



Prudential

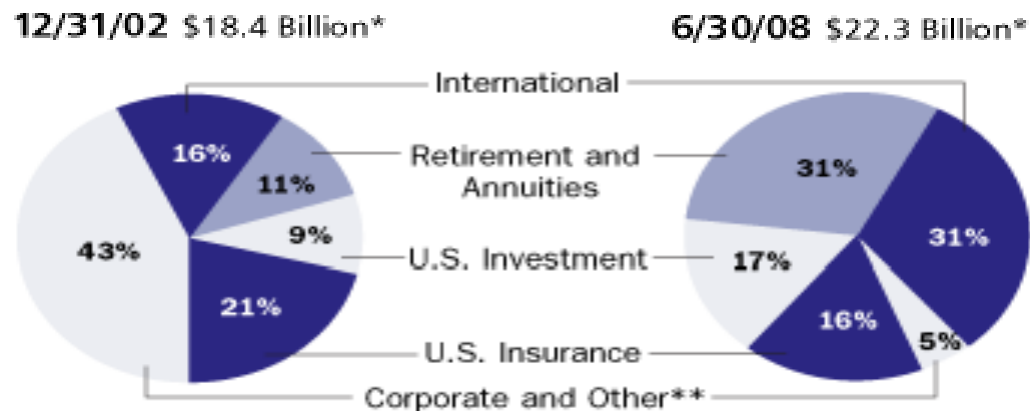


Prudential Financial Inc

September 11, 2008



- Prudential Financial, Inc. is one of the largest U.S. financial services companies with \$648 billion in assets under management.
- Prudential's Financial Services Business consists of three operating divisions - Insurance division, Investment division and International Insurance and Investment division.
- Prudential Financial consists of Financial Services Businesses and Closed Block Business. The company's common stock reflects the performance of the Financial Services Business.



*Attributed equity of financial service business; excluding accumulated other comprehensive income related to unrealized gains and losses on investments for both dates and excluding all accumulated other comprehensive income related to pension and post-retirement benefits for 6/30/08. **Includes divested businesses. Source: Prudential



Insurance Division

- Acquisition of American Skandia (2003)
- Acquisition of Allstate's variable annuity business (2006)

Investment Division

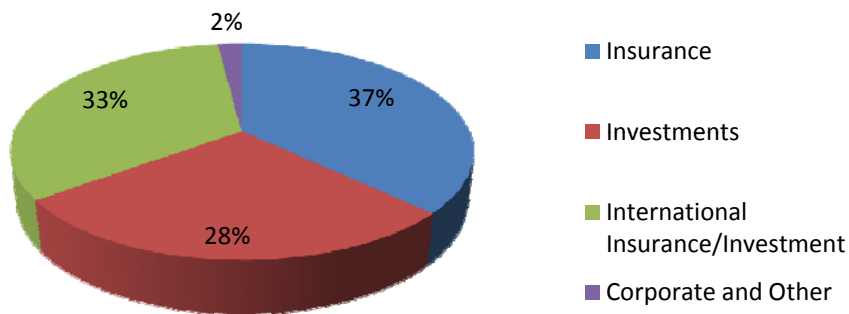
- Joined Venture with Wachovia Corporation (2003)
- Acquisition of CIGNA Corp.'s retirement business (2004)

International Division

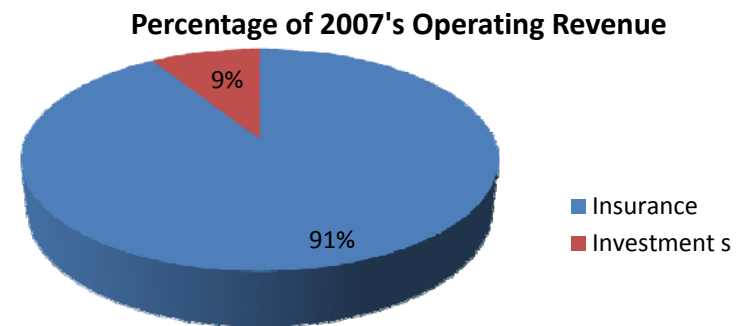
- Prudential of Japan (late 1987)
- Acquisition of Kyoei Life Insurance Co. (2001)
- Acquisition of Aoba Life Insurance Co. (2004)



