

Prudential Financial, Inc. Investor Day

December 4, 2008





Prudential

Investor Day
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Eric Durant
Senior Vice President
Investor Relations



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, particularly in light of the stress experienced by the global financial markets that began in the second half of 2007 and substantially increased in the third quarter of 2008; (2) the availability and cost of external financing for our operations, which has been affected by the stress experienced by the global financial markets ; (3) interest rate fluctuations; (4) reestimates of our reserves for future policy benefits and claims; (5) 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; (6) changes in our assumptions related to deferred policy acquisition costs, valuation of business acquired or goodwill; (7) changes in our claims-paying or credit ratings; (8) investment losses and defaults; (9) competition in our product lines and for personnel; (10) changes in tax law; (11) economic, political, currency and other risks relating to our international operations; (12) fluctuations in foreign currency exchange rates and foreign securities markets; (13) regulatory or legislative changes , including government actions in response to the stress experienced by the global financial markets; (14) changes in our claims paying or financial strength ratings; (15) adverse determinations in litigation or regulatory matters and our exposure to contingent liabilities, including in connection with our divestiture or winding down of businesses; (16) 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; (17) ineffectiveness of risk management policies and procedures in identifying, monitoring and managing risks; (18) effects of acquisitions, divestitures and restructurings, including possible difficulties in integrating and realizing the projected results of acquisitions; (19) changes in statutory or U.S. GAAP accounting principles, practices or policies; (20) changes in assumptions for retirement expense; (21) Prudential Financial, Inc.’s primary reliance, as a holding company, on dividends or distributions from its subsidiaries to meet debt payment obligations and the ability of the subsidiaries to pay such dividends or distributions in light of our ratings objectives and/or applicable regulatory restrictions; and (22) 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.” 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, as well as counterparty credit losses on derivative positions experienced during the third quarter of 2008. 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 pages provide a reconciliation of adjusted operating income to income from continuing operations in accordance with GAAP.

Return on equity (“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 and accumulated other comprehensive income related to pension and postretirement benefits.

Our expectations of Common Stock earnings per share and ROE 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 ROE 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, 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 and 10-Q/A for the quarter ended September 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 third 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 and 10-Q/A for the quarter ended September 30, 2008, should be considered by readers when reviewing forward-looking statements contained in this presentation.



Reconciliation between adjusted operating income and the comparable GAAP measure

	Nine months ended September 30, 2008
(in millions, except per share data)	
Financial Services Businesses:	
Pre-tax adjusted operating income (loss) by division:	
Insurance Division	\$ 670
Investment Division	697
International Insurance and Investments Division	1,415
Corporate and other operations	(61)
Total pre-tax adjusted operating income	2,721
Income taxes, applicable to adjusted operating income	717
Financial Services Businesses after-tax adjusted operating income	2,004
Reconciling items:	
Realized investment losses, net, and related charges and adjustments	(1,711)
Investment gains (losses) on trading account assets supporting insurance liabilities, net	(919)
Change in experience-rated contractholder liabilities due to asset value changes	682
Divested businesses	(276)
Equity in earnings of operating joint ventures	108
Total reconciling items, before income taxes	(2,116)
Income taxes, not applicable to adjusted operating income	(715)
Total reconciling items, after income taxes	(1,401)
Income from continuing operations (after-tax) of Financial Services Businesses before equity in earnings of operating joint ventures	603
Equity in earnings of operating joint ventures, net of taxes	(62)
Income (loss) from continuing operations (after-tax) of Financial Services Businesses	541
Income (loss) from discontinued operations, net of taxes	3
Net income (loss) of Financial Services Businesses	\$ 544
Earnings per share of Common Stock (diluted):	
Financial Services Businesses after-tax adjusted operating income	\$ 4.65
Reconciling items:	
Realized investment losses, net, and related charges and adjustments	(3.90)
Investment gains (losses) on trading account assets supporting insurance liabilities, net	(2.10)
Change in experience-rated contractholder liabilities due to asset value changes	1.55
Divested businesses	(0.62)
Equity in earnings of operating joint ventures	0.25
Total reconciling items, before income taxes	(4.82)
Income taxes, not applicable to adjusted operating income	(1.63)
Total reconciling items, after income taxes	(3.19)
Income from continuing operations (after-tax) of Financial Services Businesses before equity in earnings of operating joint ventures	1.46
Equity in earnings of operating joint ventures, net of taxes	(0.14)
Income (loss) from continuing operations (after-tax) of Financial Services Businesses	1.32
Income (loss) from discontinued operations, net of taxes	0.00
Net income (loss) of Financial Services Businesses	\$ 1.32
Weighted average number of outstanding Common shares (diluted)	438.6
Reconciliation to Consolidated Net Income of Prudential Financial, Inc.:	
Net income (loss) of Financial Services Businesses (above)	\$ 544
Net income (loss) of Closed Block Business	(51)
Consolidated net income (loss)	\$ 493
Direct equity adjustments for earnings per share calculations	\$ 36



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

(in millions)	Nine months ended <u>September 30, 2008</u>
Revenues (1):	
Premiums	\$ 8,861
Policy charges and fee income	2,342
Net investment income	6,332
Asset management fees, commissions and other income	<u>2,608</u>
Total revenues	<u>20,143</u>
Benefits and Expenses (1):	
Insurance and annuity benefits	9,066
Interest credited to policyholders' account balances	2,462
Interest expense	787
Deferral of acquisition costs	(1,735)
Amortization of acquisition costs	891
General and administrative expenses	<u>5,951</u>
Total benefits and expenses	<u>17,422</u>
Adjusted operating income before income taxes	<u>2,721</u>
Reconciling items:	
Realized investment gains (losses), net, and related adjustments	(1,756)
Related charges	<u>45</u>
Total realized investment gains (losses), net, and related charges and adjustments	<u>(1,711)</u>
Investment gains (losses) on trading account assets supporting insurance liabilities, net	(919)
Change in experience-rated contractholder liabilities due to asset value changes	682
Divested businesses	(276)
Equity in earnings of operating joint ventures	<u>108</u>
Total reconciling items, before income taxes	<u>(2,116)</u>
Income from continuing operations before income taxes and equity in earnings of operating joint ventures	605
Income tax expense	<u>2</u>
Income from continuing operations before equity in earnings of operating joint ventures	<u>\$ 603</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.



Prudential

Prudential Financial, Inc.

John Strangfeld
CEO and Chairman



Prudential

Where We Are Today

- Balanced portfolio of businesses and risks
- High quality businesses
 - Attractive value propositions
 - Strong underlying fundamentals
 - Diversified distribution channels
 - Strong growth prospects in International, U.S. Retirement and Annuities
- Strong balance sheet
 - Capital to meet “AA” standards for insurance subsidiaries
 - Diversified high quality investment portfolio
- Robust sources of liquidity provide financial flexibility
- Acquisition and integration track record

Wachovia Joint Venture

- Formed in 2003; created third largest retail securities firm
- Viewed as a financial investment versus strategic investment
- Wachovia management has operating control; Prudential has put rights
- “Lookback” option selected as consequence of A.G. Edwards transaction
- We intend to exercise our lookback put
 - Current counterparty is Wachovia; will be Wells Fargo by year-end
 - Valuation established based on value of the pre-A.G. Edwards business at January 1, 2008; approximate value is \$5 billion pre-tax; in excess of \$3.7 billion after-tax
 - Timing of proceeds – January 2010
- We will record Financial Advisory as a divested business beginning in the fourth quarter of 2008

Attributed Equity of Operating Businesses

INTERNATIONAL BUSINESSES

- Life Planner model
- Gibraltar Life
- International Investments

RETIREMENT & ACCUMULATION

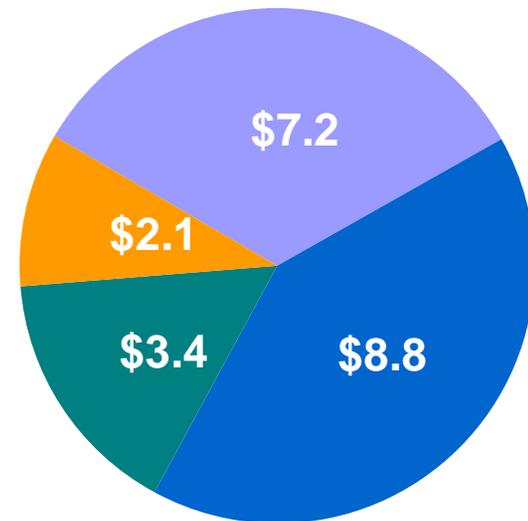
- Retirement
- Individual Annuities
- Asset Management

DOMESTIC INSURANCE

- Individual Life
- Group Insurance

CORPORATE AND OTHER⁽²⁾

Attributed equity \$21.5 billion⁽¹⁾



1) As of September 30, 2008 for the FSB; excludes accumulated other comprehensive income related to unrealized gains and losses on investments and pension/postretirement benefits

2) Includes investment in Wachovia retail securities brokerage joint venture

Capital To Meet “AA” Standards For Insurance Subsidiaries

**Regulated Businesses:
Attributed equity \$15.7 billion^{(1) (2)}**

Prudential Insurance

Prudential Retirement Insurance
& Annuity Co.

Prudential Annuities
Life Assurance Co.

Prudential of Japan

Gibraltar Life

**Other Businesses:
Attributed equity \$5.8 billion^{(1) (3)}**

Wachovia Retail Securities
Brokerage Joint Venture

Asset Management Businesses

International Investment
Businesses

Real Estate and Relocation

1) For the Financial Services Businesses; as of September 30, 2008

2) Represents attributed equity for businesses primarily conducted through regulated insurance entities

3) Represents attributed equity for businesses primarily conducted through unregulated entities



Robust Sources of Liquidity Provide Flexibility in Challenging Financial Markets

Parent Company

- **\$3.8 billion cash and short-term investments on balance sheet⁽²⁾**
- **Commercial Paper Program qualifies for Federal facility up to \$1.3 billion**
- **Inter-company liquidity facility**
- **Inter-company debt**

Prudential Insurance⁽¹⁾

- **Commercial Paper Program qualifies for Federal facility up to \$9.8 billion**
- **Federal Home Loan Bank of New York borrowing facility**
- **\$10 billion readily “lendable” securities⁽²⁾⁽³⁾**
- **Strong cash flows from insurance operations**

\$4.4 billion committed lines of credit⁽²⁾⁽⁴⁾

1) Including wholly-owned subsidiary, Prudential Funding, LLC

2) As of September 30, 2008

3) For the Financial Services Businesses

4) Excluding \$500 million facility expiring December 2008



Diversified High Quality Investment Portfolio

- Prudential is a credit shop
- Seasoned skills in multiple asset classes enhance risk diversification
- Market leading capabilities: private fixed income, commercial mortgages and real estate
- Defensively positioned portfolio
- Third-party Institutional flows: the best indicator of competitiveness

Attractive Value Proposition in Markets Focused on Retirement Security

United States Businesses	<ul style="list-style-type: none">• “Highest Daily” Annuity Products: self-hedging feature protects customer account value, reduces company’s risk profile• Retirement stable value products highly attractive in volatile financial markets	Insurance Protection Products Offer Fundamental Financial Security
International Businesses	<ul style="list-style-type: none">• Insurance-based retirement income products attractive to Life Planner and Gibraltar clients• U.S. dollar denominated fixed annuities offer alternative to volatile financial markets	

Reputation: “Over 130 Years of Making and Keeping Promises”

Prudential's Management Team

**Office
of the
Chairman**

**John Strangfeld
CEO and Chairman**

**Mark Grier
Vice Chairman**

**Bernard Winograd
U.S. Businesses**

**Ed Baird
International Businesses**

**Rich Carbone
Chief Financial Officer**

- **Jim Avery**
Individual Life
- **Steve Pelletier**
Individual Annuities
- **Lori High**
Group Insurance
- **Christine Marcks**
Retirement
- **Charles Lowrey**
Asset Management

- **Kazuo Maeda**
Insurance – Japan
- **Tim Feige**
Insurance –
Other Countries
- **Chris Cooper**
International Investments



Prudential

Prudential Financial, Inc.

Mark Grier
Vice Chairman



Prudential

Financial Strength and Flexibility in Challenging Markets

- Internal resources available to support “AA” ratings objectives for insurance entities
- Robust liquidity sources for parent company and operating units
- Asset management is a key Prudential capability
- Asset selection reflects liability characteristics
- Highly diversified and defensively positioned investment portfolio
- Concentration limits around investment portfolio
 - Asset class
 - Single issuer
 - Credit quality and industry
 - Geographic

Insurance Entities

Managing to “AA” Standards

Risk Based Capital at December 31, 2007 ⁽¹⁾	2008 Developments	RBC at December 31, 2008
Total Adjusted Capital: \$11 Billion	<ul style="list-style-type: none"> • Statutory operating results • Annuity reserves • Credit impairments • Unrealized gains and losses • Dividends to parent 	Targeted to meet “AA” standards
Required Capital: \$2 Billion	<ul style="list-style-type: none"> • Credit migration • Business growth 	

• Possible contribution of financial assets

• Possible adjustment of policyholder dividend scale to reflect results

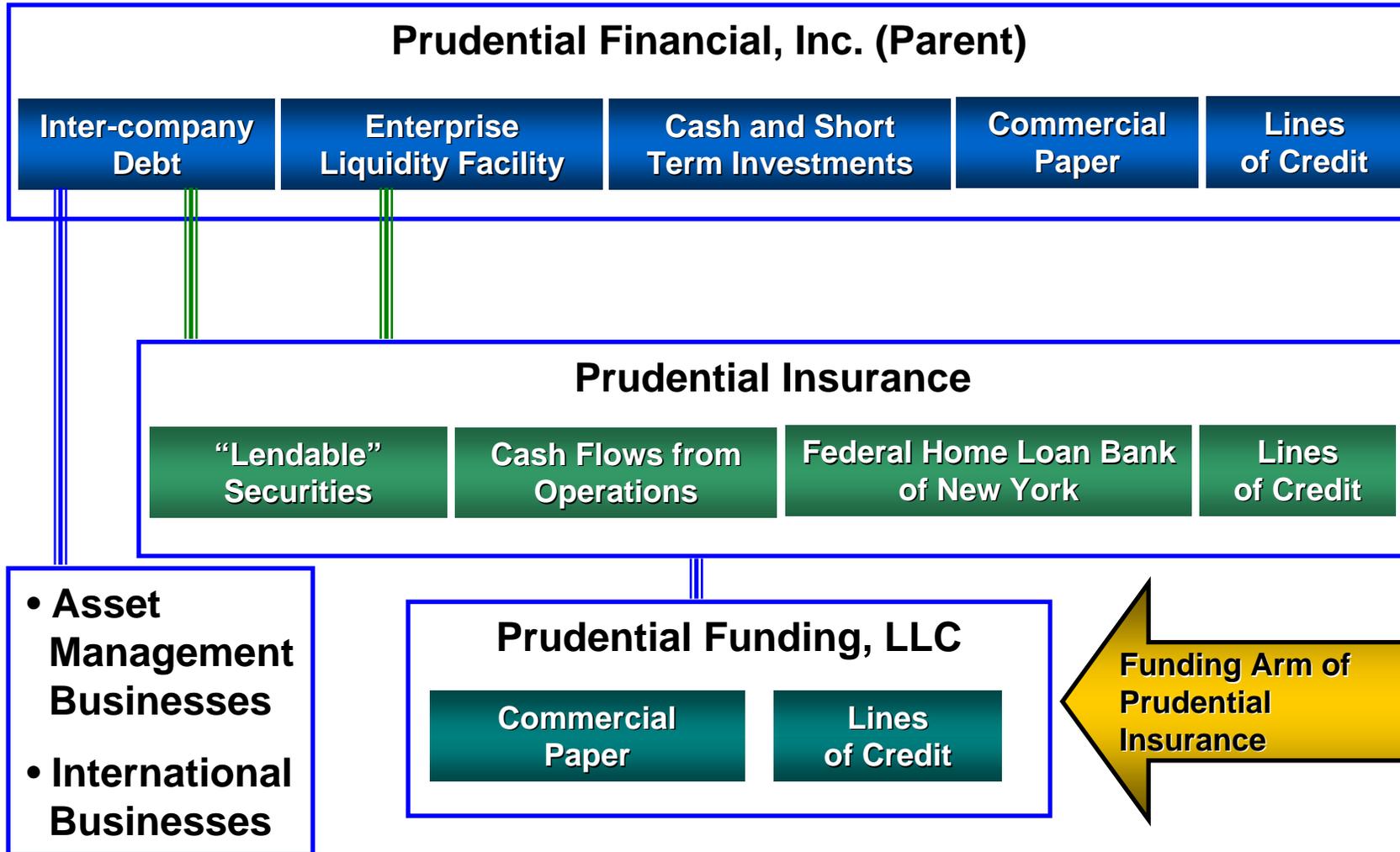
1) As reported by Prudential Insurance to Insurance regulators. “Required Capital” represents authorized control level risk-based capital multiplied by 2; in Billions.

