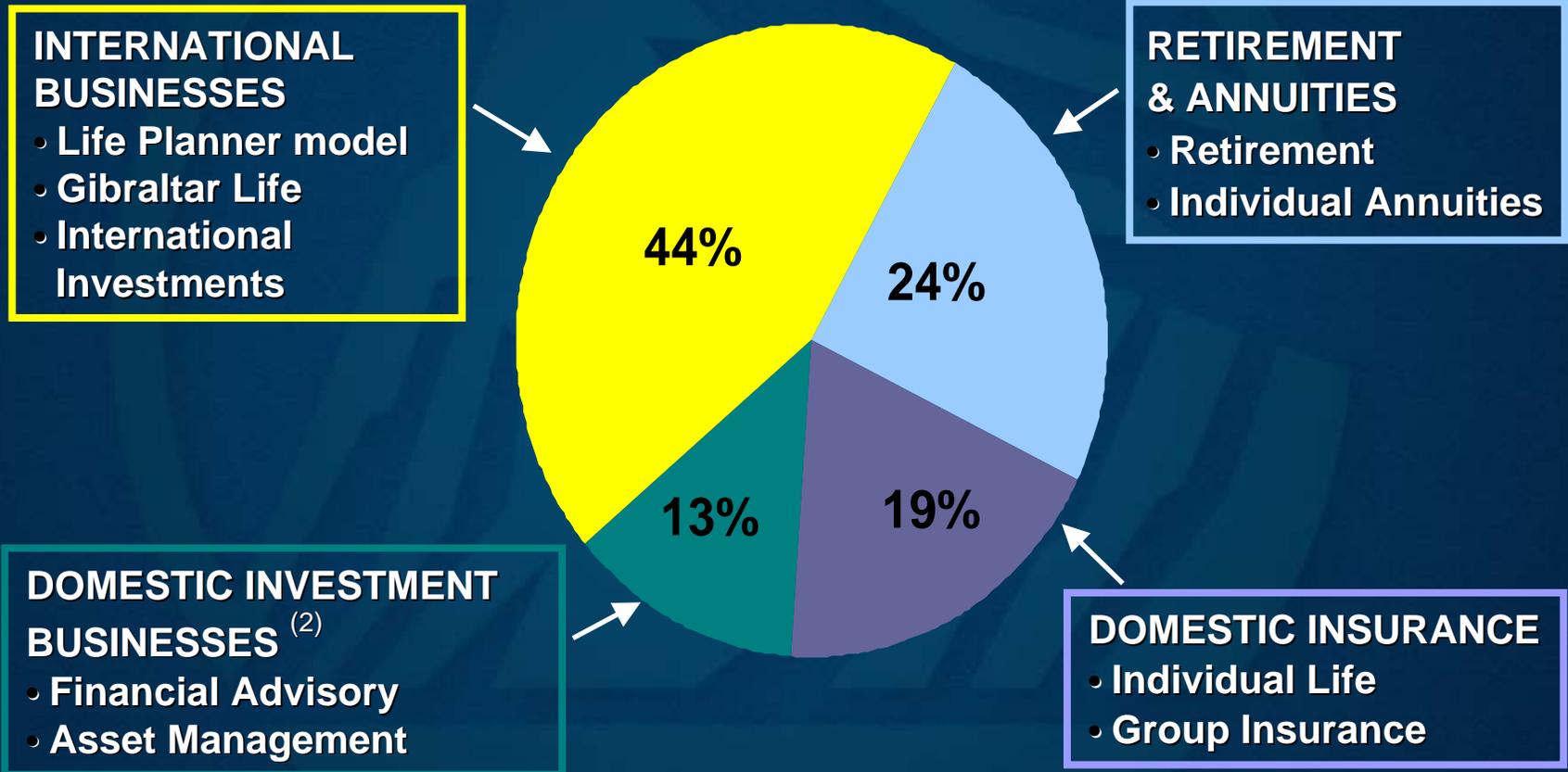


1) Attributed equity of FSB; excluding accumulated other comprehensive income related to unrealized gains and losses on investments for both dates and excluding accumulated other comprehensive income related to pension and postretirement benefits for March 31, 2008

