



**MARK GRIER**  
**VICE CHAIRMAN**  
**PRUDENTIAL FINANCIAL, INC.**

**Keefe, Bruyette & Woods**  
**2011 Insurance Conference**  
**September 7, 2011**

# 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. 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) the availability and cost of additional debt or equity capital or external financing for our operations; (3) interest rate fluctuations or prolonged periods of low interest rates; (4) the degree to which we choose not to hedge risks, or the potential ineffectiveness or insufficiency of hedging or risk management strategies we do implement, with regard to variable annuity or other product guarantees; (5) any inability to access our credit facilities; (6) reestimates of our reserves for future policy benefits and claims; (7) 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; (8) changes in our assumptions related to deferred policy acquisition costs, value of business acquired or goodwill; (9) changes in assumptions for retirement expense; (10) changes in our financial strength or credit ratings; (11) statutory reserve requirements associated with term and universal life insurance policies under Regulation XXX and Guideline AXXX; (12) investment losses, defaults and counterparty non-performance; (13) competition in our product lines and for personnel; (14) difficulties in marketing and distributing products through current or future distribution channels; (15) changes in tax law; (16) economic, political, currency and other risks relating to our international operations; (17) fluctuations in foreign currency exchange rates and foreign securities markets; (18) regulatory or legislative changes, including the recently enacted Dodd-Frank Wall Street Reform and Consumer Protection Act; (19) inability to protect our intellectual property rights or claims of infringement of the intellectual property rights of others; (20) adverse determinations in litigation or regulatory matters and our exposure to contingent liabilities, including in connection with our divestiture or winding down of businesses; (21) 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; (22) ineffectiveness of risk management policies and procedures in identifying, monitoring and managing risks; (23) effects of acquisitions, divestitures and restructurings, including possible difficulties in integrating and realizing the projected results of acquisitions, including risks associated with the acquisition of certain insurance operations in Japan; (24) interruption in telecommunication, information technology or other operational systems or failure to maintain the security, confidentiality or privacy of sensitive data on such systems; (25) changes in statutory or U.S. GAAP accounting principles, practices or policies; (26) 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 (27) 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.

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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 and capital profile. Realized investment gains (losses) within certain of our businesses for which such gains (losses) are a principal source of earnings, and those associated with terminating hedges of foreign currency earnings and current period yield adjustments are included in adjusted operating income. Adjusted operating income excludes realized investment gains and losses from products that contain embedded derivatives, and from associated derivative portfolios that are part of a hedging program related to the risk of those products. Adjusted operating income also excludes gains and losses from changes in value of certain assets and liabilities relating to foreign currency exchange movements that have been economically hedged or considered part of our capital funding strategies for our international subsidiaries, as well as gains and losses on certain investments that are classified as other trading account assets. 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 are expected to 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 adjustments made to derive adjusted operating income are important to an understanding of our overall results of operations.

For additional information about adjusted operating income and the comparable GAAP measure, including reconciliation between the two, please refer to our Forms 10-K and 10-Q located on the Investor Relations website at [www.investor.prudential.com](http://www.investor.prudential.com). Additional historical information relating to the Company’s financial performance 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 Forms 10-K and 10-Q, should be considered by readers when reviewing forward-looking statements contained in this presentation.

## Prudential Today

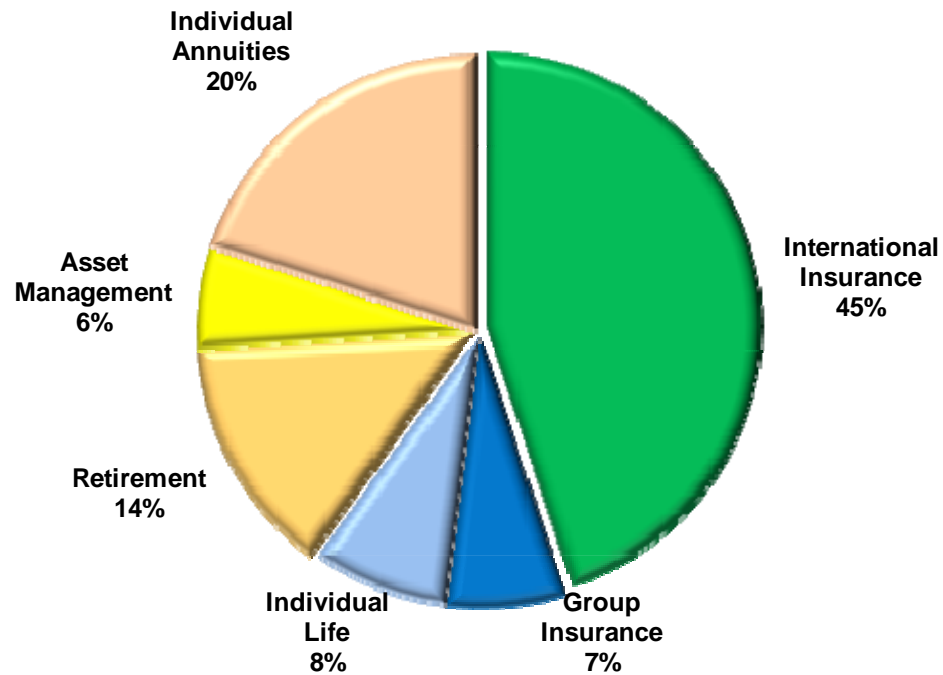


- Attractive return opportunities in high quality businesses, supported by strong balance sheet
- Balanced portfolio of selected risks; improving risk profile
- Expanding distribution: market leadership across multiple channels
- Growth engines in International Insurance, Annuities and Asset Management
- Capital management: balanced approach to investing in businesses, returning capital to investors
- Proven acquisition and integration track record
- Seasoned management team; focus on talent and leadership

# Superior Mix of High Quality Businesses Enhanced by Star/Edison Acquisition



**JUNE 30, 2011**  
**ATTRIBUTED EQUITY**  
**\$28.9 BILLION<sup>(1)</sup>**



1) Attributed equity of Financial Services Businesses as of June 30, 2011, excluding accumulated other comprehensive income related to unrealized gains and losses on investments and pension and postretirement benefits; excludes attributed equity of Corporate and Other operations of \$2.2 billion.

