



Prudential

Prudential Financial, Inc.

Tokyo Investor Day
September 11, 2008



Prudential

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 fixed income, equity, 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

This presentation includes references to “adjusted operating income” and “return on equity” (“ROE”). ROE is determined by dividing adjusted operating income after-tax, annualized for interim periods, by average attributed equity. 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 excludes gains and losses from changes in value of certain assets and liabilities related to foreign currency exchange movements that have been economically hedged. 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 schedule on the following page provides a reconciliation of adjusted operating income to income from continuing operations in accordance with GAAP.

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, 2007, our Current Report on Form 8-K dated May 16, 2008 to retrospectively adjust portions of the Company’s Annual Report on Form 10-K for the year ended December 31, 2007, and our Quarterly Report on Form 10-Q for the quarter ended June 30, 2008 located on the Investor Relations Web site at www.investor.prudential.com. Additional historical information relating to the Company’s financial performance, including its second quarter 2008 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, 2007, and our Quarterly Report on Form 10-Q for the quarter ended June 30, 2008, should be considered by readers when reviewing forward-looking statements contained in this presentation.



International Insurance and Investments Division

Reconciliation between adjusted operating income and the comparable GAAP measure

(in millions)	Year ended December 31,						Six months ended June 30,	
	2002	2003	2004	2005	2006	2007	2007	2008
Revenues (1):								
Life Planner Operations	\$ 2,354	\$ 2,886	\$ 3,404	\$ 4,495	\$ 4,884	\$ 5,414	\$ 2,667	\$ 3,066
Gibraltar Life	2,715	2,749	3,004	3,187	2,851	2,844	1,441	1,588
International Investments	245	241	446	487	590	769	346	330
Total revenues	<u>5,314</u>	<u>5,876</u>	<u>6,854</u>	<u>8,169</u>	<u>8,325</u>	<u>9,027</u>	<u>4,454</u>	<u>4,984</u>
Benefits and Expenses (1):								
Life Planner Operations	1,975	2,437	2,889	3,674	3,946	4,394	2,145	2,495
Gibraltar Life	2,337	2,379	2,602	2,687	2,361	2,266	1,141	1,293
International Investments	245	257	369	381	447	510	241	278
Total benefits and expenses	<u>4,557</u>	<u>5,073</u>	<u>5,860</u>	<u>6,742</u>	<u>6,754</u>	<u>7,170</u>	<u>3,527</u>	<u>4,066</u>
Adjusted operating income (loss):								
Life Planner Operations	379	449	515	821	938	1,020	522	571
Gibraltar Life	378	370	402	500	490	578	300	295
International Investments	-	(16)	77	106	143	259	105	52
Total adjusted operating income before income taxes	<u>757</u>	<u>803</u>	<u>994</u>	<u>1,427</u>	<u>1,571</u>	<u>1,857</u>	<u>927</u>	<u>918</u>
Reconciling Items:								
Realized investment gains (losses), net, and related adjustments	(172)	(31)	(32)	169	251	367	161	(372)
Related charges	(16)	(35)	(13)	(89)	(11)	(64)	(8)	-
Investment gains (losses) on trading account assets supporting insurance liabilities, net	-	-	56	186	28	(99)	54	(112)
Change in experience-rated contractholder liabilities due to asset value changes	-	-	(56)	(186)	(28)	99	(54)	112
Equity in earnings of operating joint ventures	(7)	(15)	(14)	(22)	(28)	(30)	(16)	(14)
Total reconciling items	<u>(195)</u>	<u>(81)</u>	<u>(59)</u>	<u>58</u>	<u>212</u>	<u>273</u>	<u>137</u>	<u>(386)</u>
Income from continuing operations before income taxes, equity in earnings of operating joint ventures, extraordinary gain on acquisition and cumulative effect of accounting change	<u>\$ 562</u>	<u>\$ 722</u>	<u>\$ 935</u>	<u>\$ 1,485</u>	<u>\$ 1,783</u>	<u>\$ 2,130</u>	<u>\$ 1,064</u>	<u>\$ 532</u>

(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, and include revenues representing equity in earnings of operating joint ventures. Benefits and expenses exclude charges related to realized investment gains, net of losses; change in experience-rated contractholder liabilities due to asset value changes, and benefits and expenses of divested businesses.





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International Businesses Overview

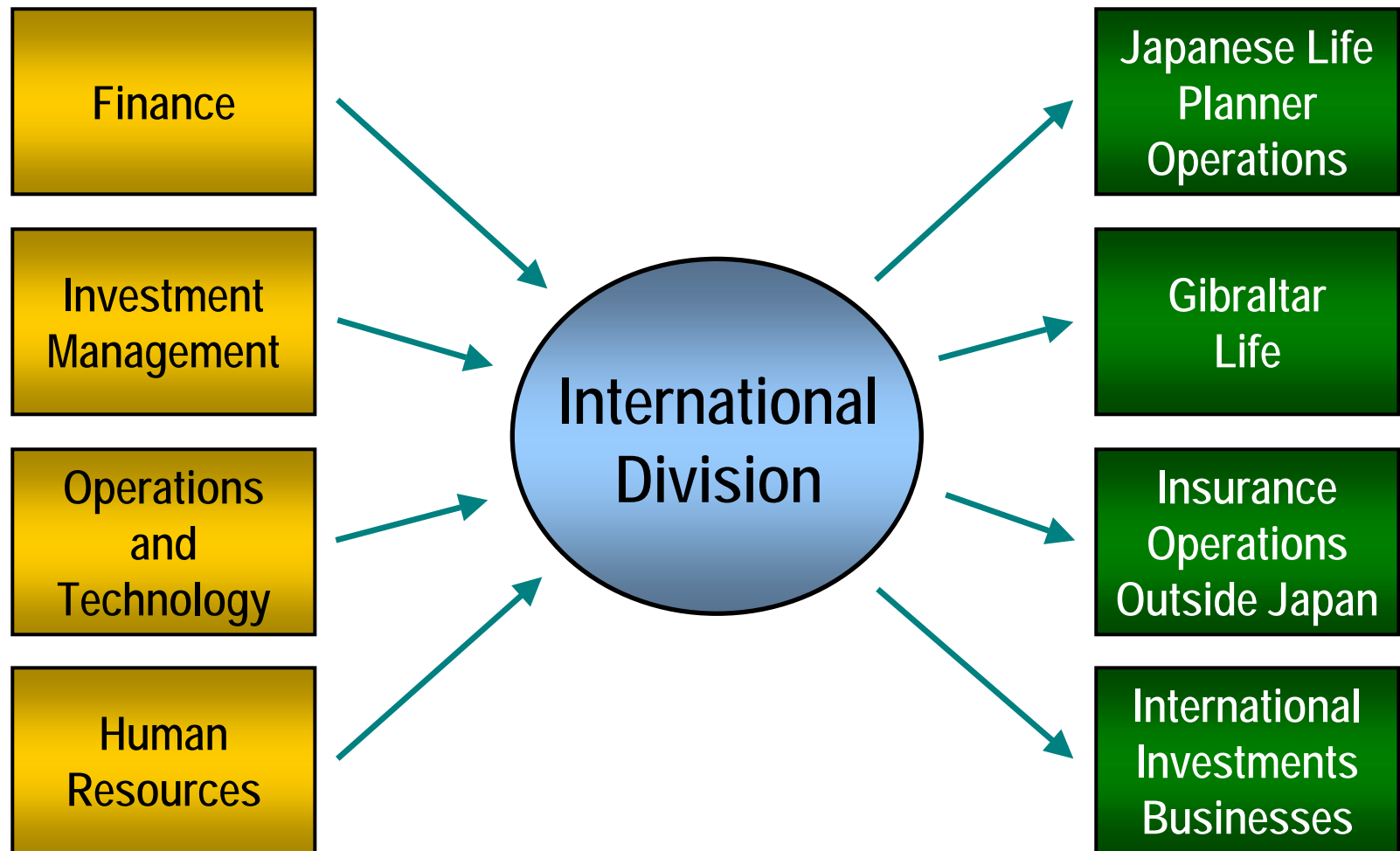
Edward P. Baird

Chief Operating Officer
International Businesses



Prudential

International Division Organizational Structure



Key Elements of Our International Strategy

- Needs-based selling
- Continue building proprietary distribution: recruiting and selection
- Historical focus on life insurance
- Concentrate on a limited number of attractive countries
- Target the affluent and mass affluent consumer
- Increasing emphasis on meeting retirement needs
- Expanding asset management business
- Grow organically and through complementary distribution channels and opportunistic acquisitions



International Divisional Goals

- Sustainable AOI growth at solid double-digit rates
- Sustainable 20% ROE's
- Strong free cash flow
- Complementary group of International businesses with short and long-term growth potential

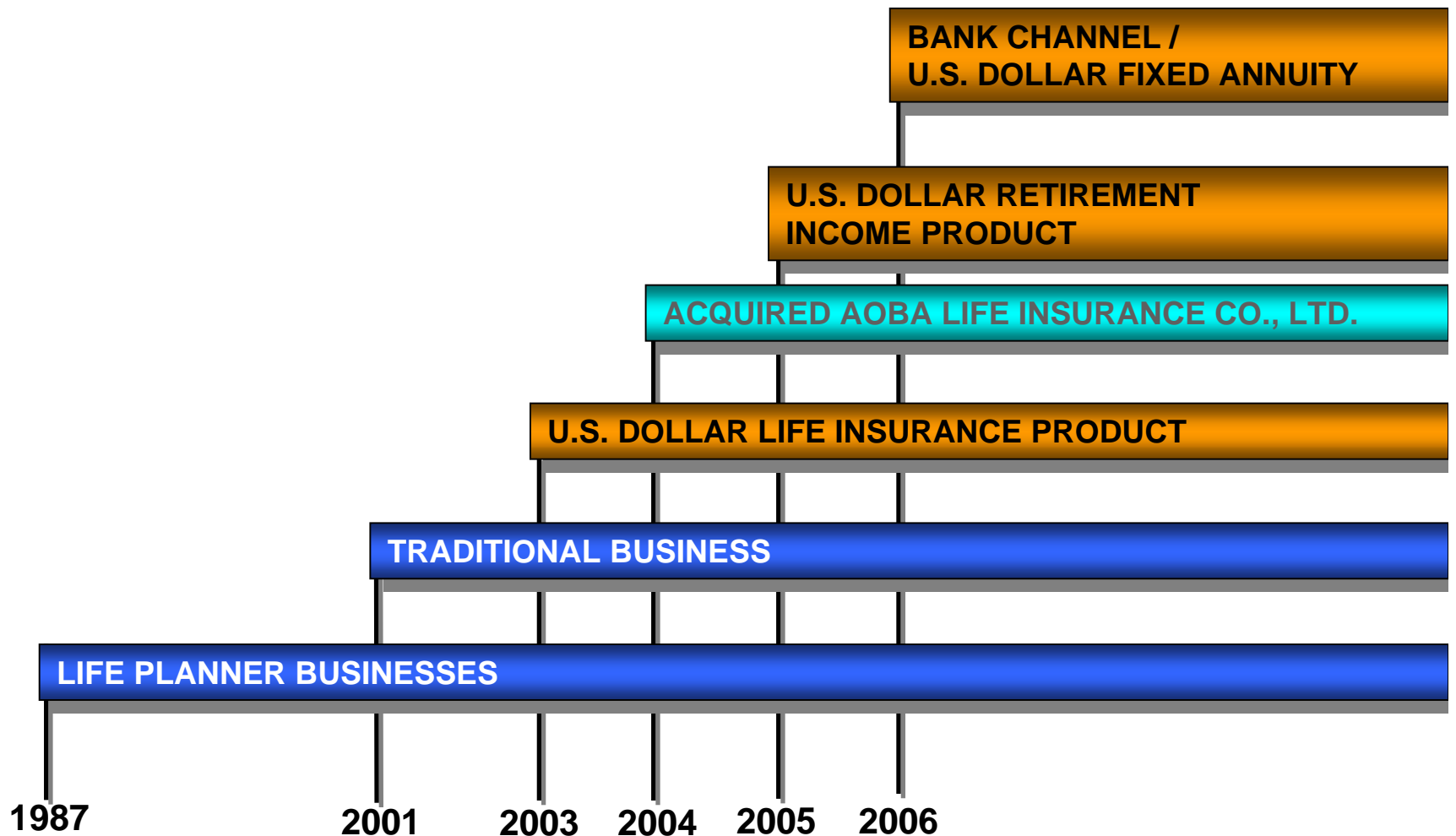
International Division Today

		Life Planning Insurance	Traditional Insurance	International Investments
Mature Prudential Businesses Today	Japan	■	■	■
	Korea	■		■
	Taiwan	■		■
Emerging / Developing Markets for Prudential Today	Argentina	■		
	Brazil	■		■
	Italy	■		■
	Mexico	■		■
	Poland	■		
	China		■	■
	India		■	■



International Division

Key Milestones for International Insurance



Emerging Markets: China

- Established China Rep Office in Beijing in 1998
- Minority Interest in China Pacific Life, China's third largest life insurance company
 - Investment through a consortium of investors in 2005
 - Shares converted to China Pacific Group in 2007 by the consortium
- Everbright Pramerica Fund Management Co. Ltd.
 - Formed in 2004 with Everbright Securities
 - 5 funds with total assets under management, \$5 billion⁽¹⁾

1) As of June 27, 2008 (U.S. dollar equivalent, translated at the December 28, 2007 FX rate, 7.3RMB/1USD)



Emerging Markets: India

2 strategic partnerships with DLF, India's largest real estate development company

- DLF Pramerica Life Insurance Company Ltd. (DPLI)
 - Granted R3 license by the Insurance Regulatory and Development Authority (IRDA) of India, allowing DPLI to start life insurance operations
- DLF Pramerica Asset Managers Private Ltd.
 - Formed in December 2007
 - Awaiting approvals from the Securities and Exchange Board of India (SEBI) and the Registrar of Companies (RoC)



International Division Financial Performance

	Year Ended December 31,				Six months	
	(\$millions)	2004	2005	2006	2007	ended June 30, 2008
Adjusted operating income pre-tax:						
Life Planner Business		\$515	\$821	\$938	\$1,020	\$571
Gibraltar Life		402	500	490	578	295
					23.9% ROE ⁽¹⁾	
International Insurance		917	1,321	1,428	1,598	866
International Investments		77	106	143	259	52
International Division		\$994	\$1,427	\$1,571	\$1,857	\$918

1) Based on annualized after-tax adjusted operating income for the six months ended June 30, 2008

