

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

**FORM 8-K
CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): December 4, 2003

PRUDENTIAL FINANCIAL, INC.
(Exact name of registrant as specified in its charter)

New Jersey
(State or other jurisdiction
of incorporation)

001-16707
(Commission File
Number)

22-3703799
(I.R.S. Employer
Identification No.)

751 Broad Street
Newark, New Jersey 07102
(Address of principal executive offices and zip code)

(973) 802-6000
(Registrant's telephone number, including area code)

Item 9. Regulation FD Disclosure.

Prudential Financial, Inc., a New Jersey corporation, is furnishing a copy of the slides presented at its Investor Day conference held on December 4, 2003, as Exhibit 99.0 hereto.

Item 12. Results of Operations and Financial Condition.

The response to Item 9 is hereby incorporated into this Item 12.

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: December 4, 2003

PRUDENTIAL FINANCIAL, INC.

By: /s/ GORDON S. CALDER, JR.

Name: Gordon S. Calder, Jr.
Title: Assistant Secretary

Exhibit Index

Exhibit No.	Description
99.0	Slide Presentation of Prudential Financial, Inc., dated December 4, 2003.

Investor Day

December 4, 2003

Prudential  Financial

Forward-Looking Statements

Certain of the statements included in the following 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," 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 those set forth in this presentation and without limitation: general economic, market and political conditions, including the performance of financial markets, interest rate fluctuations and the economic environment; various domestic or international military or terrorist activities or conflicts; volatility in the securities markets; reestimates of our reserves for future policy benefits and claims; changes in our assumptions related to deferred policy acquisition costs; our exposure to contingent liabilities; catastrophe losses; investment losses and defaults; changes in our claims-paying or credit ratings; competition in our product lines and for personnel; fluctuations in foreign currency exchange rates and foreign securities markets; risks to our international operations; the impact of changing regulation or accounting practices; Prudential Financial, Inc.'s primary reliance, as a holding company, on dividends from its subsidiaries to meet debt payment obligations and the applicable regulatory restrictions on the ability of the subsidiaries to pay such dividends; adverse litigation results; and changes in tax law. Prudential Financial, Inc. does not intend, and is under no obligation, to update any particular forward-looking statement included in this presentation. The information referred to above, as well as the risks of our businesses described in our Annual Report on Form 10-K for the year ended December 31, 2002, should be considered by readers when reviewing forward-looking statements contained in this presentation.

Non-GAAP Measure

In managing our businesses, we use a non-GAAP measure we call "adjusted operating income" to measure the performance of our Financial Services Businesses (FSB). Our goals for return on equity (ROE) and earnings per share (EPS) are based on FSB after-tax adjusted operating income and attributed equity. Adjusted operating income, which is not measured in accordance with generally accepted accounting principles (GAAP), excludes net realized investment gains (losses). A significant element of realized losses is impairments and losses from sales of credit-impaired securities, the timing of which depends largely on market credit cycles and can vary considerably across periods. The timing of other sales that would result in gains or losses is largely subject to our discretion and influenced by market opportunities. The fluctuating effects of these transactions could distort trends in the underlying profitability of our businesses. Adjusted operating income also excludes the results of divested businesses, which are not relevant to our ongoing operations, and certain other items, described in our Annual Report on Form 10-K for the year ended December 31, 2002. Because we do not predict future realized investment gains (losses), we cannot provide measures of our goals based on income from continuing operations of the FSB, which is the GAAP measure most comparable to adjusted operating income.

ROE based on annualized after-tax adjusted operating income is determined by dividing annualized after-tax adjusted operating income (giving effect to the direct equity adjustment for EPS calculation), by average FSB attributed equity excluding unrealized gains and losses on investments. An alternative measure to ROE based on after-tax adjusted operating income is return on average equity (based on income from continuing operations). Return on average equity (based on income from continuing operations) represents annualized after-tax income from continuing operations as determined in accordance with GAAP (giving effect to the direct equity adjustment for EPS calculation), divided by average FSB total attributed equity. Return on average equity (based on income from continuing operations) was 4.02% for the nine months ended September 30, 2003. FSB attributed equity at that date, including unrealized gains and losses on investments, was \$20.541 billion.

For additional information about adjusted operating income and the comparable GAAP measure please refer to our Annual Report on Form 10-K and our Quarterly Report on Form 10-Q for the quarter ended September 30, 2003, on the Investor Relations Web site at <http://www.investor.prudential.com>. Reconciliations between adjusted operating income and the comparable GAAP measure for the years ended December 31, 2002 and 2001, the nine month periods ended September 30, 2003 and 2002, and the three months ended September 30, 2003, are included in this presentation. Additional historical information relating to the Company's financial performance, including its third quarter 2003 Quarterly Financial Supplement, is also located on the Investor Relations Web site.

Reconciliation between adjusted operating income and the comparable GAAP measure

FINANCIAL HIGHLIGHTS
(in millions, except per share data)

Prudential Financial, Inc.
Investor Day | December 4, 2003

	Year ended December 31,		Nine months ended September 30,		Three months ended September 30, 2003
	2001	2002	2002	2003	
Financial Services Businesses:					
Pre-tax adjusted operating income by division:					
Insurance Division	450	545	408	582	183
Investment Division	166	282	247	233	83
International Insurance and Investments Division	567	751	575	618	223
Corporate and other operations	(25)	160	161	49	32
Total pre-tax adjusted operating income	1,158	1,738	1,391	1,482	521
Income taxes, applicable to adjusted operating income	472	584	485	482	170
Financial Services Businesses after-tax adjusted operating income	686	1,154	906	1,000	351
Items excluded from adjusted operating income:					
Realized investment losses, net, and related charges and adjustments	(139)	(867)	(583)	(170)	(46)
Sales practices remedies and costs	—	(20)	—	—	—
Divested businesses	23	(23)	36	(419)	(20)
Demutualization costs and expenses	(588)	—	—	—	—
Total items excluded from adjusted operating income, before income taxes	(704)	(910)	(547)	(589)	(66)
Income taxes, applicable to items excluded from adjusted operating income	(352)	(503)	(383)	(176)	29
Total items excluded from adjusted operating income, after income taxes	(352)	(407)	(164)	(413)	(95)
Income from continuing operations (after-tax) of Financial Services Businesses	334	747	742	587	256
Income (loss) from discontinued operations, net of taxes	(32)	(68)	8	(43)	(36)
Net income of Financial Services Businesses	302	679	750	544	220
Earnings per share of Common Stock (diluted):					
Financial Services Businesses after-tax adjusted operating income	1.17	2.07	1.61	1.90	0.68
Items excluded from adjusted operating income:					
Realized investment losses, net, and related charges and adjustments	(0.24)	(1.50)	(1.00)	(0.31)	(0.08)
Sales practices remedies and costs	—	(0.03)	—	—	—
Divested businesses	0.04	(0.04)	0.06	(0.76)	(0.04)
Demutualization costs and expenses	(1.00)	—	—	—	—
Total items excluded from adjusted operating income, before income taxes	(1.20)	(1.57)	(0.94)	(1.07)	(0.12)
Income taxes, applicable to items excluded from adjusted operating income	(0.60)	(0.87)	(0.66)	(0.32)	0.06
Total items excluded from adjusted operating income, after income taxes	(0.60)	(0.70)	(0.28)	(0.75)	(0.18)
Income from continuing operations (after-tax) of Financial Services Businesses	0.57	1.37	1.33	1.15	0.50
Income (loss) from discontinued operations, net of taxes	(0.05)	(0.12)	0.01	(0.08)	(0.06)
Net income of Financial Services Businesses	0.52	1.25	1.34	1.07	0.44
Weighted average number of outstanding Common shares (diluted basis)	583.6	578.0	582.3	550.5	545.9
Reconciliation to Consolidated Net Income of Prudential Financial, Inc:					
Net income of Financial Services Businesses (above)	302	679	750	544	220
Net income (loss) of Closed Block Business	(456)	(485)	(363)	145	77
Consolidated net income (loss)	(154)	194	387	689	297
Direct equity adjustments for earnings per share calculations	—	43	30	45	19