# Capital Deployment “Then” and “Now”



**Circa 2008 - 2009**

- Defense

- Offense



**2011** 

- Offense

- Defense

# Capital Management and Business Approach

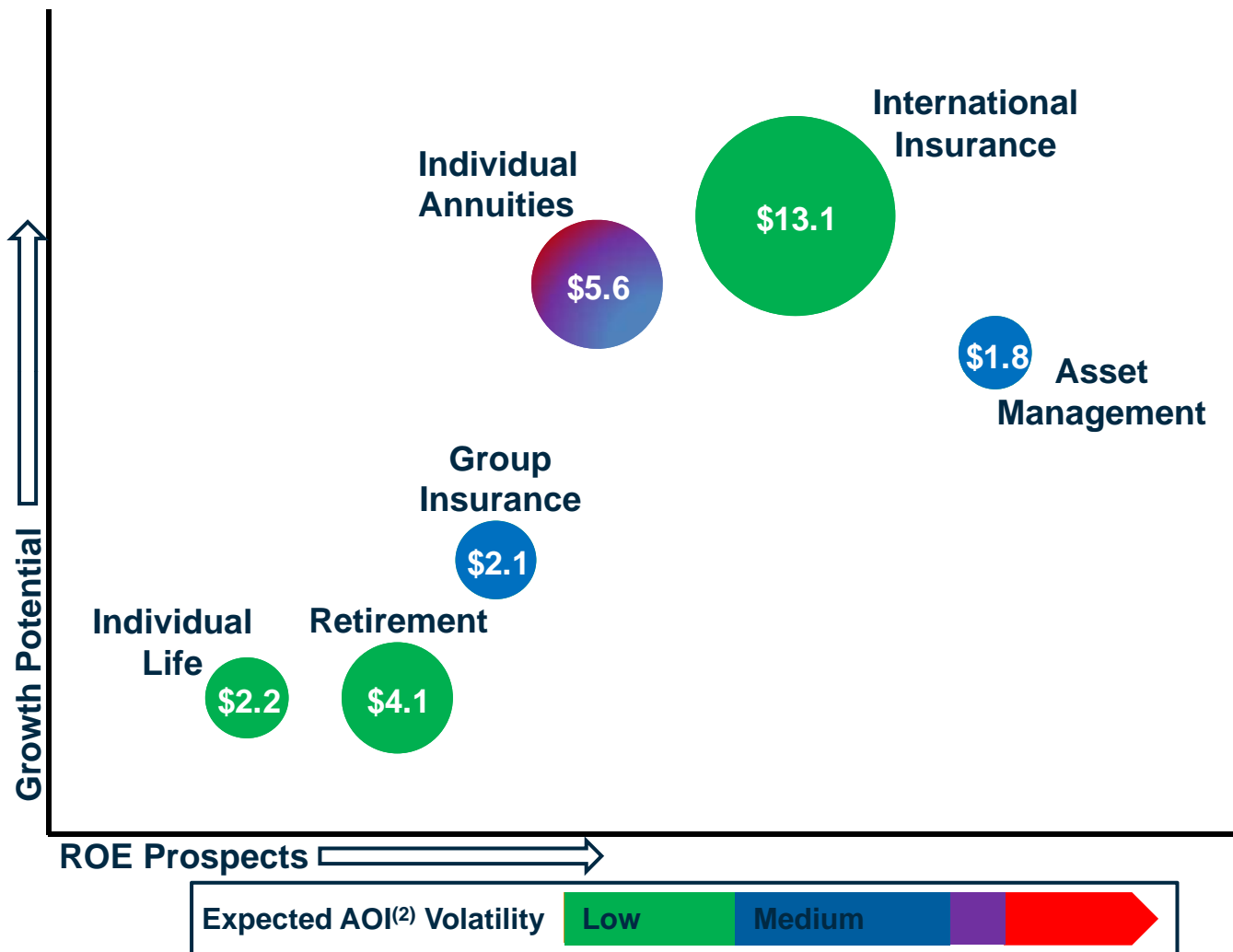


**Capital Management  
Begins with  
Selection of  
Businesses  
and Risks**



- High value-added business models
- Credible diversification in mix of businesses and risks
- Consistent with established strategies
- Fit with proven execution and risk management capabilities
- Contribution to ROE prospects and growth potential

# Superior Business Mix Drives Growth and Return Prospects<sup>(1)</sup>



1) For illustrative purposes only; not intended to express actual growth or return expectations for any particular periods. Amounts shown (in billions) represent attributed equity as of June 30, 2011.

2) Adjusted operating income.