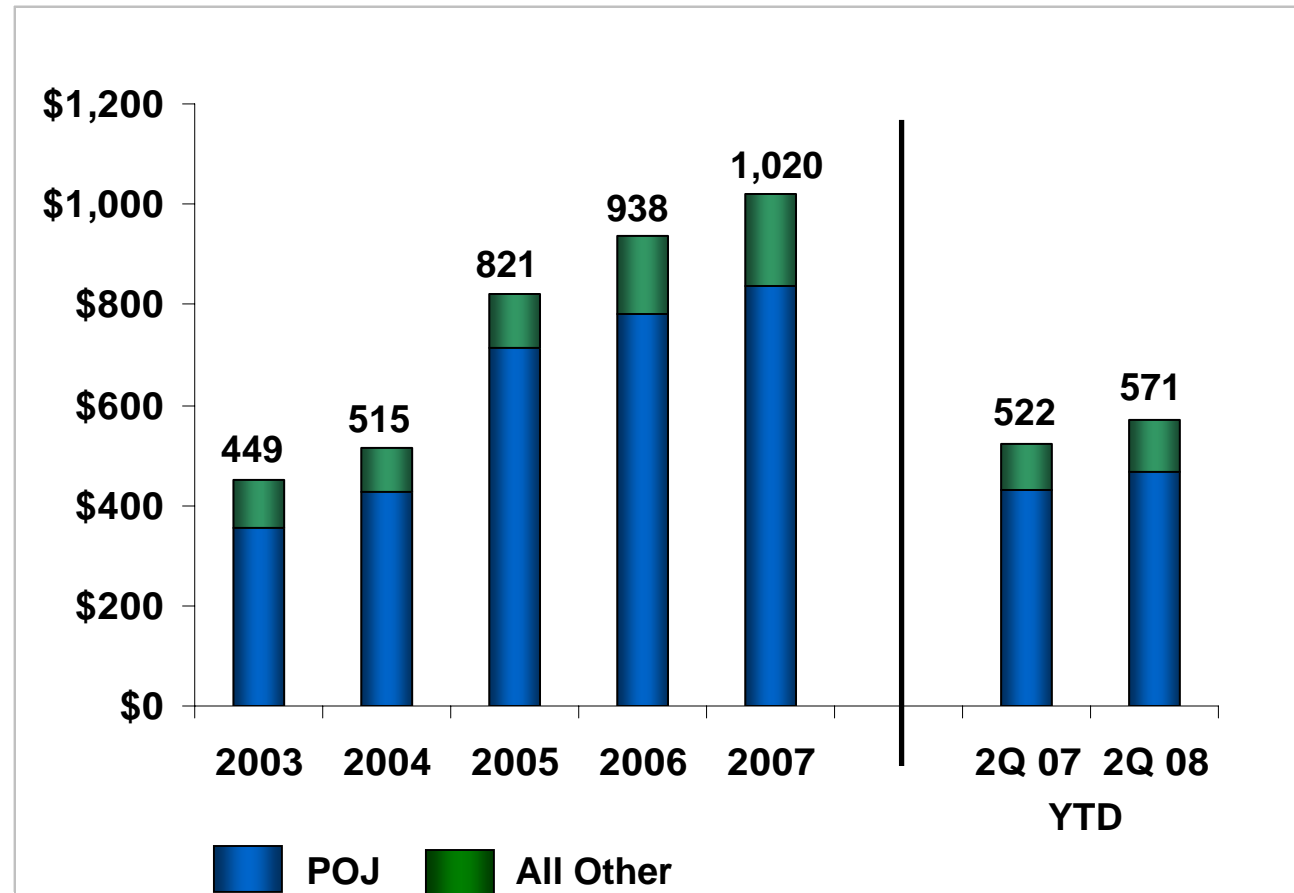


Competitive Advantage Life Planning Insurance

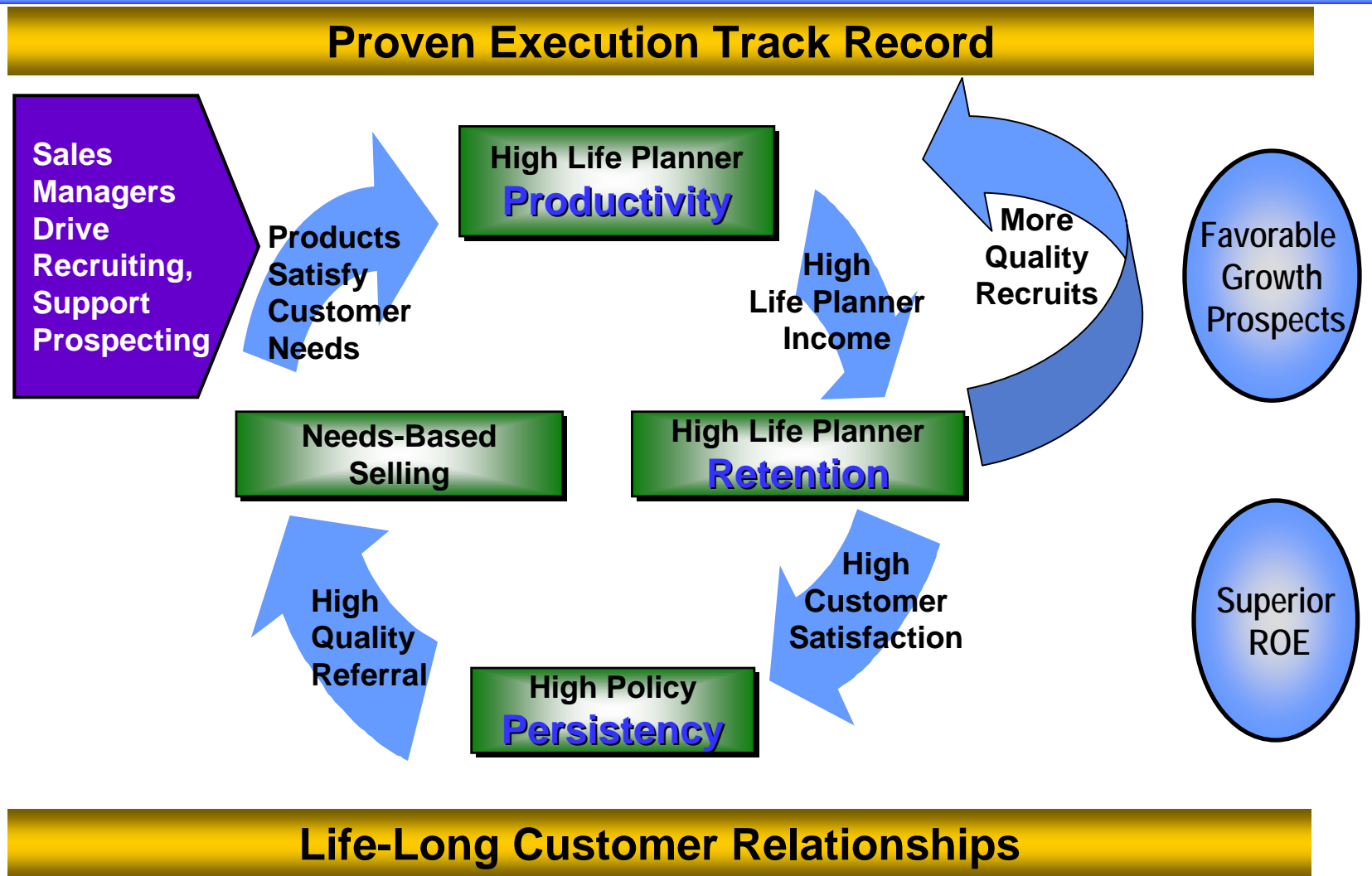
<p><u>Life Planners</u></p> <ul style="list-style-type: none">• Very selective recruiting• Highly trained career professional	<ul style="list-style-type: none">• Life Planner profile similar to customer profile• Life Planner maintains contact with client, as trusted professional
<p><u>Needs Based Selling</u></p> <ul style="list-style-type: none">• Financial planning approach• Emphasis on protection products	<ul style="list-style-type: none">• Identify protection needs before discussing products• Protection life insurance purchased as a solution to identified need
<p><u>Compensation structure</u></p> <ul style="list-style-type: none">• Aligns customer/agent/company interest	<ul style="list-style-type: none">• Variable compensation structure• Rewards productivity and persistency

Life Planner Businesses Pre-Tax AOI

(\$millions)



The Beneficial Cycle



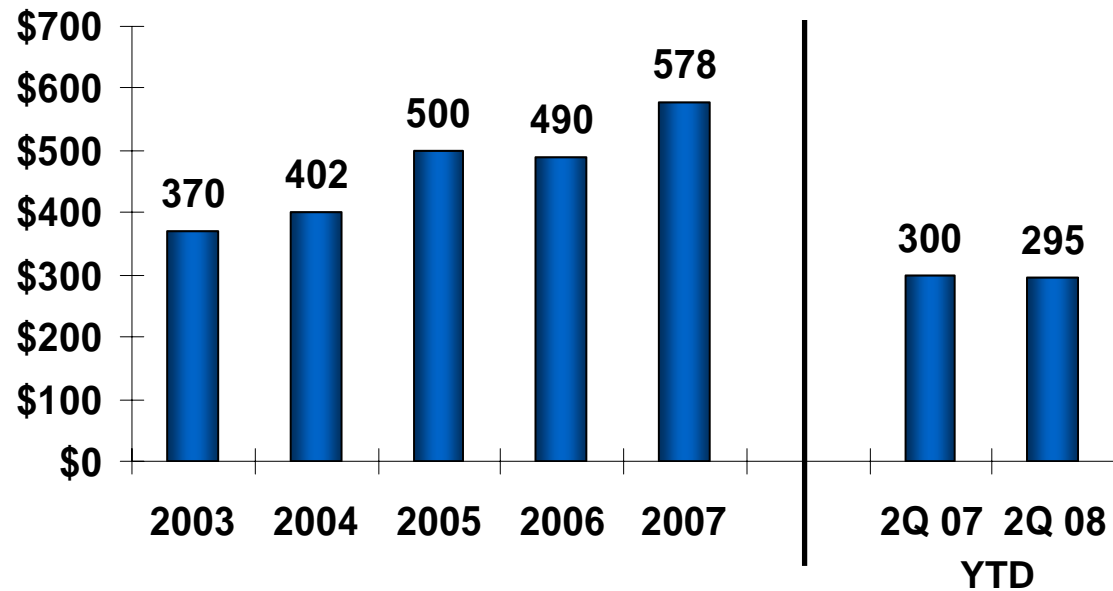
Gibraltar Life: “Prudentialized” Traditional Model Japanese Life Insurance Company

- Variable agent compensation
- Life Planner training principles adapted to traditional field force
- Needs-based selling of protection and retirement products
- Introduce products targeted to customer base
- Maintain and cultivate strong affinity group relationships
- Evolving third party distribution for selected products



Gibraltar Life Pre-Tax AOI

(\$millions)



Enhancing Returns Through Proven Strategies

Investment Portfolio

- U.S. dollar investments
- Extending duration
- Asset class diversification

Access to Prudential Resources

- Product and distribution channel skills
- Experience in the U.S. Retirement business

Opportunities for Expense Synergies

- Shared management resources
- System integration
- Common back office platforms



Positioned for International Market Developments

Market Development	Prudential Positioning
Growing Demand for Retirement Accumulation Products	<ul style="list-style-type: none">■ Lifetime client relationships■ Well-established in Retirement Market through Associations■ Innovative, successful U.S. dollar retirement products

Japan's Demographic Change

Current Population:

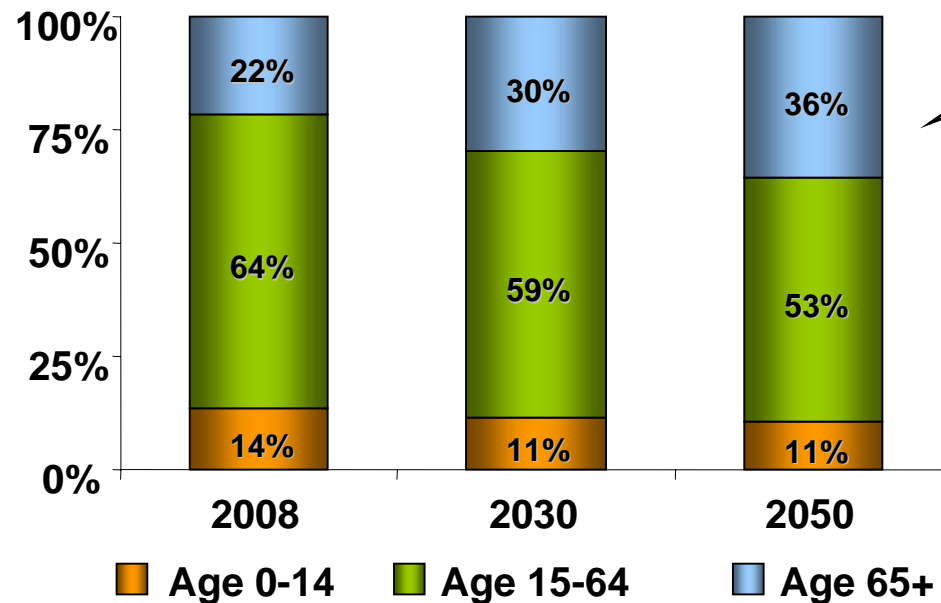
127 Million People

% of 65+ Age Group:

22% in 2008

30% in 2030⁽¹⁾

36% in 2050⁽¹⁾



**Rapidly growing
pre-Retirement/
Retirement
Markets**

1) Source: Population Projections from Japan's National Institute of Population and Social Security Research



Needs-Based Selling Over a Lifetime

Client Age	20		60+
Life Cycle	Young Household	Pre-Retiree	Retirement
Financial Risk Protection Needs	Premature Death	Retirement Accumulation	Retirement Income
Prudential Solutions	Term Insurance	Whole Life	U.S. Dollar Retirement Income Innovative Annuity Products

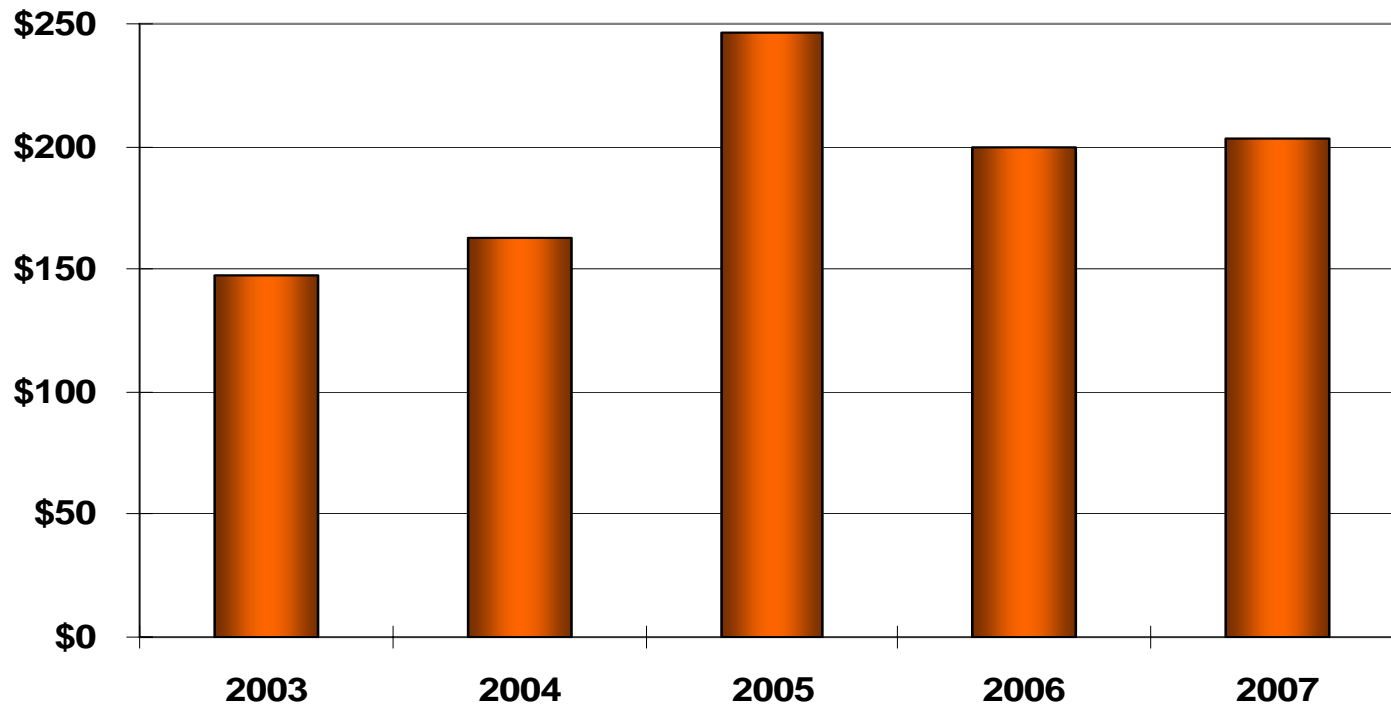


Life Planners

Serving Client Needs Through a Lifetime

New
Annualized
Premiums
(\$millions)