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

**COMBINED STATEMENTS OF OPERATIONS—
FINANCIAL SERVICES BUSINESSES
(in millions)**

**Prudential Financial, Inc.
Investor Day | December 4, 2003**

	Year ended December 31,		Nine months ended September 30,		Three months ended September 30, 2003
	2001	2002	2002	2003	
Revenues (1):					
Premiums	6,343	7,461	5,470	5,982	1,984
Policy charges and fee income	1,803	1,653	1,246	1,342	475
Net investment income	5,003	5,023	3,776	3,724	1,235
Commissions, investment management fees, and other income	4,239	4,069	3,096	2,636	675
Total revenues	17,388	18,206	13,588	13,684	4,369
Benefits and Expenses (1):					
Insurance and annuity benefits	6,925	7,793	5,663	6,113	2,023
Interest credited to policyholders' account balances	1,670	1,707	1,263	1,263	424
Interest expense	326	170	134	130	56
Deferral of acquisition costs	(935)	(1,064)	(780)	(917)	(312)
Amortization of acquisition costs	538	739	581	452	150
General and administrative expenses	7,706	7,123	5,336	5,161	1,507
Total benefits and expenses	16,230	16,468	12,197	12,202	3,848
Adjusted operating income before income taxes	1,158	1,738	1,391	1,482	521
Items excluded from adjusted operating income before income taxes:					
Realized investment losses, net, and related adjustments	(165)	(873)	(583)	(145)	(40)
Related charges	26	6	—	(25)	(6)
Total realized investment losses, net, and related charges and adjustments	(139)	(867)	(583)	(170)	(46)
Sales practices remedies and costs	—	(20)	—	—	—
Divested businesses	23	(23)	36	(419)	(20)
Demutualization costs and expenses	(588)	—	—	—	—
Total items excluded from adjusted operating income before income taxes	(704)	(910)	(547)	(589)	(66)
Income from continuing operations before income taxes	454	828	844	893	455
Income tax expense	120	81	102	306	199
Income from continuing operations, after-tax	334	747	742	587	256

- (1) Revenues exclude realized investment gains, net of losses and related adjustments, and revenues of divested businesses and discontinued operations. Benefits and expenses exclude charges related to realized investment gains, net of losses, sales practices remedies and costs, demutualization costs and expenses, and benefits and expenses of divested businesses and discontinued operations.

Welcome

Art Ryan
Chairman and CEO

Prudential  Financial

What has happened since December 4, 2002

- **Acquired American Skandia**
- **Divested Property & Casualty business**
- **Combined Prudential Securities Private Client business into Wachovia Securities**
- **Announced agreement to acquire CIGNA's retirement business**

What has happened since December 4, 2002

- Achieved over \$150 million of expense saves
- Increased EPS by 18%, based on adjusted operating income (AOI), for the first nine months of 2003
- Repurchased \$250 million of Common Stock per quarter
- Increased cash dividend by 25%
- Maintained superior balance sheet and capital position

Update on 12% ROE goal

- Appropriate and achievable
- 2005 timeframe
- Share repurchases to continue
- Improve profitability and competitiveness of businesses
 - Successful integration of American Skandia, CIGNA
 - Enhanced returns from Wachovia Securities investment and relationship
 - Expense saves
 - Opportunistic acquisitions

After 2005....

Premium valuation based on

- Superior mix of business
- Growth prospects
- Market positions
- Consistency of results

Prudential Financial, Inc.

Mark Grier

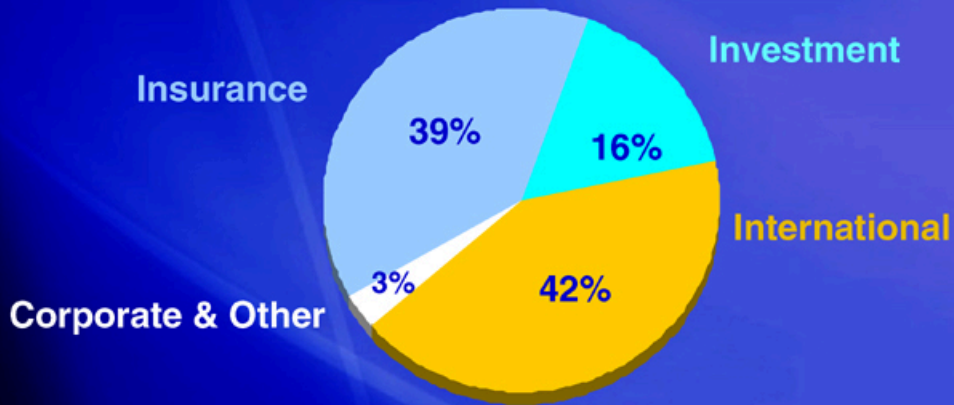
**Vice Chairman
Financial Management**

Prudential  Financial

Year to date financial highlights ⁽¹⁾

Adjusted operating income ⁽²⁾

\$1,482 million



ROE ⁽³⁾

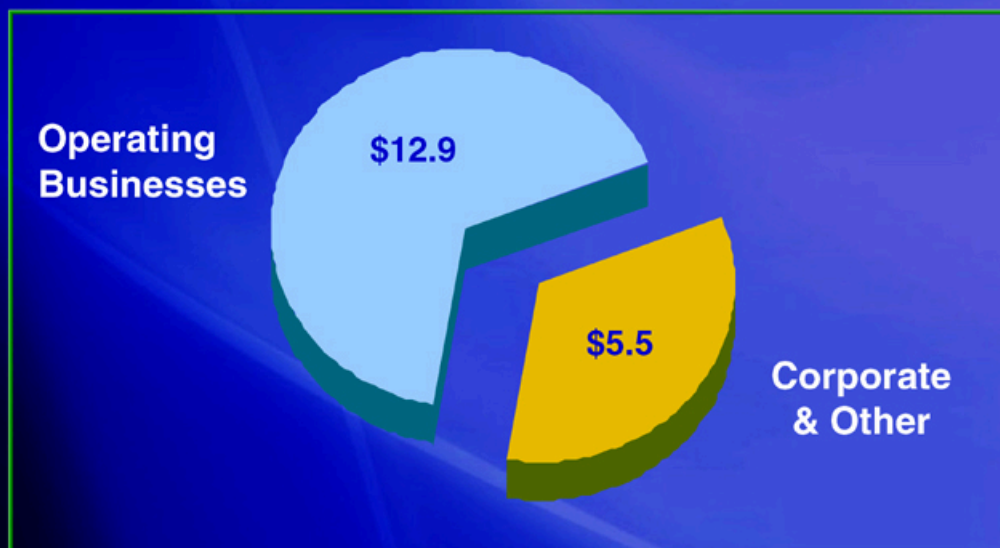
7.6 %

(1) For the Financial Services Businesses (FSB); nine months ended September 30, 2003

(2) Pre-tax adjusted operating income

(3) Based on annualized FSB after-tax adjusted operating income; nine months ended September 30, 2003

Total attributed equity of \$18.4 billion ⁽¹⁾



(1) As of September 30, 2003 for the FSB; excludes unrealized gains and losses on investments

Attributed equity of operating businesses

Performing At or Above Hurdle

- International
- Investment Management / Other Asset Management
- Annuities

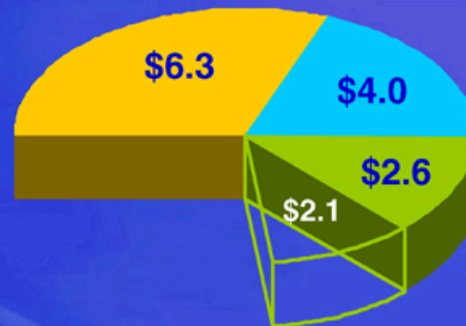
Fundamentally Sound

- Individual Life
- Group Insurance

Transitioning

- Financial Advisory
- Retirement

Attributed equity \$12.9 billion ⁽¹⁾

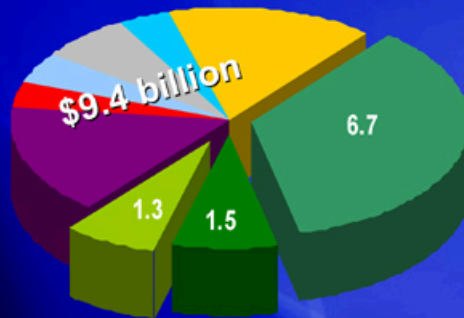


(1) As of September 30, 2003; excludes unrealized gains and losses on investments