## Leadership Positions in Chosen Markets



A set of businesses that are diverse, healthy and competitive in their markets

Rank	Business	Metric	As of
3	Variable Annuities	Sales (Advisor-sold)	2Q '11
2	Stable Value	Assets	4Q '10
7	Defined Contribution	Assets managed	2010
7	Defined Benefit	Assets managed	2010
3	Term Life	New annualized premiums	2Q '11
2	Group Life	In-force premiums	4Q '10
4	International Insurance	New business face amount in Japan	Year ended March 2011

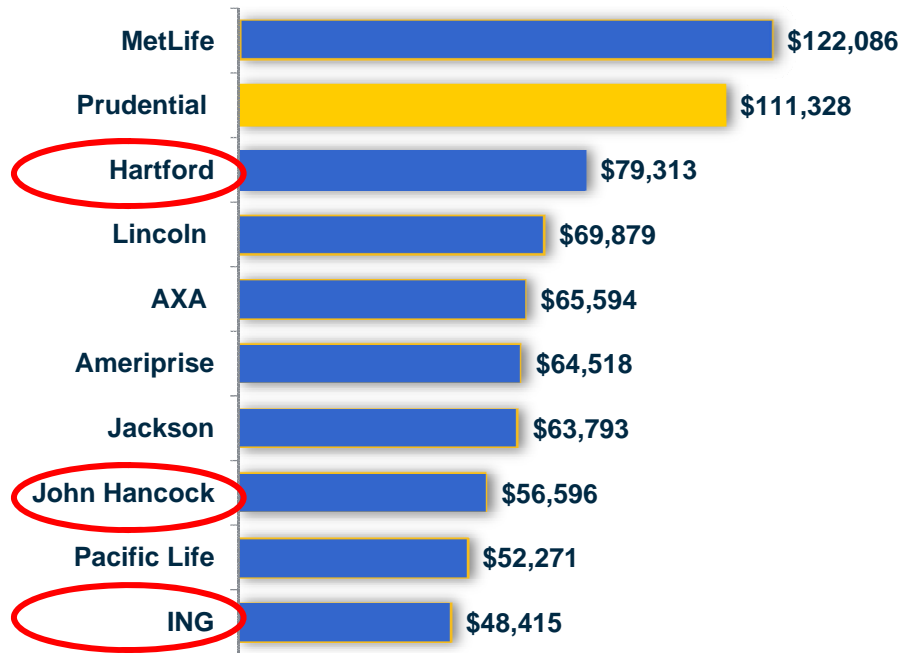
Sources: LIMRA, VARDS, Pensions & Investments, Life Insurance Association of Japan (excluding Japan Post Insurance)

# Prudential Annuities 2Q11 Asset and Sales Rankings

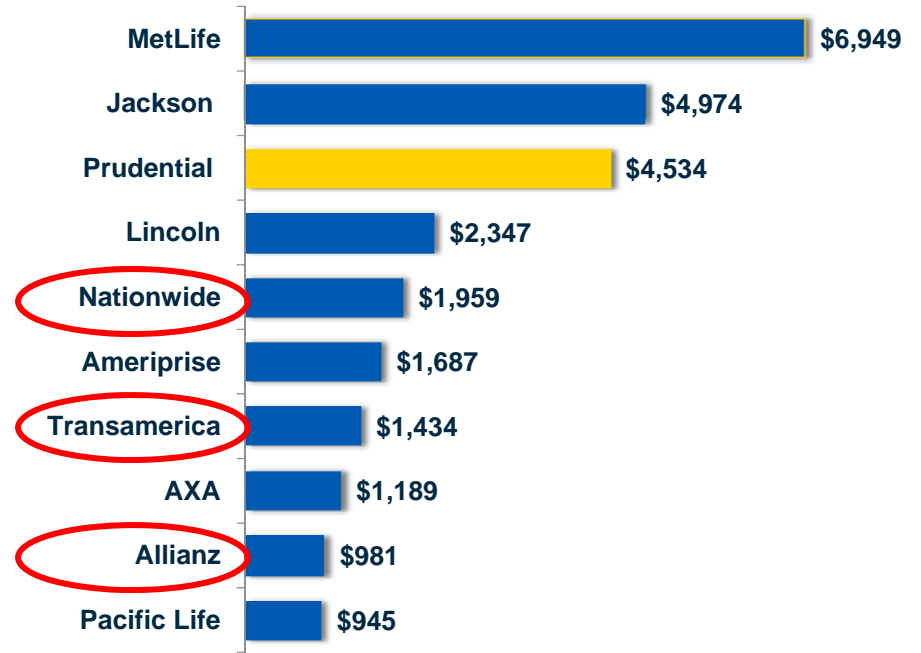


(\$ millions)

## Variable Annuity Assets Under Management<sup>(1)</sup>



## Advisor-Sold Variable Annuity Sales<sup>(1)</sup>



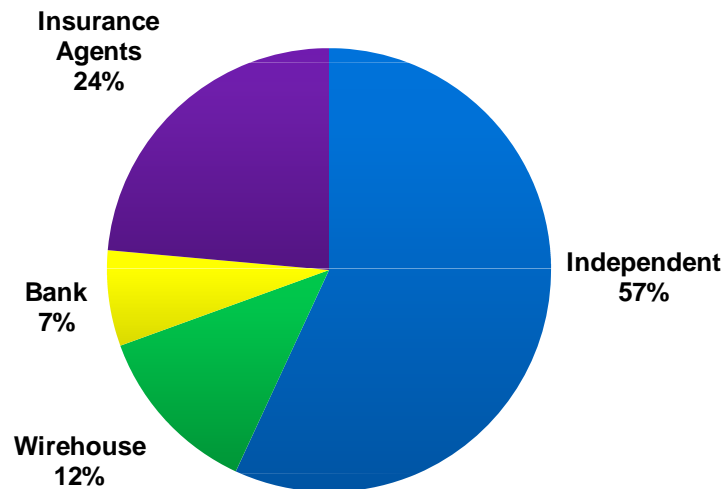
1) Source: VARDS 2Q'11 report. Advisor-sold, excludes group/retirement plan contracts.