Prudential of Japan Second Sales to Existing Customers⁽¹⁾



1) Translated based on constant exchange rate of 106 Japanese yen per U.S. dollar for all periods presented



Positioned for International Market Developments

Market Development	Prudential Positioning
Growing Demand for Retirement Accumulation Products	<ul style="list-style-type: none">■ Lifetime client relationships■ Well-established in Retirement Market through Associations■ Innovative, successful U.S. dollar retirement products
Greater Regulatory Standards Govern Product Distribution	<ul style="list-style-type: none">■ Full-time, college-educated Life Planner force■ Proven training for all channels■ Superior agent retention

Positioned for International Market Developments

Market Development	Prudential Positioning
Growing Demand for Retirement Accumulation Products	<ul style="list-style-type: none"> ■ Lifetime client relationships ■ Well-established in Retirement Market through Associations ■ Innovative, successful U.S. dollar retirement products
Greater Regulatory Standards Govern Product Distribution	<ul style="list-style-type: none"> ■ Full-time, college-educated Life Planner force ■ Proven training for all channels ■ Superior agent retention
Expanding Distribution Channels	<ul style="list-style-type: none"> ■ Established bank distribution relationships ■ Gibraltar distributors “seconded” to Bank Channel



Gibraltar Life

Beyond the Life Advisor Channel

- Strengthening bank channel distribution by transferring Life Planners to bank branch based sales
- Banks now commencing sales of life insurance in addition to annuity products
- Well-established relationship with Teachers Association positions Gibraltar Life to meet the needs of teachers, including retirement planning
- New product development opportunities

Where We Are Today

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



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Japanese Insurance Operations

Kazuo Maeda

Co-President

Prudential International Insurance



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Life Insurance Market in Japan

- Total population of Japan is 127 million (#10 in the world) ⁽¹⁾
- Total GDP is \$4.3 trillion (#2) ⁽²⁾
- Total life insurance premium is \$362 billion (#2) ⁽³⁾
- Total life insurance premium is 8.3% of GDP ⁽³⁾
- 88% of households have life insurance ⁽⁴⁾



- 1) As of July 1, 2008; provisional estimate, Statistics Bureau, Ministry of Internal Affairs and Communications. (Japanese government)
- 2) For the year ended December 31, 2006; nominal gross domestic product, based on Annual Report on National Accounts, Cabinet Office. (Japanese government)
- 3) For the year ended March 31, 2007; based on Sigma Report No. 4 /2007, World Insurance in 2006, Swiss Reinsurance Company.
- 4) As of April-June 2006, according to Japan Institute of Life Insurance.





Life Insurance Industry in Japan

INDUSTRY

PRUDENTIAL

Death Protection

Business in-force down 19% in five-year period⁽¹⁾ 

Business in-force up 10% in five year period⁽¹⁾ 


“Third-Sector” Medical Coverage

Number of in-force policies up 80% in five-year period⁽¹⁾ 

Number of in-force riders and policies up 58% in five-year period⁽¹⁾ 

Retirement and Savings

Annuity account balances up 29% in five year period⁽¹⁾ 

U.S. dollar retirement income and fixed annuities: none in 2003, 27% of new business in 2007⁽²⁾ 

1) Based on Japanese statutory reporting; comparison for fiscal years ended March 31, 2008 and March 31, 2003.

2) Based on annualized new business premiums at constant exchange rate of 106 Japanese yen per U.S. dollar



Japanese Life Insurance Industry Developments

- Growing demand for retirement and savings products
- Current regulatory environment requires higher standards for distributing insurance products
- Recent regulations allow growth of bancassurance

Japanese Life Insurance Industry Developments

Development	Prudential Positioning
<p>Growing demand for retirement and savings products</p> <ul style="list-style-type: none"> • Japanese “baby boomer” demographics: expect more than 40% increase in 65+ age cohort over 25 years⁽¹⁾ • Strains on government pension programs lead to growing individual responsibility for retirement 	<ul style="list-style-type: none"> • U.S. dollar fixed annuities offer attractive value proposition for customers and favorable returns for Prudential • Prudential resources and experience in U.S. retirement market support development of innovative retirement solutions • Needs-based selling principles applied to retirement market • Life Planners cultivate lifetime customer relationships • Associations offer effective distribution platform

1) Source: Population Projections from Japan’s National Institute of Population and Social Security Research



Japanese Life Insurance Industry Developments

Development	Prudential Positioning
<p>Current regulatory environment requires higher standards for distributing insurance products</p> <ul style="list-style-type: none">• Suitability: documented communications to protect customer's interests• Illustrations: professional skills required to explain risks and benefits, avoid customer misunderstandings	<ul style="list-style-type: none">• Professional fulltime Life Planners• Life Planner training principles adapted to Life Advisors• Needs-based selling principles cover both death protection and retirement

Japanese Life Insurance Industry Developments

Development	Prudential Positioning
<p>Recent regulations allow growth of bancassurance</p> <ul style="list-style-type: none">• Annuity and savings products (2002)• Single premium whole life and endowment (2005)• "Protection" insurance products- e.g. term (2007)	<ul style="list-style-type: none">• Successful bank relationships established based on U.S. dollar fixed annuity products• Specially-trained Life Advisors assigned to bank channel• Protection products introduced in bank channel, 2008



Overall Position – New Business (Face Amount)

Ranking by New Business Amount ⁽²⁾	FY2007 (Individual + Annuity) ⁽¹⁾		FY2002 (Individual + Annuity) ⁽¹⁾	
	Ranking	Billion Yen	Ranking	Billion Yen
1. Dai ichi	1	8,904	2	17,862
2. Sumitomo	2	7,431	3	16,166
3. Nippon	3	6,451	1	25,243
4. T&D Financial	4	6,202	6	7,316
5. AIG	5	5,191	8	4,533
6. Prudential	6	4,861	9	4,197
(Gibraltar)		2,053		1,595
(POJ)		2,808		2,602
7. Meiji-Yasuda	7	4,483	4	16,086
8. Sony Life	8	3,803	11	3,537
9. Tokyo Marine Holdings	9	2,615	13	2,038
10. Fukoku	10	2,334	10	3,709
Subtotal		52,274		100,686
Industry Total ⁽³⁾		66,727		124,121

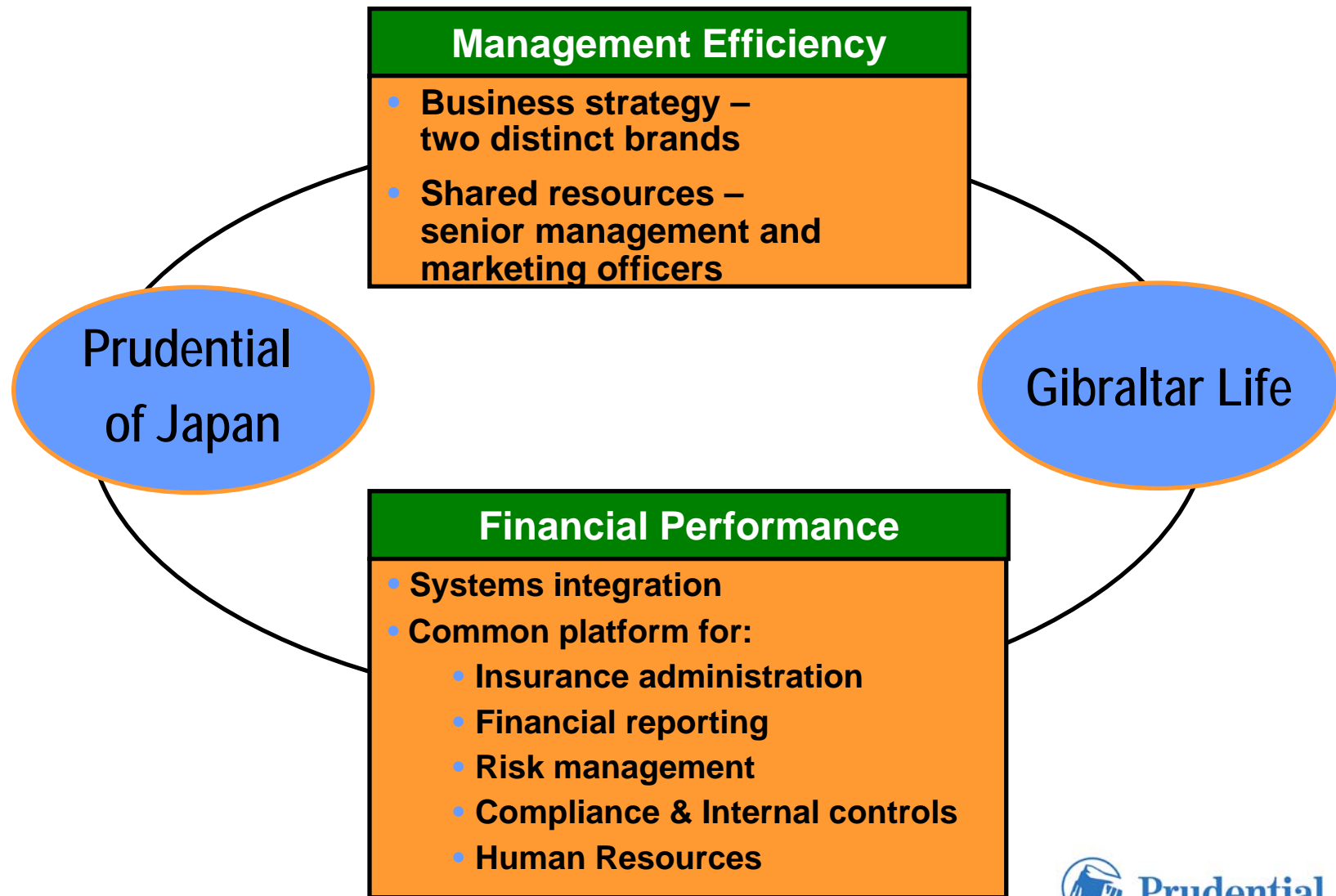
- 1) New business on Individual life and annuity contracts including net increase by conversions
 2) According to Life Insurance Association of Japan
 3) Excluding Japan Post Insurance



Maintain Two Distinct Brands

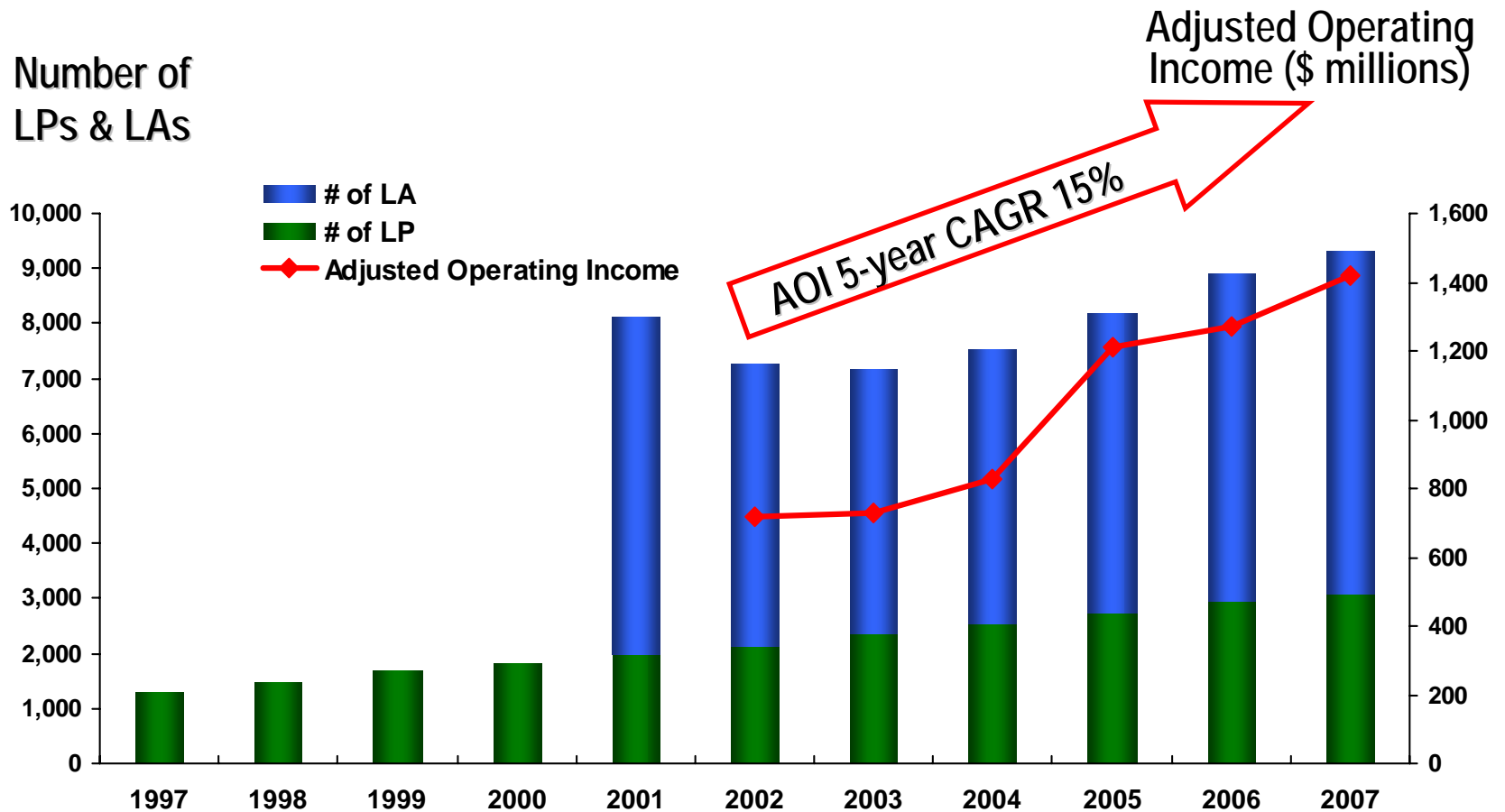
	 Prudential of Japan	 Gibraltar Life
Market Emphasis	Protection life insurance sold by full-time Life Planners to mass affluent and affluent markets	Protection life insurance and retirement/savings products sold by Life Advisors to mid-market and affinity groups
Opportunities	Needs-based sales of retirement/savings products to mass affluent and affluent markets	<ul style="list-style-type: none"> • Expand bank distribution from successful U.S. dollar fixed annuity base to protection products • Platform for further expansion of products and distribution