2) Includes divested businesses

Complementary and Diversified Businesses

Adjusted operating income \$992 million⁽¹⁾



1) Before-tax; for the FSB; for the three months ended March 31, 2008

2) Includes Corporate & Other

International Division Goals

- Sustainable low to mid-teen AOI growth
- Sustainable 20% ROEs
- Strong free cash flow
- Complementary businesses

International Insurance

- **6,138 Life Planners** ⁽¹⁾
- **6,035 Gibraltar Life Advisors** ⁽¹⁾
- **7.3 million policies in force** ⁽¹⁾
- **Annualized new business premiums: \$1.1 billion** ⁽²⁾

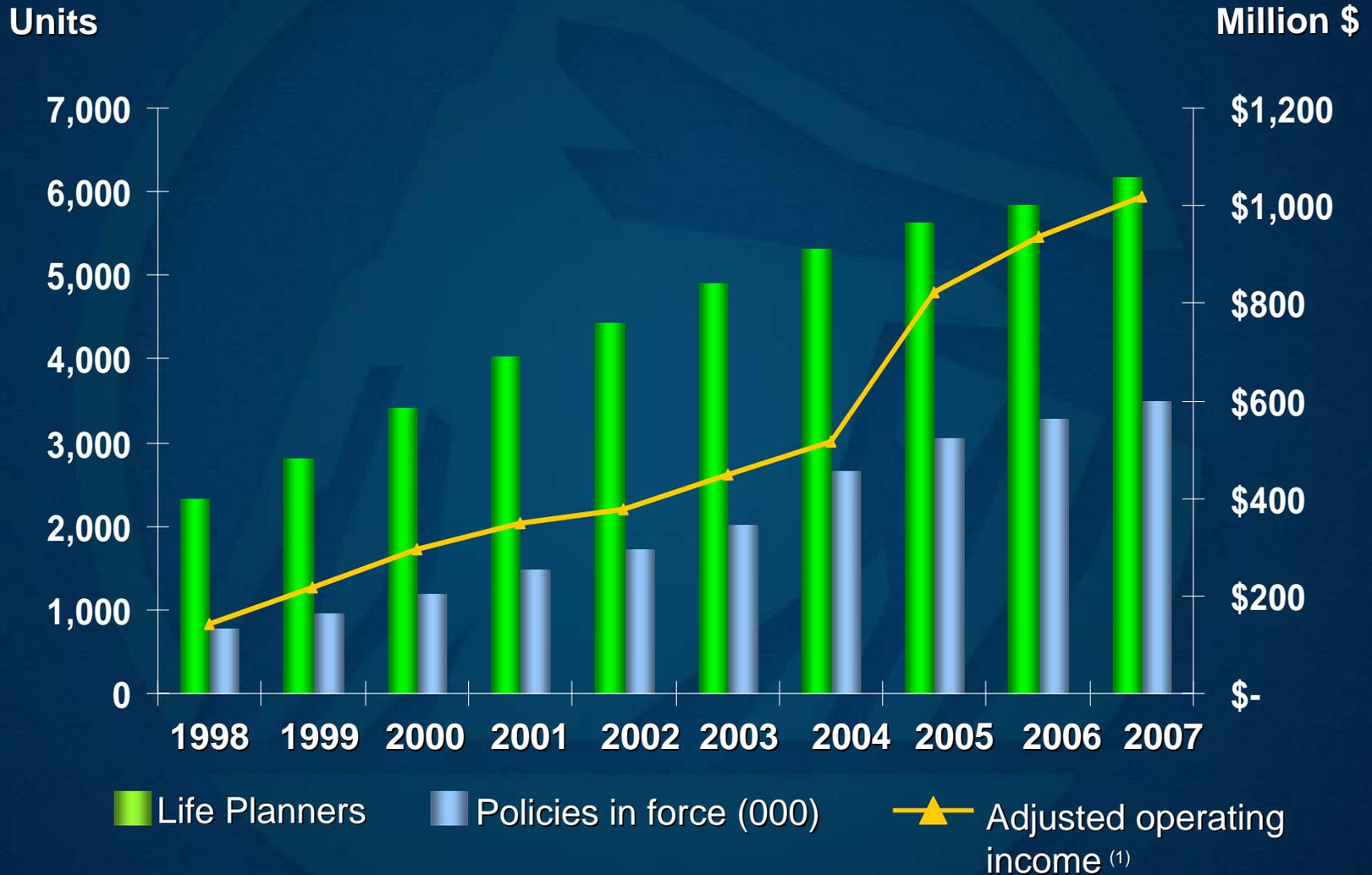
1) As of March 31, 2008

2) For the year ended December 31, 2007; GAAP exchange rate basis – translated based on applicable average exchange rates for period