# Building Multi-Channel Distribution Strength

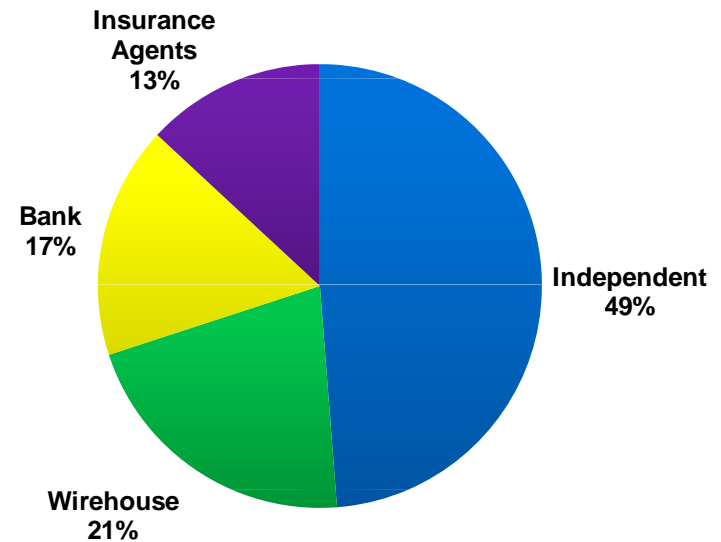


## Prudential Individual Annuity Gross Sales<sup>(1)</sup>

**2008**  
**\$10,329**



**2010**  
**\$21,754**

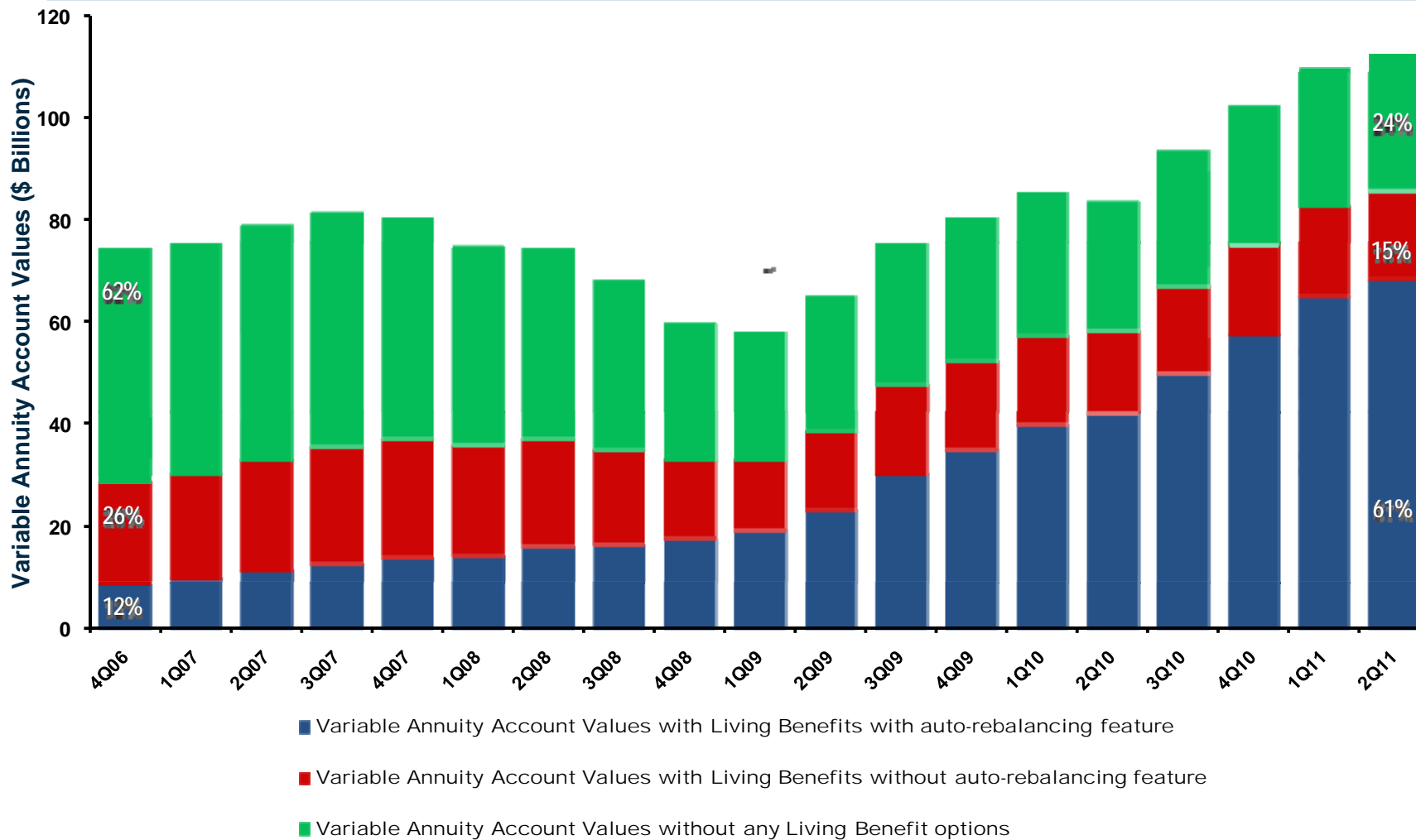


1) In millions; includes variable and fixed annuities.