Synergy Initiatives



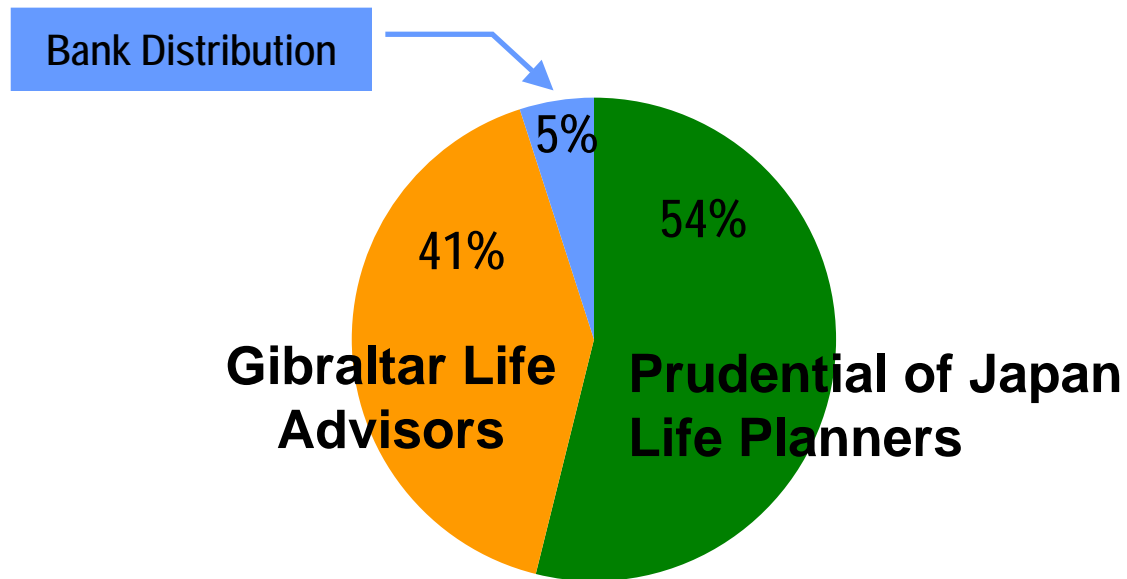
Growth in Japan Operations

POJ and Gibraltar Combined



Distribution Strength in Selected Markets

First half 2008 : \$528 million new business annualized premiums⁽¹⁾



1) Translated based on constant exchange rate of 106 Japanese yen per U.S. dollar



Japanese Insurance Operations Overview

	2006	2007	Six months ended June 30,	
			2007	2008
Pre-tax adjusted operating income⁽¹⁾				
Prudential of Japan	\$783	\$840	\$430	\$467
Gibraltar Life	490	578	300	295
	\$1,273	\$1,418	\$730	\$762
Number of Life Planners/ Life Advisors⁽²⁾	8,900	9,332	8,827	8,978
Annualized new business premiums⁽¹⁾⁽³⁾	\$892	\$890	\$459	\$528

1) In millions

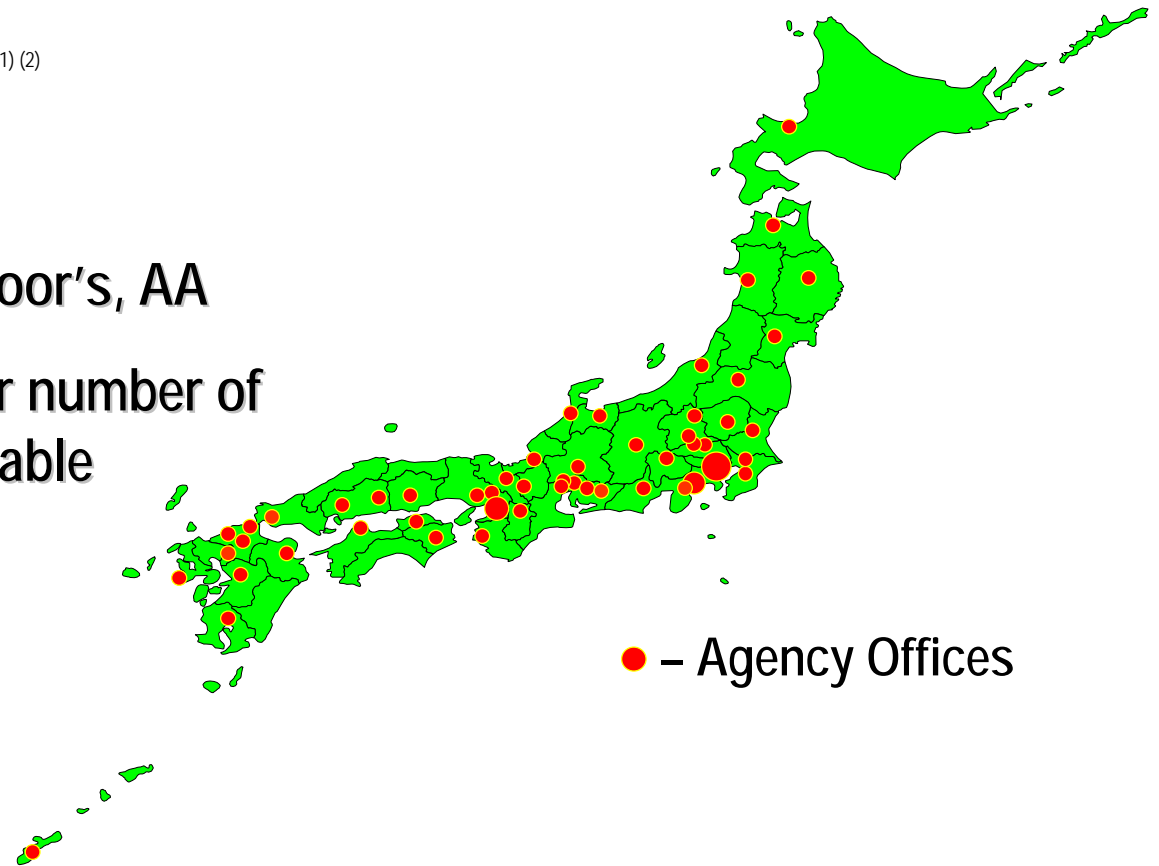
2) At end of period

3) Translated based on constant exchange rate of 106 Japanese yen per U.S. dollar for all periods presented



Prudential of Japan

- Face amount in force, \$244 billion ^{(1) (2)}
- \$24.8 billion in assets ^{(1) (2)}
- 84 agency offices ⁽¹⁾
- Ratings: Standard & Poor's, AA
- Ranked #1 in Japan for number of Million Dollar Round Table members in each of the past 11 years



1) As of June 30, 2008

2) Translated based on exchange rate of 106 Japanese yen per U.S. dollar



Business Model

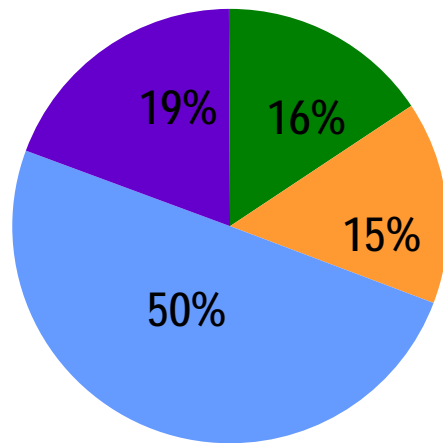
Life Planner – Needs-Based Selling

- Life Planner – a selective, high quality sales force
 - Only about 3 out of 100 candidates are hired
 - Well trained and professional
 - Customer focused
 - Disciplined, and demonstrates “missionary zeal”
- Profile of a typical POJ new Life Planner
 - Age 32 years old
 - College graduate
 - Good sales experience outside the life insurance industry
 - Married with children
 - First job change
 - POJ policyholder
 - Referred by another POJ Life Planner
 - Annual income in the previous job was about \$50,000

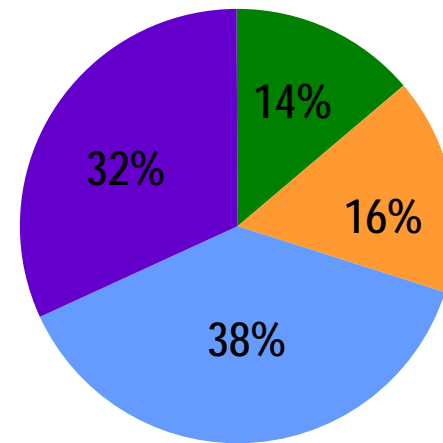



Prudential of Japan Emphasis on Protection Products

In-force Annualized Premium Mix
as of June 30, 2008⁽¹⁾




New Business Annualized Premium Mix
6 months ended June 30, 2008⁽¹⁾



 **Yen-based protection products⁽²⁾**

 **U.S. Dollar-based products⁽³⁾**

 **Third Sector⁽⁴⁾**

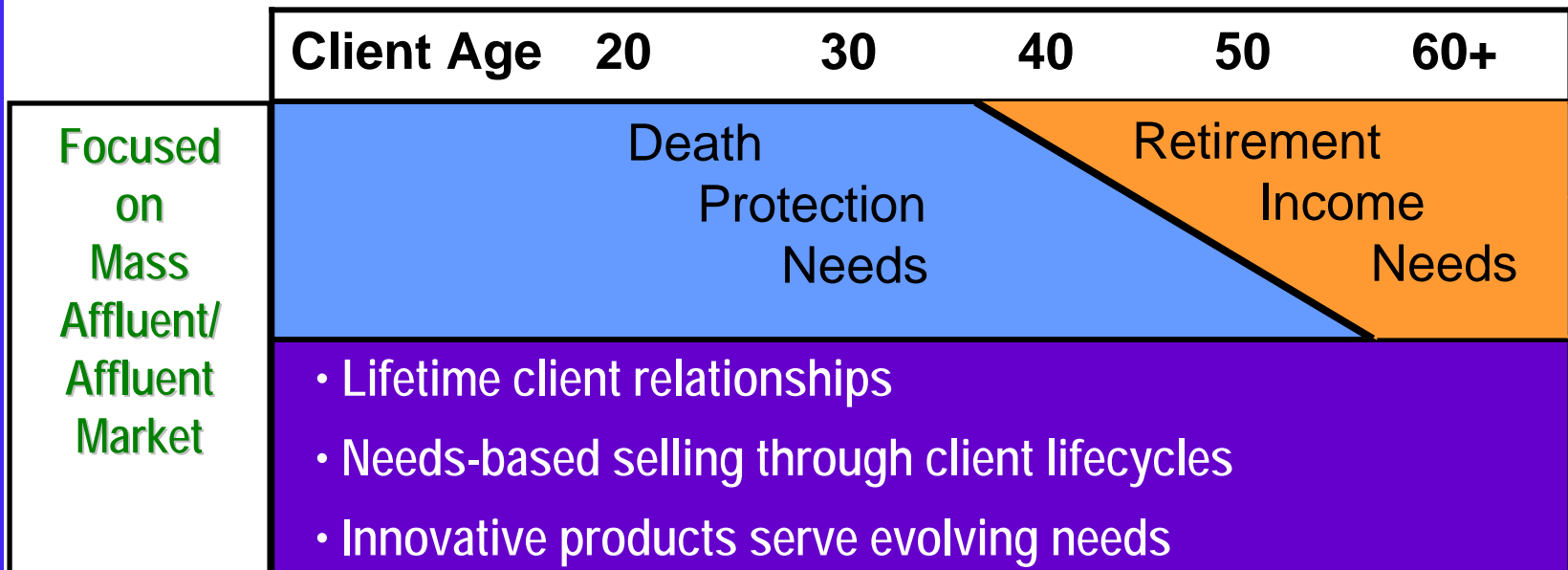
 **Yen-based savings and retirement income products⁽⁵⁾**

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



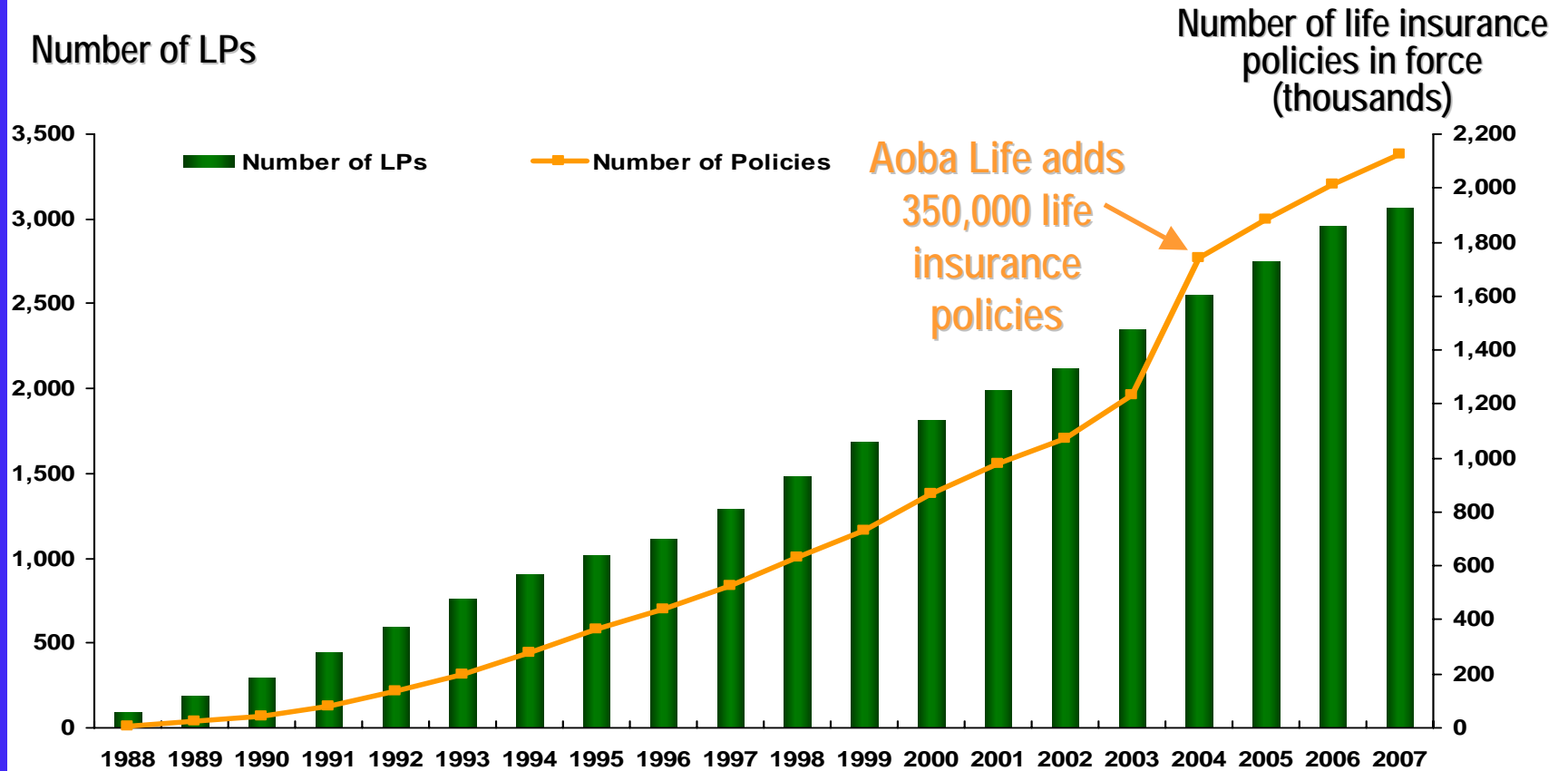
Prudential of Japan

Positioned for Second Sales Serving Retirement Needs



Prudential of Japan History of Growth

Growth of Business and LPs



Prudential of Japan Key Drivers ⁽¹⁾

Productivity ⁽²⁾	6.7
Policy Persistency (Face-amount)	
13 – month	95.0%
25 – month	90.5%
Life Planner Retention	
12 – month	82.7%
24 – month	71.3%