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Growth in the Life Planner Business



1) Before-tax, GAAP exchange rate basis



Gibraltar Life

- Superior “traditional-model” Japanese company: sales productivity and persistency
- Strong affinity group relationships
- Developing third party distribution
- High return on equity
- Strong free cash flow and capital generation

International Insurance Financial Performance

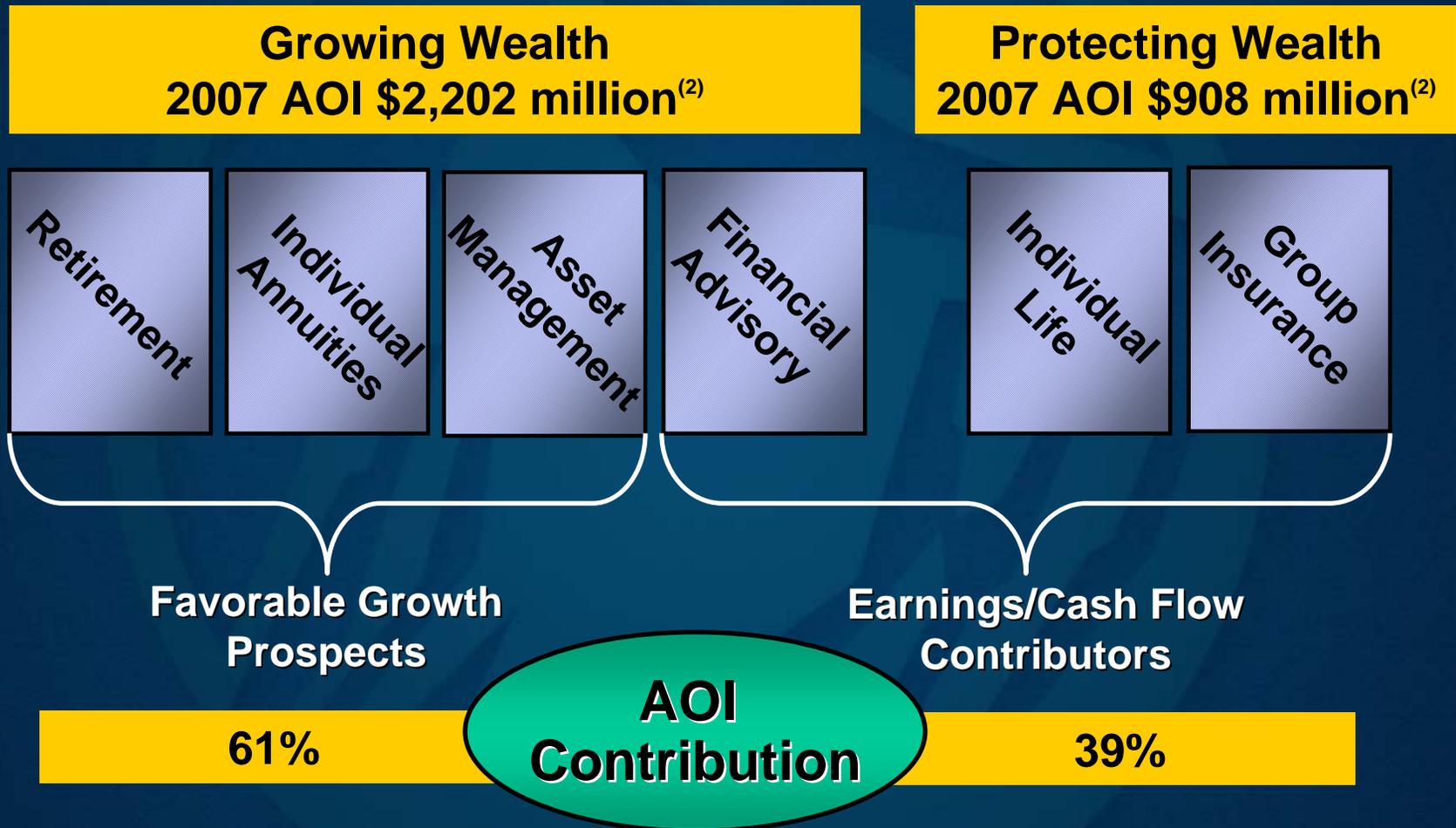
	(\$ millions)			
	2004	2005	2006	2007
Pre-tax adjusted operating income				
Life Planner model	\$ 515	\$ 821	\$ 938	\$1020
Gibraltar Life	402	500	490	578
	917	1,321	1,428	1,598
Equity ⁽¹⁾	\$ 2.5	\$ 3.2	\$4.2	\$4.9
Return on Equity ⁽²⁾	27%	28%	24%	23%