Capital redeployment

Attributed equity \$18.9 billion ⁽¹⁾

As of 9/30/02



Pro-forma attributed equity \$18.4 billion ^{(1) (2)}

As of 9/30/03



Corporate & Other Property & Casualty Financial Advisory Individual Life Annuities
Group Insurance Retirement Investment Mgmt/ Other Asset Mgmt International

(1) Excludes unrealized gains and losses on investments

(2) Gives effect to \$2.1 billion CIGNA Retirement acquisition (expected closing, first half 2004)

Investor Day 12.04.03

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Performing At or Above Hurdle

International Insurance ⁽¹⁾

4,875 Life Planners

4,848 Gibraltar Life Advisors

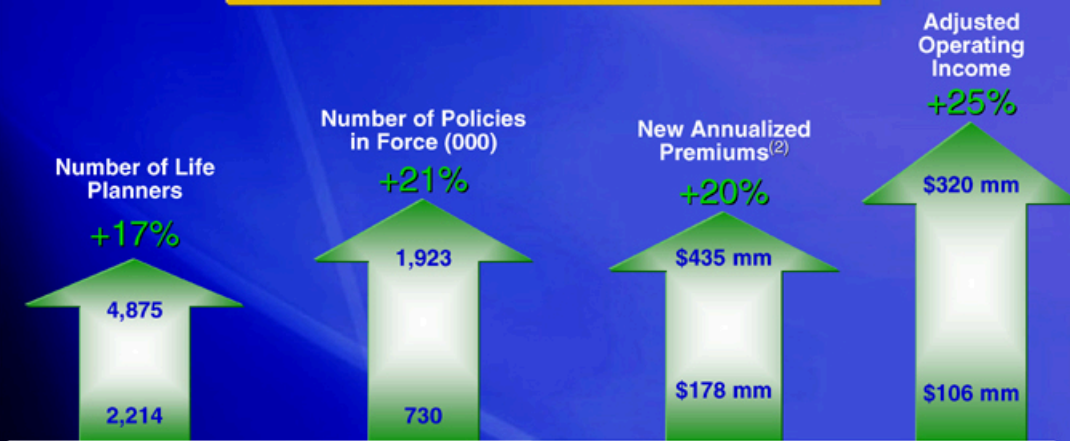
6.3 million policies in force

New annualized premiums: \$744 million

(1) As of September 30, 2003; Annualized new business premiums for full year ended December 31, 2002

International Insurance growth – Life Planner model ⁽¹⁾

CAGR
Nine months 1998 – Nine months 2003



(1) Excludes Gibraltar Life

(2) GAAP Exchange rate basis – translated based on applicable average exchange rate for period

Investor Day 12.04.03

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Gibraltar Life progress report

- RORE consistently above 20% ⁽¹⁾
- “Shock lapse” period has ended
- Agent compensation transitioning to variable
- Agent productivity up; exceeds norm in Japan
- Increased new business



(1) Based on after-tax adjusted operating income

(2) Constant exchange rate basis; sales based on annualized new business premiums

Investor Day 12.04.03

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Annuities

- **American Skandia acquisition creates top ten variable annuity business**
 - **Compelling economics: 72% of book value**
 - **First full quarter: 15% RORE ⁽¹⁾**
 - **Largest distributor of variable annuities through independent financial planners**
- **Combined annuity account values now \$44 billion ⁽²⁾**
- **Combined third quarter gross annuity sales, \$1.5 billion**
- **Net sales turned positive in 2Q03 and reached \$262 million in 3Q03**

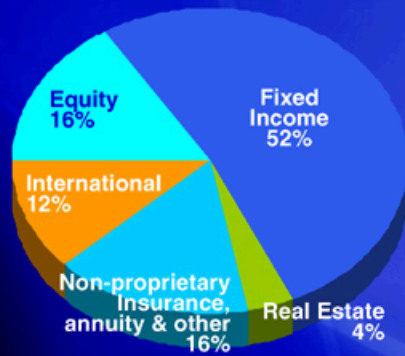
(1) Based on annualized after-tax adjusted operating income for the quarter ended September 30, 2003

(2) As of September 30, 2003

Investment Management: significant scale and breadth

Total AUM \$421 billion ⁽¹⁾

AUM by asset type



AUM by client type



(1) As of September 30, 2003

Strong market position in each major asset class ⁽¹⁾

Public Markets		Private Markets		
Public Equity	Public Fixed Income	Private Fixed Income	Commercial Mortgages	Real Estate
Top 25	Top 5	No. 1	Top 5	Top 10

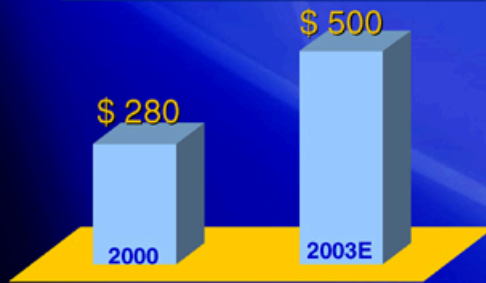
(1) As of December 31, 2002

Fundamentally Sound

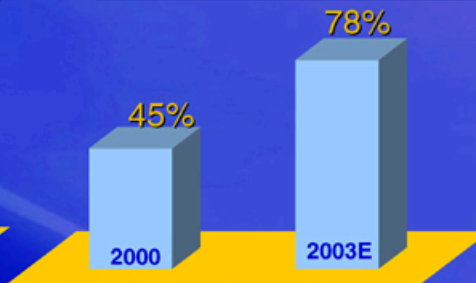
Individual Life

- Expense cuts
- New products
- Growing third-party
- Stable captive distribution

First Year Agent Productivity ⁽¹⁾

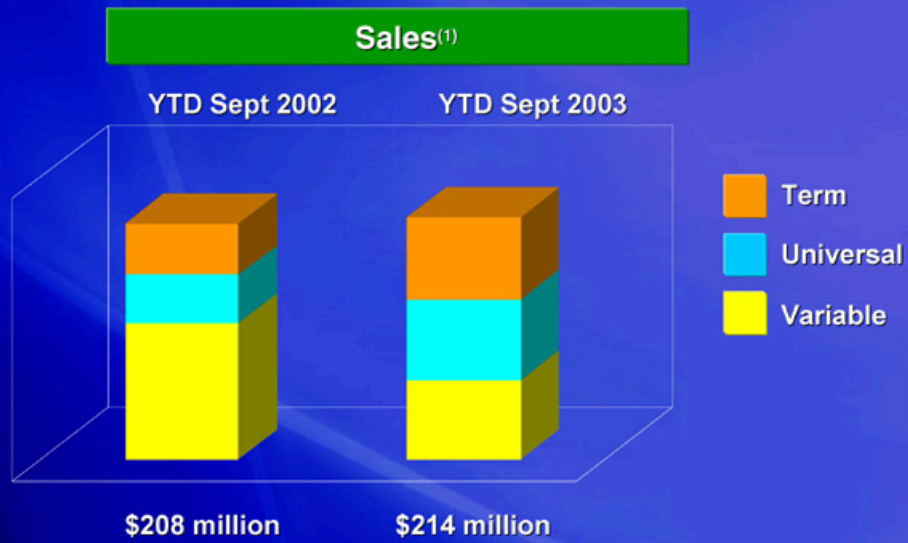


First Year Agent Retention



(1) Average weekly total productivity

Individual Life sales



(1) Based on statutory first-year premiums, excluding COLI

Investor Day 12.04.03

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Group Insurance

- Controlled growth – emphasis on margins
- Selective repricing to retain profitable business
- Persistency still high; lapsed cases below profitability standards

Transitioning

Financial Advisory

- Combination of Private Client with Wachovia closed July 1
- 62% Wachovia, 38% Prudential
- Combined business creates 3rd largest brokerage firm in the U.S. ⁽¹⁾
- Capital contribution of \$1 billion, plus \$400 million one-time costs
- More profitable, less risky than Prudential's stand-alone business
- Prudential put option - at cost after 2 years; at fair market value after 5 years.