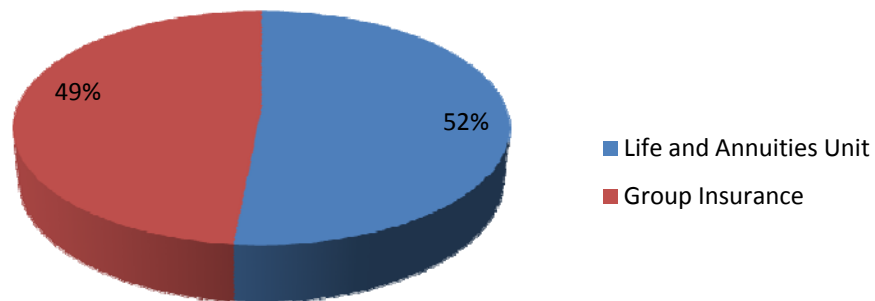
Financial Services Business Divisions Percentage Share of 2007's Operating Revenue



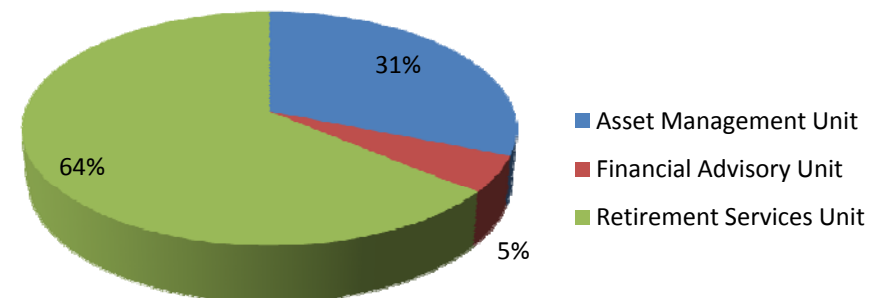
International Insurance/ Investments Segments



Insurance Division Segments Percentage of 2007's Operating Revenue



Investment Division Segments Percentage of 2007's Operating Revenue



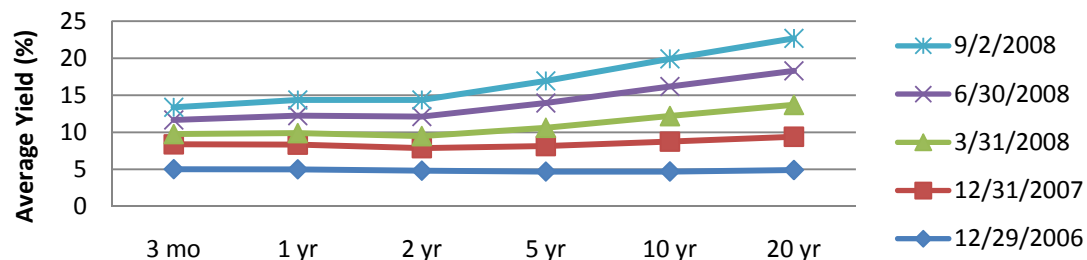


SUB-INDUSTRY ANALYSIS

R·I·T F·M·A
FINANCIAL MANAGEMENT ASSOCIATION

- Challenging times and neutral outlook on the life and health insurance sub-industry in 2008 as the overall economy experience a serious slowdown
- Despite the weak equity market, the popularity of variable annuity sales in 2008 is expected to improve
- With low interest rate environment can lead insurance companies run the risk of investing proceeds from maturing or prepaid investments at lower yields.
- Spread-based products will benefit form the steepening of the yield curve.
- The S&P Life and Health Insurance Index fell 15.4% versus 10.9% decline for the S&P 1500 Index year to date through August 8.