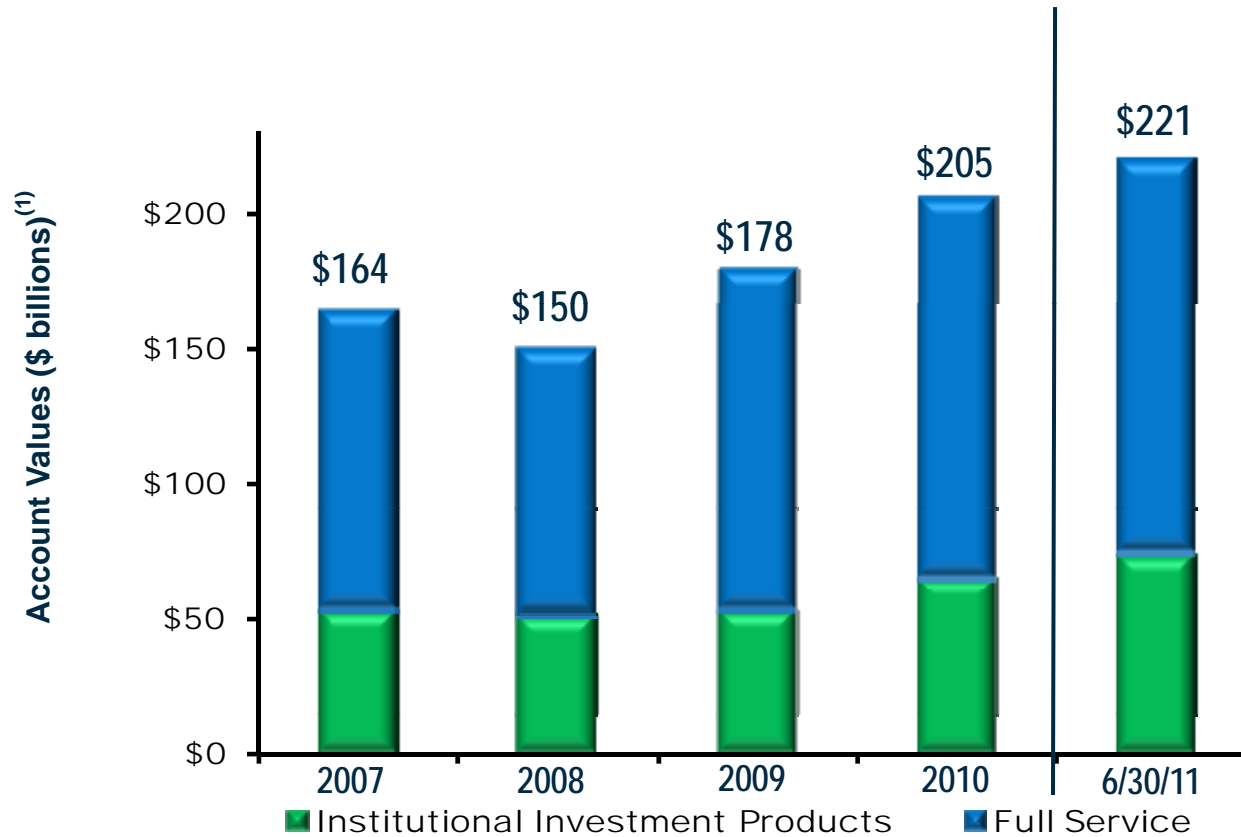
# Improving Risk Profile



The accelerated growth in our overall block has increased the percentage of account values with auto-rebalancing, which will continue to improve the level and volatility of returns.



# Prudential Retirement - Institutional Investment Products Complement Full Service Retirement Business

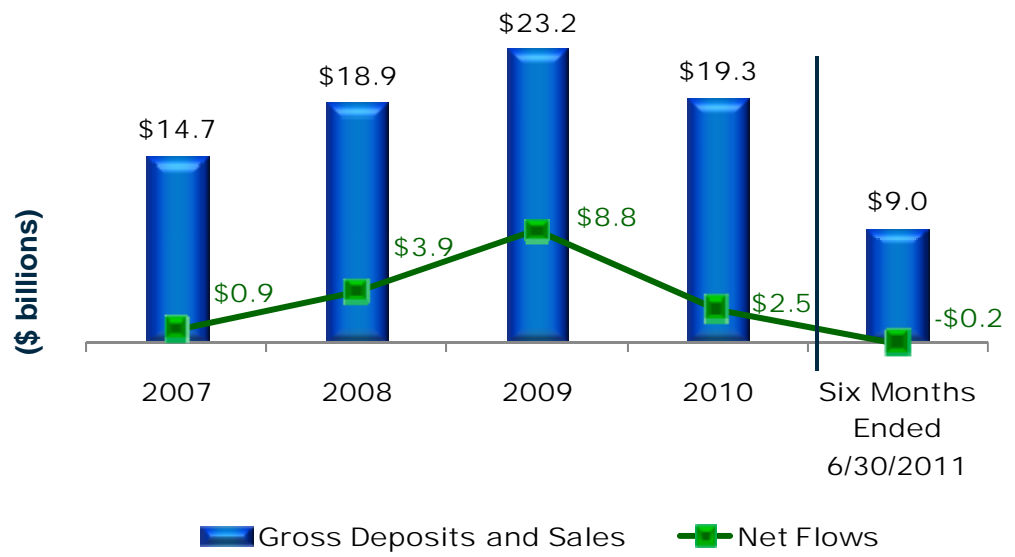


1) Includes acquired businesses from dates of acquisitions.