Statutory Accounting: Responsible Approach Supports Quality of Recorded Capital

- Asset Valuation Reserve: \$2.1 billion⁽¹⁾
 - historically maintained at or near maximum levels
- Asset Adequacy Testing: reserves based on projected cash flows under adverse scenarios, not heroic assumptions
- Structured securities: GAAP market values applied in impairments, ahead of new standards

1) For Prudential Insurance, as of September 30, 2008

Robust Sources of Liquidity



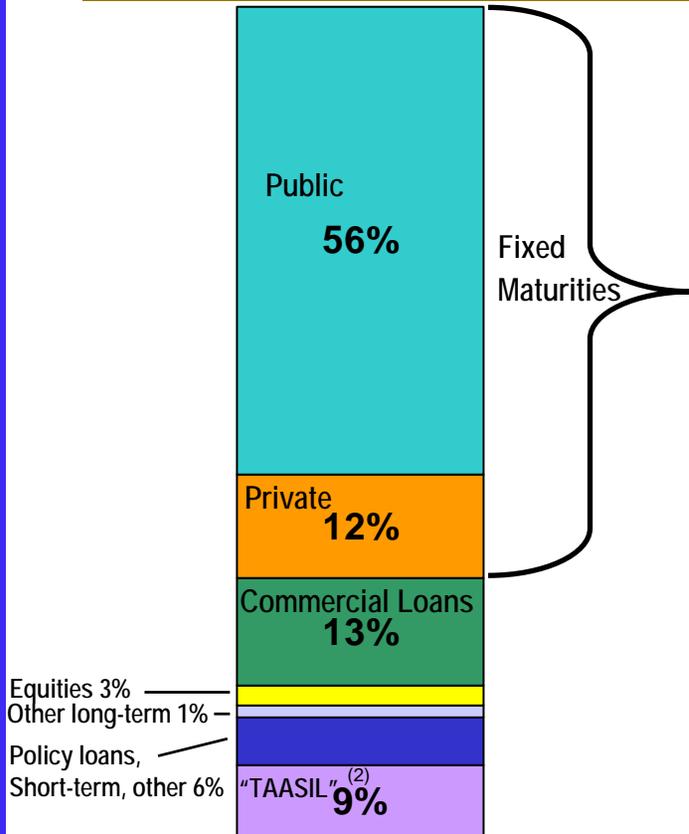
Asset Selection

Focus on Liability Characteristics

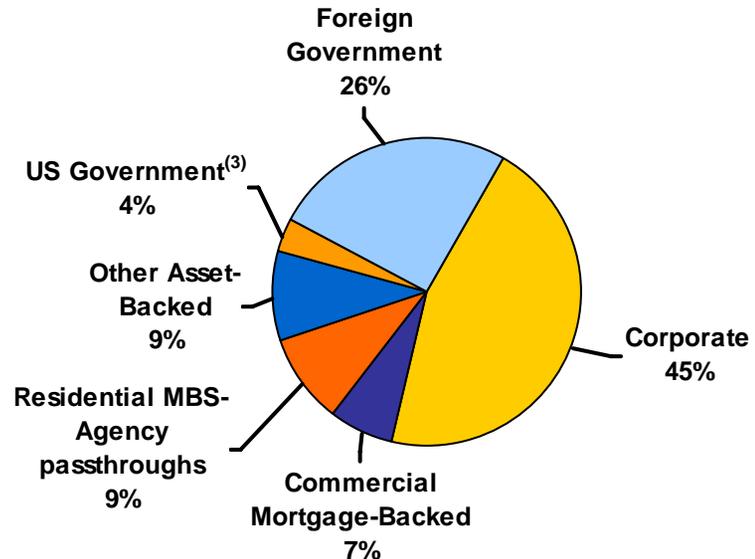
Products	Liability Characteristics	Representative Asset Types
Retirement – Full Service Stable Value	Predictable withdrawals, crediting rates experience-based	Private placement bonds, commercial mortgages
Japanese Life Planner Protection Products	Extremely long duration (30 years +); fixed rate guarantees	Long-term Japanese government bonds; equities support “tail”
Domestic Universal Life	Long duration, variable crediting rates; floor guarantees	Public fixed maturities

Broad Investment Expertise Supports Risk Diversification

FSB General Account \$169 billion⁽¹⁾



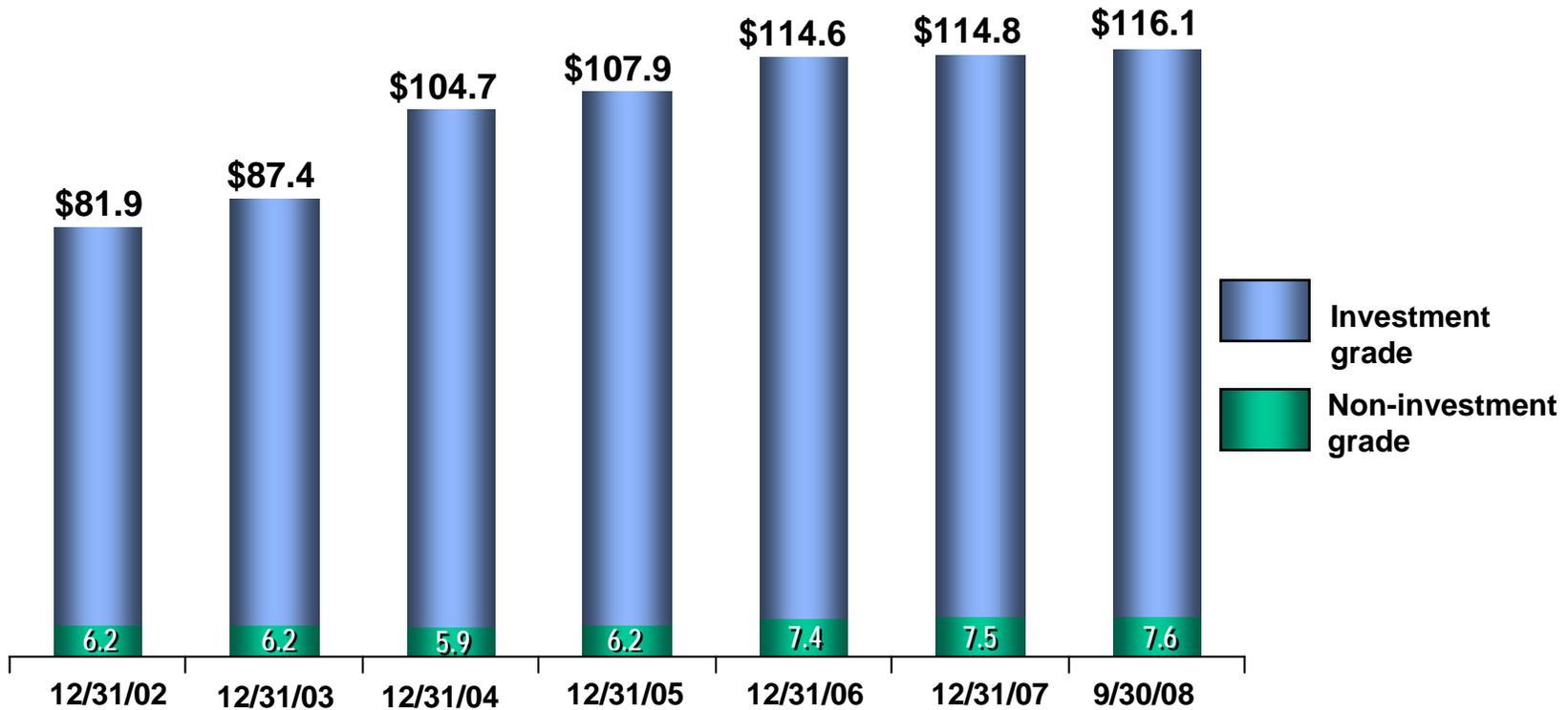
FSB Fixed Maturities \$116 billion⁽¹⁾



- 1) As of September 30, 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

Asset Selection Focus on Quality

FSB Fixed Maturity Portfolio⁽¹⁾

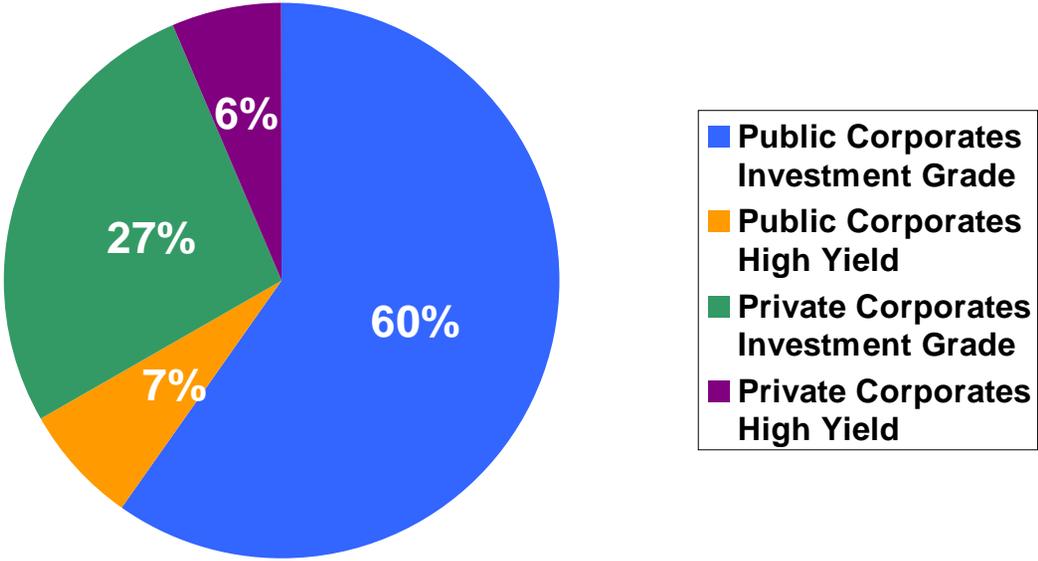


1) In billions; at fair value. Excludes invested assets of securities brokerage, securities trading, banking and asset management operations, and real estate and relocation services

Prudential's Credit Exposure

Corporate Credits

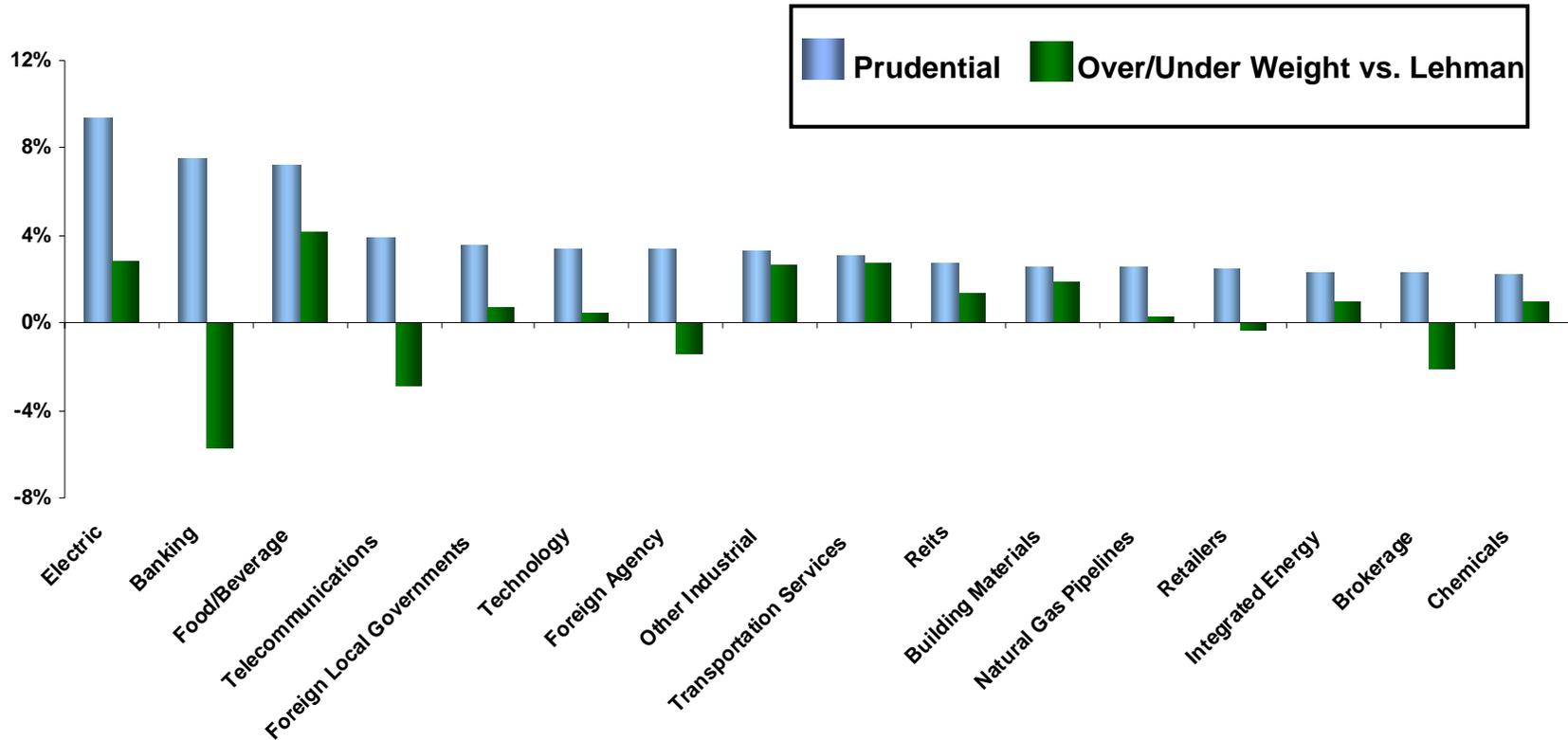
**Total FSB - General Account
\$55.4 billion⁽¹⁾**



1) Financial Services Businesses General Account; as of September 30, 2008; amortized cost



Prudential's Credit Exposure⁽¹⁾



Note: Universe derived from Lehman Corporate Credit and High Yield Indices in proportions consistent with our actual Investment Grade/Non Investment Grade mix.

1) For the Financial Services Businesses General Account as of September 30, 2008 based on market value



Private Fixed Income

\$21.7 Billion ⁽¹⁾

Private Placement Debt Market

- Higher credit spreads or coupons relative to like-quality public securities
- Attractive long-term capital source for middle market companies
- Terms and covenants offer investors protection from “event risks”
- Often well-suited to fund insurance liability cash flows

Prudential Positioning

- Over 60 years experience
- “Reliable partner”: proprietary direct origination network built on relationships
- Not a “price taker” – direct access to issuers allows negotiation of terms and covenants
- Relatively favorable credit experience
- Prudential general account is preferred customer

1) Financial Services Businesses General Account; as of September 30, 2008; amortized cost



Sub-Prime Asset-Backed Securities⁽¹⁾

Amortized Cost at Lowest Rating Agency Rating						
AAA	AA	A	BBB	BB & below	TOTAL	Fair Value
\$1,900	\$2,086	\$887	\$590	\$409	\$5,872	\$4,696
68%						
Enhanced Short-Term Portfolio ⁽²⁾					41%	
Credit Subordination:						
20% or more					91%	
30% or more					50%	

1) For the Financial Services Businesses General Account; in millions; as of September 30, 2008

2) Remaining average expected life of two years or less when acquired

Commercial Mortgage-Backed Securities⁽¹⁾

Amortized Cost at Lowest Rating Agency Rating						
AAA	AA	A	BBB	BB & below	TOTAL	Fair Value
\$7,921	\$107	\$56	\$183	\$153	\$8,420	\$7,844
94%	Credit Subordination:					
				20% or more	91%	
				30% or more	75%	
	Weighted Average:					
				Loan-to-Value Ratio	69%	
				Debt Service Coverage Ratio	1.55x	

1) For the Financial Services Businesses General Account; in millions; as of September 30, 2008

Commercial Mortgages^{(1) (2)}

Carrying Value	\$22 billion
Weighted Average	
• Loan-to-Value Ratio	57%
• Debt Service Coverage Ratio	1.91x
Percentage Delinquent or in foreclosure	0.3%

1) For the Financial Services Businesses General Account; in millions; as of September 30, 2008

2) Includes \$1.2 billion uncollateralized loans, primarily corporate loans not meeting definition of “security” under GAAP.