(1) Based on client assets of \$532.1 billion as of March 31, 2003

Retirement

Established manufacturing and distribution

- \$67 billion retirement account values; 1.1 million defined contribution participants ⁽¹⁾
- Leverages deep strength in private placement and other fixed income categories
- Reported profits depressed by old spread business in “loss recognition”

CIGNA acquisition creates leading retirement market provider

- Doubles defined contribution record keeping to 2 million participants ⁽¹⁾
- Brings total retirement assets to nearly \$120 billion ⁽¹⁾
- Complementary market focus and distribution strength

(1) As of September 30, 2003

Financial strength ⁽¹⁾

Equity (excl FAS 115, in millions)	\$ 18,396
Corporate Debt/Capital ⁽²⁾	12.1 %

<u>Fixed Maturities</u>	<u>(in millions)</u>
Gross unrealized gains	\$ 5,128
Gross unrealized losses	\$ 367
Net unrealized gains	\$ 4,761

(1) Financial Services Businesses, as of September 30, 2003

(2) Based on definition indicated in Quarterly Financial Supplement

Investor Day 12.04.03

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Capital redeployment opportunities

Acquisitions

Share repurchases and cash dividends

Ratings aspirations

ROE improvement levers

- **Capital management and redeployment**
- **Grow high performing businesses**
- **Improve sound businesses**
- **Integrate CIGNA Retirement business; complete transition of Financial Advisory segment**
- **Cut expenses**

Summary

Earnings on track

International Insurance business highly profitable, growing

American Skandia acquisition strengthens annuity business

Transitioning of Financial Advisory segment

CIGNA acquisition a major step toward ROE improvement

Capital redeployment

ROE goal: 12% by 2005 ⁽¹⁾

(1) Based on after-tax adjusted operating income

Individual Life Insurance

Jim Avery

**Senior Vice President
Individual Life Insurance**

Prudential  Financial

Individual Life financial performance

	Year Ended December 31		Nine Months Ended September 30
(\$ millions)	2001	2002	2003
Adjusted operating income before tax ⁽¹⁾	\$ 273	\$ 432	\$ 294
After-tax equivalent, adjusted operating income ⁽²⁾	\$ 162	\$ 287	\$ 198
Direct equity adjustment ⁽³⁾	-	43	45
Total – after-tax	\$ 162	\$ 330	\$ 243
Return on required equity ⁽⁴⁾	5.3 %	10.8 %	10.3 %

(1) Before direct equity adjustment

(2) Represents application of FSB effective tax rate to pre-tax adjusted operating income

(3) The direct equity adjustment is included in reported earnings per share and return on equity calculations; after-tax

(4) Based on after-tax adjusted operating income and direct equity adjustment; annualized for nine month period

Key financial and business drivers

Sales

Expenses

Separate account balances

Investment margins

Claims experience

Capital management

Modest growth in sales driven by third party

Life insurance sales ⁽¹⁾



(1) Based on statutory first year premiums, excluding COLI; YTD periods are for nine months ended September 30

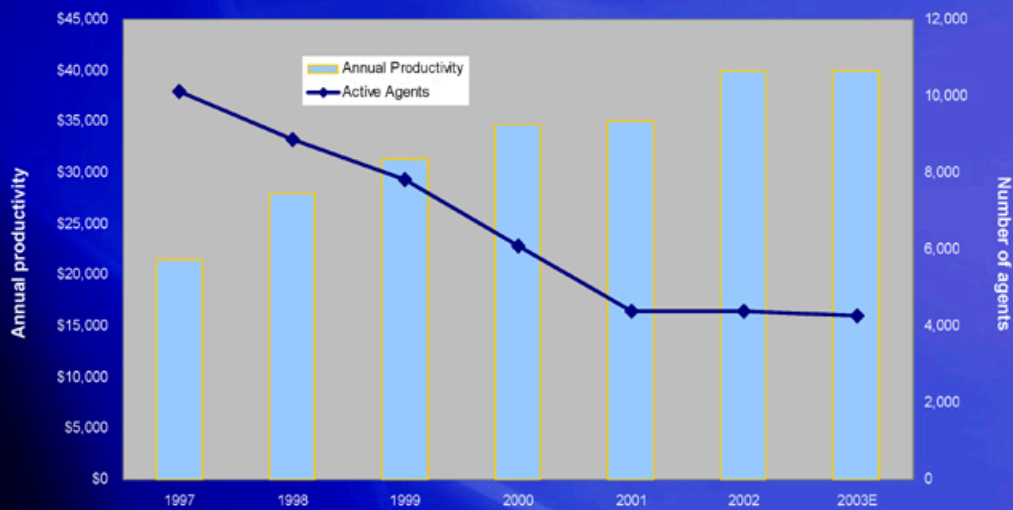
Shift in product mix



Our product mix shift reflects the success of our new UL and Term products and the challenges of Variable sales

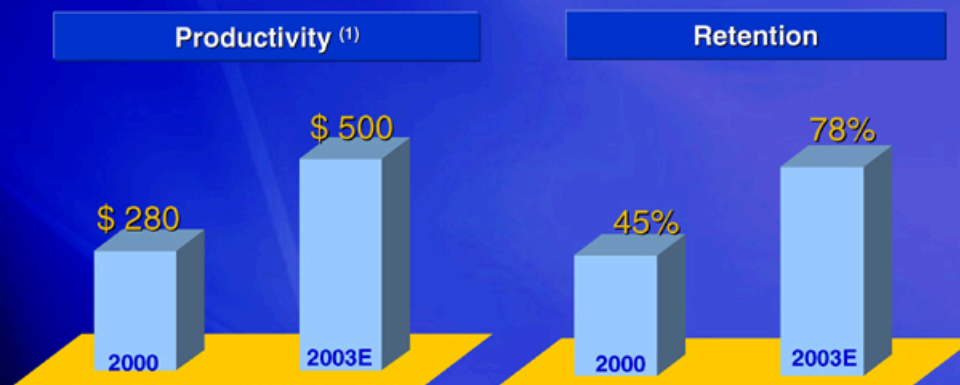
(1) Based on statutory first year premiums, excluding COLI; YTD periods are for nine months ended September 30

Producer counts have stabilized and productivity has improved



Agent productivity increased 86% from 1997 to \$40,000 in 2002, and is on pace to stay at approximately \$40,000 for full year 2003

First year agent productivity and retention



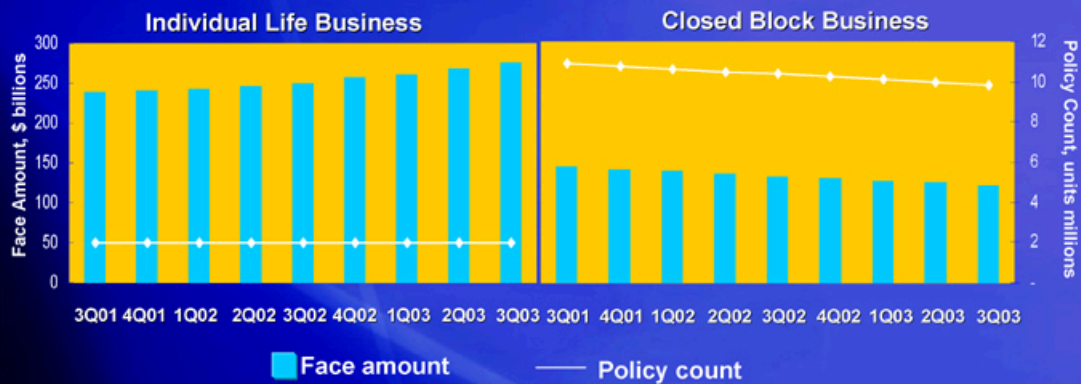
(1) Average weekly total productivity

Recent product introductions

- Universal Life Plus
- Universal Life Protector
- Survivorship Universal Life Plus
- Survivorship Universal Life Protector
- Term Essential (revised)
- Term Elite (revised)