1) Average attributed equity for period; in billions

2) Based on after-tax adjusted operating income



Domestic Business Portfolio⁽¹⁾



1) Insurance and Investment Divisions of Financial Services Businesses
2) Before income taxes

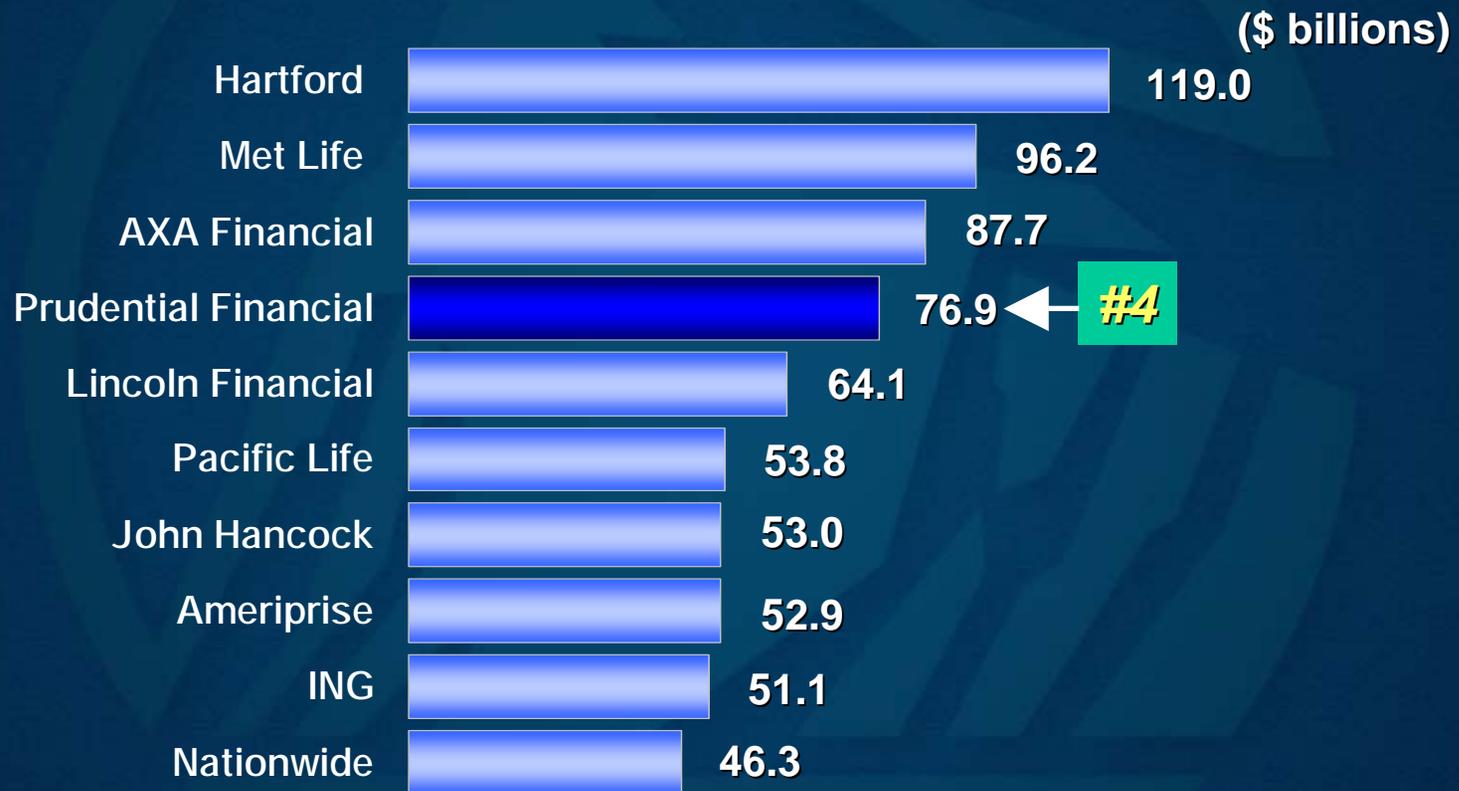
Retirement and Annuities Competitive Advantages