Financial Strength and Flexibility

- Insurance entities managed to “AA” standards; supported by internal capital resources
- Broad investment expertise and asset-liability management skills drive portfolio selection
- Asset selection reflects liability characteristics; focus on cash flows, not fluctuating market values
- Concentration limits mitigate risk



Prudential

Prudential Financial, Inc.

Rich Carbone
Chief Financial Officer



Prudential

Prudential's View on Capital

- Required Equity
 - The amount of equity capital necessary to support business risk at an A rating at PFI and AA rating at Prudential's insurance subsidiaries (e.g. Prudential Insurance).
 - Equity attribution methodology that is unbiased, based on risk, regulatory capital requirements, and common sense.
- Capital Capacity
 - Net Balance Sheet Excess Capital
- Off Balance Sheet Capacity
 - Wachovia Joint Venture
 - Hybrids
 - Surplus Notes

2008 Capital Capacity⁽¹⁾

(\$ in millions)	12/31/2007	12/31/2008 Projected
Capital Capacity	Actual	S&P 900
Required Equity	\$ 24,400	\$ 28,000
Attributed Equity ⁽²⁾	22,009	20,700
Capital Debt Outstanding	4,781	6,250
Hybrids Outstanding	-	1,500
Total Capital Outstanding	26,790	28,450
Net on Balance Sheet Excess Capital (A)	2,390	450
Unused Debt Capacity	459	-
Unused Hybrid Capacity	4,192	1,100
Total Unused Leverage Capacity (B)	4,651	1,100
Capital Capacity (A) + (B)	\$ 7,041	\$ 1,550
Prudential Insurance RBC ⁽³⁾	551%	450%
Debt to Capital Ratio	18%	23%
Unrecognized Wachovia Gain (after-tax)		\$ 1,700

1) For the Financial Services Businesses

2) Excludes accumulated other comprehensive income related to unrealized gains and losses on investments and pension/postretirement benefits.

3) The inclusion of RBC measures is intended solely for the information of investors and is not intended for the purpose of ranking any insurance company or for use in connection with any marketing, advertising or promotional activities.



2008 Capital Capacity⁽¹⁾

(\$ in millions)	12/31/2007	12/31/2008 Projected		
Capital Capacity	Actual	S&P 900	S&P 800	S&P 700
Required Equity	\$ 24,400	\$ 28,000	\$ 28,800	\$ 29,600
Attributed Equity ⁽²⁾	22,009	20,700	20,400	20,000
Capital Debt Outstanding	4,781	6,250	6,450	6,700
Hybrids Outstanding	-	1,500	1,500	1,500
Total Capital Outstanding	26,790	28,450	28,350	28,200
Net on Balance Sheet Excess Capital (A)	2,390	450	(450)	(1,400)
Unused Debt Capacity	459	-	-	-
Unused Hybrid Capacity	<u>4,192</u>	<u>1,100</u>	<u>800</u>	<u>350</u>
Total Unused Leverage Capacity (B)	4,651	1,100	800	350
Capital Capacity (A) + (B)	\$ 7,041	\$ 1,550	\$ 350	\$ (1,050)
Prudential Insurance RBC ⁽³⁾	551%	450%	420%	370%
Debt to Capital Ratio	18%	23%	24%	25%
Unrecognized Wachovia Gain (after-tax)		\$ 1,700	\$ 1,700	\$ 1,700

1) For the Financial Services Businesses

2) Excludes accumulated other comprehensive income related to unrealized gains and losses on investments and pension/postretirement benefits.

3) The inclusion of RBC measures is intended solely for the information of investors and is not intended for the purpose of ranking any insurance company or for use in connection with any marketing, advertising or promotional activities.



PFI Projected Sources & Uses of Cash (S&P 700)

On Balance Sheet Sources of Cash	4Q08	1Q09	2Q09
Cash on hand	\$ 2,389	\$ 2,535	\$ 2,598
Cash inflows	3,466	1,244	967
Total On Balance Sheet Sources of Cash	\$ 5,855	\$ 3,779	\$ 3,565
Uses of Cash			
Maturing Debt	\$ (1,883)	\$ (900)	\$ (3,025)
Shareholder Dividends	(240)	-	-
Other Cash Outflows	(1,197)	(281)	(239)
Total Uses of Cash	\$ (3,320)	\$ (1,181)	\$ (3,264)
Net Balance, excluding CP / other financing	\$ 2,535	\$ 2,598	\$ 301
Additional Sources of Liquidity			
Affiliate Borrowing Capacity	\$ 800	\$ 800	\$ 250
Federal Commercial Paper Funding Facility	1,300	1,300	-
Wachovia JV Put – Early Exit or Potential Financing	TBD	TBD	TBD
Debt Markets	N/A	TBD	TBD
Credit Lines	4,440	→	

Note: \$ in millions



Sources of Prudential Insurance Liquidity⁽¹⁾

- Unused Securities Lending Capacity \$10.0 billion⁽²⁾
- Federal Home Loan Bank of NY Total Capacity \$ 6.7 billion
- Federal Commercial Paper Funding Facility \$ 9.8 billion
- Credit Lines (shared with holding company) \$ 4.4 billion⁽³⁾

1) As of September 30, 2008; includes Prudential Funding

2) For the Financial Services Businesses

3) Excludes \$0.5 billion, maturing in December 2008





Prudential

U.S. Businesses
Growing and Protecting Wealth
in the Domestic Market

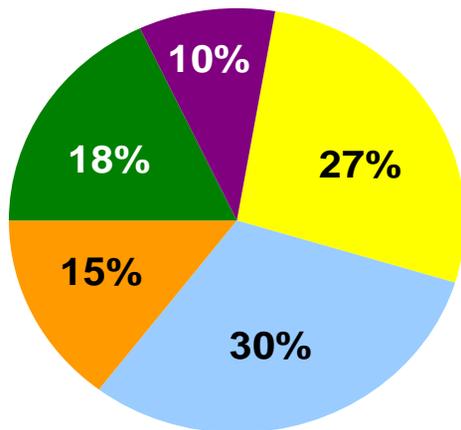
Bernard Winograd
Chief Operating Officer
United States Businesses



Prudential

Attributed Equity of U.S. Businesses⁽¹⁾

**Attributed Equity
\$12.2 billion**



Growing Wealth

Individual Annuities \$3.3 billion

Retirement \$3.7 billion

Asset Management \$1.8 billion

Protecting Wealth

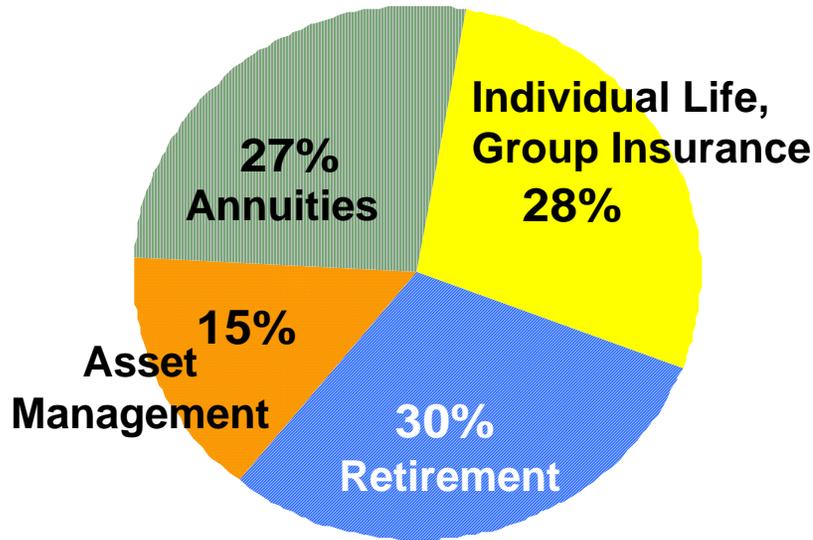
Individual Life \$2.2 billion

Group Insurance \$1.2 billion

1) As of September 30, 2008; Insurance and Investment Divisions of Financial Services Businesses; excludes Financial Advisory segment.

Balanced Mix of Business Risks

**Attributed Equity
\$12.2 billion⁽¹⁾**



Primary Business Risks

-  Fixed income and equity markets
-  Commercial real estate, debt, equity markets
-  Equity markets, interest rates, longevity
-  Mortality, morbidity

1) As of September 30, 2008; Insurance and Investment Divisions of Financial Services Businesses; excludes Financial Advisory segment.

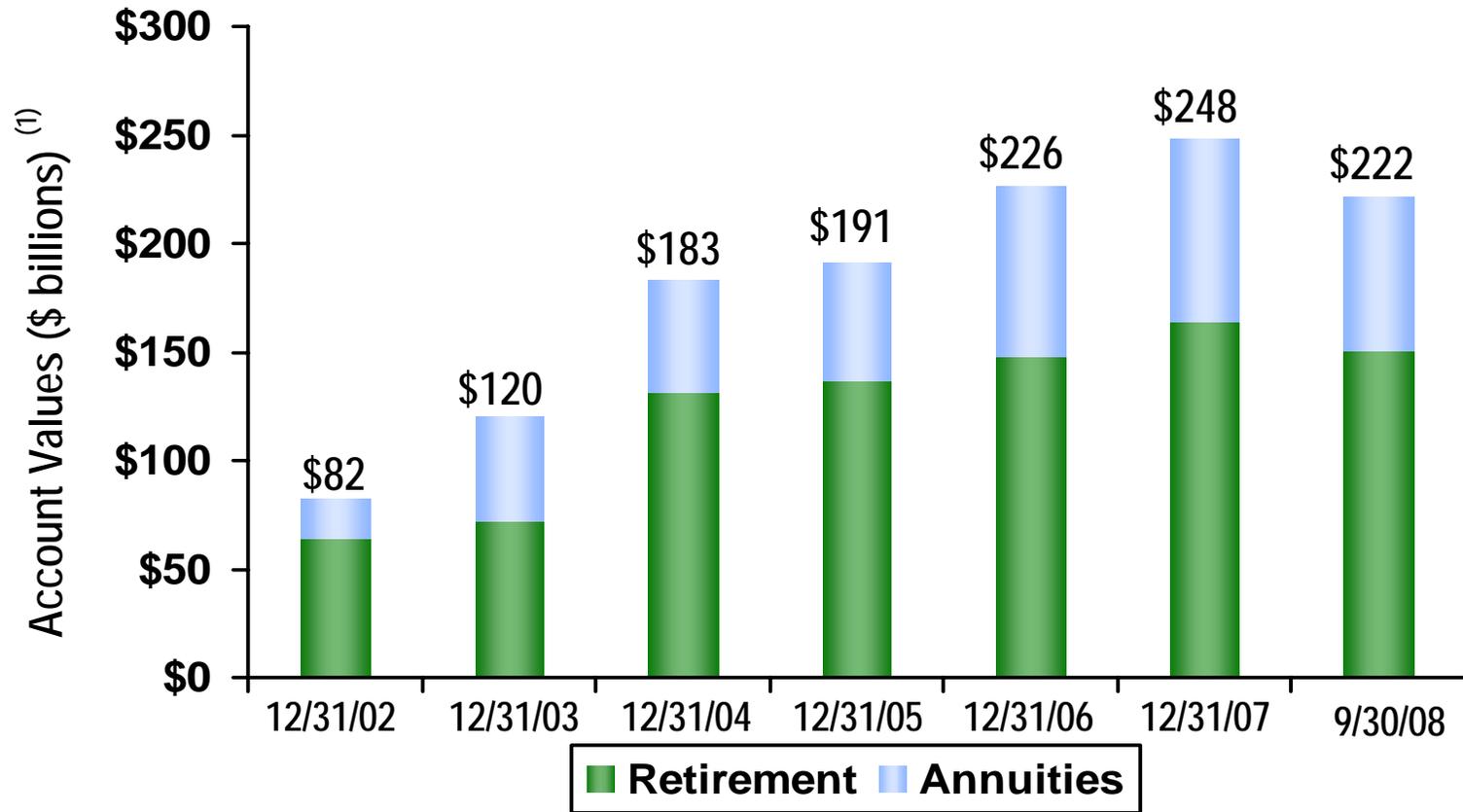
Retirement and Annuities

Competitive Advantages

- Unique positioning:
 - Market leading annuity provider
 - Full Service retirement provider
 - DB asset manager
- Awarded “Best Living Benefits” by Boomer Market Advisor Magazine for fourth consecutive year
- 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



A Leading Provider in the U.S. Retirement and Savings Market

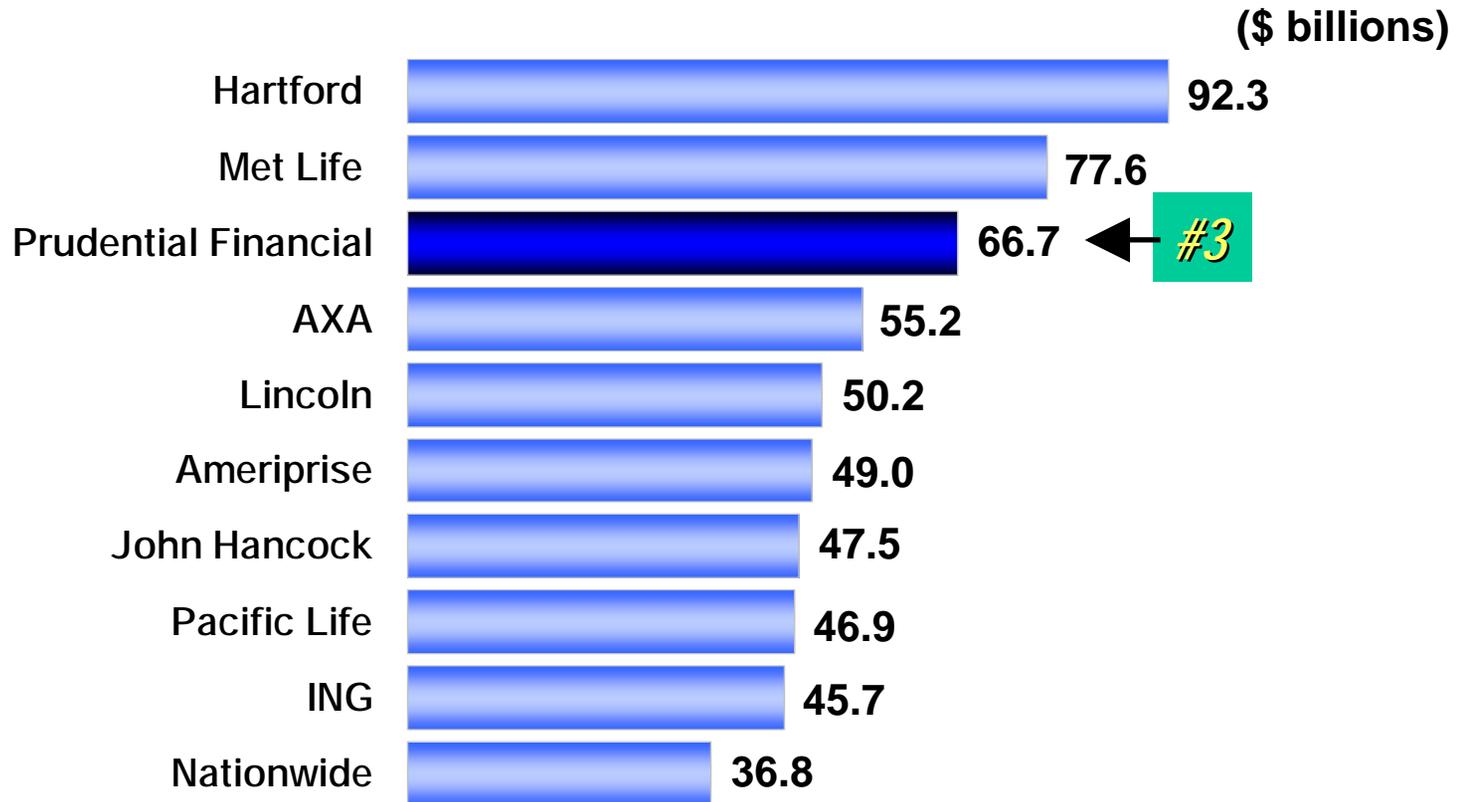


1) Includes acquired businesses from dates of acquisitions

Prudential Annuities

Top 10 Variable Annuity Company

Prudential Annuities is ranked #3 in advisor-sold VA account values⁽¹⁾



1) Source: VARDS 3Q08 and Company data; Advisor-sold market excludes group contracts and contracts that are primarily sold in employer-sponsored markets