Individual Life Business is more than twice the size of the Closed Block ⁽¹⁾

In Force Face Amount & Policy Count



The Closed Block has more than five times the number of policies in force

(1) Based on face amount of policies in force

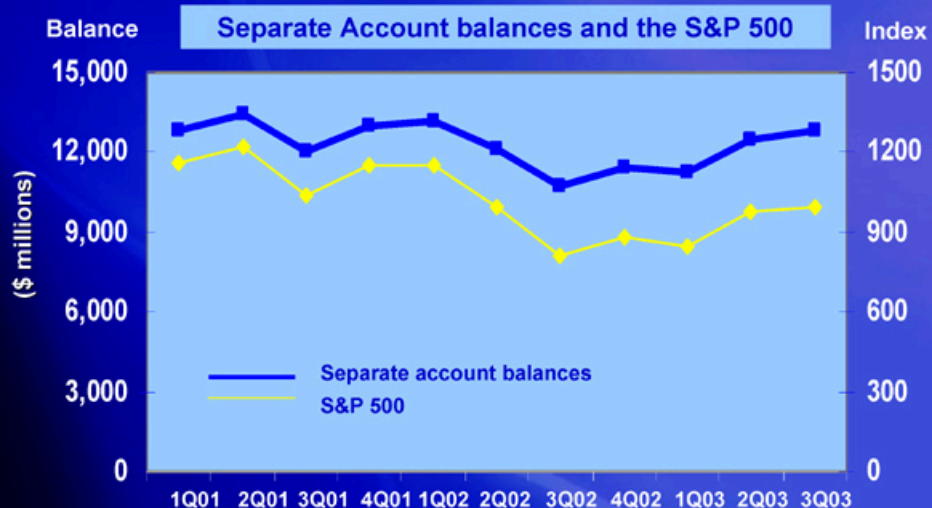
Expense management

- G&A overhead expense is allocated 20% to the Individual Life business and 80% to the Closed Block
- To directly increase the Individual Life business RORE by a total of 10 bps, we would need to reduce total Life G&A overhead expense by \$23 million
- That same \$23 million expense reduction would indirectly increase total RORE by an additional 40 bps as a result of an increase in the Closed Block Business Direct Equity Adjustment

Investment return sensitivities

- As equity markets recover, every \$1 billion increase in Separate Account balances for variable products contributes \$10 to \$15 million to adjusted operating income and 20 to 30 bps to RORE
- An increase of 50 bps in General Account spreads contributes \$25 million to adjusted operating income and approximately 50 bps to RORE
- Declining Separate Account balances and General Account spreads dampened returns in recent years

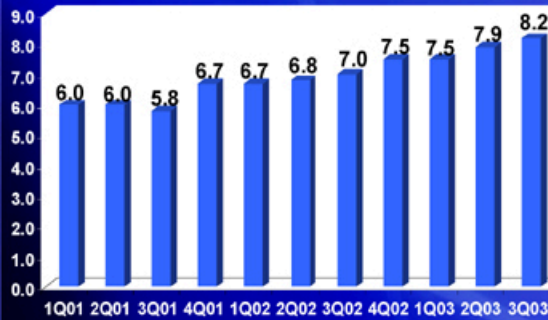
Separate account fund balances are recovering from poor equity market performance



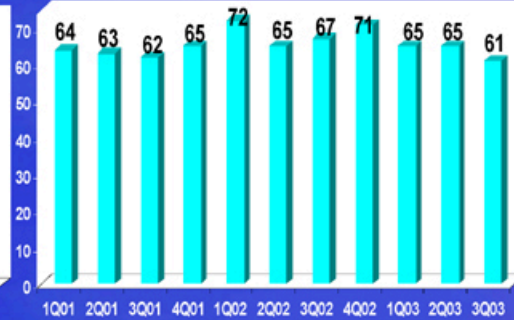
Asset growth has substantially offset declining portfolio yields

General Account

Total invested assets ⁽¹⁾ (\$ billions)

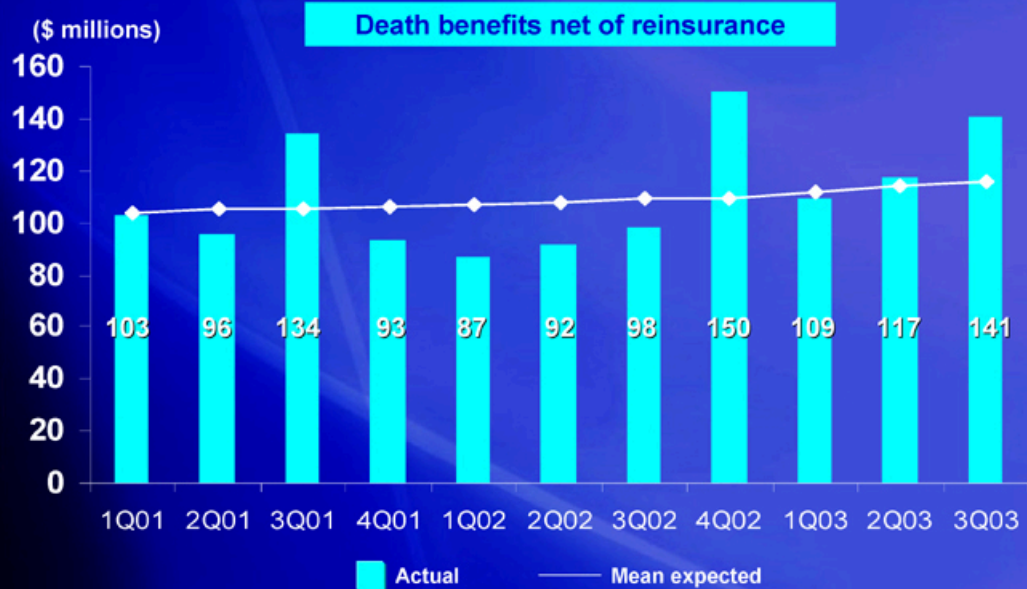


Investment margin (\$ millions)



(1) Excludes FAS 115; includes policy loans

Death benefits net of reinsurance cause short term volatility in results



Capital management will improve results

- **Captive reinsurance is an opportunity to reduce statutory reserves resulting in reduced GAAP required equity**

- **Pursuing additional strategies to reduce statutory reserves and GAAP required equity**

- **Potential freed up capital in Prudential Insurance between \$500 million and \$1 billion**

Summary

- Growth in core sales
- Continued expansion of third party distribution
- Selective recruiting; improved productivity of captive agents
- Competitive products
- Expense management
- Capital management to improve life business returns and free up capital

Individual Annuities

David Odenath

Senior Vice President
Annuities

Prudential  Financial

Individual Annuities financial performance

	Year Ended December 31		Nine Months Ended September 30
	2001	2002	2003 ⁽¹⁾
Account values ⁽²⁾			
Variable annuities:			
Prudential	\$19	\$16	\$17
American Skandia	--	--	24
Total variable	19	16	41
Fixed annuities	3	3	3
Total account values	\$22	\$19	\$44
Adjusted operating income before tax ⁽³⁾	\$107	\$(42)	\$166
Return on required equity ⁽⁴⁾			12%

(1) Reflects American Skandia results from May 1, 2003 acquisition date

(2) In billions; at end of period

(3) In millions

(4) Based on annualized after-tax adjusted operating income

Investor Day 12.04.03

Integration of American Skandia proceeding as planned

- All major decisions have been made and communicated
-

- Implementation expected to be completed over 24 months

- Systems conversion
 - Headcount reduction
 - Shelton and Fort Washington as primary locations
-

- Focus over the next 12 months will be on mitigating integration risk and merging cultures

American Skandia – 3Q03 Results

(\$ millions)	Three Months Ended September 30, 2003
Total revenues ⁽¹⁾	\$150
Annuity benefits ⁽²⁾	20
Amortization – VOBA and DAC	15
General and administrative expenses ⁽³⁾	56
Total benefits and expenses ⁽⁴⁾	91
Adjusted operating income before tax	\$ 59

(1) Excludes realized investment gains, net of losses and related adjustments

(2) Includes interest credited to policyholders' account balances

(3) Net of deferral of policy acquisition costs; excludes VOBA amortization

(4) Excludes charges related to realized investment gains, net of losses

Investor Day 12.04.03

American Skandia – 3Q03 Results

Total revenues ⁽¹⁾

\$ 150

- Principally fee income; no fixed annuity or fixed bucket offered
- Revenue sensitive to asset values and persistency
- Over 85% of account values protected by surrender charges ⁽²⁾
- Surrender charges based on premiums - not account values

(1) In millions; excludes realized investment gains, net of losses and related adjustments