- Unique positioning:
 - Market leading annuity provider
 - Full service retirement provider
 - DB asset manager
- Access to Prudential's risk management and asset management expertise
- Proven product innovation capabilities
- Distribution breadth, supported by strong branding
- Scale allows competitive pricing and broad service capabilities



Prudential Annuities Top 10 Variable Annuity Company

Prudential Annuities is ranked #4 in advisor-sold VA account values⁽¹⁾



1) Source: VARDS 4Q07 and Company data; Advisor-sold market excludes group/retirement plan contracts

Prudential Retirement Emphasis on Full Service Retirement



1) Includes business acquired from CIGNA from April 1, 2004 acquisition date and business acquired from Union Bank of California from December 31, 2007 acquisition date



Domestic Protection Businesses

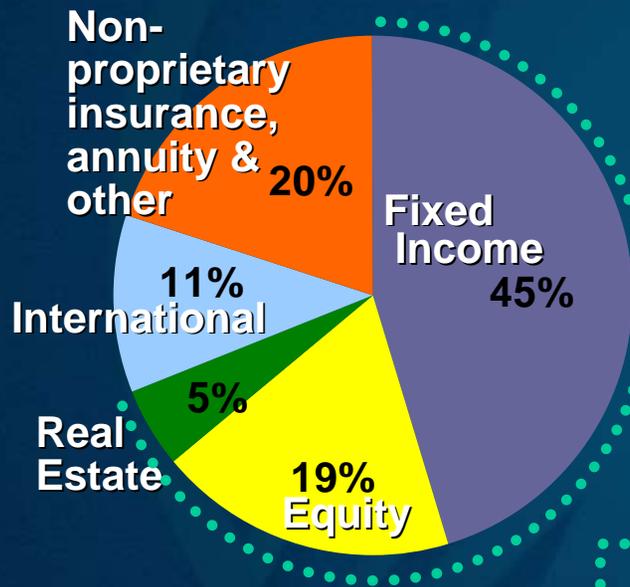
	Protection Marketplace	Prudential Strategies
Individual Life	<ul style="list-style-type: none"> • Mature, low-growth industry • Overcapacity • Commodity products 	<ul style="list-style-type: none"> • Focus on returns through capital management, cost-effective distribution • Third party distribution is growth opportunity • Deliver stable earnings and strong cash flows
Group Insurance	<ul style="list-style-type: none"> • Optional life purchases contribute to growth prospects 	<ul style="list-style-type: none"> • Maintain market position: #2 in Group Life⁽¹⁾ • Focus on returns: case selection; appropriate pricing • Generate strong cash flows