Variable Annuity Market Trends

- Current market conditions: lower sales, account values, and earnings across the industry
- Heightened customer interest in downside protection and retirement income security
- Risk management strategies tested in current market environment
- Increased costs for hedging instruments
- Higher DAC amortization and GMDB reserves

Managing Through Challenging Financial Markets

Impact of Financial Market Conditions	Prudential Positioning
<p>Heightened customer interest in downside protection and retirement income security</p>	<ul style="list-style-type: none"> • Opportunity to demonstrate value of unique “Highest Daily” Guarantees; Take Rate 61%⁽¹⁾
<p>Equity market declines lowering variable annuity account values</p>	<ul style="list-style-type: none"> • Attractive product features drive strong persistency; positive net sales \$2.4 billion for 12 months ended 3Q08 • Asset allocation requirements and auto-rebalancing limit equity market exposure on popular current products
<p>Increased cost of hedging instruments</p>	<ul style="list-style-type: none"> • 47% of account values with living benefits essentially “self hedging” for equity market risk⁽²⁾ • Long-dated hedging instruments limit exposure to hedge cost volatility

1) Based on initial premiums; for the nine months ended September 30, 2008

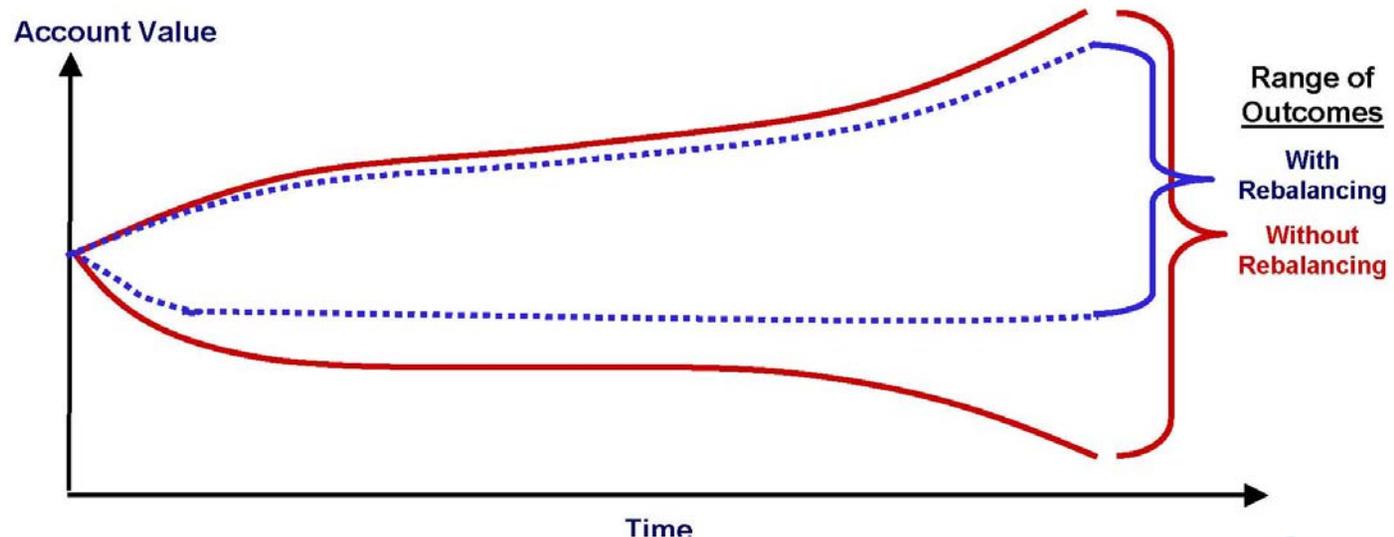
2) As of September 30, 2008



Prudential Annuities

Active Management of Product Risks

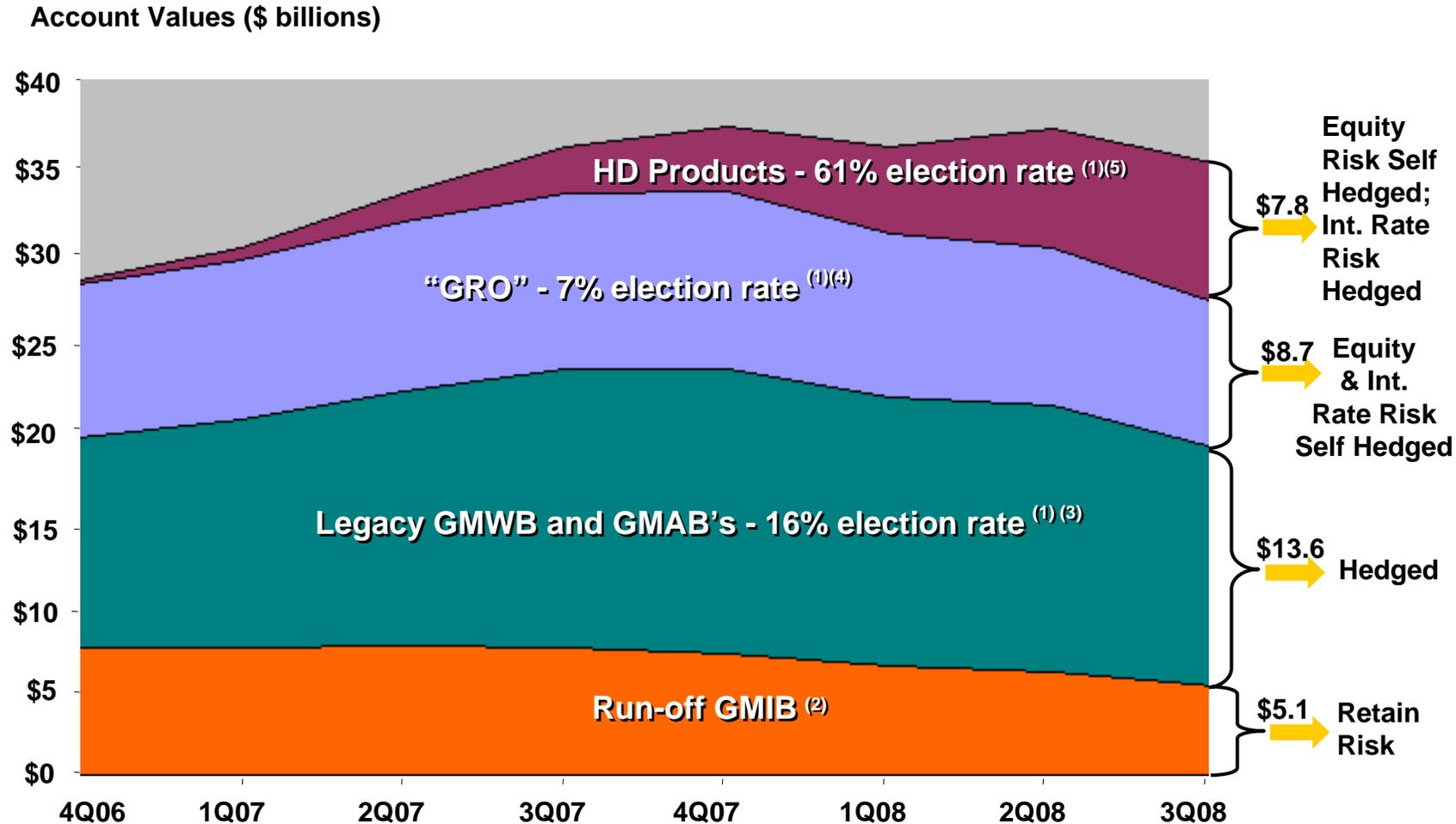
- Current Living Benefit (HD) product design minimizes Prudential's risk while meeting customers' needs
 - Highest Daily +7% annual return
 - Automatic rebalancing narrows the range of possible investment outcomes
 - As of September 30, 2008, 52% of variable annuity account values had living benefits and 47% of living benefits had the automatic rebalancing feature



Highest Daily Lifetime Seven

- Introduced January 2008
- Withdrawal benefit: 5% - 8% of Protected Value for Life (based on age at first withdrawal)
- Initial Protected Value:
 - Greatest 7% 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:
“Self-Hedging” feature automatically rebalances customer funds to investment grade bond fund
- Cost: 60 basis points x protected withdrawal value (individual);
75 basis points x protected withdrawal value (spousal)

Living Benefit Product Profile



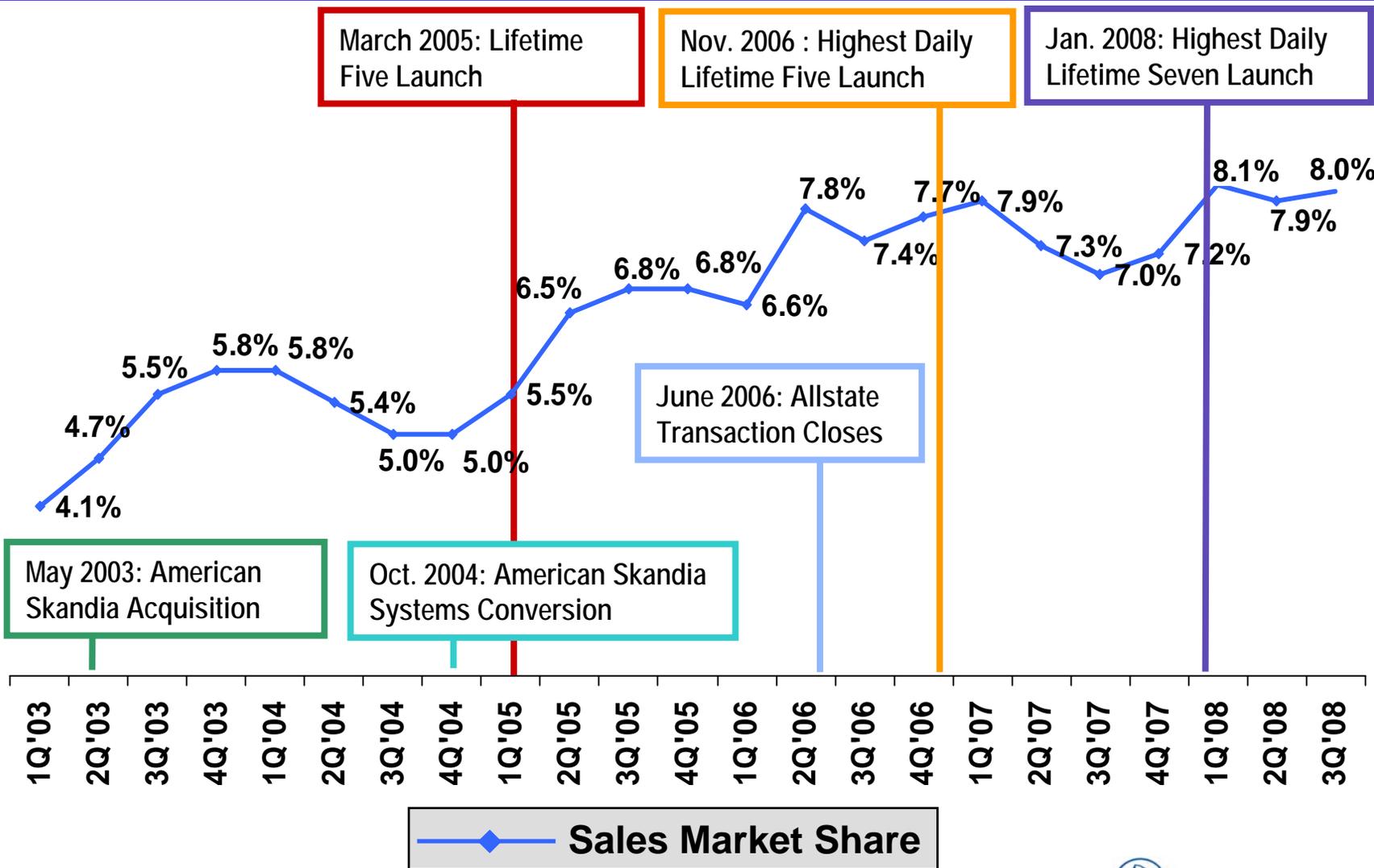
- 1) For the nine months ended September 30, 2008
- 2) Includes Prudential and Allstate business; no significant recent sales
- 3) Includes LT5, SLT5, GMWB, and Allstate GMAB
- 4) Includes "GRO" products other than HD GRO
- 5) Includes HD5, HD7, SHD7, and HD GRO



Impact of Variable Annuity Risk Management on Statutory Capital and Reserves

	Measure	Impact of Automatic Rebalancing
Account values subject to requirements at September 30, 2008		\$16.5 billion (47%) of \$35 billion total account values with living benefit features
Statutory Reserve Requirements	<p>"CARVM" reserve credit based on highest potential cash flows to policyholder</p> <p>GMDB reserve based on "shock" of account values for specified asset value declines, followed by recovery at specified rate</p>	<p>More favorable reserve credit at given level of equity market decline due to operation of rebalancing</p> <p>Account values less sensitive to equity market declines as rebalancing occurs; virtually all in fixed income at 35% - 40% equity market decline</p>
Statutory Capital Requirements	C3 Phase II: Capital based on tail risk derived from stochastic modeling	Lower tail risk since modeling accounts for rebalancing under adverse scenarios