(2) As of September 30, 2003

American Skandia – 3Q03 Results

Annuity benefits ⁽¹⁾

\$ 20

- Includes \$14 million GMDB expense

- Net amount at risk \$4.5 billion ⁽²⁾

- Statutory GMDB reserve, \$283 million ⁽²⁾

- 86% of contracts, based on account value, offer “basic” death benefit ⁽²⁾

- GMDB expiration 10 years from issuance on 44% of business; death benefit is account value thereafter ⁽²⁾

(1) In millions; benefits and expenses exclude charges related to realized investment gains, net of losses

(2) As of September 30, 2003

American Skandia – 3Q03 Results

Amortization – VOBA and DAC ⁽¹⁾ \$ 15

- VOBA limited due to purchase price below book value
- DAC only on sales from acquisition date

General and administrative expenses ⁽¹⁾ \$ 56

- Expenses include restructuring costs now; expense saves expected over time
- Goal is to reduce combined expense base by about 20%

(1) In millions; benefits and expenses exclude charges related to realized investment gains, net of losses

Prudential Annuities – 3Q03 Results

(\$ millions)		Three Months Ended September 30, 2003
Total revenues ⁽¹⁾	Highly sensitive to asset based fees and net investment income →	\$ 179
Annuity benefits	Includes \$7mm GMDB expense →	31
Interest credited to policyholders' account balances		68
Amortization of DAC		21
General and administrative expenses ⁽²⁾		40
Total benefits and expenses ⁽³⁾		160
Adjusted operating income before tax		\$ 19

(1) Excludes realized investment gains, net of losses and related adjustments

(2) Net of deferral of policy acquisition costs

(3) Benefits and expenses exclude charges related to realized investment gains, net of losses

Prudential Annuities spread income ⁽¹⁾

(\$ millions)	3Q02	4Q02	1Q03	2Q03	3Q03
Net investment income for spread products	\$ 107	\$ 108	\$ 105	\$ 101	\$ 103
Interest credited on payout annuities	14	15	14	14	15
Interest credited on deferred annuities	62	65	59	62	64
Net spread income	31	28	32	25	24

- Of \$7.5 billion in total spread annuities, approximately \$4.6 billion is subject to annual reset, including over \$3 billion in January
- New fixed annuity contracts have guaranteed minimum rates well below 3%
- Average new money rates on fixed “bucket” variable annuity products reflect lower contractual minimums

(1) For fixed annuity products including fixed bucket of variable annuities

Prudential Annuities - GMDB

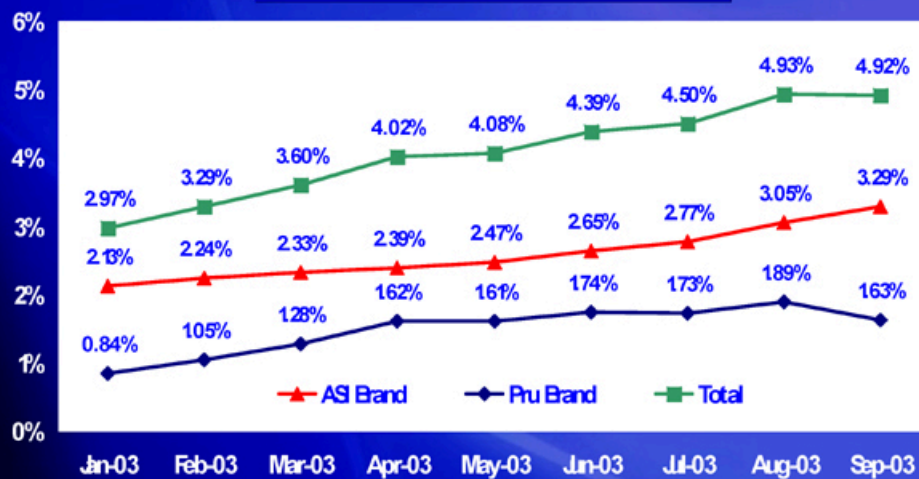
(\$ millions)	Year ended	Nine months ended
	December 31, 2002	September 30, 2003
Total variable annuity account values ⁽¹⁾	\$15,338	\$16,762
Amount at risk ⁽¹⁾	3,400	2,500
GMDB expense	37	29

(1) At end of period

Annuity market share is consistently increasing

Market share has improved in each book of business

Variable annuity market share ⁽¹⁾

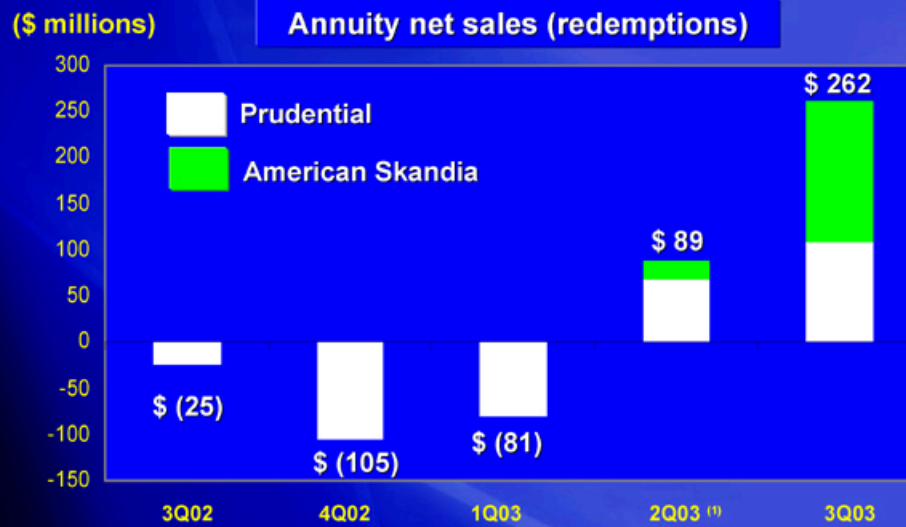


(1) Source: VARDS

Investor Day 12.04.03

10

Annuity net sales are positive

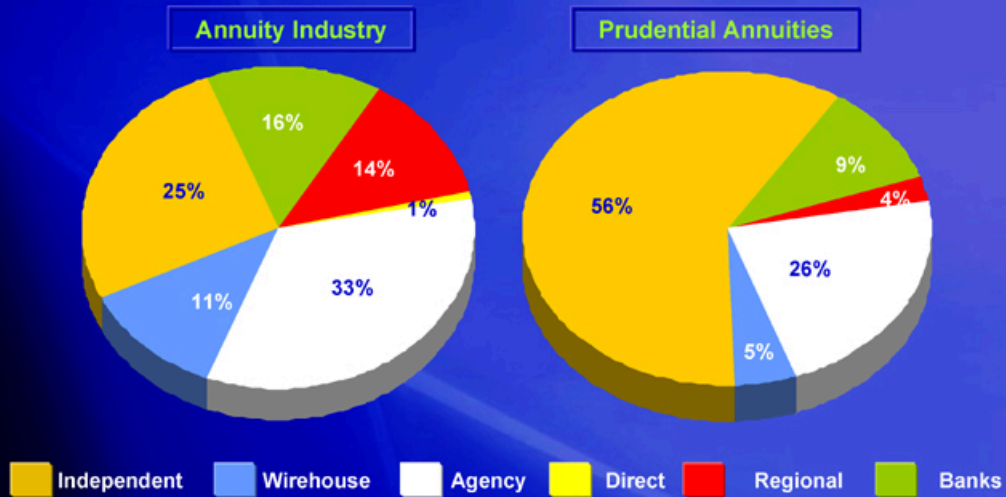


(1) Includes only two months of American Skandia results

Investor Day 12.04.03

We have significant presence in third party channels

VA channel sales share ⁽¹⁾ 3Q03



(1) Source: VARDS

American Skandia – Optional living benefits

- **New optional living benefits launched in October**

- Guaranteed Minimum Accumulation Benefit (GMAB)
- Guaranteed Minimum Withdrawal Benefit (GMWB)
- Guaranteed Minimum Income Benefit (GMIB)