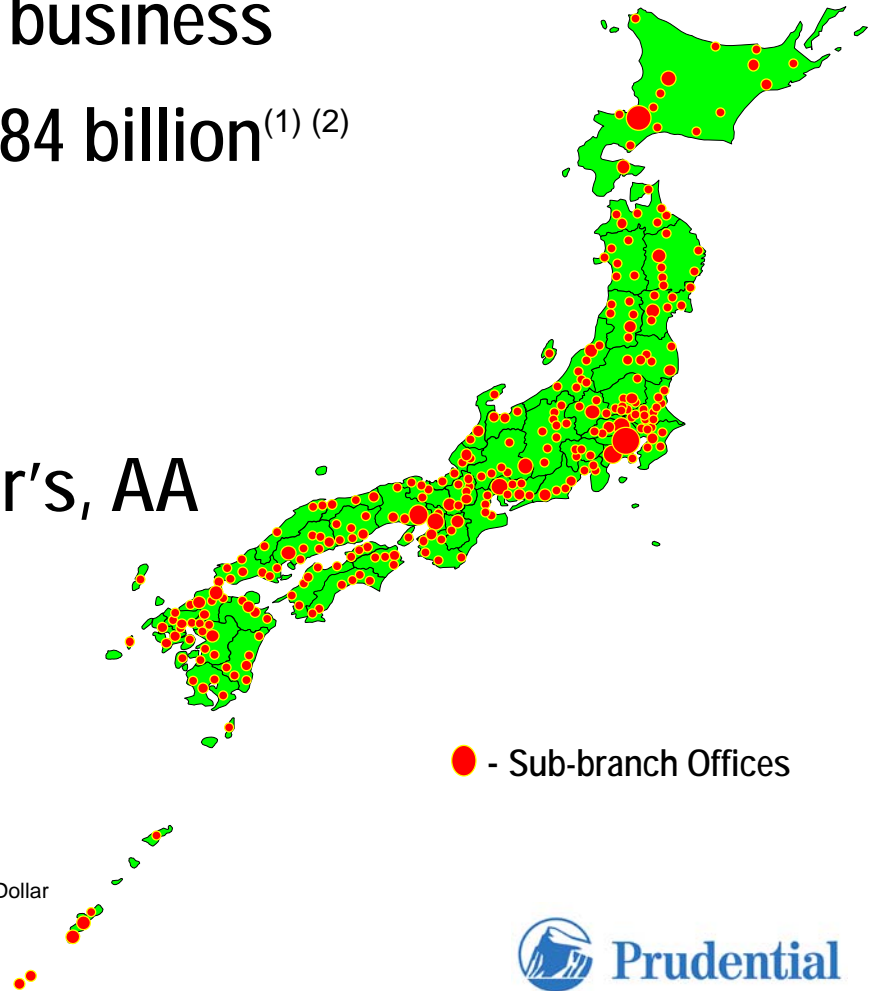
- 1) Measured as of or for the year ended December 31, 2007
2) Policies sold per Life Planner, per month; includes medical and cancer policies.

Prudential of Japan Outlook

- Continued demand for death protection insurance
- Customers increasingly selective of insurers
- Evolving strategies
 - Death Protection (market) → Medical insurance, nursing care, and variable annuities
 - Death Protection (POJ) → Needs-based, innovative retirement accumulation products (e.g. U.S. Dollar Retirement Income) support “second sales”
- “Business insurance” continues to be sales growth opportunity for mass affluent and affluent markets

Gibraltar Life

- Strong affinity group relationships
- Growing bancassurance business
- Face amount in force, \$184 billion^{(1) (2)}
- \$35 billion in assets^{(1) (2)}
- 499 sub-branch offices⁽¹⁾
- Ratings: Standard & Poor's, AA
Moody's, Aa3



1) As of June 30, 2008

2) Translated based on exchange rate of 106 Japanese yen per U.S. Dollar



Business Model

Life Advisor – Strong Affinity Group Relationship

- Acquired by Prudential Financial in 2001
- Expanded Life Advisor distribution
- Leveraging Life Planner model to improve key drivers
- Wider geographic coverage than POJ to meet market needs and affinity group reach
- Teachers Association market generates steady mortality gain (term insurance) and opportunity to capture retirement money
- Offering wide range of products to customers (Death Protection, Medical, Endowment and U.S. Dollar Fixed Annuities)



Life Advisor Distribution

Selective Recruiting Standards

- Selection criteria designed for sales in affinity group market
- Candidates often introduced by successful Life Advisors

Training: Adapted From Life Planner System

- Basic training adapted from Prudential of Japan
- Tailored to accommodate affinity group

Assignment to Affinity Groups



Affinity Group Relationships

Teachers Association

- Relationship since 1952
- Approximately 500,000 members and retirees
- Access to over 1 million teachers and 37,000 schools

Other associations, including:

- Shoko (Small Business Owners Association)
- Food Hygiene Association
- Japanese Social Welfare Foundation
- Beauticians Association
- Self Defense Force

Business Model

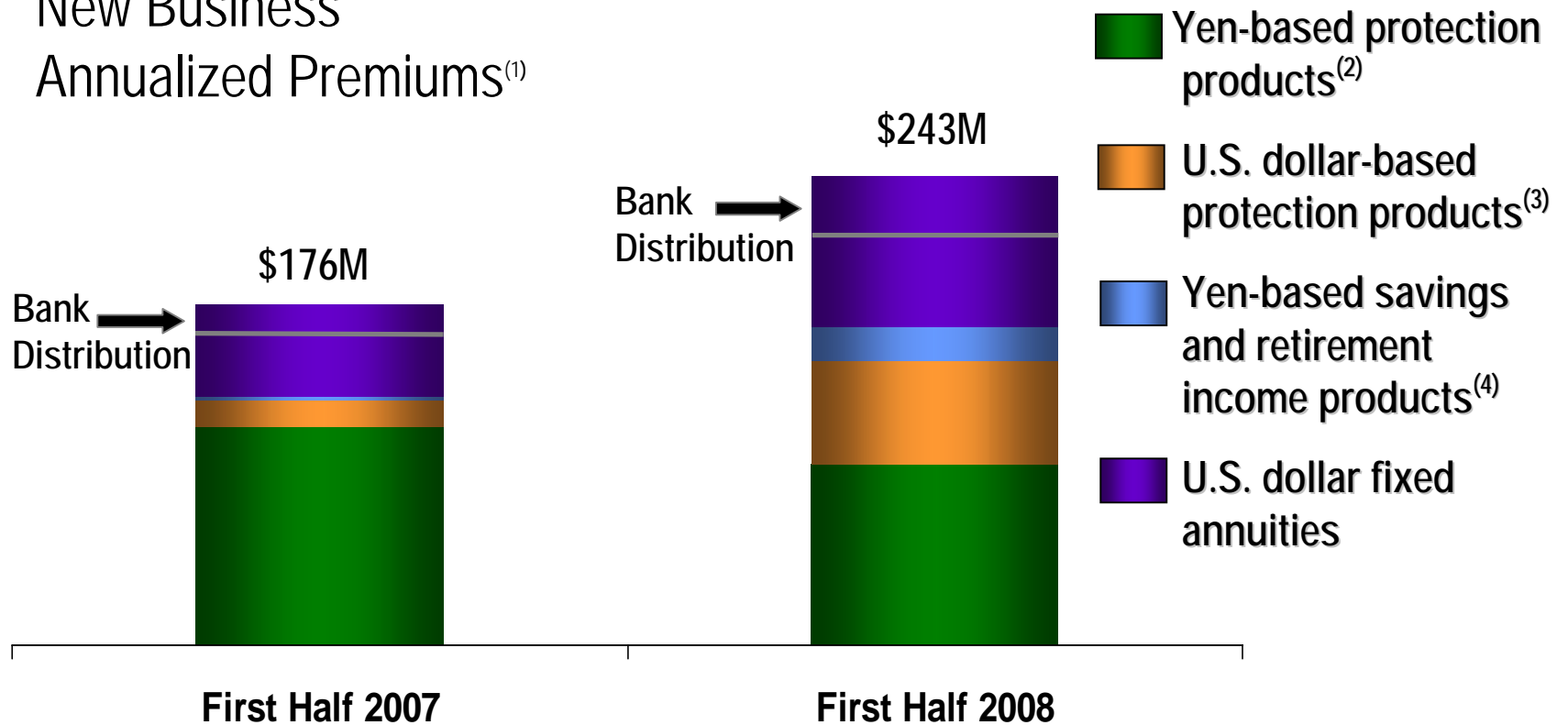
Third Party Distribution – Expansion of Bank Channel

- Commenced bank distribution in 2005
- Disciplined entry and expansion in the bancassurance market
- U.S. dollar fixed annuities: a bank channel success story
- Regulatory changes provide upside business opportunities for other retirement products and death protection products
- Needs-based selling model is a key credential in the bank channel



Gibraltar Life: U.S. Dollar Fixed Annuities Complement Product Line

New Business
Annualized Premiums⁽¹⁾



- 1) Translated based on constant exchange rate for all periods presented of 106 Japanese yen per U.S. dollar; single premium business included at 10% credit
- 2) Term, recurring premium whole life, riders
- 3) U.S. dollar whole life and retirement income
- 4) Single premium life; endowment



Gibraltar Life “Prudentialized” Key Drivers⁽¹⁾

	POJ	Gibraltar
Productivity ⁽²⁾	6.7	3.5
Policy Persistency (Face-amount)		
13 – month	95.0%	91.7%
25 – month	90.5%	87.9%
Life Advisor Retention		
12 – month	82.7%	52.7%
24 – month	71.3%	31.1%

1) Measured as of or for the year ended December 31, 2007

2) Policies sold per Life Planner / Life Advisor, per month; includes medical and cancer policies



Bank Business Overview

- Competitive U.S. dollar fixed annuity product formed foundation for relationships
- Developing channel access for full deregulation opportunities
 - Leveraging Prudential's third-party channel expertise to complement annuities with death protection products
 - Over 100 POJ Life Planners transferred to Gibraltar Life, 2007 – 2008; now assuming full-time bank channel sales responsibilities
- Seeking expansion of bank network



Summary

- Life Planner model offers sustainable competitive advantages
- Needs-based selling, emphasis on protection products
- Capture additional sales by emphasizing retirement needs of existing and new customers
- Superior policy persistency contributes to returns
- Gibraltar Life leverages Life Planner model attributes in affinity group and mid-market customer base
- Growing distribution through banks and associations
- Business model well-suited to changing landscape





Prudential

International Insurance Finance

John Hanrahan

Chief Financial Officer
International Businesses



Prudential

Drivers of Sustainable Financial Performance

Needs-Based Selling

- Strong persistency drives revenue growth
- Margins earned throughout in-force period
- Business growth increases scale benefits

Emphasis on Protection Products

- Favorable mortality margins drive strong returns

Investment Portfolio Strategies

- Duration lengthening supported by long-term nature of liabilities contributes to returns
- U.S. dollar investing: Natural hedge for Prudential, enhancing portfolio returns

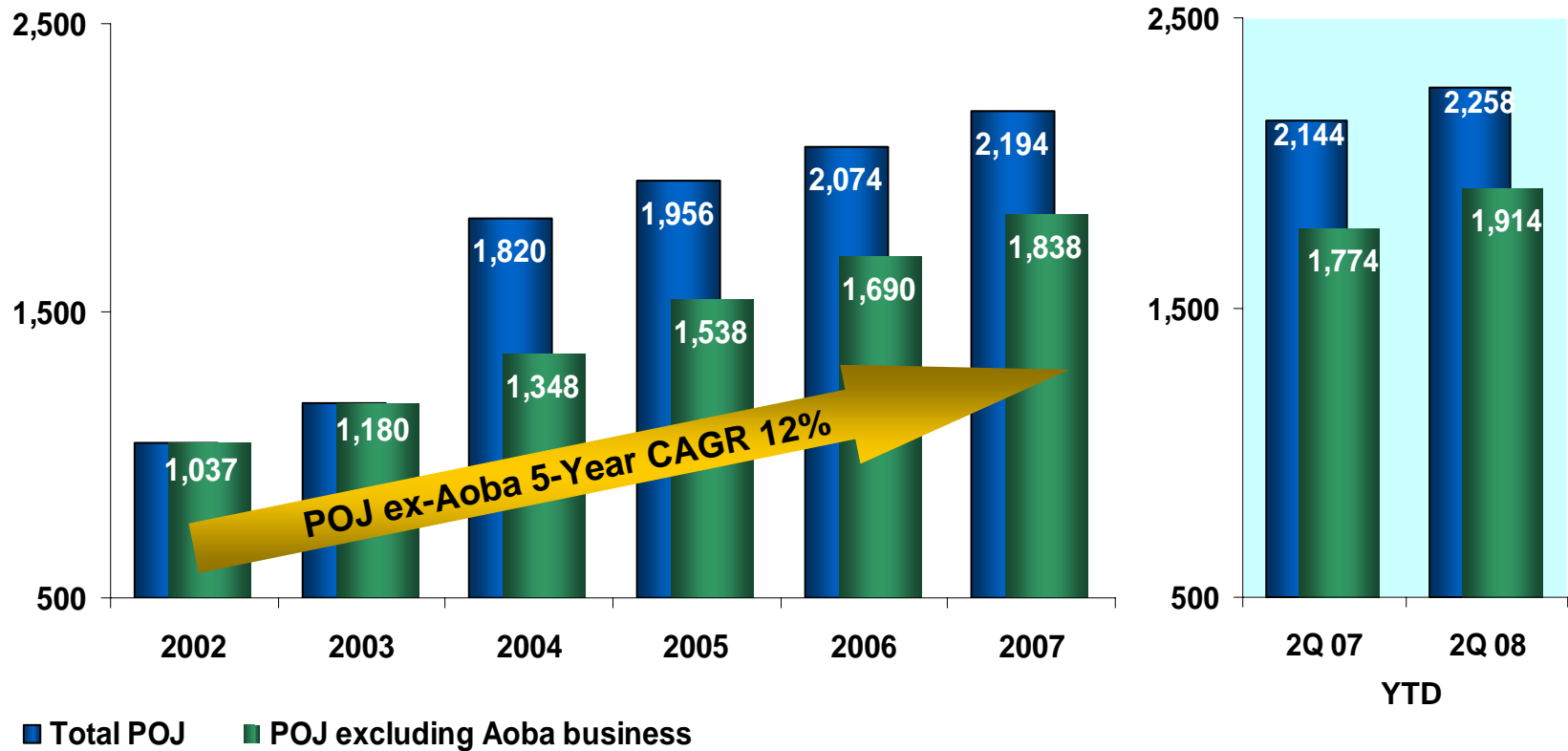
Capital Management

- High ROE products generate substantial excess capital
- Capital management opportunities enhance overall returns