# Prudential Retirement Asset Flows

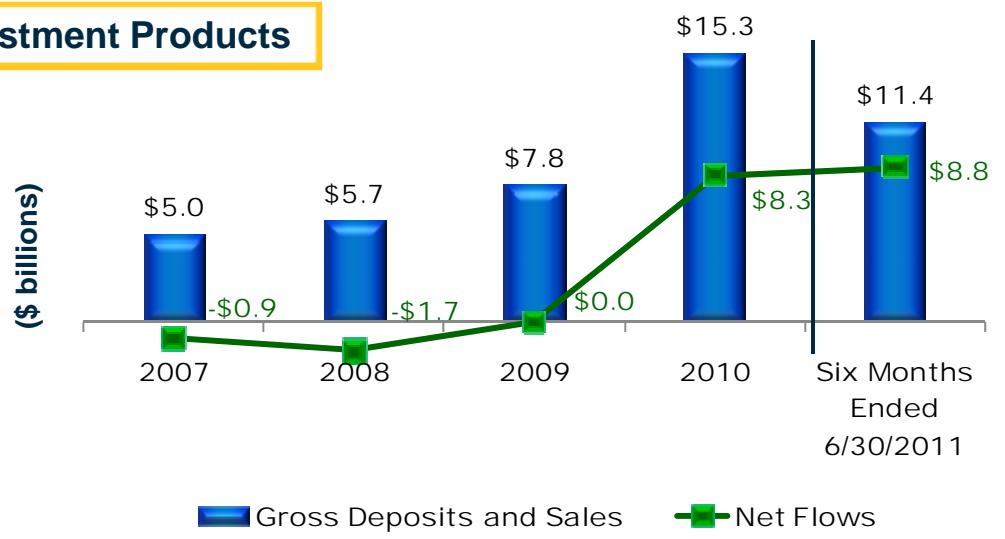


## Full Service



**96% Full Service Plan Persistency<sup>(1)</sup>**

## Institutional Investment Products



1) For the six months ended June 30, 2011.

# Prudential Asset Management Competitive Advantages



**Experience and  
Track Record**

**Breadth and Depth  
of Capabilities**

**Access to Capital  
and Co-investing**

**Brand and  
Reputation**

**Scale**



## Third Party Clients

- \$286 billion third party AUM<sup>(1)</sup>
- 13% AUM CAGR (2005 – 2010)

## Manager Continuity<sup>(1)</sup>

- 221 portfolio managers
- Average tenure 13 years

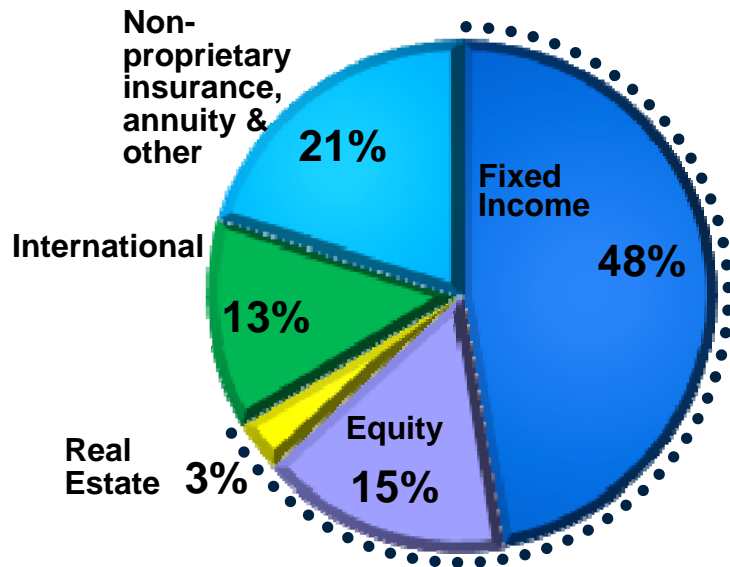
1) As of June 30, 2011; AUM excludes affiliated institutional and retail assets under management.