- **Customers may elect one living benefit per contract**

- **Available across entire product line**

GMAB – GRO Plus

Guarantees principal preservation – after seven year waiting period

Step-up guarantee available; triggers a new seven year waiting period

Withdrawals over 5% proportionally reduce guarantee

Guarantee supported by automatic allocations to fixed bucket

Cost: 25 basis points of account value

GMWB

Guarantees minimum periodic withdrawals

Protected Value based on greater of premiums or account value

14 year payout time frame

Withdrawals over 7% proportionally reduce guarantee

Cost: 35 basis points of account value

GMIB

Guarantees minimum account value for annuitization

Protected Value increases 5% annually

Seven year waiting period; annuitization required

“Special” annuity rates and mortality table

Withdrawals over 5% proportionally reduce guarantee

Cost: 50 basis points of Protected Value

Summary

- **American Skandia integration proceeding well**
- **Significant third party presence**
- **Net sales are positive and growing**
- **Increased market share**
- **Enhanced product portfolio**

International Division

Rodger Lawson

**Vice Chairman
International Insurance and Investments Division**

Prudential  Financial

International Division financial performance

(\$ millions)	Year Ended December 31		Nine Months Ended September 30
	2001	2002	2003
Adjusted operating income before tax:			
International Insurance excluding Gibraltar Life	\$ 349	\$ 379	\$ 320
Gibraltar Life ⁽¹⁾	262	378	277
		22% RORE ⁽²⁾	\$ 597
International Investments	(44)	(6)	21
	\$ 567	\$ 751	\$ 618

(1) 2001 represents initial eight months of results

(2) Based on annualized after-tax adjusted operating income

Key elements of our international strategy

- Focus on limited number of attractive countries
- Prioritize the affluent and mass affluent individual markets
- Develop business platforms based on Life Insurance or Investment Management or both, according to perceived country opportunity
- Focus on on-shore distribution driven business models
- Develop our in-country brand

International Division today

		Life Planning Insurance	Traditional Insurance	International Investments
Major Prudential markets today	Japan			
	Korea			
	Taiwan			
	Mexico			
	China			
Emerging markets for Prudential today	Philippines			
	Argentina			
	Brazil			
	Germany			
	Italy			
	UK			
	Poland			

Where we are today - summary

- Insurance/investment operations in 12 countries
- Leadership positions in life planning
- Gibraltar stable and poised to grow
- Material asset management platforms in 6 countries
- Profitability dominated by Japan and Korea

International Insurance Life Planner Model

Prudential  Financial

International Insurance

Value Proposition – Life Planners

- A highly trained, professional field force focused on providing life insurance plans tailored to the specific needs of each individual client

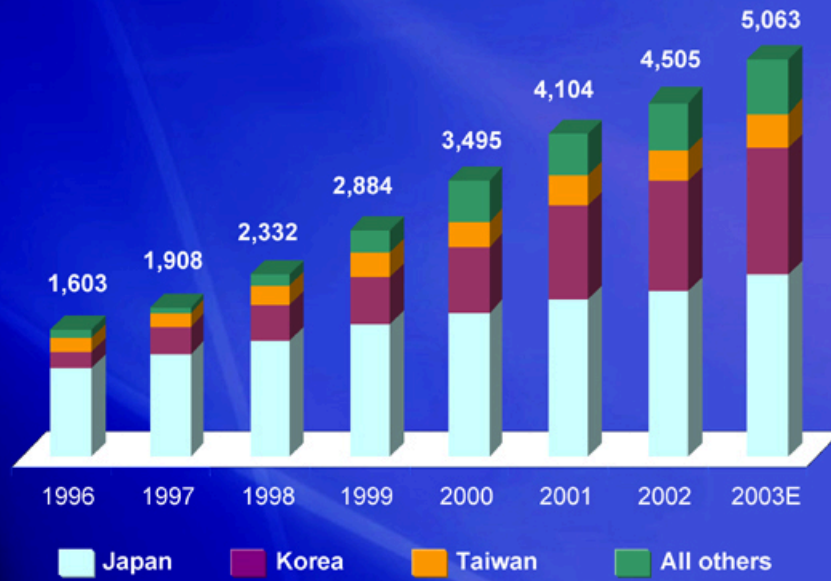
Competitive Advantage

- Industry leadership sales/service capability
- Needs based selling
- Client focus

Product Strategy

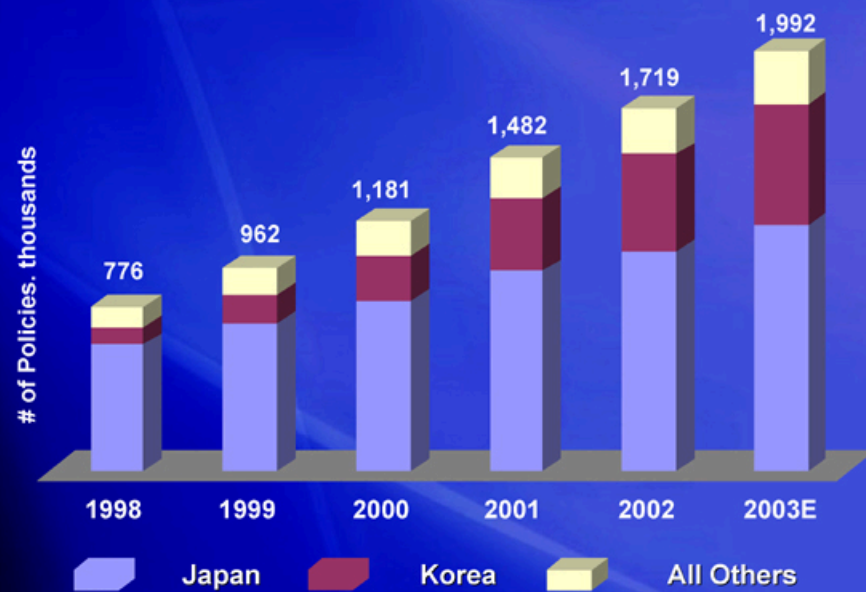
- Focuses on protection life insurance in a predominantly standardized product environment

Life Planners (1)



(1) At end of period

Life Planner model number of individual policies in-force



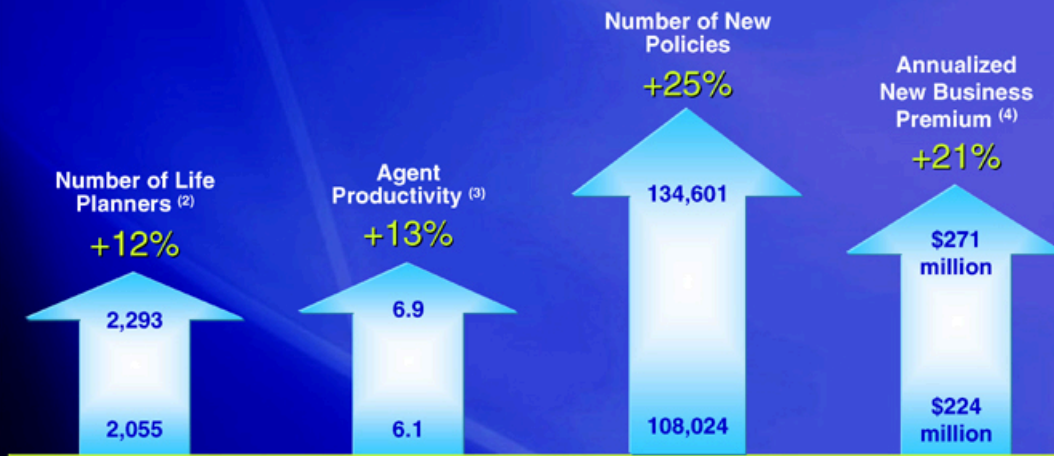
Productivity, retention and persistency

Life Planner Model	1998	1999	2000	2001	2002	2003E
Life Planner productivity⁽¹⁾	7.1	7.5	7.5	8.1	6.8	7.0
Life Planner 12-month Retention	86%	79%	75%	66%	72%	74%
Life Planner 24-month Retention	69%	72%	65%	61%	55%	60%
13-month policy persistency	93%	94%	94%	93%	93%	93%
25-month policy persistency	88%	86%	88%	88%	86%	87%
Renewal policy persistency	92%	95%	95%	94%	95%	94%