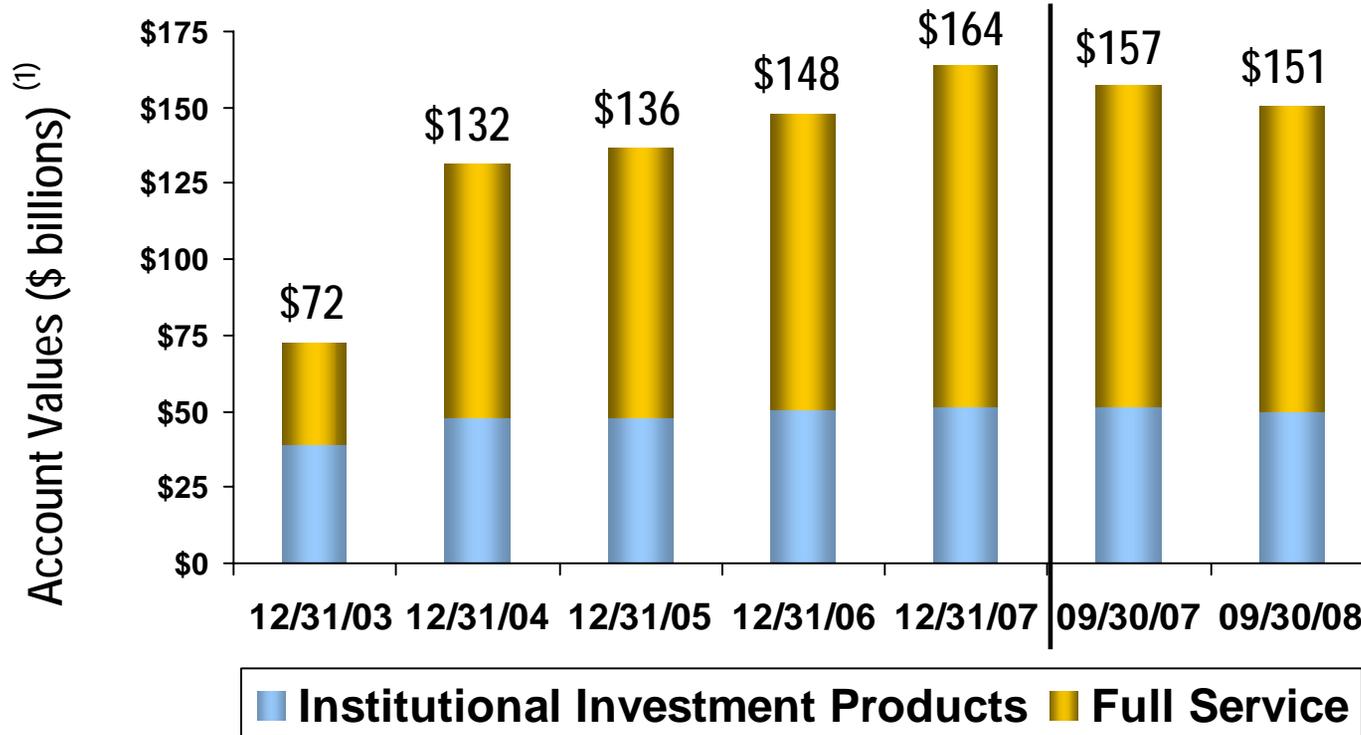
Innovative Features Drive Market Share Growth



Source: VARDS. Excludes Group/Retirement Plan Contracts



Prudential Retirement Emphasis on Full Service Retirement



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

Full Service Retirement

(\$ millions)	<u>Year Ended December 31</u>			<u>Nine months ended September 30</u>	
	2005	2006	2007	2007	2008
Gross Deposits and Sales	\$ 13,006	\$ 16,156	\$ 14,692	\$ 10,434	\$12,392
Net Additions (withdrawals)	(912)	167	943	489	1,210
Account Values ⁽¹⁾	88,385	97,430	112,192	105,601	100,463

95% Persistency⁽²⁾

1) As of end of period

2) For the nine months ended September 30, 2008

Emphasis on Mid/Large Case and Tax Exempt Markets

	Corporate Markets	Tax Exempt Market
Primary Products	<ul style="list-style-type: none"> - DC plans - DB plans - Total Retirement Services - Non-qualified plans - Investment only products 	
Distribution Channels	<ul style="list-style-type: none"> - Fee based consultants - Commission based advisors - Third party administrators - Direct 	Specialized consultants
Account Values^{(1) (2)}	\$ 64,100	\$ 33,000
Participants⁽²⁾	1,839,000	1,000,000

Emphasis on mid/large case market



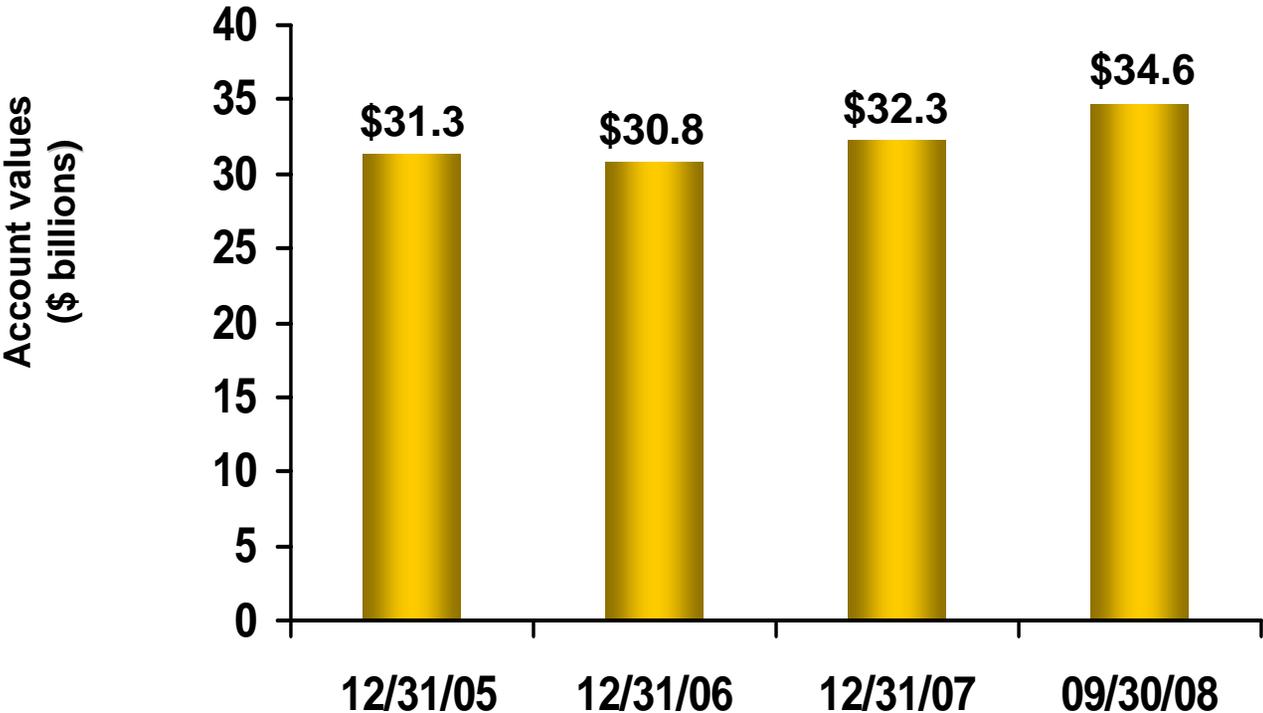
1) In millions

2) As of September 30, 2008; excludes \$3.3 billion retail account values for approximately 64,500 participants



Full Service Stable Value

- Plan sponsor terminations generally require 3-6 months notice for market value, or 3-6 years for book value cash-out



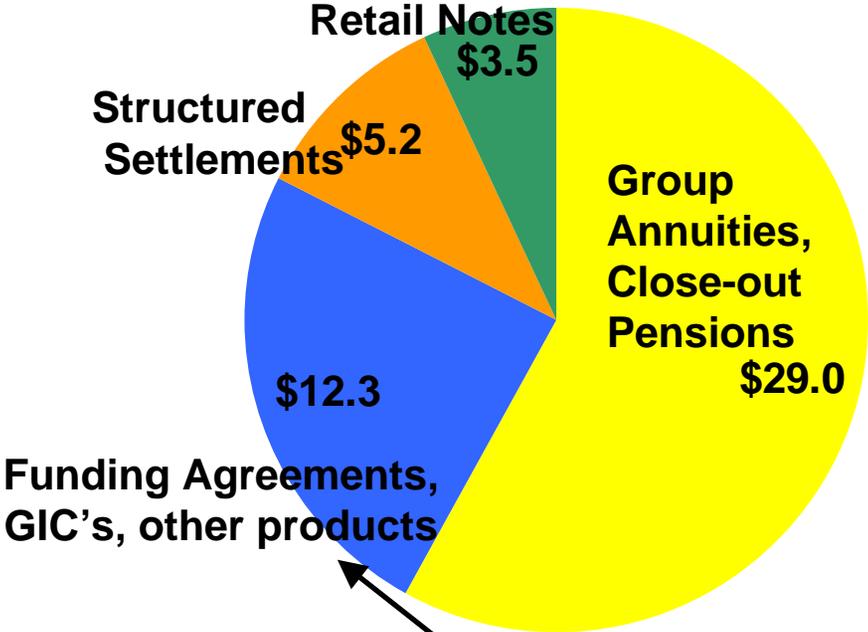
Full Service Stable Value Products

Attractive Value Proposition in Volatile Financial Markets

- Principal guarantee feature attractive to security-minded pre-retirees
- Low risk profile – substantially all balances experience-rated, with clients sharing investment risk
- Rate resets annually on most products
- Future crediting rates typically reflect prior experience
- Low interest rate floors; competitive conditions main factor in rate setting

Institutional Investment Products

Account values \$50 billion (1)



- Supported by cash-flow matched investments
- Unscheduled withdrawals generally not permitted

Virtually no exposure to “putable” GIC’s; \$240 million redeemable with one year notice

1) As of September 30, 2008



Prudential Investment Management Competitive Advantages

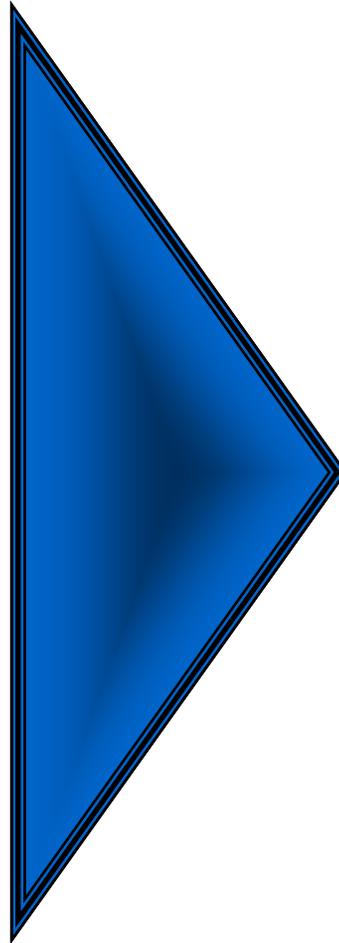
**Experience and
Track Record**

**Breadth and
Depth of
Capabilities**

**Access to Capital
and Co-investing**

**Brand and
Reputation**

Scale



Institutional Clients

- \$139 billion third party institutional AUM ⁽¹⁾
- 18% AUM CAGR (2002 – 2007)

Manager Continuity

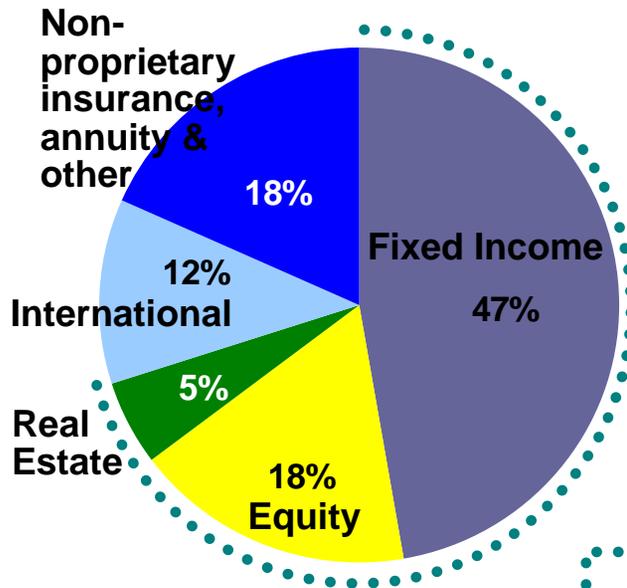
- 188 portfolio managers ⁽¹⁾
- Average tenure 14 years

1) As of September 30, 2008; AUM excludes affiliated institutional assets under management

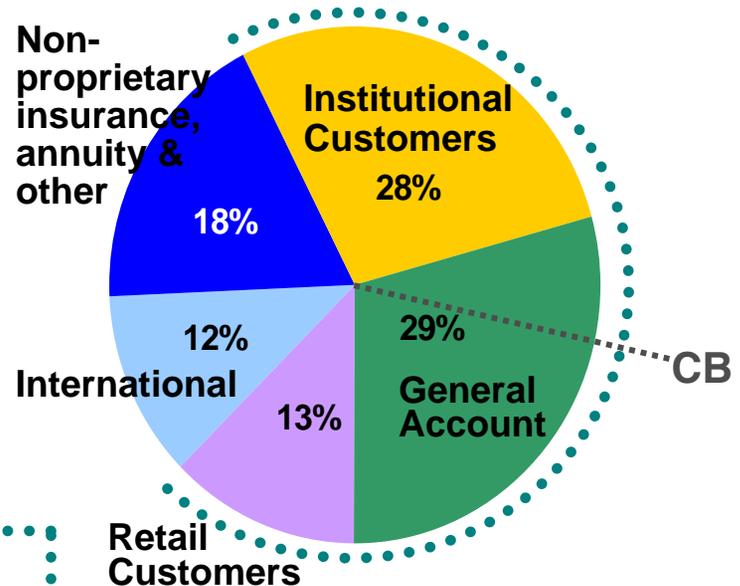
Prudential Financial's AUM Significant Scale and Breadth

Total AUM \$602 billion⁽¹⁾

AUM by Asset Type



AUM by Client Type



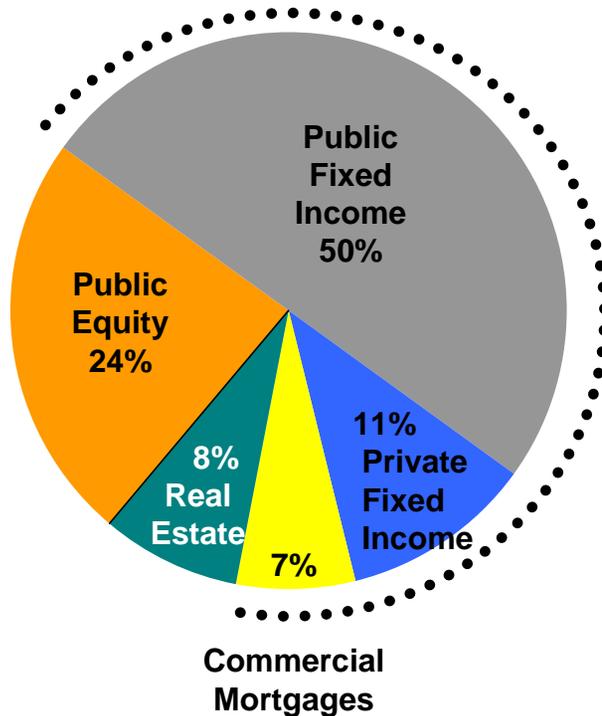
**Asset Management Business
\$422 billion**

