



John R. Strangfeld
Chairman and Chief Executive Officer

Prudential Financial, Inc.
751 Broad Street, Newark, NJ 07102

February 5, 2009

To Our Clients:

Prudential Financial announced its fourth-quarter and full-year 2008 financial results. I wanted to take this opportunity to share these results with you and provide an update on the continued progress of the company during these challenging times.

In the fourth quarter Prudential reported a loss due to the impact of unfavorable financial market and economic conditions on some of our businesses. The fourth quarter results reflect declines in the market value of our investment portfolio, market-driven increases in reserves for some of our policy guarantees and impairments in value related to several of our acquired businesses.

Unfortunately, the extreme markets and the associated sensitivity of some of our businesses completely overshadowed the fact that most of our businesses had good fundamentals. In fact, the businesses representing nearly half of our normalized earnings actually produced record results. For more details on our earnings, please visit www.investor.prudential.com.

We continue to believe we are well positioned to manage through this challenging environment. Our balance sheet remains strong, our businesses are competitive in their markets, our liquidity is ample, and our sources of earnings are diverse.

During the year, our employees remained focused on meeting the needs of our institutional and retail clients. We continued to roll out innovative new products and services, enjoyed positive net flows in our U.S. annuity, asset management and retirement businesses, saw solid sales in our domestic insurance businesses, expanded sales channels and gained new clients. Our international insurance businesses also continued to perform strongly. Building upon our leadership in meeting the retirement needs of an aging U.S. population, our international businesses have been expanding their products and services to meet the needs of aging populations around the world.

As we enter 2009, we remain focused on the challenges before us and optimistic about the company's outlook for the same reasons we were able to weather the challenges of the past year. In the current environment, the need for our products and services has never been greater or more apparent. Our ability to help you achieve your financial objectives and fulfill our promises as we have done for the last 133 years will continue to differentiate Prudential Financial in the long term.

We look forward to working closely with you in 2009 to continue providing the outstanding service, advice and solutions you expect of us in these uncertain times. We thank you for your business.

Yours sincerely,

A handwritten signature in black ink, appearing to read "John R. Strangfeld", written in a cursive style.

We Are The ROCK[®]

Prudential is one of the largest financial services companies in the United States, with \$558 billion in assets under management¹ and \$2.65 trillion in life insurance in force worldwide.² We have one of the most recognized brands in the United States: The Rock, an icon of strength, stability, expertise and innovation.³ We are known for the financial strength of our company and for our ability to deliver on our promises to our customers. And we are recognized as one of the world's most admired companies.

We have been building on a heritage of success for more than 130 years.

We have built our company on a proud heritage of life insurance and asset management expertise. We offer our individual and institutional clients a wide array of financial products and services, including life insurance, annuities, retirement-related services, mutual funds, investment management and real estate services. And we offer these products and services through one of the largest distribution networks in the financial services industry.

We have rock-solid financial strength.

Prudential is the second-largest life insurer in the United States (life and group combined) based on total admitted assets.⁴ All of our domestic insurance company subsidiaries are highly rated by the major independent ratings agencies:

- ▶ A.M. Best Company: A+ (2nd category of 14)
- ▶ Fitch Ratings: AA- (4th category of 21)
- ▶ Standard & Poor's: AA (3rd category of 20)
- ▶ Moody's: Aa3 (4th category of 19)

Moody's does not rate Pruco Life Insurance Company of New Jersey or Prudential Annuities Life Assurance Corporation.

Ratings as of December 8, 2008. *The above ratings are subject to change and do not reflect any subsequent ratings agency actions.*

Our balance sheet is strong, and we have adequate capital consistent with "AA" ratings objectives for our insurance companies.⁵ Additionally, we maintain appropriate reserves, capital and risk control procedures to help protect clients' assets.

We are positioned to manage through the current market.

Current market conditions are challenging for companies around the world. Our core business

models remain intact, and the balanced mix of risks and businesses that we've built since becoming a public company in 2001 positions us well to manage through the current economic environment.

We have a diversified mix of businesses and risks.

The quality of Prudential's business and risk diversification is a strong differentiating factor for the company. Our global operations diversify our business risk across a broad range of both geographic and demographic profiles. For example, our \$2.65 trillion in life insurance worldwide offers a hedge for our variable annuity business. The longevity risk of annuities, which is the risk of people living too long, is negatively correlated to the mortality risk of life insurance, which is the risk of people dying too soon. This relationship enables Prudential to be a major competitor in the retirement business.

Our international businesses and domestic insurance businesses—which comprise more than half of our capital—are driven mainly by mortality risks or by factors that are unrelated to what's happening in the U.S. equity markets.

We have a diverse mix of clients invested in a broad range of asset classes.

Our specialized investment managers have a global presence and hold strong market positions in each asset class, offering a wide range of products and serving a diversified client base, including corporations, public and private pension plans, and retail clients.

Prudential has more than \$550 billion in assets under management, with \$395 billion managed by our asset management businesses.



"Prudential Financial continues to be well positioned to manage through this challenging environment. The company's balance sheet remains strong, our liquidity is ample, and our businesses are competitive in their markets."