Treasury Yield Curve





SWOT Analysis

STRENGTHS

- Well-recognized brand and large sales force
- Diversification across businesses and geographies
- Significant financial resources which provides a first-mover advantage

WEAKNESSES

- High concentration of equity-sensitive products
- Credit quality concerns, esp. subprime issues

OPPORTUNITIES

- Changing demographics create new opportunities
- Structural changes

THREATS

- Low interest rate environment and volatile equity markets
- Deteriorating corporate credit and acceleration in corporate bond default rates
- The insurance industry faces a number of investigations at the state level for market timing, brokerage commissions and accounting irregularities



INSURANCE CLAIMS PAYING RATINGS

as of July 30, 2008

	Standard & Poor's	Moody's	Fitch
The Prudential Insurance Company of America	AA	Aa3	AA
PRUCO Life Insurance Company	AA	Aa3	AA
PRUCO Life Insurance Company of New Jersey	AA	NR	AA
Prudential Annuities Life Assurance Corporation (1)	AA	NR	AA
Prudential Retirement Insurance and Annuity Company	AA	Aa3	AA
The Prudential Life Insurance Co., Ltd. (Prudential of Japan)	AA	NR	NR
Gibraltar Life Insurance Company, Ltd.	AA	Aa3	NR

CREDIT RATINGS:

as of July 30, 2008

Prudential Financial, Inc.:

Short-Term Borrowings	A-1	P-2	F1
Long-Term Senior Debt (2)	A+	A3	A
Junior Subordinated Long-Term Debt	A-	Baa1	NR

The Prudential Insurance Company of America :

Capital and surplus notes	A+	A2	A+
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Prudential Funding, LLC:

Short-Term Debt	A-1+	P-1	F1+
Long-Term Senior Debt	AA	A1	AA-

PRICOA Global Funding I

Long-Term Senior Debt	AA	Aa3	AA
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* NR indicates not rated.

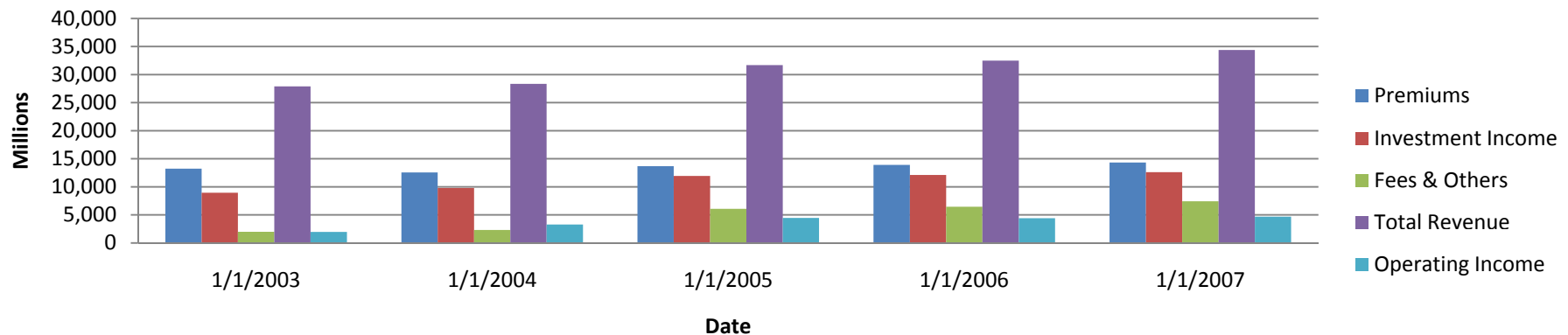
(1) Formerly known as American Skandia Life Assurance Corporation

(2) Includes the retail medium-term notes program.



- Second-quarter earnings (July 30, 2008) in line with analysts' expectations.
- Realized second quarter investment losses of \$486 M (compared to gains of \$34 M a year ago), an improvement from the first quarter losses of \$678 M (0.2% decline of investment assets).
- Total other-than-temporary impairments of \$553 M (\$452 M – fixed income securities, \$95 M – equity; \$500 M are accounting driven and \$48 M (\$23 M from subprime paper) due to credit losses).
- Estimated \$500 M of losses over the next five years related to the impairment of asset backed securities