1) Based on A.M. Best ranking of statutory premiums for the year ended December 31, 2006

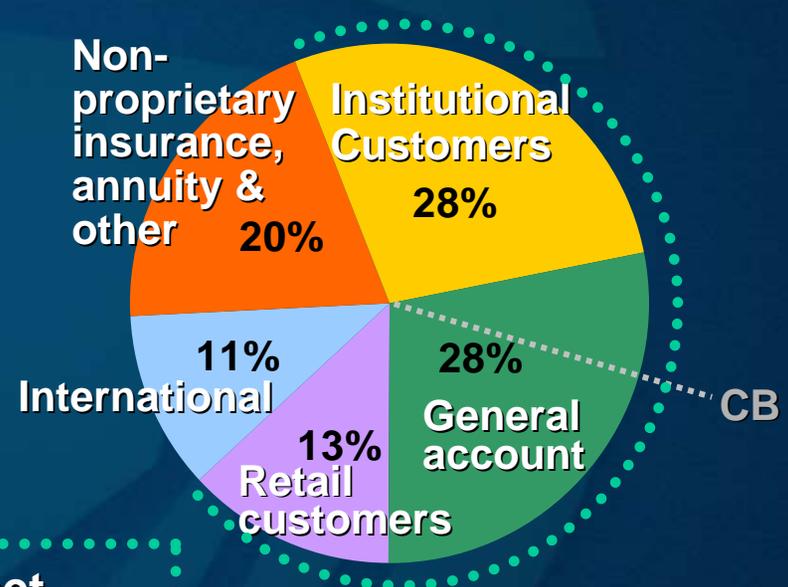
Prudential Financial's AUM Significant Scale and Breadth

Total AUM \$631 billion⁽¹⁾

AUM by Asset Type



AUM by Client Type



Asset
Management
Business
\$434 billion

1) As of March 31, 2008

Asset Management

Commercial Business and Competitive Advantage

A Business, Not a “Department”

- Robust institutional business enhances capabilities, attracts talented managers
- Market leading capabilities: private placement fixed income, commercial mortgages and real estate
- Prominent manager in pension market
- Low capital requirements: high ROE opportunity; strong available cash flows