Prudential of Japan Number of Individual Policies In-force⁽¹⁾

In thousands

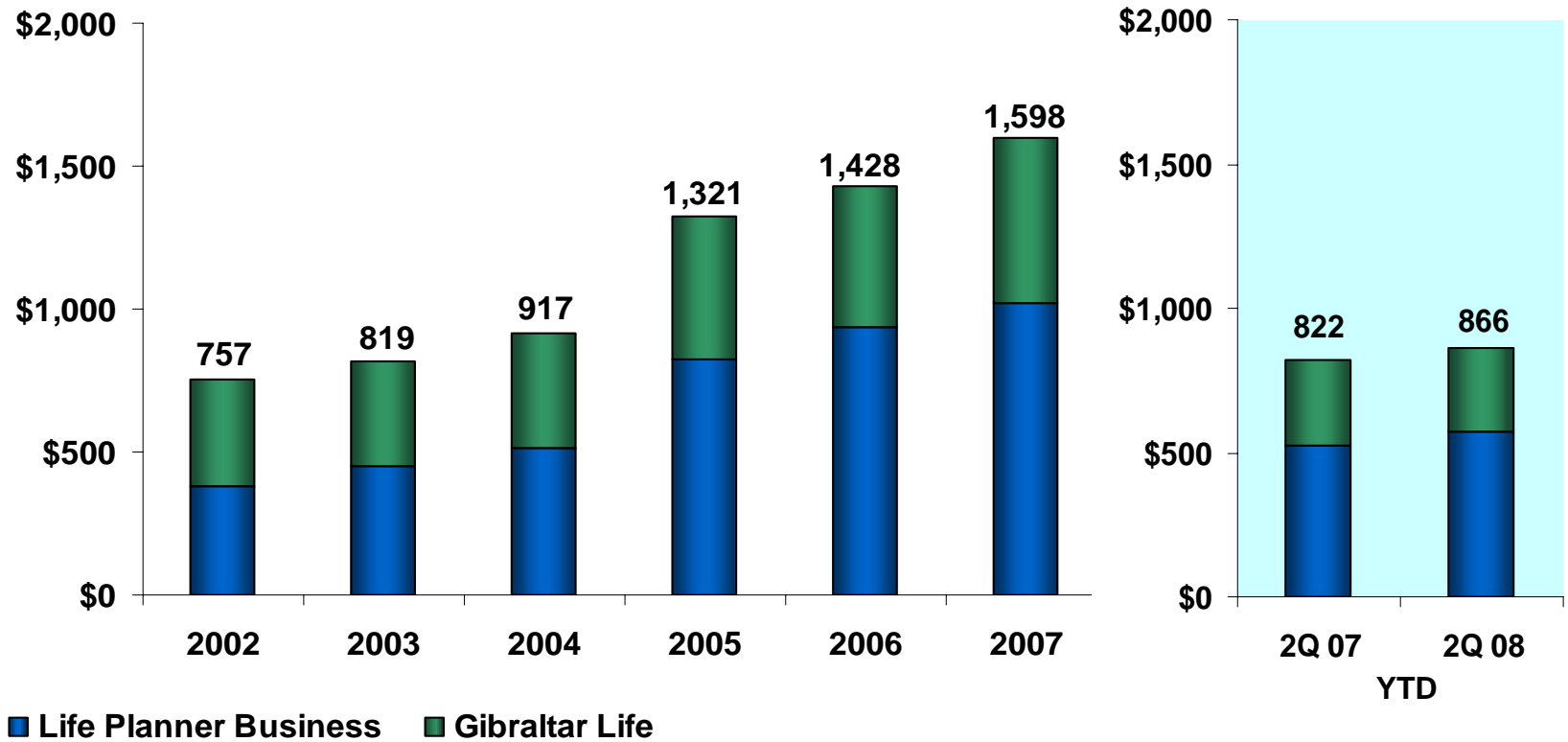


1) Individual Life and Annuities



International Insurance Pre-Tax AOI

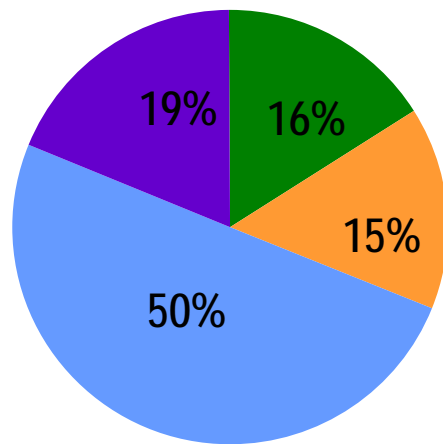
\$ millions



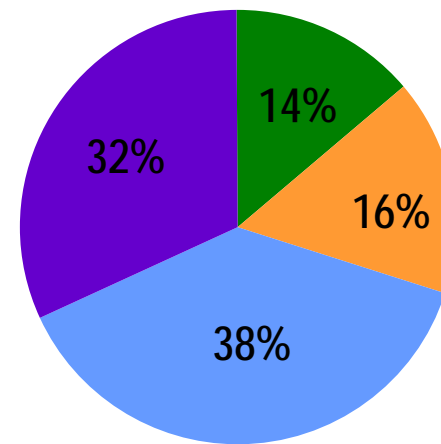
Life Planner Business Emphasis on Protection Products


Prudential of Japan

In-force Annualized Premium Mix
as of June 30, 2008⁽¹⁾




New Business Annualized Premium Mix
6 months ended June 30, 2008⁽¹⁾



 Yen-based protection products⁽²⁾

 U.S. Dollar-based products⁽³⁾

 Third Sector⁽⁴⁾

 Yen-based savings and retirement income products⁽⁵⁾

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

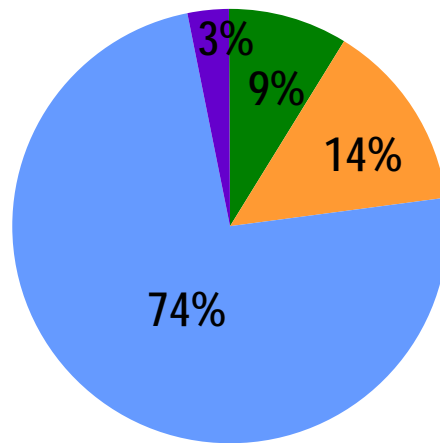


Gibraltar Life

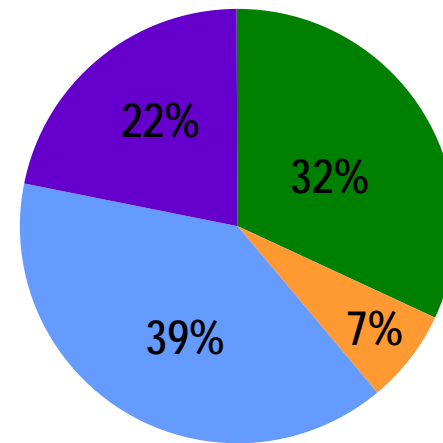
Emphasis on Protection Products


Gibraltar Life

In-force Annualized Premium Mix
as of June 30, 2008⁽¹⁾



New Business Annualized Premium Mix
6 months ended June 30, 2008⁽¹⁾



 Yen-based protection products⁽²⁾

 U.S. Dollar-based insurance products

 U.S. Dollar fixed annuities

 Yen-based savings and retirement income products⁽²⁾

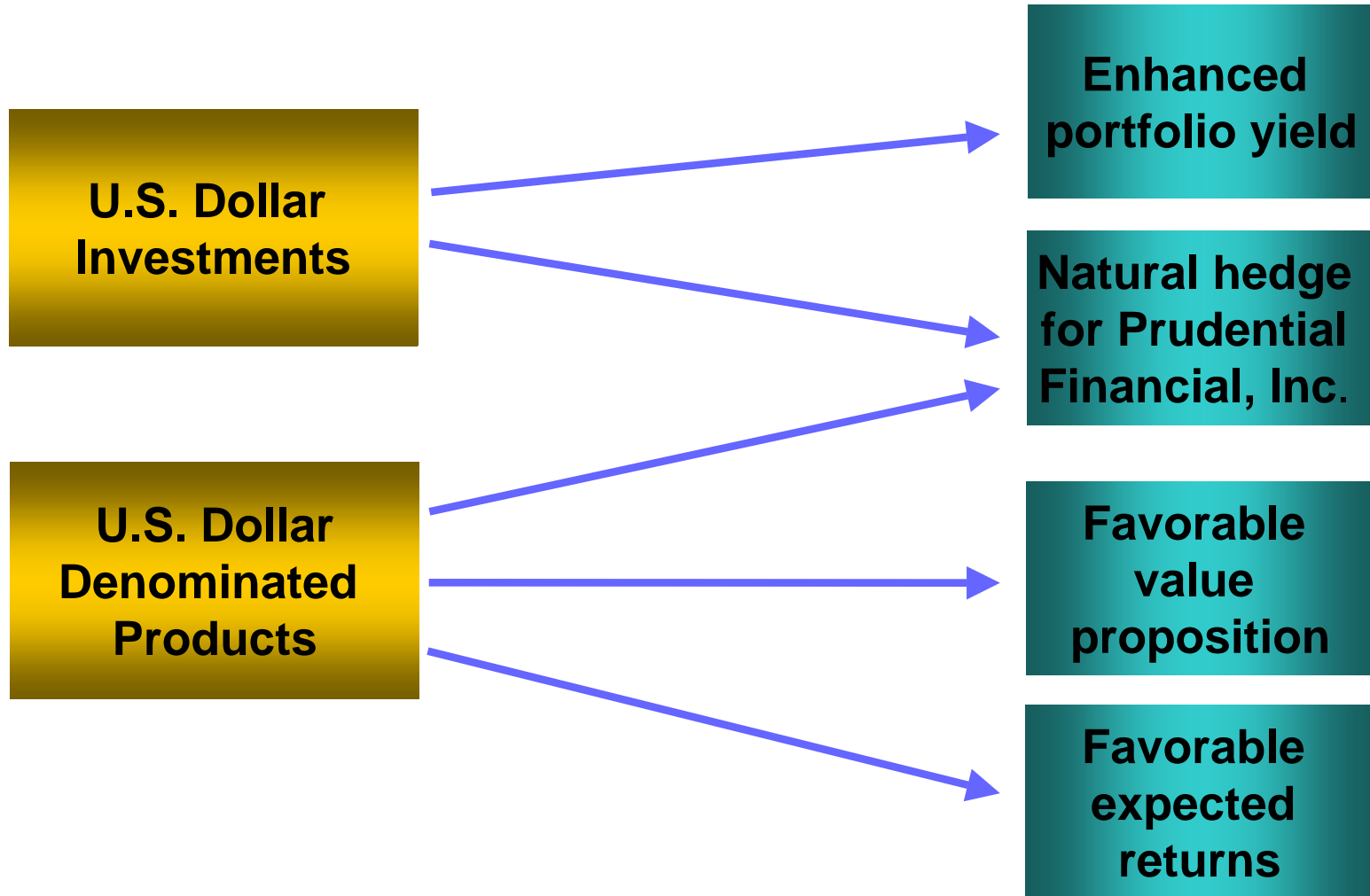
- 1) Includes single premium business at 10%
2) Includes third sector products



Investment Portfolio Opportunities

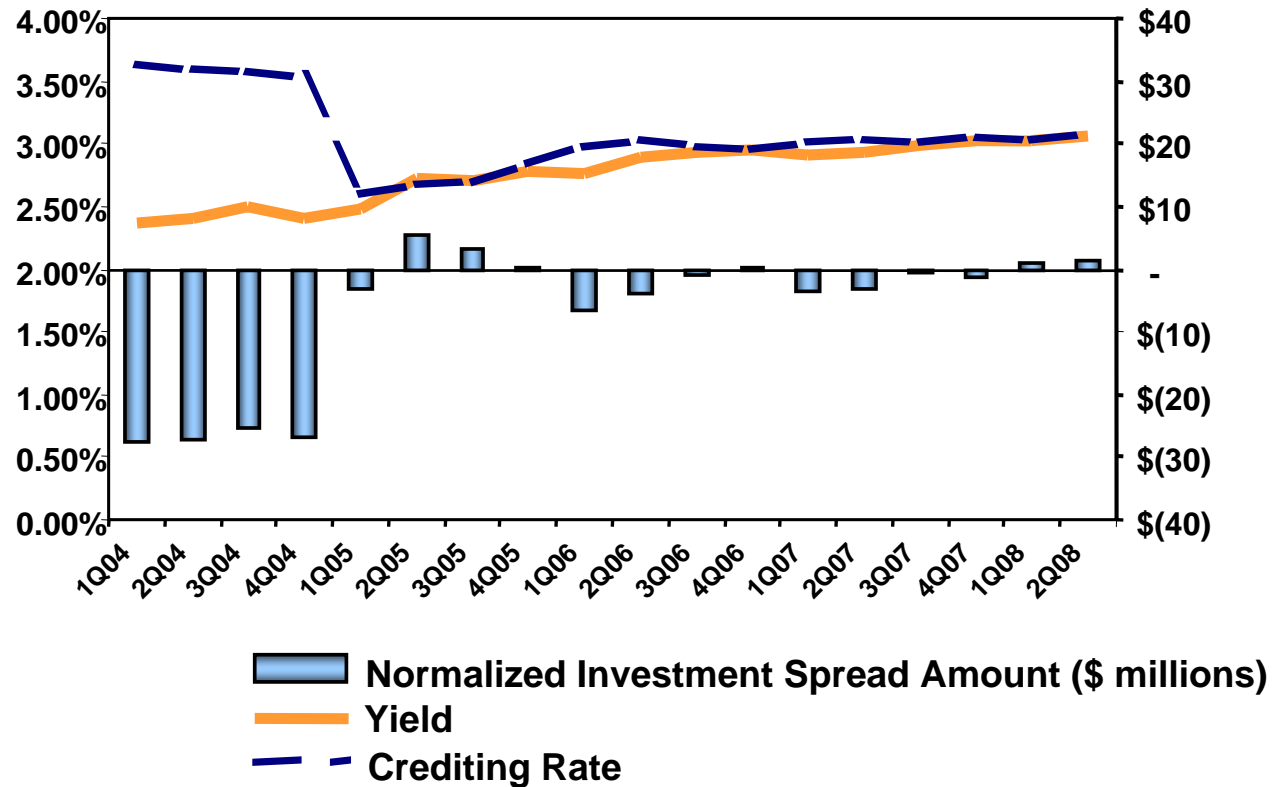
U.S. Dollar Investment Exposure	<ul style="list-style-type: none">■ “Natural hedge” for GAAP equity■ Additional U.S. dollar exposure related to economic value
Duration Lengthening	<ul style="list-style-type: none">■ Extending asset duration reduces risk profile relative to long-dated liabilities while increasing yield
Asset Class Diversification	<ul style="list-style-type: none">■ Access to Prudential skill sets – commercial mortgages, corporate credit■ Equities support portion of long-dated risks