*Chairman and CEO John Strangfeld
February 4, 2009*

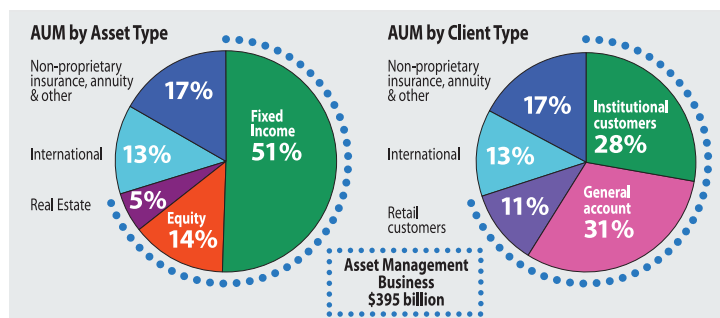
Prudential Rankings Snapshot

No. 1: *Fortune* magazine's 2008 World's Most Admired Companies list—Insurance: Life, Health category. (March 17, 2008 issue)

No. 5: *Fortune* magazine's 2008 America's Most Admired Companies list—Insurance: Life, Health category. (March 17, 2008 issue)

No. 15: *Pensions & Investments'* Top Money Managers list, May 2008. Ranked by total worldwide institutional assets under management as of December 31, 2007.

Prudential Financial's AUM Significant Scale and Breadth Total AUM \$558 billion¹



We help people around the world with their insurance and financial needs.

Prudential has expanded its operations outside its base in the United States to serve customers in Asia, Europe and Latin America. Today, we have approximately 50 million institutional and individual customers in over 30 countries around the world.⁶ We can help address financial concerns of people during every phase of life, from helping them save for the future, to helping them protect their assets, to converting their money into a guaranteed stream of income in retirement, to transferring their wealth to loved ones.

We are committed to serving our clients in a highly professional and ethical way.

As a company, Prudential is committed to serving our clients with professionalism in all we do—from providing quality products to excellent customer service and ethical business behavior. Prudential is a member of the Insurance Marketplace Standards Association (IMSA). IMSA-qualified companies commit to maintaining high ethical standards and to being fair, honest and open in the way they advertise, sell and service their products.

We are a leader on retirement issues.

We are a consistent force in the federal, state and local levels of government, and as a leader on retirement issues, actively participate in public policy discussions in Washington, D.C., and the 50 states.

We encourage diversity in our workplace.

We recognize that the diverse perspectives and talents of our employees provide a competitive advantage in the marketplace. Prudential is committed to offering a rewarding and inclusive work environment where employees can develop to their full potential. And we are frequently recognized in the media and by other organizations for our commitment to diversity.

We give back to our communities.

We also recognize the importance of investing in the communities where we live and work. In 2008, The Prudential Foundation, our nonprofit grantmaking area, directed grants of approximately \$23 million to help energize communities across the United States. And Prudential employees make a difference every day by volunteering in communities around the world.

We measure our long-term success on our ability to meet customer needs.

We are committed to delivering innovative products that help our clients—both individuals and institutions—achieve their unique objectives. We provide information, advice and choice on a broad range of asset management, insurance, securities and employment solutions through a global network of professionals. We are proud to be recognized by millions as a symbol of financial strength, quality and trust in helping our clients achieve financial security.

Diverse U.S. Business Portfolio

- ▶ Retirement Plans
- ▶ Investment Management
- ▶ Annuities
- ▶ Life Insurance
- ▶ Long-Term Care Insurance
- ▶ Group Disability Insurance
- ▶ Real Estate

AAA (Extremely Strong) is the highest of 24 ratings that Standard & Poor's extends, the lowest being R (has experienced regulatory action), and is a measure of claims-paying ability. Aaa (offers exceptional financial security) is the highest of 21 ratings that Moody's extends, the lowest being C (having extremely poor prospects of ever offering financial security) and is a measure of financial security. A++ (Superior) is the highest of 15 ratings that A.M. Best extends, the lowest being F (In Liquidation), and is a measure of claims-paying ability. AAA (Exceptionally Strong) is the highest of 21 ratings that Fitch Ratings extends, the lowest being D (Distressed) and is a measure of insurer financial strength. Ratings are not an indication of any variable portfolios' performance, which fluctuates with market conditions. Ratings are not a guarantee of future financial strength and/or claims-paying ability.

Life insurance and annuities are issued by The Prudential Insurance Company of America and its affiliates. Securities and investment advisory products and services are offered through Pruco Securities, LLC (member SIPC). Each of the foregoing is a Prudential Financial company located in Newark, N.J., that is solely responsible for its own financial condition and contractual obligations. All guarantees are based on the claims-paying ability of the issuer. Prudential Real Estate brokerage services are offered through the independently owned and operated network of broker member franchisees of Prudential Real Estate Affiliates, Inc., a Prudential Financial company. Equal Housing Opportunity.

Prudential Financial was rated No. 1 in FORTUNE® Magazine's 2008 World's Most Admired Companies ranking in the Insurance: Life and Health category. FORTUNE and "The World's Most Admired Companies" and "America's Most Admired Companies" are registered trademarks of Time, Inc.

¹ As of December 31, 2008

² As of December 31, 2007, from the Prudential Financial, Inc. 2007 Form 10-K.

³ Prudential's 2007 Brand Image Tracking Study.

⁴ At 12/31/07, ranking for Prudential Financial, through its life insurance companies, according to A.M. Best.

⁵ As of December 31, 2008.

⁶ As of December 31, 2007.

Prudential, Prudential Financial, The Rock, and are registered service marks of The Prudential Insurance Company of America and its affiliates.

EQUAL HOUSING OPPORTUNITY