A Source of Competitive Advantage Throughout the Firm

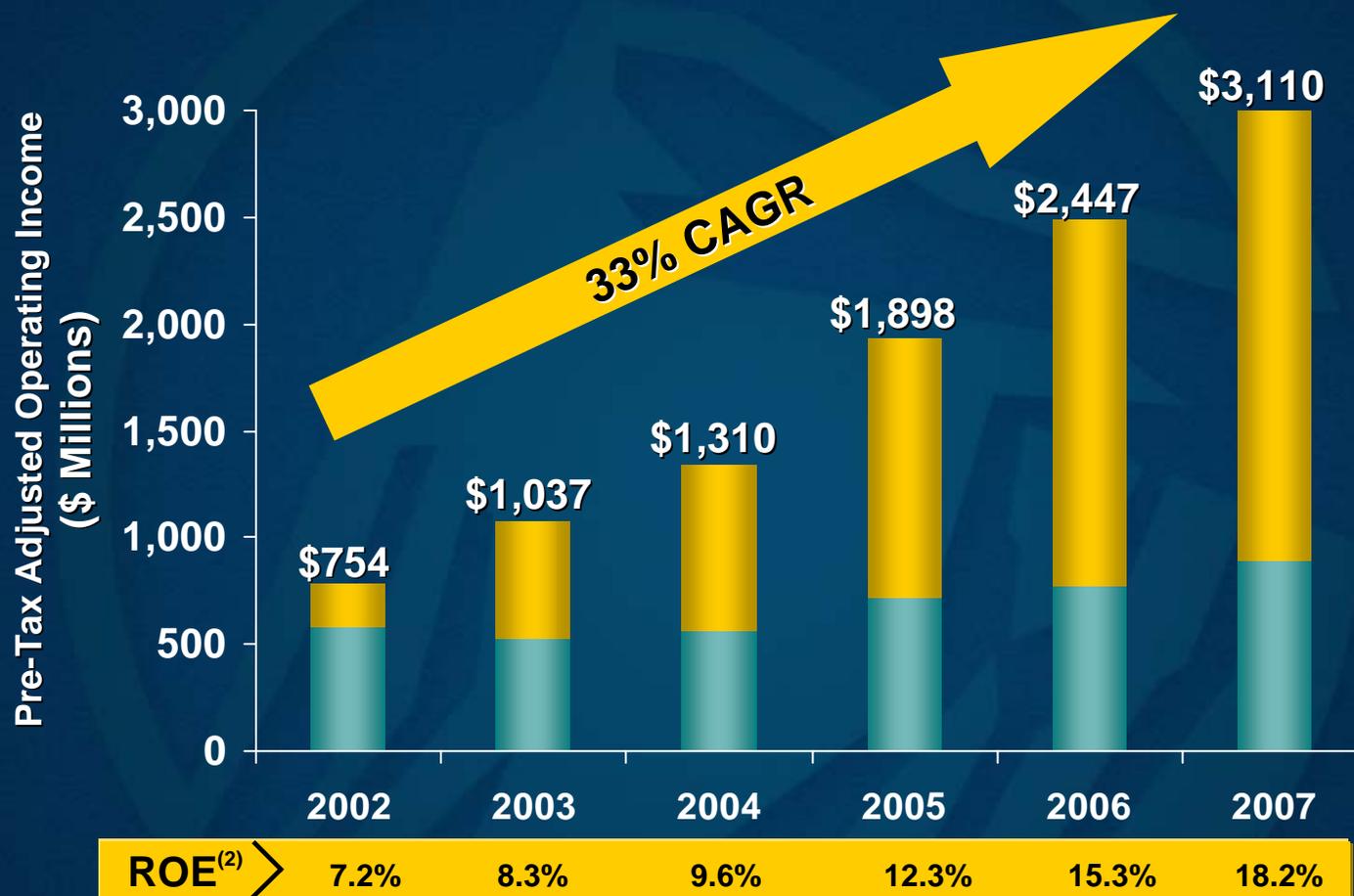
- Seasoned skills in multiple asset classes enhance risk diversification and returns
- Differentiated capabilities drive superior value proposition for stable value retirement products



Financial Advisory

- Combination of Private Client Group with Wachovia July 1, 2003
- Wachovia acquired A.G. Edwards in 2007; Prudential exercised “look-back” option
- Originally 62% Wachovia, 38% Prudential; Diluted percentage following A.G. Edwards combination

Domestic Businesses Financial Performance⁽¹⁾



 Growing wealth: Individual Annuities, Retirement, Asset Management, Financial Advisory