# Prudential Financial's AUM Significant Scale and Breadth

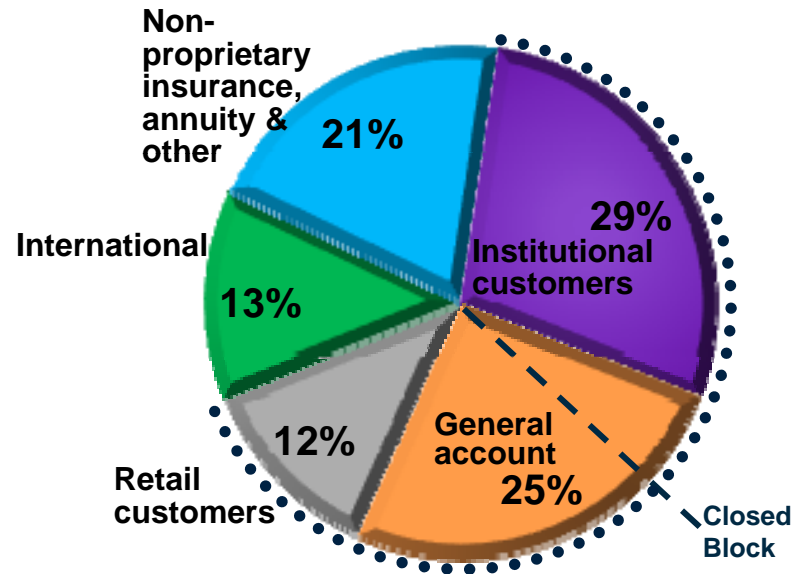


**Total AUM \$883 billion<sup>(1)</sup>**

AUM by Asset Type



AUM by Client Type



**Asset Management Business  
\$583 billion**

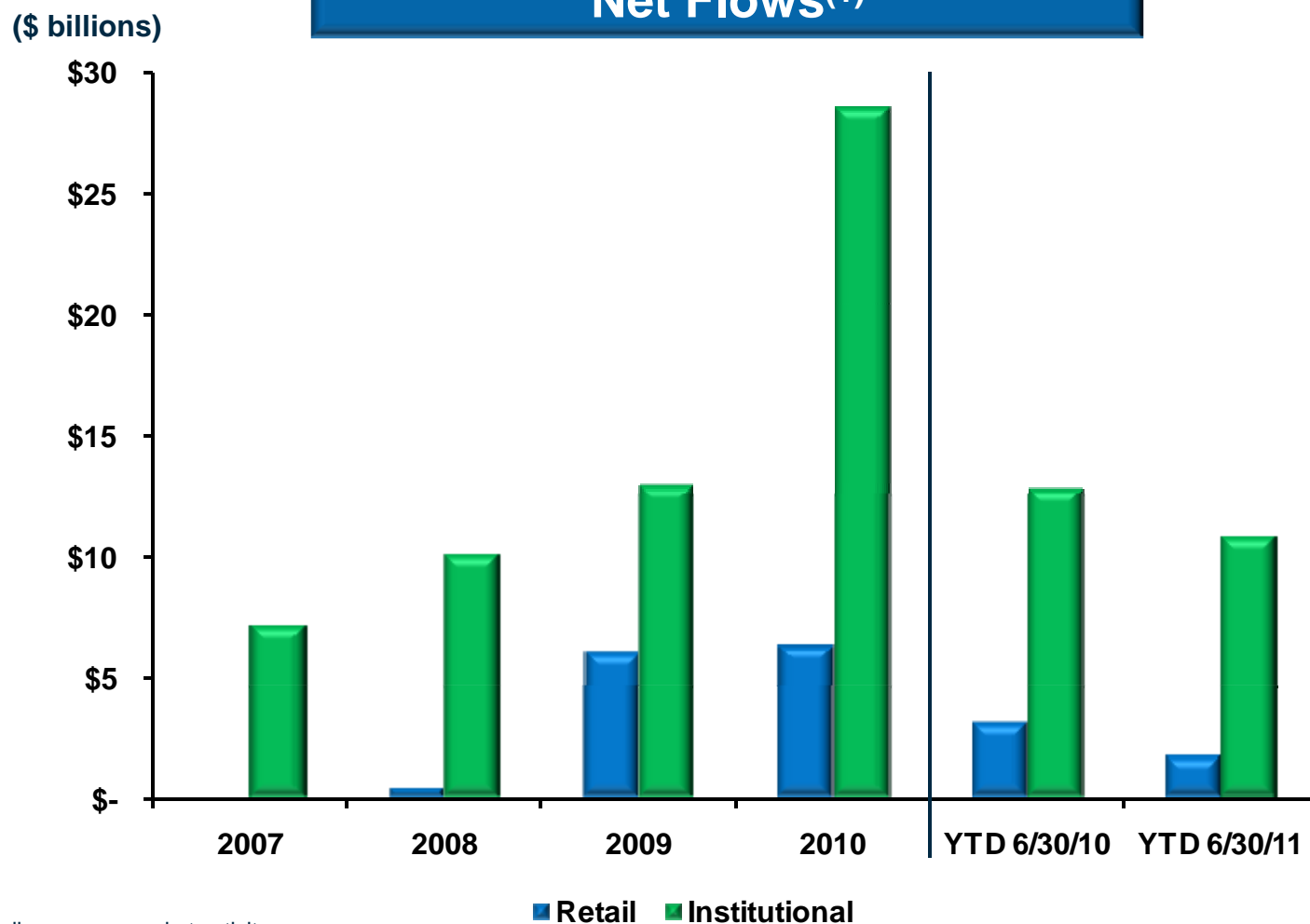
1) As of June 30, 2011



# Strong Asset Management Flows



## Assets under Management Net Flows<sup>(1)</sup>



1) Excluding money market activity.

# Domestic Protection Business



	Protection Marketplace	Prudential Strategies
Individual Life	<ul style="list-style-type: none"> <li>▪ Mature, low-growth industry</li> <li>▪ Overcapacity</li> <li>▪ Commodity products</li> </ul>	<ul style="list-style-type: none"> <li>▪ Focus on returns through capital management, cost-effective distribution</li> <li>▪ Coordinated approach to product and distribution channel management</li> <li>▪ Quality business: avoid inappropriate financing</li> <li>▪ Results largely uncorrelated to U.S. equity markets</li> </ul>
Group Insurance	<ul style="list-style-type: none"> <li>▪ Client focus on stretching benefit dollars</li> <li>▪ Optional life purchases contribute to growth prospects</li> </ul>	<ul style="list-style-type: none"> <li>▪ Focus on returns: case selection; appropriate pricing</li> <li>▪ Cultivate optional life sales through employer clients</li> <li>▪ Deliver stable earnings and strong cash flows</li> </ul>

## U.S. Businesses Financial Performance



(\$ millions)	2007	2008	2009	2010	Six months ended June 30, 2010	Six months ended June 30, 2011
<b>Adjusted operating income pre-tax:</b>						
<b>Individual Annuities</b>	\$ 701	\$ (890)	\$ 757	\$ 1,046	\$ 113	\$ 513
<b>Retirement</b>	482	545	494	572	306	345
<b>Asset Management</b>	701	232	55	487	207	381
<b>Individual Life</b>	622	446	562	500	179	226
<b>Group Insurance</b>	286	340	331	215	85	89
<b>U.S. Businesses Total</b>	\$ 2,792	\$ 673	\$ 2,199	\$ 2,820	\$ 890	\$ 1,554