U.S. Dollar Product and Investment Strategies



Improving Investment Portfolio Returns⁽¹⁾

Prudential of Japan



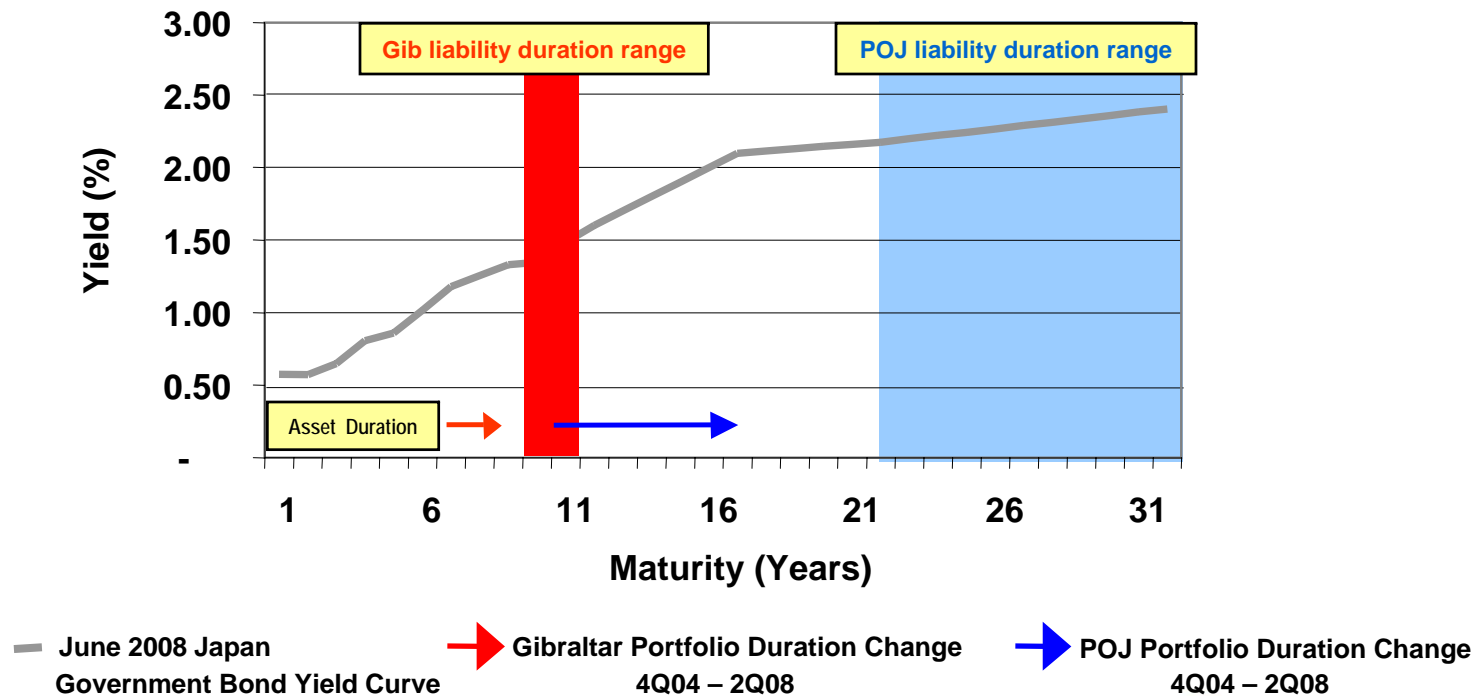
1) Excludes U.S. dollar reinsurance activity, Prudential's Tokyo office building, and one-time activities



Japanese Portfolio Duration – AOI Enhancement Opportunities

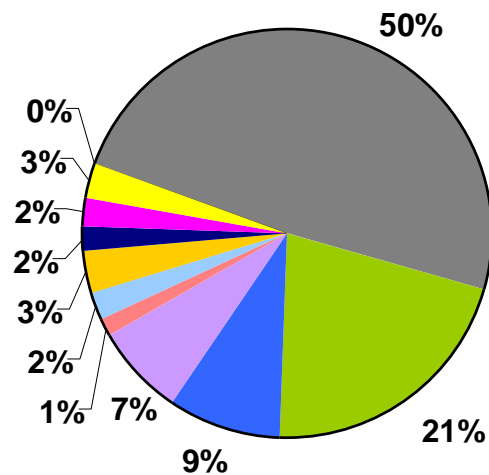
- Gibraltar and POJ have increased their yen portfolio duration to reduce interest rate risk relative to the liabilities.
- Due to the upward sloping yield curve, increasing duration improves investment yield.
- The impact on the yield varies with the location on the curve of the assets that are bought and sold.

Japan Government Bond Yields



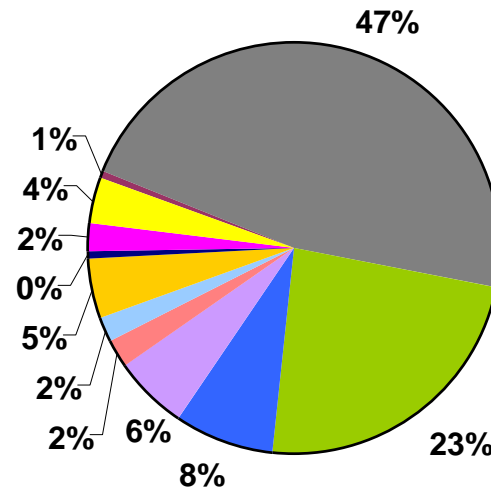
Prudential International Insurance Japan Portfolios⁽¹⁾

December 31, 2004



Yen Portfolio Duration: 8 years

June 30, 2008



Yen Portfolio Duration: 11 years

- Government/Government related (primarily Japanese Government Bonds)
- Investment Grade Corporate Bonds (Aaa, Aa, A)
- Investment Grade Corporate Bonds (Baa or BBB)
- Commercial Loans
- Below Investment Grade Corporate Bonds
- Real Estate
- Equity Securities
- Short Term
- Policy Loans
- U.S. Treasury Bonds
- Other (2)

- 1) Includes U.S. dollar reinsurance activity
- 2) "Other" category includes Trading Account Assets and Other Long-term Investments



Foreign Currency Income Hedges

- Yen income hedging plan on 12 quarter rolling basis
- A strengthening yen helps earnings over the long term
- Yen forward rates imply future strengthening of the yen versus the dollar

Rate as of 06/30/08	Spot Rate	1 Yr Forward	2 Yr Forward	3 Yr Forward	4 Yr Forward
Yen / U.S.\$	106.0	103.7	101.0	97.9	95.0

- Hedging smoothes the impact on earnings, but does not eliminate it
- 2008 yen income hedged at a rate of 106 yen / dollar
- As we generate more income in U.S. dollar (U.S. dollar investment, U.S. dollar product sales) we have less exposure to FX movement



Foreign Currency Hedging Program

"Rolling Hedge" Program⁽¹⁾

	Average Spot FX	Hedge Rate		
		2007	2008	2009
2004	108	99	N/A	N/A
2005	110	101	100	N/A
2006	116	108	106	104
2007	118		112	109
2008 ⁽²⁾	105			102
Average		102	106	?

- 1) Japanese yen for U.S. dollar
- 2) Through June 30, 2008



U.S. Dollar Retirement Products

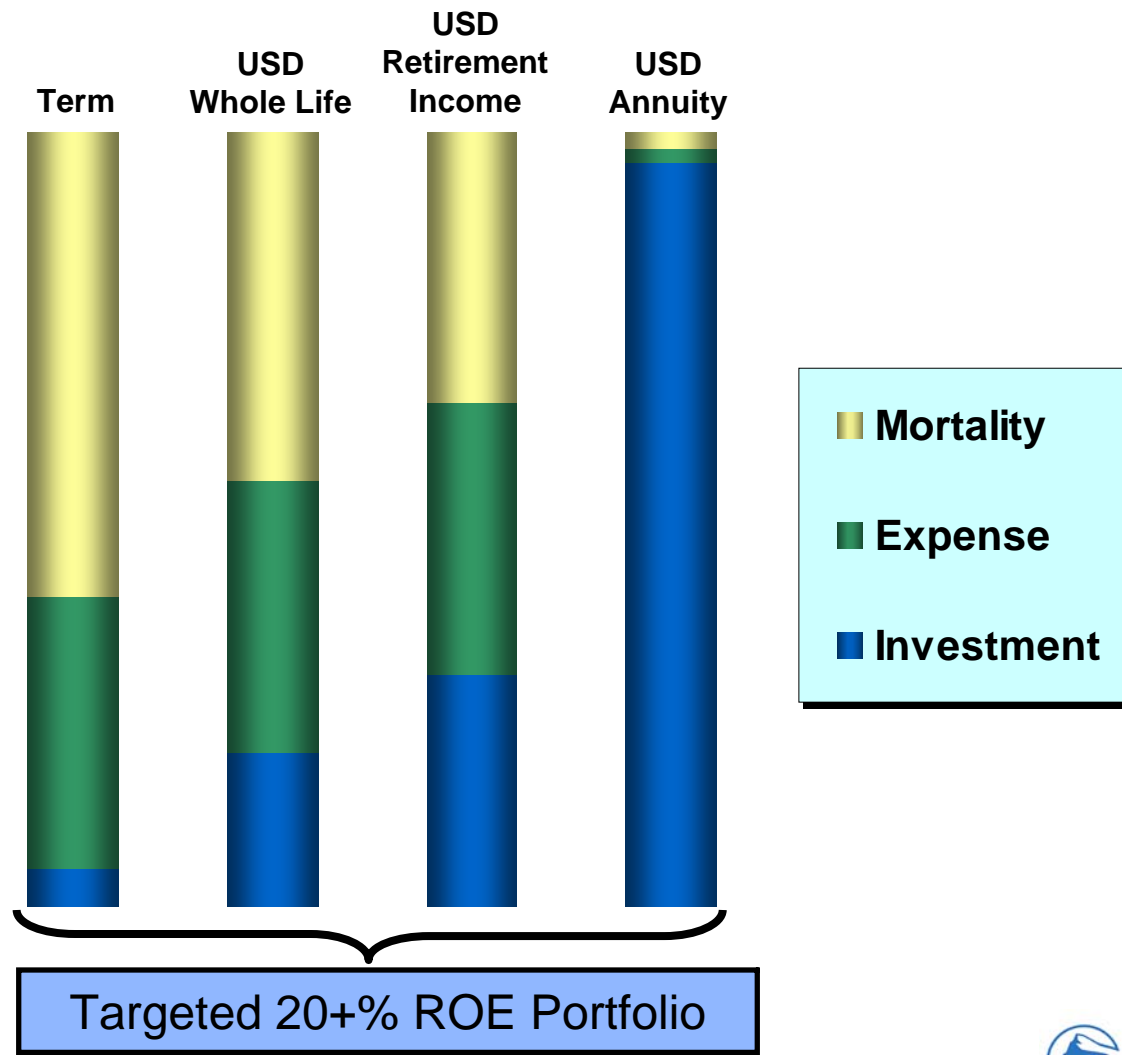
Attractive Value Proposition in a Growing Market

	Prudential of Japan U.S.\$ Denominated Retirement Income	Gibraltar Life	
		U.S.\$ Denominated Retirement Income	U.S.\$ Fixed Annuity
Death Protection Benefits	✓	✓	
Retirement Accumulation	✓	✓	✓
Flexibility	✓	✓	✓
Attractive Yields for Japanese Market	Rates offered reflect yields on U.S. dollar investments; compare favorably to Japanese yen-based products		
% of First Half 2008 Sales⁽¹⁾	24%	45%	

1) Based on annualized new business premiums; translation of Japanese yen-based sales at 106 Japanese yen per U.S. dollar



Retirement Accumulation Products Contribute to High Product Portfolio ROE Potential



Well Capitalized Companies

Strong Capital Generation

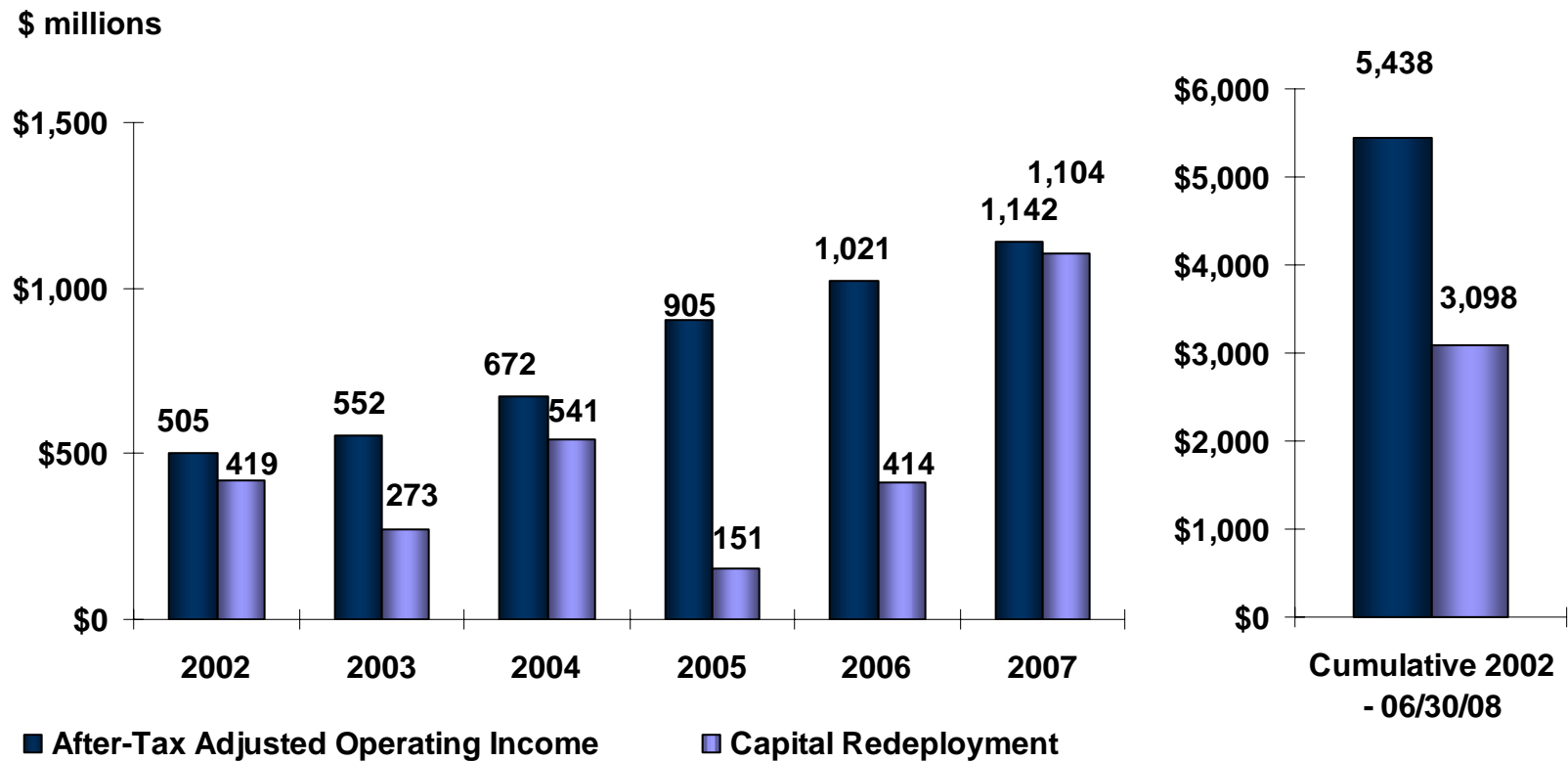
- High ROE business generates significant excess capital
- “Net level premium reserves” achieved at POJ in 2005; first dividend paid in 2006
- Gibraltar Life: full amortization of “statutory goodwill” enhances capital generating capacity

	Standard & Poor's ⁽¹⁾	Moody's ⁽¹⁾
Prudential of Japan	AA	NR
Gibraltar Life	AA	Aa3

1) Insurance claims-paying ratings as of September 2, 2008



Prudential International Insurance Capital Redeployment



Prudential International Insurance Capital Management Opportunities

- Cross entity investments
- Acquisition and expansion funding
- Gibraltar subordinated debt repayment
- Reinsurance
- Dividends



Prudential

Life Planners: Lifetime Relationships Built on Skill and Trust

Nick Miyazaki

Chief Marketing Officer



Prudential

Business Model Founded on Values and Beliefs

Strategy Fulfill protection needs in customer focused distribution and service based model

Mission Help customers achieve financial security and peace of mind

Vision Most trusted and admired life insurance company

Values Worthy of trust, customer-focused, helping society, "winning" for company



Life Planner Values and Beliefs

- Life insurance protection serves society's greater good
- Financial security and peace of mind are of great value
- Customer needs come first; products serve those needs
- Continuing, caring service is part of the customer relationship
- **The Life Planner is a trusted advisor**