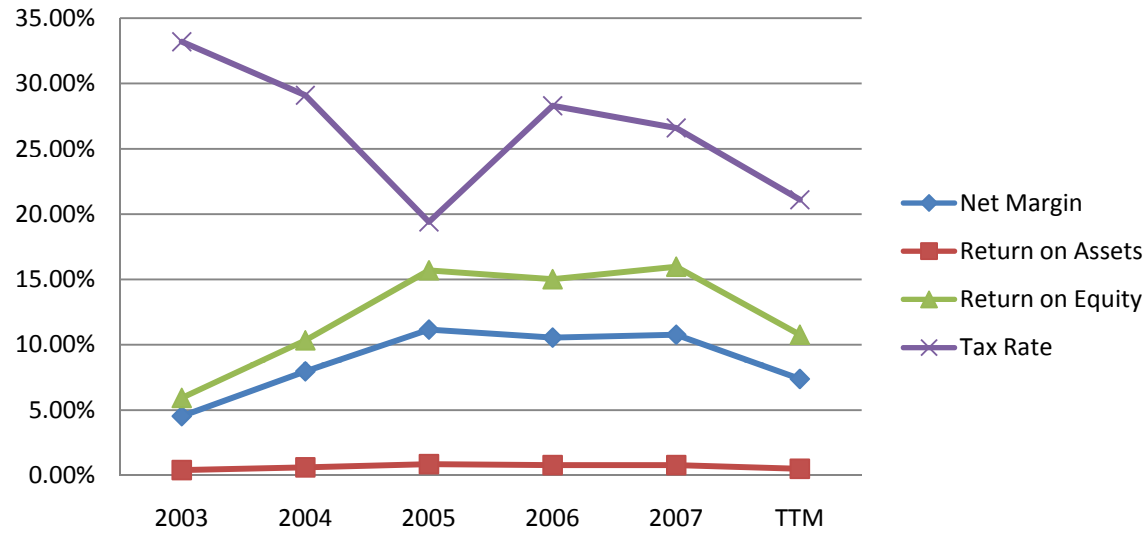
Financials



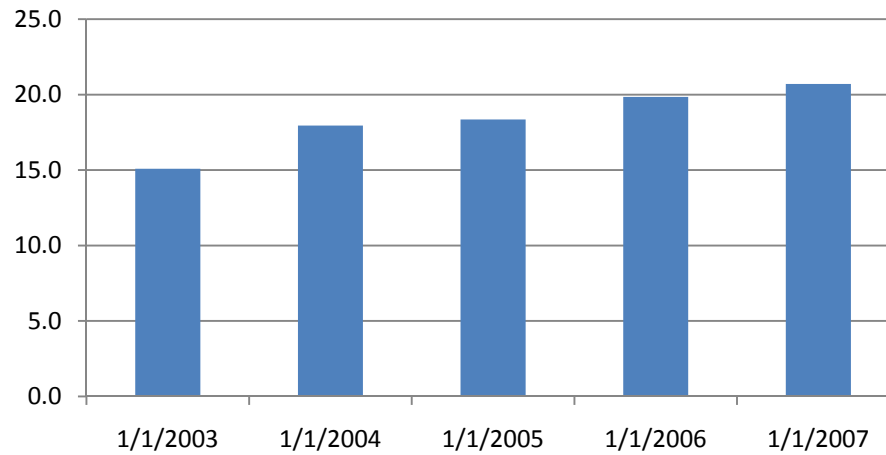


RATIO ANALYSIS

Profitability Ratios



Financial Leverage





	Prudential	AIG	AXA	MetLife
Trailing P/E (ttm) :	14.23	N/A	8.37	10.76
Return on Equity (%):	10.75	-16.85	9.83	11.18
Operating Margin (%)	8.65	-16.89	8.37	11.82
Free Cash Flow per Share(\$	20.33	8.79	N/A	N/A
Dividend Yield (%):	1.43	23.47	5.00	1.30
Beta:	1.33	1.64	1.73	1.19
52wk Range:	\$101.45 - \$54.7			

FY: Dec	EPS (Avg. Est.)
2006 A	\$6.37
2007 A	\$7.58
2008 E	\$7.5
2009 E	\$8.73
2009 vs. 2008 (growth)	17%



PRUDENTIAL FINCL INC
as of 18-Sep-2008



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Stock Performance (as of 9/17/2008)

	YTD	2007
Total Return	-20.5%	9.7%
(+/-)Market (S&P 500)	-3.2%	6.2%
(+/-)Industry	11.7%	-0.8%



Catalysts for Future Growth

- Favorable demographic trends
- Approved stock repurchase program
- Strong demand for retirement services and products