## Key Elements of Our International Strategy



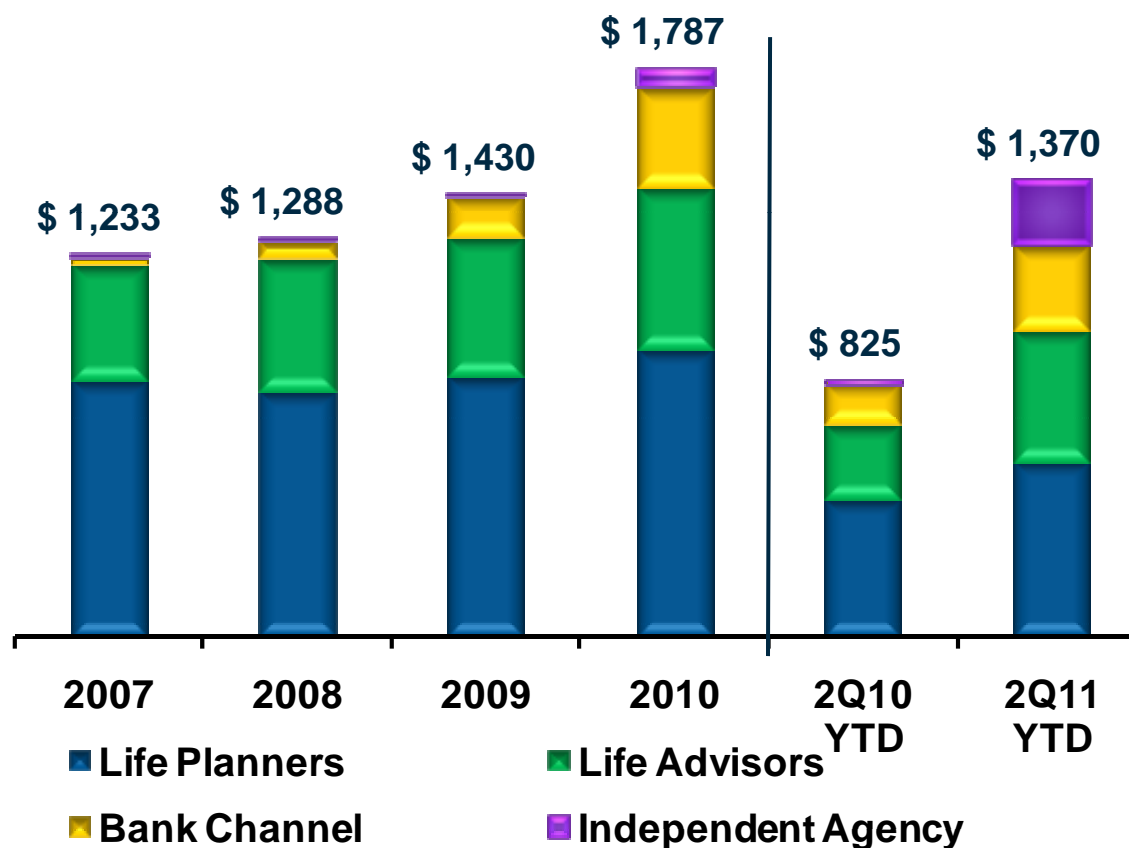
- Concentrate on a limited number of attractive countries
- Continue building proprietary distribution: recruiting, selection and training
- Target the affluent and mass affluent consumer
- Historical focus on life insurance
- Needs-based selling
- Growth through complementary distribution channels and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

# International Insurance Growing Sales Throughout Multiple Channels



## Annualized New Business Premiums<sup>(1)</sup>

(\$ millions)



1) Foreign denominated activity translated to U.S. dollars at uniform exchange rates for all periods presented (92 Japanese yen per U.S. dollar; 1190 Korean won per U.S. dollar). U.S. denominated activity is included based on the amounts as transacted in U.S. dollars. 2011 includes contribution of sales by Star/Edison distribution channels, totaling \$278 million.

## Japan: Substantial Growth Opportunities in an Attractive Market



- World's second largest life insurance market: Life premiums \$399 billion<sup>(1)</sup>
- Household sector wealth \$18.3 trillion, similar to U.S. on per-capita basis<sup>(2)</sup>
- \$10.1 trillion household pool of currency and deposits is world's largest, ~50% higher than U.S.<sup>(2)</sup>
- Expanding retirement market driven by aging population, increased emphasis on individual responsibility for financial security
- Growing distribution opportunities include banks, independent distributors



1) For the year 2009, based on Swiss Re Survey

2) Based on December 31, 2010 data; Sources: Federal Reserve, Bank of Japan, U.S. Census Bureau, Oanda

## Star/Edison Acquisition Adds Distribution Strength



- Over 7,000 new Life Advisors<sup>(1)</sup>
- Approximately 5,000 independent distributors<sup>(1)</sup>
- More than 3 million customers with \$135 billion face amount in force<sup>(1)</sup>
- Approximately 60 additional bank distribution relationships<sup>(1)</sup>

1) As of February 1, 2011 date of acquisition.

## International Insurance Financial Performance



(\$ millions)	2007	2008	2009	2010	Six months ended June 30, 2010	Six months ended June 30, 2011
<b>Adjusted operating income pre-tax:</b>						
<b>Life Planner Business</b>	\$ 1,020	\$ 1,125	\$ 1,221	\$ 1,269	\$ 618	\$ 676
<b>Gibraltar Life<sup>(1)</sup></b>	578	622	622	788	325	567
<b>Total</b>	<b>\$ 1,598</b>	<b>\$ 1,747</b>	<b>\$ 1,843</b>	<b>\$ 2,057</b>	<b>\$ 943</b>	<b>\$ 1,243</b>

1) Excludes International Investments businesses previously included in International Investments segment and currently included within "Gibraltar Life and Other Operations" within International Insurance segment for financial reporting purposes, with pre-tax adjusted operating income (loss) of \$63 million, \$(412) million, \$25 million, and \$28 million in 2007, 2008, 2009 and 2010, respectively, \$14 million for the six months ended June 30, 2010, and \$19 million for the six months ended June 30, 2011.



## Summary



- Balanced portfolio of good businesses with favorable growth and return prospects
- Strong sales and flows
- Strong capital and liquidity positions
- Risk management supports sustained financial strength
- Focus on talent and leadership at the highest levels
- Positioned for organic business growth and acquisition opportunities as well as returning capital to investors
- Financial performance: expect to be a leader among our peers



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