1) As of September 30, 2008

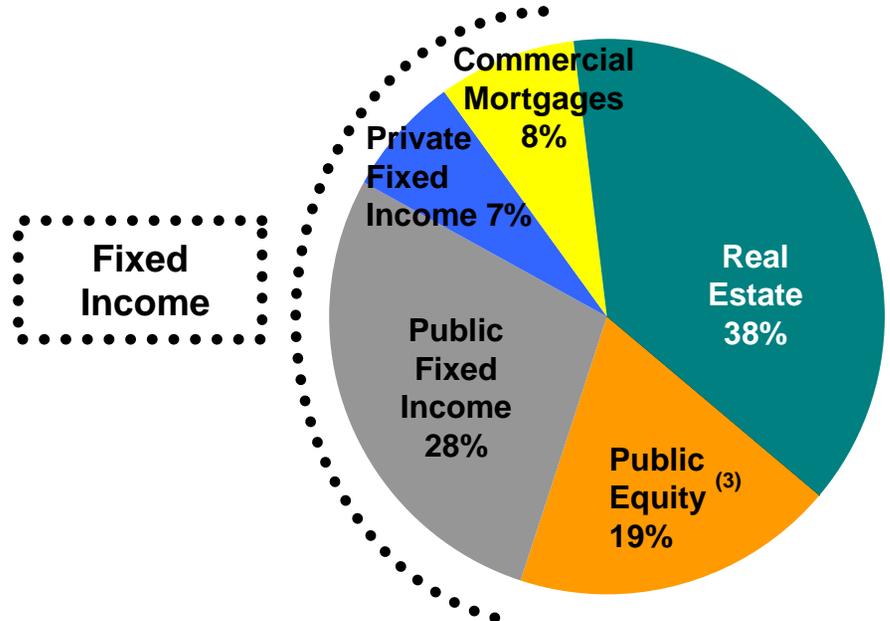


Broad Asset Class Capabilities

Assets Under Management
\$422 Billion⁽¹⁾



Asset Management Revenue
\$1.8 Billion⁽²⁾



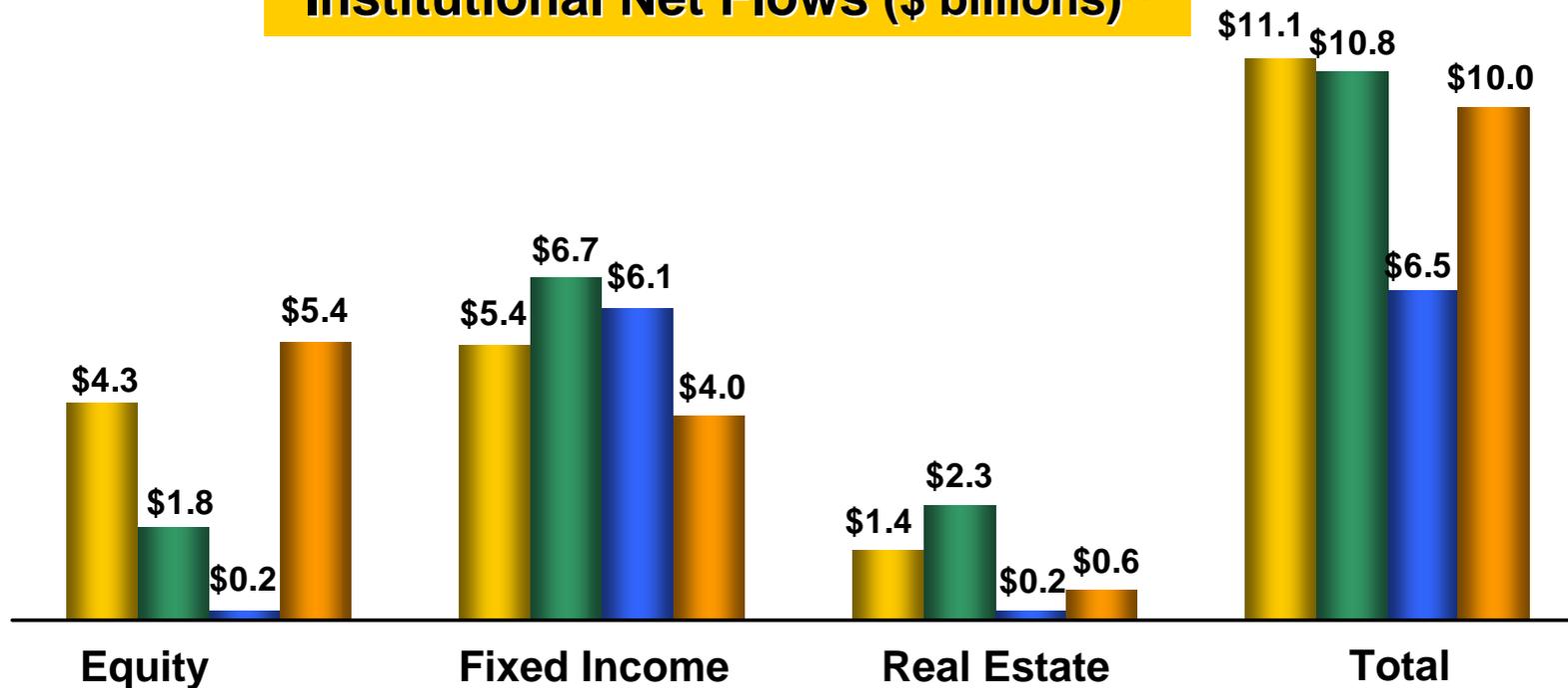
1) As of September 30, 2008

2) For the year ended December 31, 2007; excludes mutual fund distribution revenues

3) Includes revenue from management of public fixed income securities by Jennison Associates

Third Party Institutional Flows are the Best Indicator of Competitiveness

Institutional Net Flows (\$ billions)⁽¹⁾



Percent of Beginning of Period Assets⁽²⁾



2005
 2006
 2007
 YTD3Q2008

1) Excludes money market funds and the effects of certain nonrecurring transfer and disposition events. Includes assets transferred from the Retirement segment.

2) Third party institutional net flows as a percentage of total institutional assets under management.



Asset Management Financial Results

(\$ in millions, pre-tax)	2006	2007	Nine months ended September 30, 2008
Adjusted Operating Income Before Proprietary Investments:			
Revenues	\$ 1,836	\$ 2,115	\$ 1,444
Expenses	<u>1,398</u>	<u>1,541</u>	<u>1,081</u>
	438	574	363
Proprietary Investment Results	<u>112</u>	<u>127</u>	<u>(62)</u>
Adjusted Operating Income	\$ 550	\$ 701	\$ 301

Asset Management

Adjusted Operating Income by Business

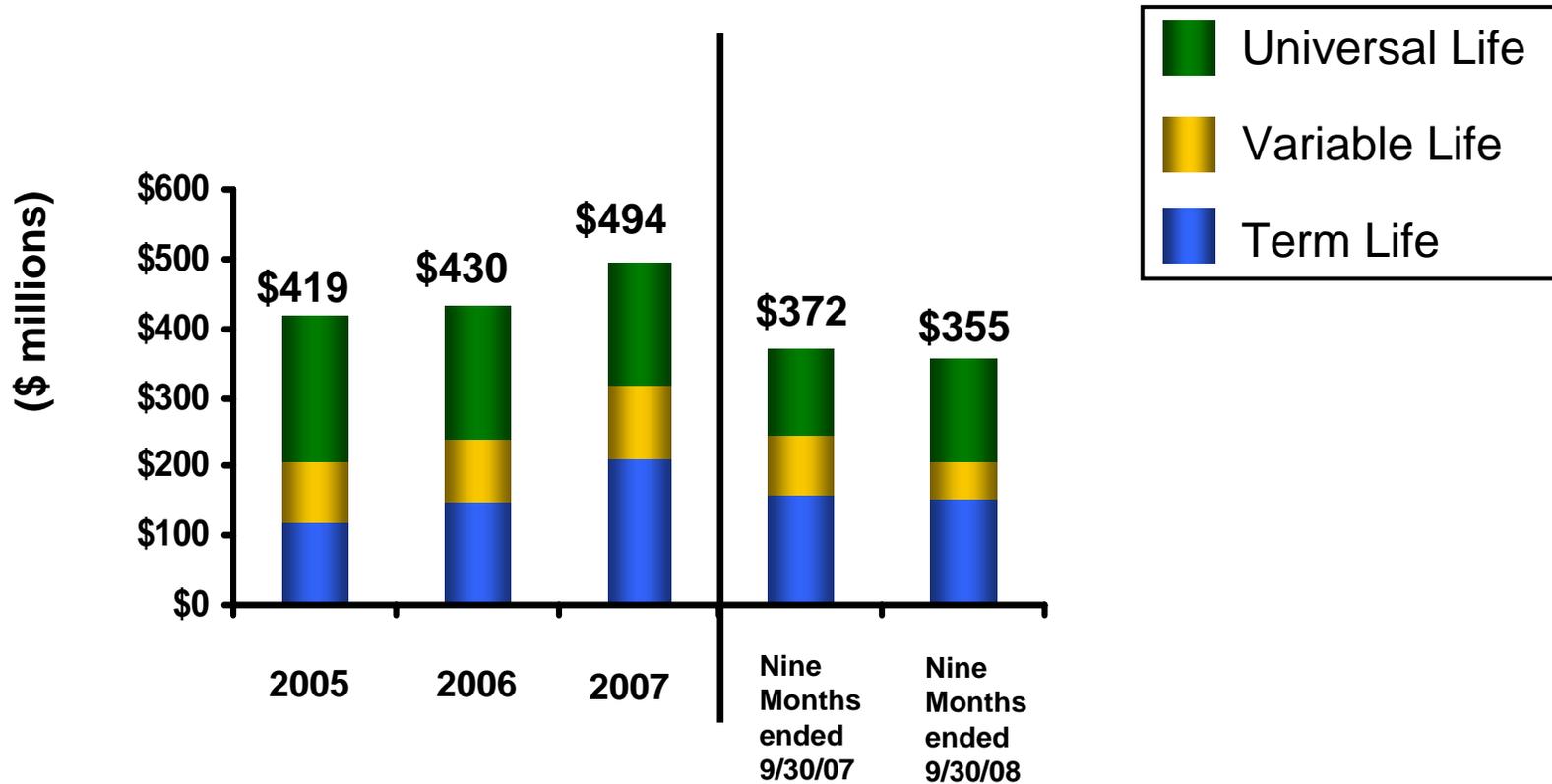
(\$ in millions, pre-tax)	2006	2007	Nine months ended September 30, 2008
Prudential Real Estate Investors	\$268	\$272	\$165
Equity	74	112	47
Public Fixed Income	101	177	21
Prudential Capital Group	38	35	29
Prudential Mortgage Capital Company	48	71	29
Prudential Investments	21	34	10
TOTAL	\$550	\$701	\$301

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 • Expanded 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, 2007

Individual Life Sales⁽¹⁾

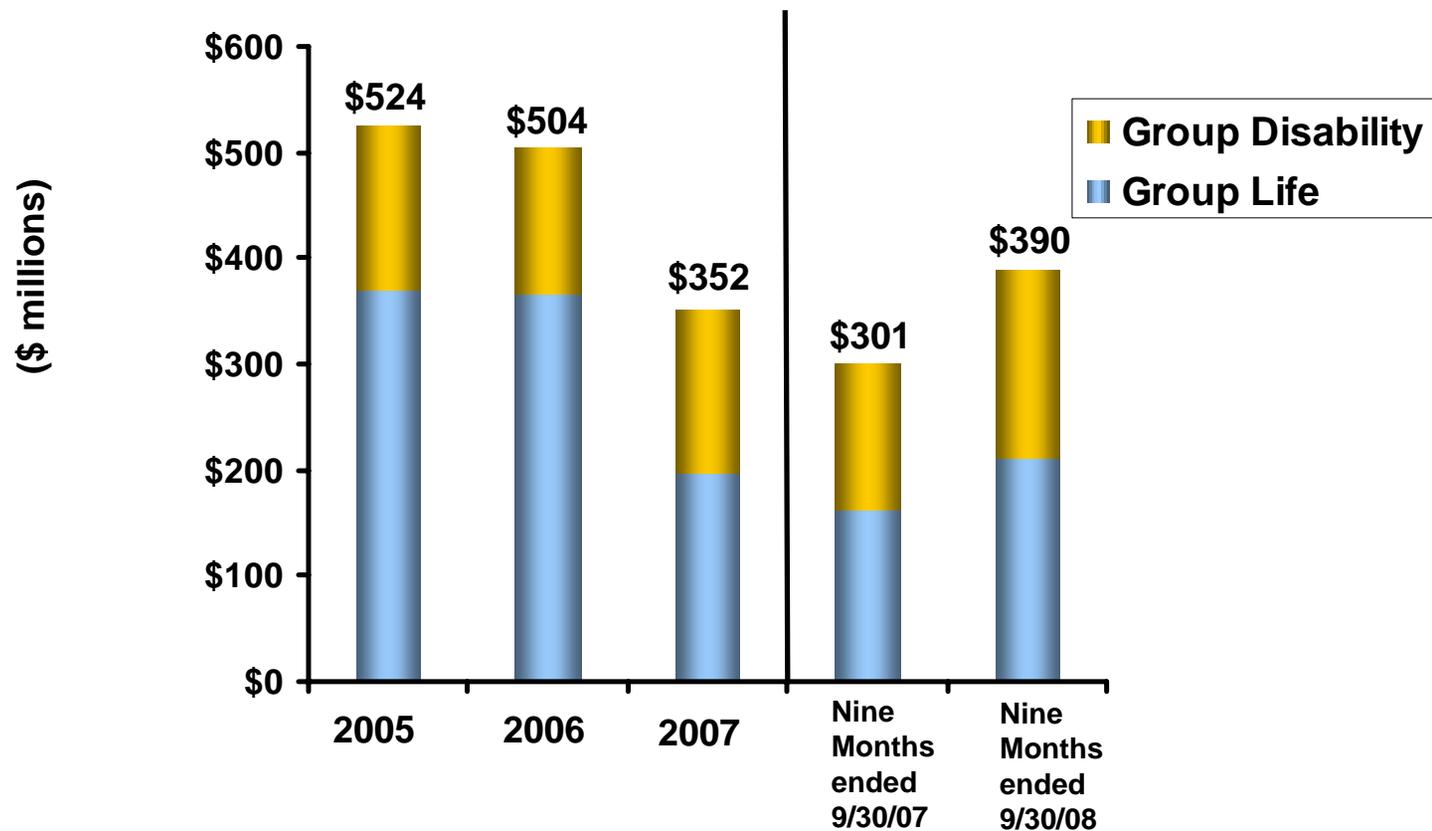


1) Scheduled premiums from new sales on an annualized basis and first year excess premiums and deposits on a cash-received basis, excluding COLI

Group Insurance

- Primarily Group Life business
- Controlled growth, with focus on margins
- High persistency of quality business
- Voluntary life opportunity

Group Insurance Sales⁽¹⁾



1) New annualized premiums; group disability amounts include long-term care products

U.S. Businesses Financial Performance

(\$ in millions)	Year Ended December 31,			Nine months ended Sept 30, 2008
	2005	2006	2007	
Adjusted operating income pre-tax:				
Individual Annuities	\$ 506	\$ 586	\$ 722	\$ (38)
Asset Management	427	550	701	301
Retirement	498	510	482	398
Individual Life	498	545	622	437
Group Insurance	224	229	286	271
U.S. Businesses Total	\$2,153	\$2,420	\$2,813	\$1,369

U.S. Businesses

- Balanced mix of business risks
- Leading provider in retirement and savings market
- Competitive advantages: product innovation, risk management, asset management, distribution
- Domestic protection businesses contribute to earnings and cash flows



Prudential

**International Businesses
Protecting Wealth and Providing
Retirement Security Over A Lifetime**

**Edward P. Baird
Chief Operating Officer
International Businesses**



Prudential

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
- Expanding retirement businesses
- Developing multi-channel capabilities
- Acquisitions potentially additive