Critical Success Factors

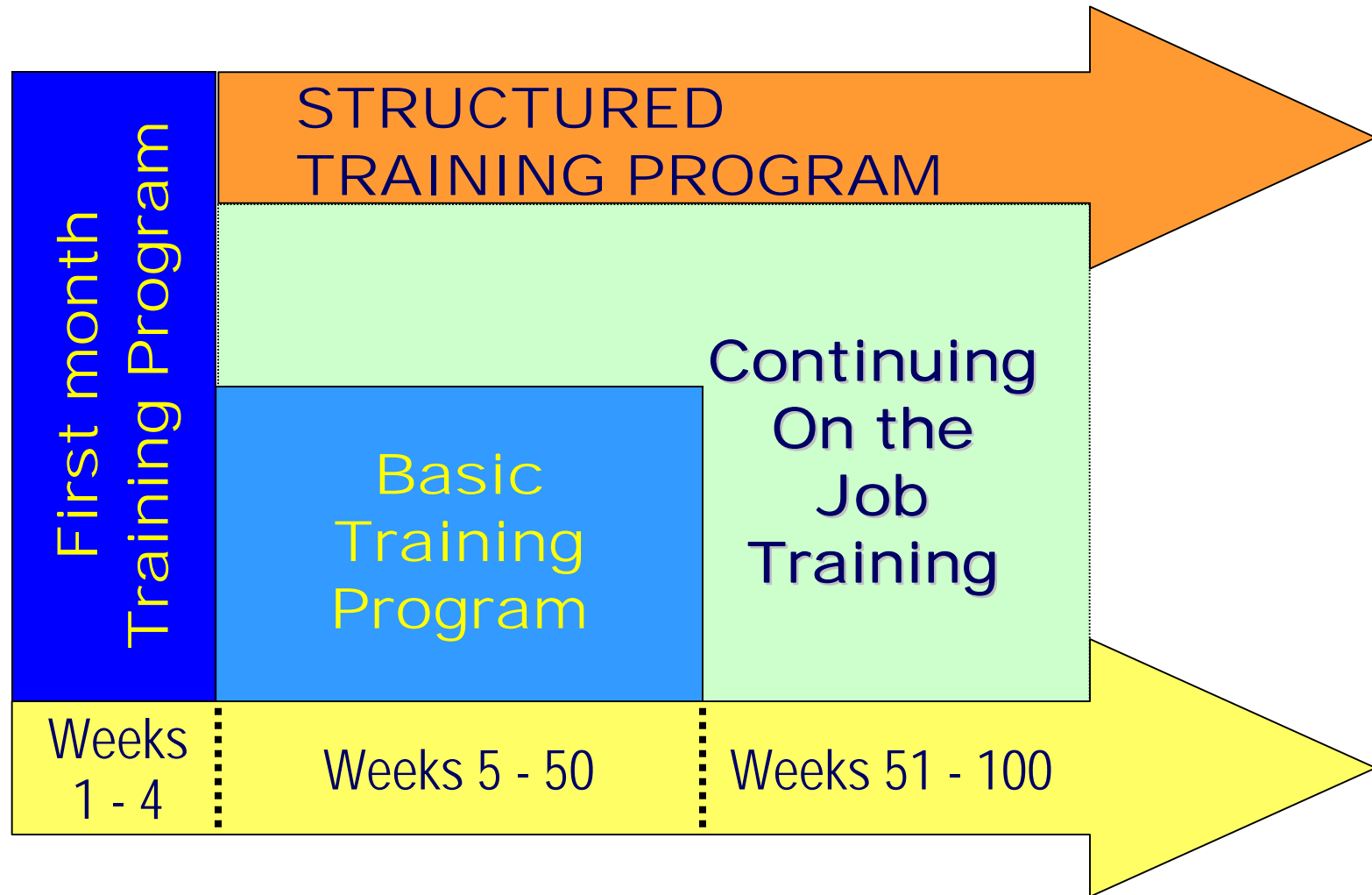
- Character and Integrity
- IQ – Mental alertness
- Achievement drive
- High level of energy
- Money motivation
- Staying power

Life Planner Selection Process

Only the Strong Survive

	Percentage of Initial Group
Orientation	100%
Career Info Program 1	29%
Career Info Program 2	16%
Career Info Program 3	11%
Targeted Selection Interview 1	7%
Targeted Selection Interview 2	3%
HIRE	3%

Comprehensive Training Supports Needs-Based Selling



Role of the Sales Manager Life Planner's Personal Trainer and Coach

- Performance planning and review
- “Training by objective”
- Joint sales activity and monitoring
- Role-play skill building

The Life Planner's Success
is
The Sales Manager's Success

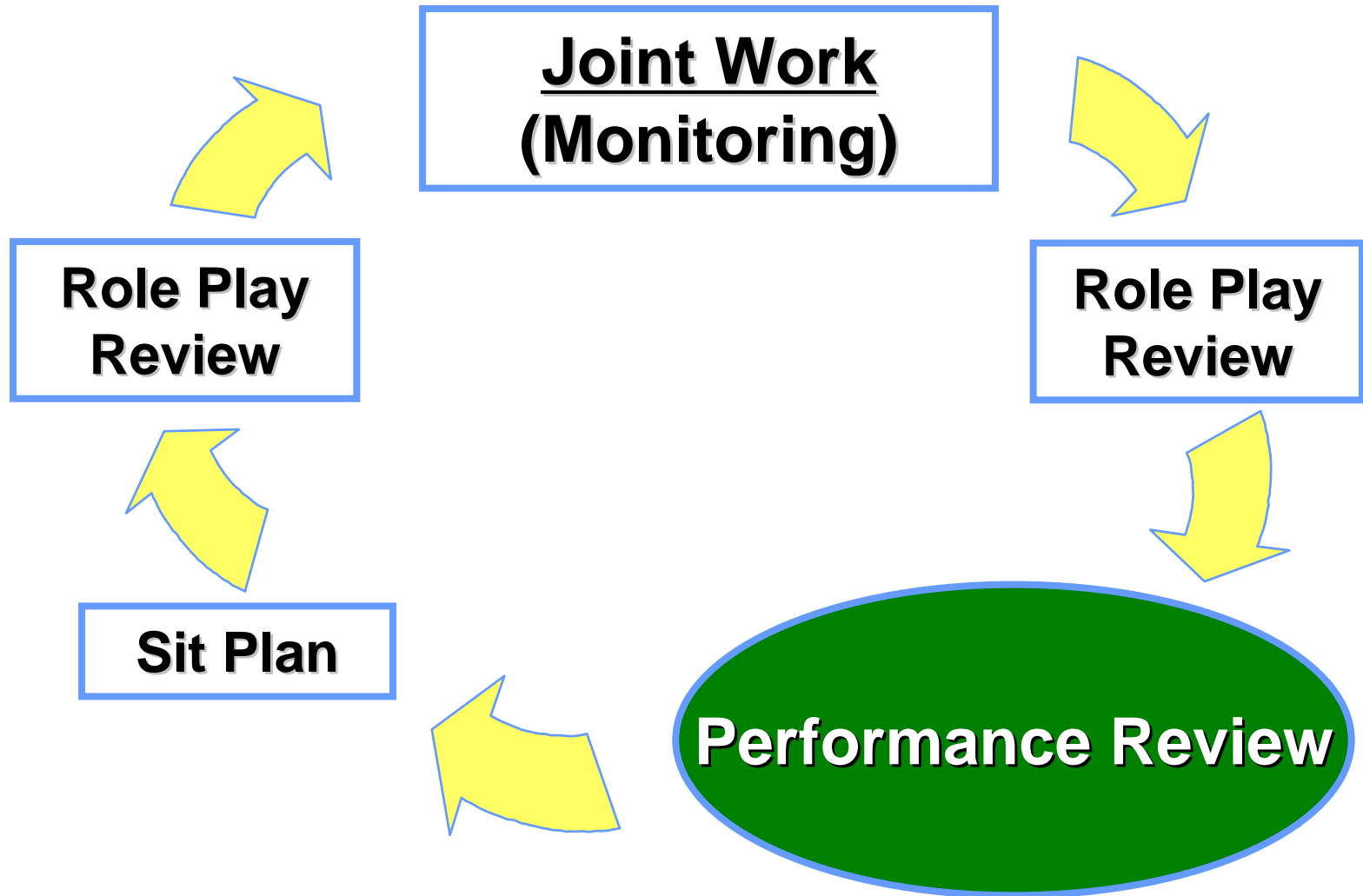
“KASH” Formula

- Knowledge
- Attitude
- Skills
- Habits

Sales Cycle



Training Cycle



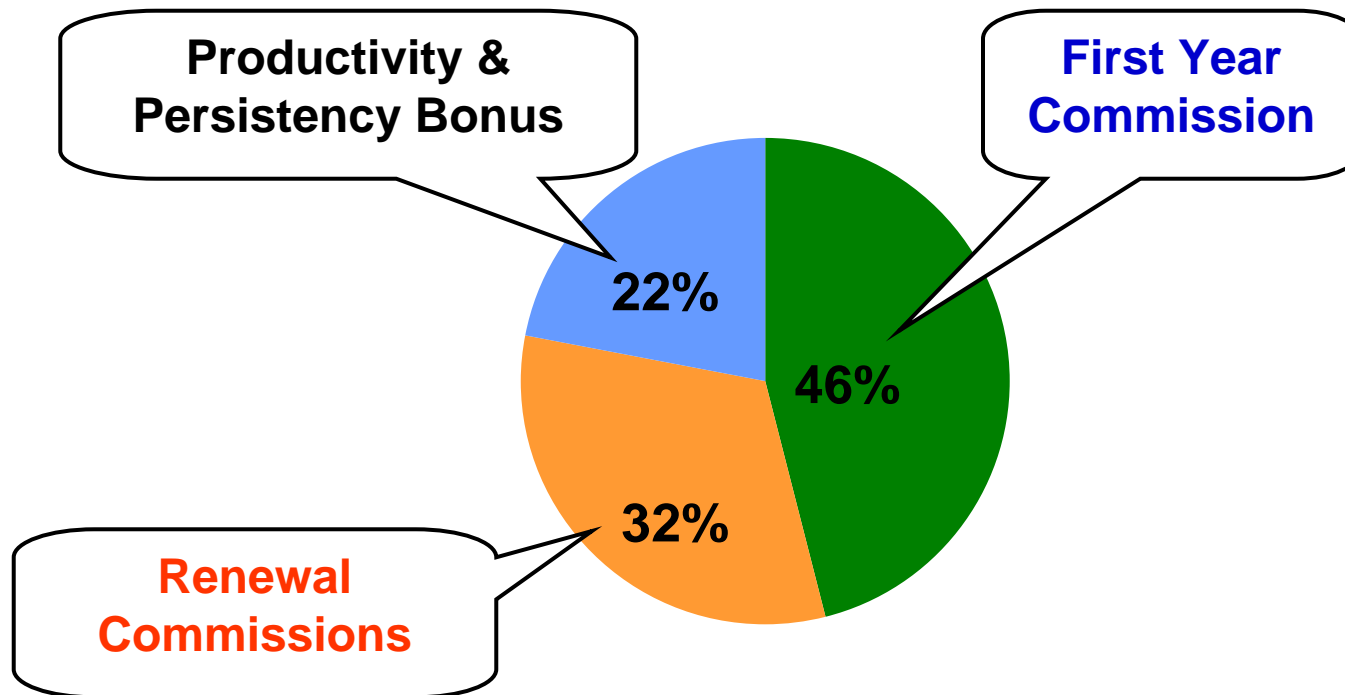
Compensation System

$$C = C$$

Compensation = Contribution

Life Planner Compensation Rewards Productivity and Persistency

Percentage of Overall Life Planner Compensation ⁽¹⁾



Compensation = Contribution

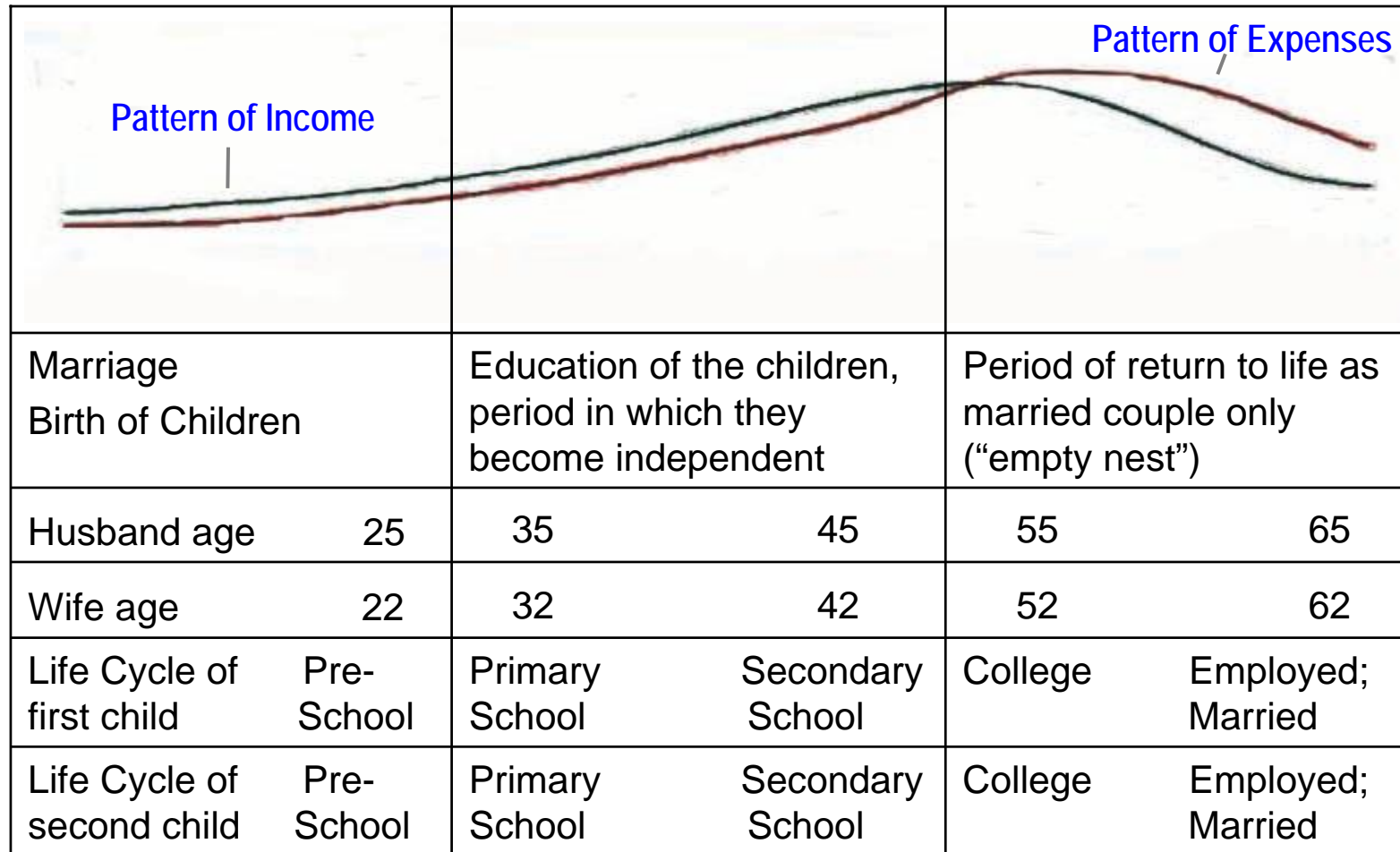
1)

Based on year ended December 31, 2007 for Life Planners beyond initial training allowance period



Standing Behind The Client For a Lifetime

Model Pattern of Lifecycle Income and Expenses



The Life Planner Career

- Strong values and beliefs: protection life insurance serves society
- A career that's "right" for 3 out of 100 candidates
- Comprehensive, ongoing training
- Customer needs drive sales
- Compensation rewards productivity, persistency
- Entrepreneurial success while "making the world a better place"





Prudential