 Protecting wealth: Individual Life, Group Insurance

1) Insurance and Investment Divisions of Financial Services Businesses

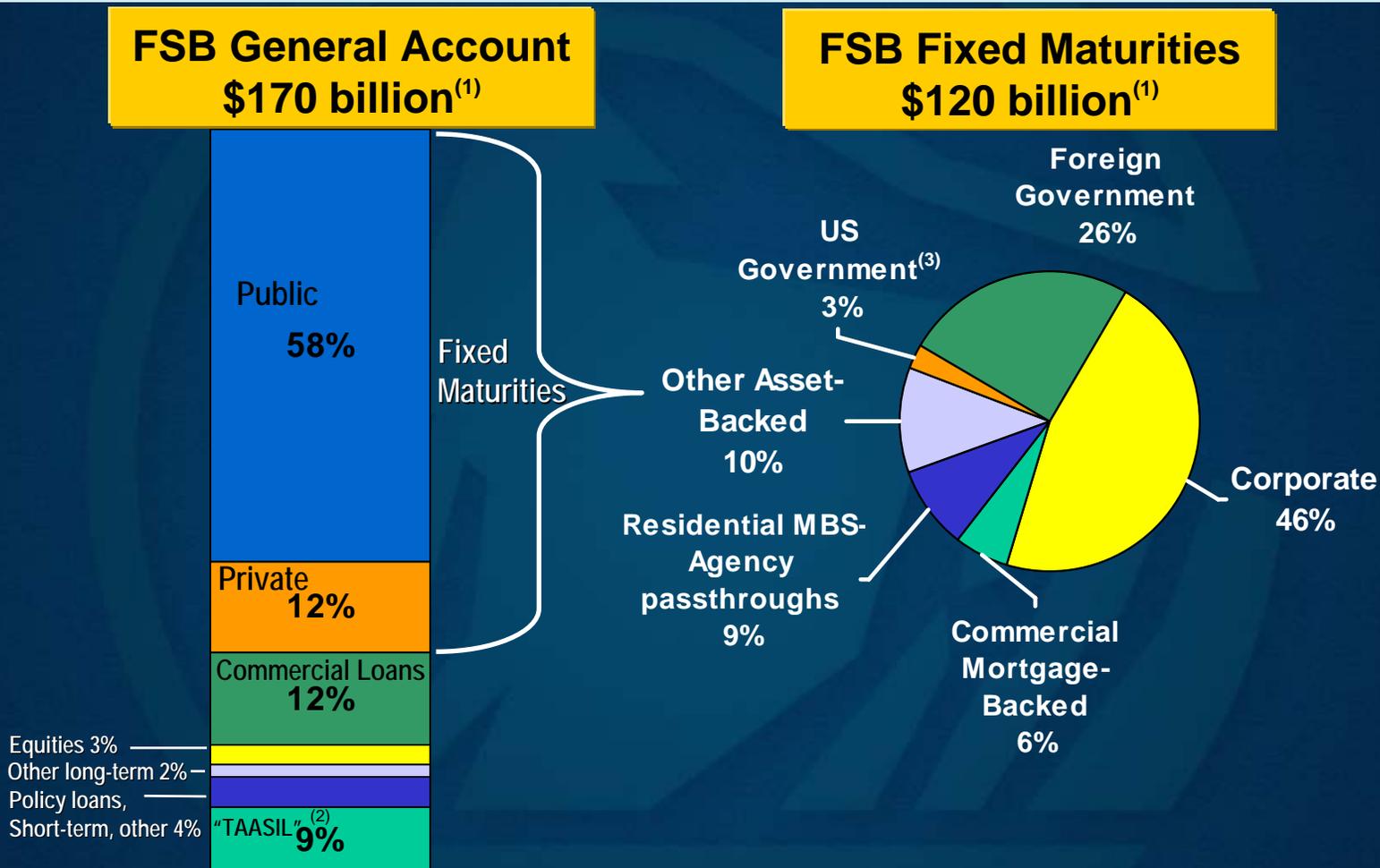
2) Based on after-tax adjusted operating income giving effect to the direct equity adjustment



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Asset Selection

Skill Sets Support Risk Diversification



- 1) As of March 31, 2008 at balance sheet carrying amount; excludes invested assets of securities brokerage, securities trading, banking and asset management operations, and real estate and relocation services
- 2) Trading account assets supporting insurance liabilities (investment results ultimately accrue to contract-holders)
- 3) Includes state and municipal securities

2008 and Beyond ...

- Two substantial growth opportunities:
 - International insurance
 - U.S. retirement and annuities
- Evolving multi-channel distribution strategy
- Manage margins and returns
- Substantial operating cash flows
- Opportunistic acquisitions



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2008 – 2010 Financial Objectives

- ROE expansion to 16% – 18% range⁽¹⁾
- Solid double digit average annual growth in EPS⁽¹⁾
- Reasonably consistent operating results
- Acquisitions and stock buybacks consistent with AA capital management

1) Based on after-tax adjusted operating income of the FSB. ROE targets based on attributed equity excluding accumulated other comprehensive income related to unrealized gains and losses on investments and pension and postretirement benefits.





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