Key Elements of Our International Strategy

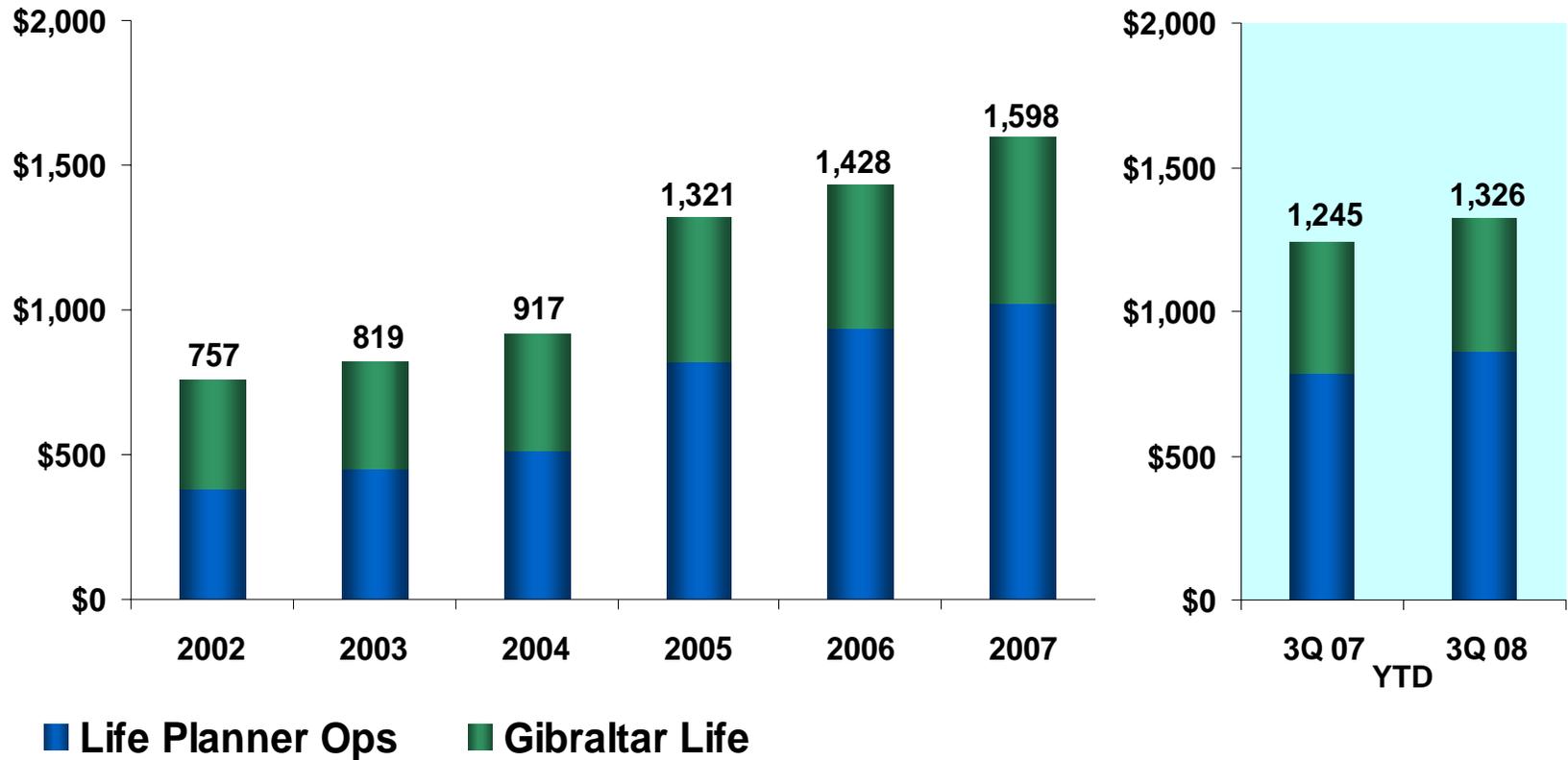
- Needs-based selling
- Continue building proprietary distribution: recruiting and selection
- Historical focus on life insurance
- Concentrate on a limited number of attractive countries
- Target the affluent and mass affluent consumer
- Increasing emphasis on meeting retirement needs
- Expanding asset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

International 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 Insurance Pre-Tax AOI

\$ millions



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

Competitive Advantage Life Planning Insurance

Life Planners

- Very selective recruiting
- Highly trained career professional

- Life Planner profile similar to customer profile
- Life Planner maintains contact with client, as trusted professional

Needs Based Selling

- Financial planning approach
- Emphasis on protection products

- Identify protection needs before discussing products
- Protection life insurance purchased as a solution to identified need

Compensation structure

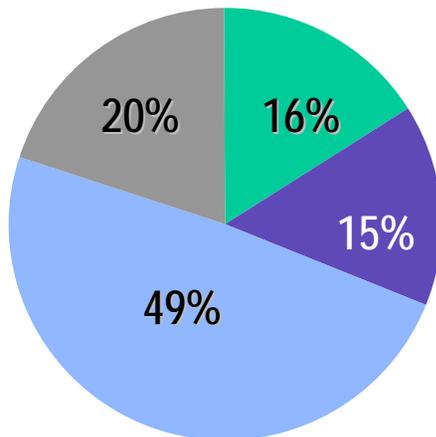
- Aligns customer/agent/company interest

- Variable compensation structure
- Rewards productivity and persistency

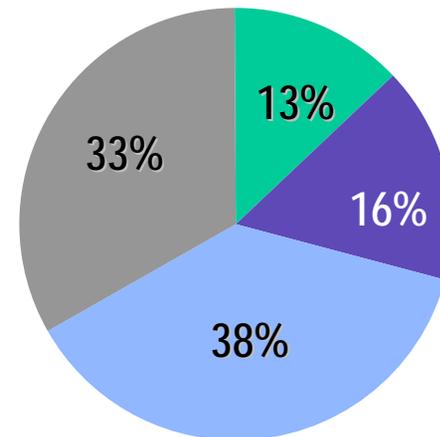
Life Planner Business Emphasis on Protection Products

Prudential of Japan

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



**New Business Annualized Premium Mix
9 months ended September 30, 2008⁽¹⁾**



Yen-based protection products⁽²⁾
 Other than Yen-based insurance products⁽³⁾

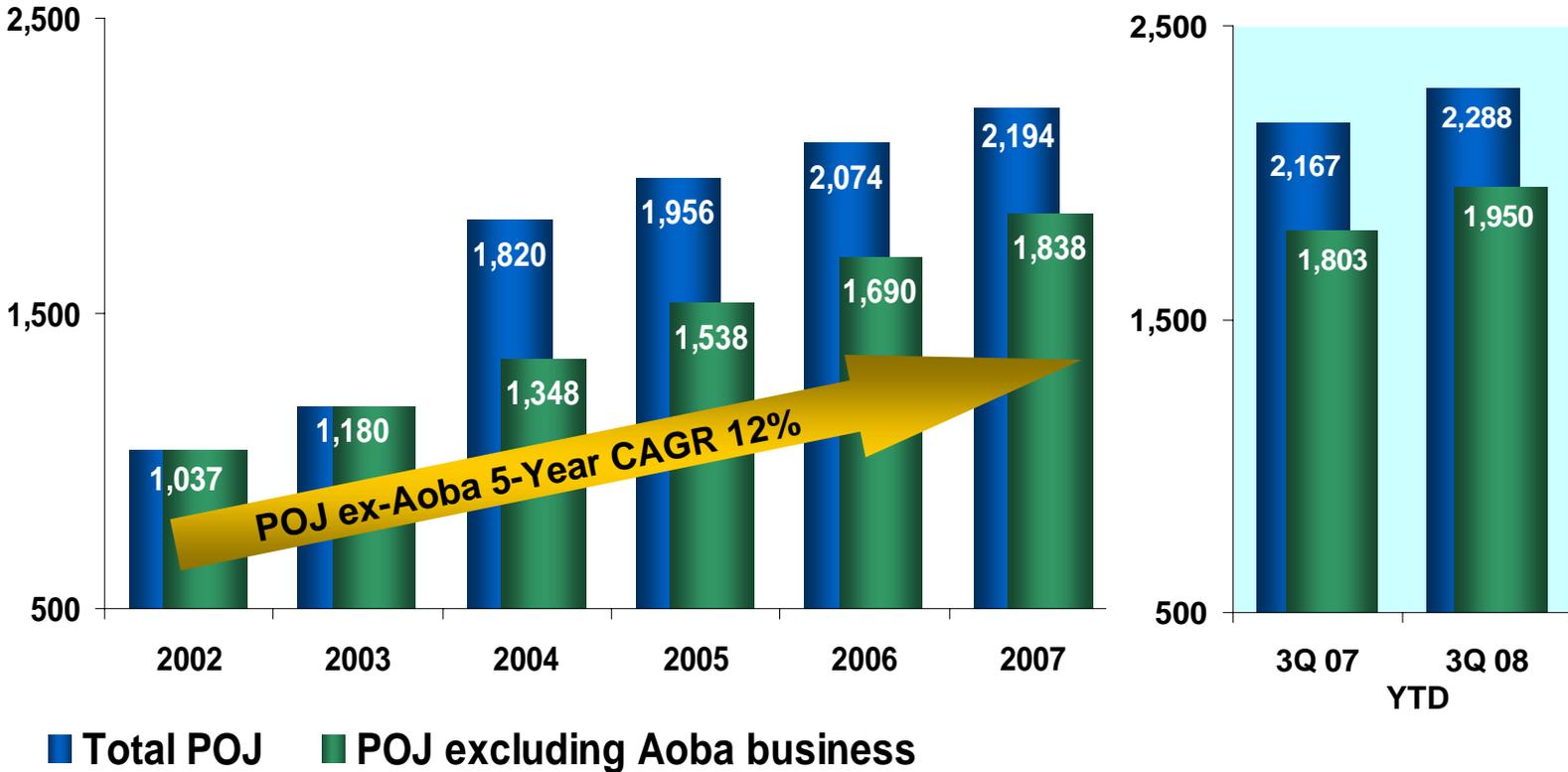
Third Sector⁽⁴⁾
 Yen-based savings and retirement income products⁽⁵⁾

- 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 endowment



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

In thousands



1) Individual Life and Annuities

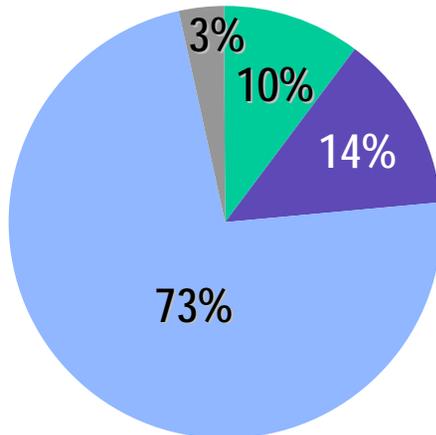


Gibraltar Life

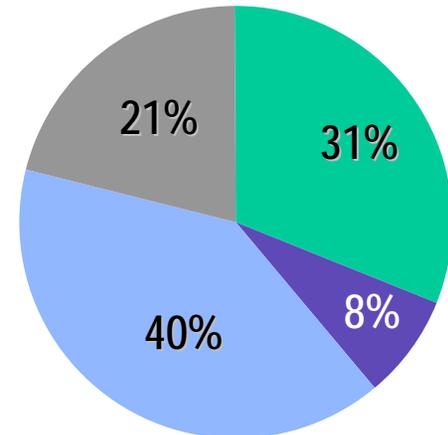
Emphasis on Protection Products

Gibraltar Life

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



New Business Annualized Premium Mix
9 months ended September 30, 2008⁽¹⁾



■ Yen-based protection products⁽²⁾

■ Other than Yen-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

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

Positioned for International Market Developments

Market Development	Prudential Positioning
Growing Demand for Retirement Accumulation Products	<ul style="list-style-type: none"><li data-bbox="915 354 1587 396">■ Lifetime client relationships<li data-bbox="915 425 1671 539">■ Well-established in Retirement Market through Associations<li data-bbox="915 568 1587 682">■ Innovative, successful U.S. dollar retirement products

Japan's Demographic Change

Current Population:

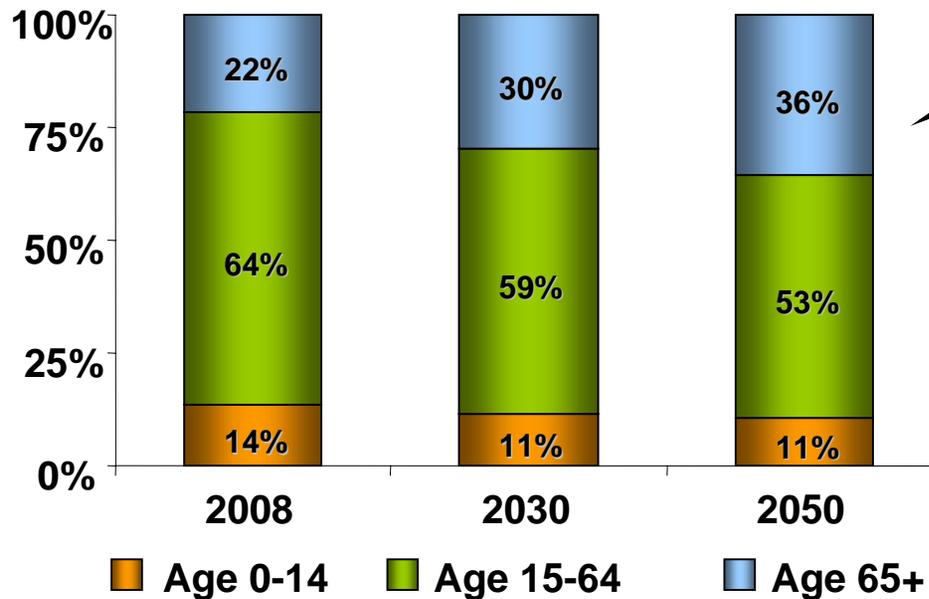
127 Million People

% 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

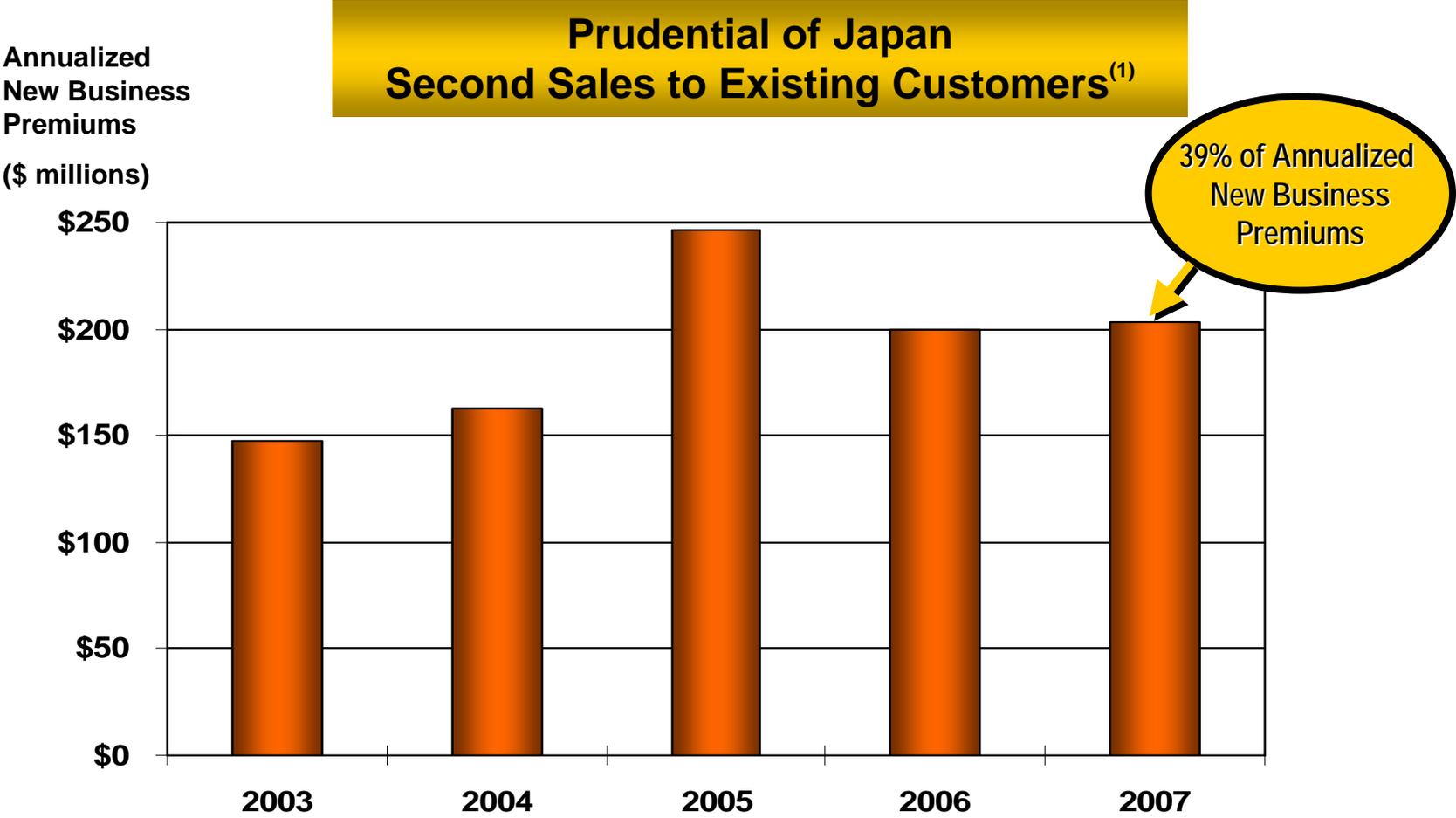
Needs-Based Selling Over a Lifetime

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



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



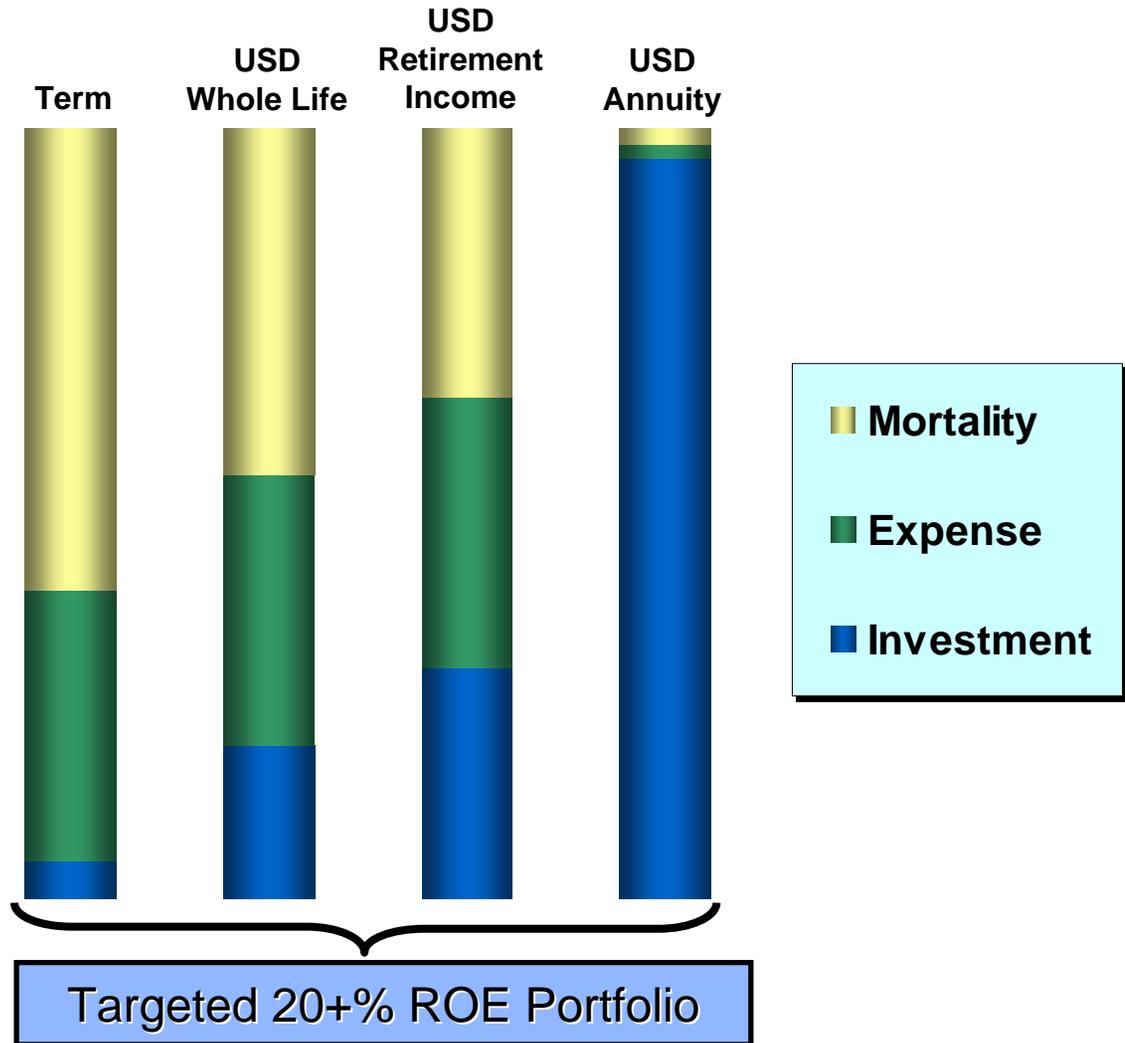
U.S. Dollar Retirement Products

Attractive Value Proposition in a Growing Market

	Prudential of Japan	Gibraltar Life	
	U.S.\$ Denominated Retirement Income	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 September 2008 YTD Sales ⁽¹⁾	23%	43%	

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



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

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

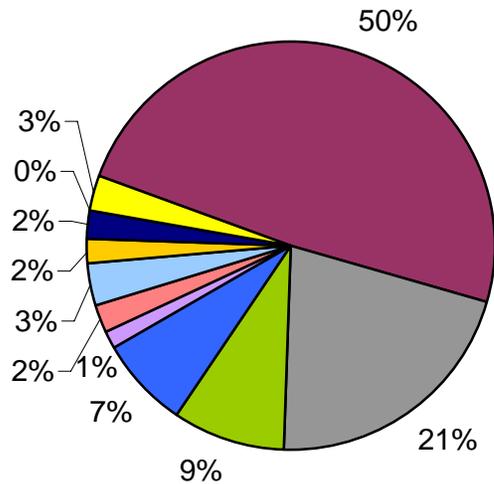
- Shared management resources
- System integration
- Common back office platforms

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

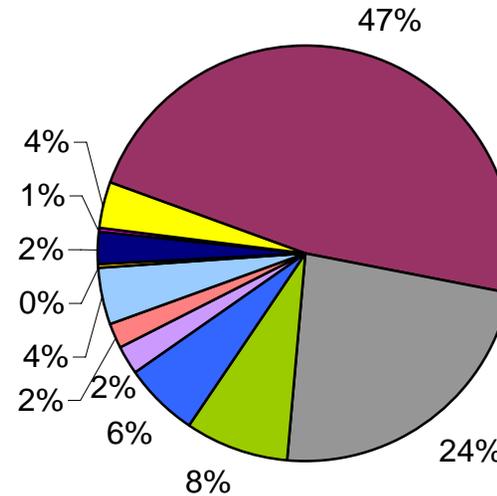
Prudential International Insurance Japan Portfolios⁽¹⁾

December 31, 2004



Yen Portfolio Duration: 8 years

September 30, 2008



Yen Portfolio Duration: 11 years

- Government/Government related (primarily Japanese Gov't 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

International Division Financial Performance

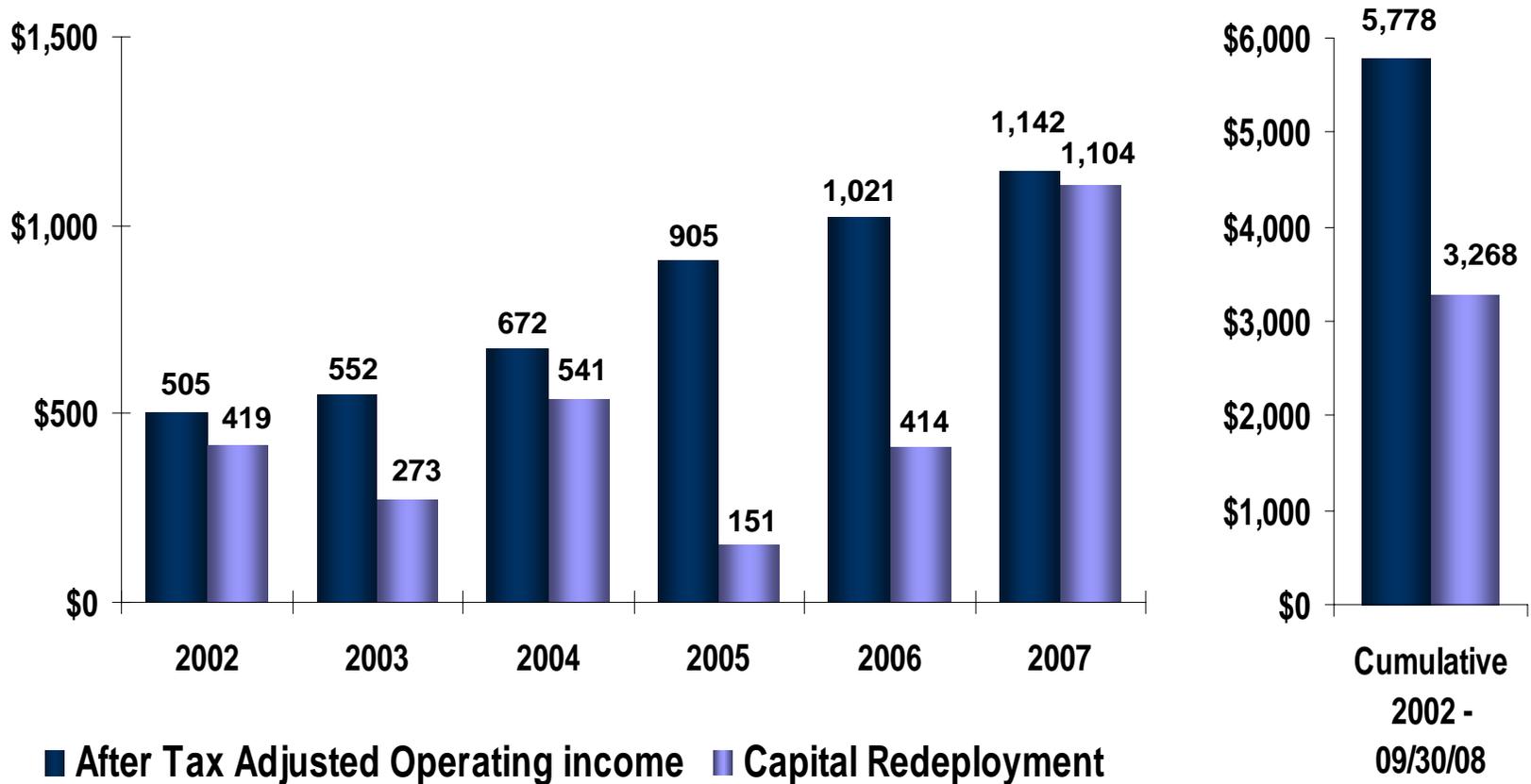
	Year Ended December 31,				Nine months	
	(\$ millions)	2004	2005	2006	2007	ended Sept 30, 2008
Adjusted operating income pre-tax:						
Life Planner Business		\$515	\$821	\$938	\$1,020	\$864
Gibraltar Life		402	500	490	578	462
International Insurance		917	1,321	1,428	1,598	1,326
					24% ROE⁽¹⁾	
International Investments		77	106	143	259	89
International Division		\$994	\$1,427	\$1,571	\$1,857	\$1,415

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



Prudential International Insurance Capital Redeployment

\$ millions



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



Prudential

Prudential Financial, Inc.

Rich Carbone
Chief Financial Officer



Prudential

Considerations for 4Q 2008⁽¹⁾

- Ending S&P 500 level of 800
- 16% full year 2008 effective tax rate
- 4Q08 Individual Annuities charges:
 - DAC and related items; GMDB/GMIB reserve increases - expected pre-tax charge of \$1.2 billion
 - Living benefits hedging breakage through November, net of DAC amortization, amounted to a pre-tax loss of approximately \$225 million
- Wachovia joint venture classified as a divested business
- Not reflected in guidance: potential impairments of goodwill and equity investments in operating joint ventures:
 - Goodwill balance - \$950 million⁽²⁾
 - Equity investments in operating joint ventures currently under impairment review - \$600 million⁽²⁾

1) Financial Services Businesses

2) Balance Sheet carrying amount as of September 30, 2008

4Q 2008 Update⁽¹⁾

- Expected 4Q08 credit losses of \$300 million to \$400 million⁽²⁾⁽³⁾
- Expected 4Q08 impairments of equity securities of \$300 million to \$400 million⁽²⁾
- General Account fixed maturity gross unrealized losses of \$13.4 billion as of November 21, 2008 (\$5.9 billion as of September 30, 2008)

1) Financial Services Businesses

2) Pre-tax; estimate as of December 3, 2008; amount subject to change based on December 2008 developments

3) Includes impairments and sales of credit impaired securities

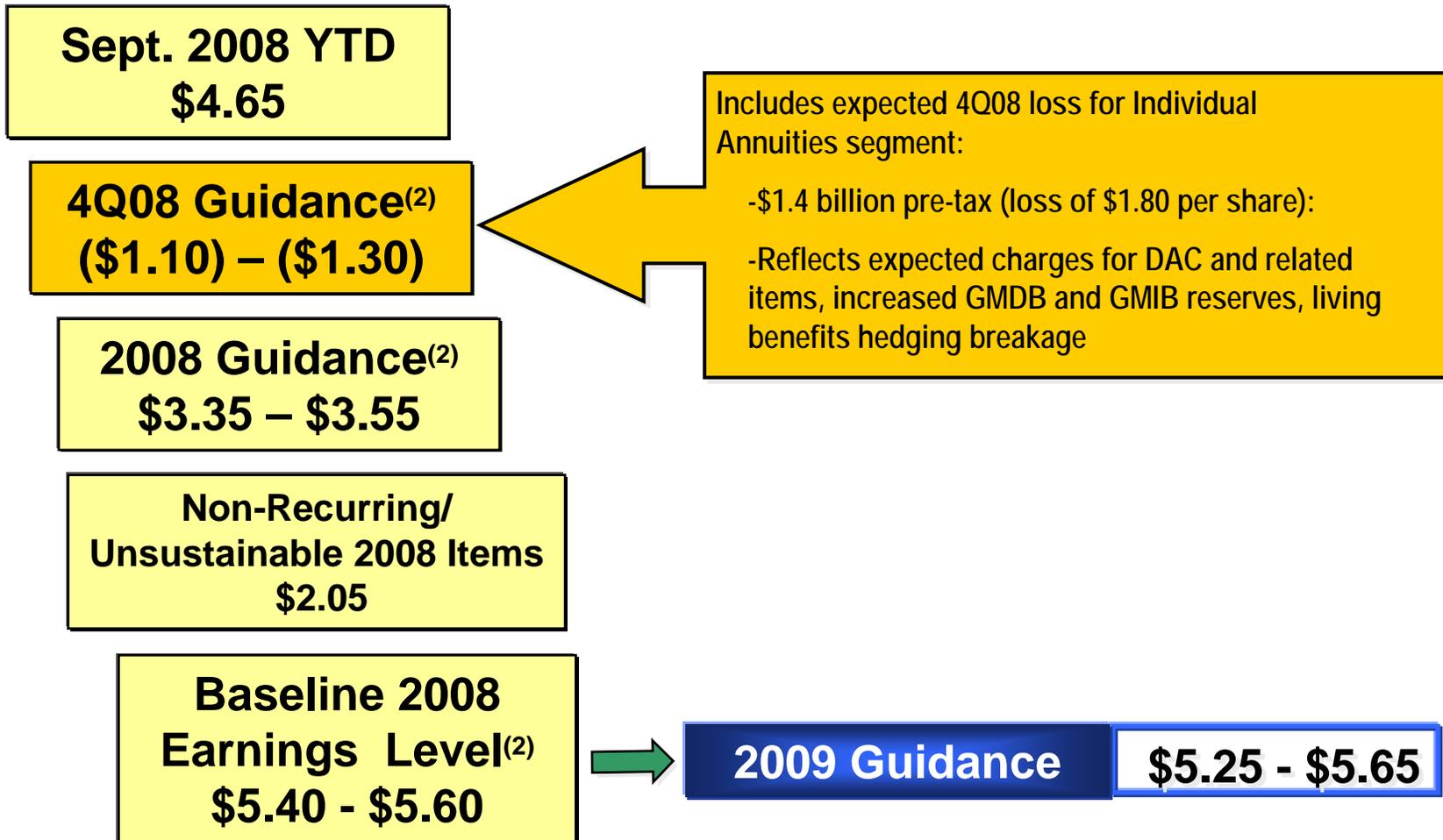


Considerations for 2009⁽¹⁾

- 2008 baseline earnings
- Ending S&P 500 level of 900; average of 850
- 25% effective tax rate
- US Dollar @ 106 Yen
- Wachovia joint venture removed from AOI for all periods

1) Financial Services Businesses

Earnings Guidance⁽¹⁾



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

2) Excludes impact of potential impairments of goodwill and equity investments in operating joint ventures



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Prudential Financial, Inc.

John Strangfeld
CEO and Chairman



Prudential

Long-Term Objectives

- **Balanced mix of businesses and risks**
- **Well positioned in protection and retirement & accumulation markets – domestic and international**
- **Mid-teens ROE in normal markets**
- **Double digit EPS growth**
- **Managed for strong capital position**



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