(1) Policies per Life Planner per month

Prudential of Japan business driver growth ⁽¹⁾

**Nine months
2003 versus 2002**



(1) Excludes Gibraltar Life

(2) At end of period

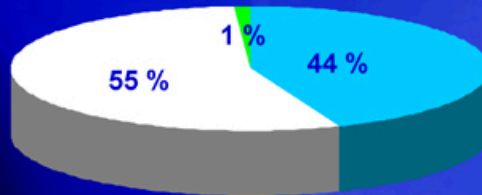
(3) Policies per Life Planner per month

(4) Translated based on constant average exchange rate for the year ended December 31, 2002

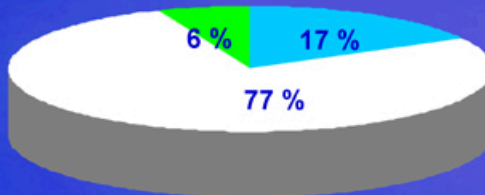
Business mix versus the industry

Percentage of business in product segment ⁽¹⁾

Prudential of Japan
(POJ)



Industry ⁽²⁾



Term / Riders

Whole Life

Endowment

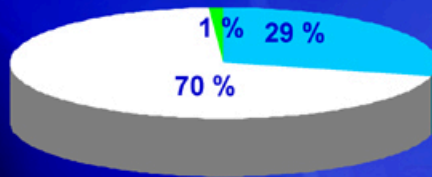
(1) Based on face amount of insurance in force; excludes riders without face amount

(2) Source: Japanese Life Insurance Research Institute industry data and Prudential estimates

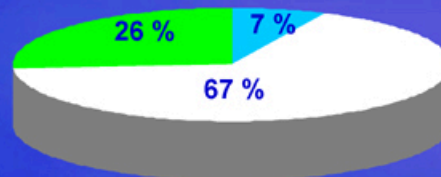
Business mix versus the industry

Percentage of business in product segment ⁽¹⁾

Prudential of Korea
(POK)



Industry ⁽²⁾



Term / Riders

Whole Life

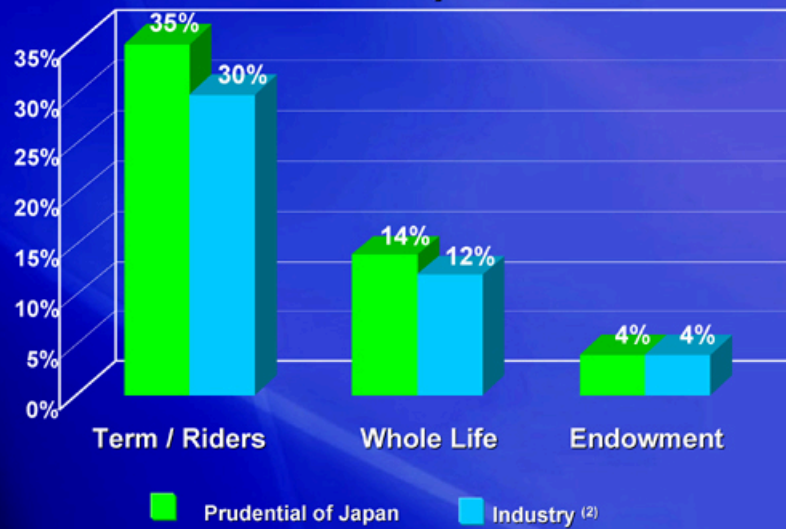
Endowment

(1) Based on face amount of insurance in force; excludes riders without face amount

(2) Source: Korea Life Insurance Association industry data and Prudential estimates

Profit margins by product category ⁽¹⁾

Japan

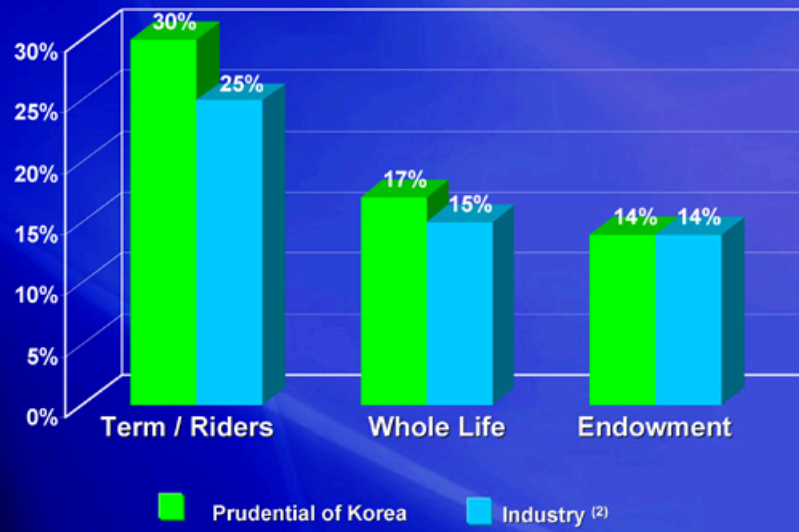


(1) Estimated ratio of pre-tax income (on an adjusted operating income basis) to premiums

(2) Based on industry data and Prudential estimates

Profit margins by product category ⁽¹⁾

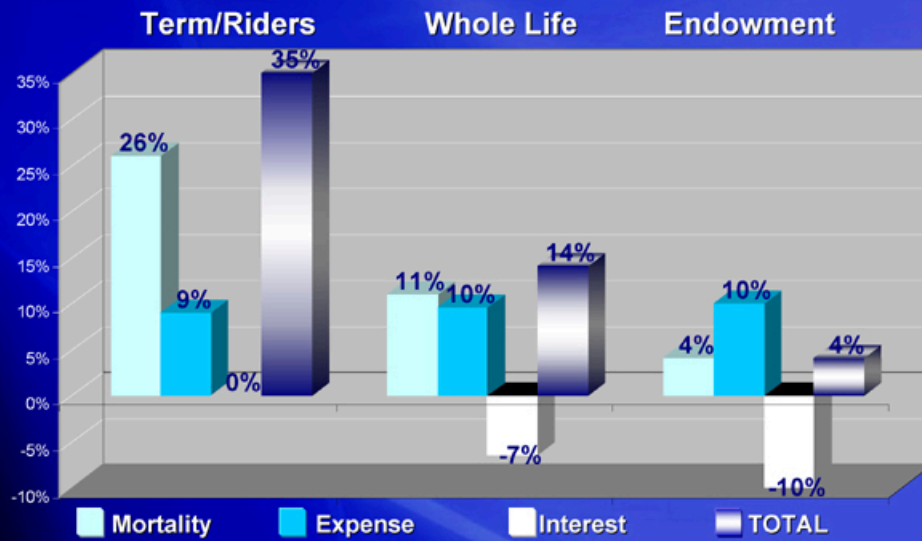
Korea



(1) Estimated ratio of pre-tax income (on an adjusted operating income basis) to premiums

(2) Based on industry data and Prudential estimates

POJ sources of product profitability ⁽¹⁾



(1) Estimated percentage based on pre-tax income (on an adjusted operating income basis) to premiums

Sources of total profitability

2002 Profitability ⁽¹⁾ (\$ millions)

	POJ	POK
Mortality	\$ 222	\$ 55
Interest	(95)	5
Expenses	215	44
Total	\$ 342	\$ 104

(1) Estimated breakdown of pre-tax adjusted operating income

Earnings sensitivity to changes in investment spreads ⁽¹⁾

2002 Earnings ⁽²⁾ (\$ millions)					Adjusted for change in interest spread	
	Mortality	Interest	Expenses	Total	- 20 b.p.	+ 20 b.p.
POJ	\$ 222	(95)	215	\$ 342	\$ 330	\$ 354
POK	\$ 55	5	44	\$ 104	\$ 103	\$ 105

(1) Source: Prudential estimates

(2) Estimated breakdown of pre-tax adjusted operating income

Life Planner model strategy and plans

- Continue disciplined implementation
- Organic expansion in existing markets
- Continued growth in Life Planners
- Maintenance of Life Planner productivity
- Maintenance of client policy persistency levels
- Very selective entry into new markets

Gibraltar Life

Tim Feige

Senior Vice President
International Life Insurance

Prudential  Financial

Gibraltar Life Insurance

Value Proposition – Life Advisors

- A proprietary insurance agent field force which is superior to the rest of the “traditional industry” in its sales discipline, client focus and service standards

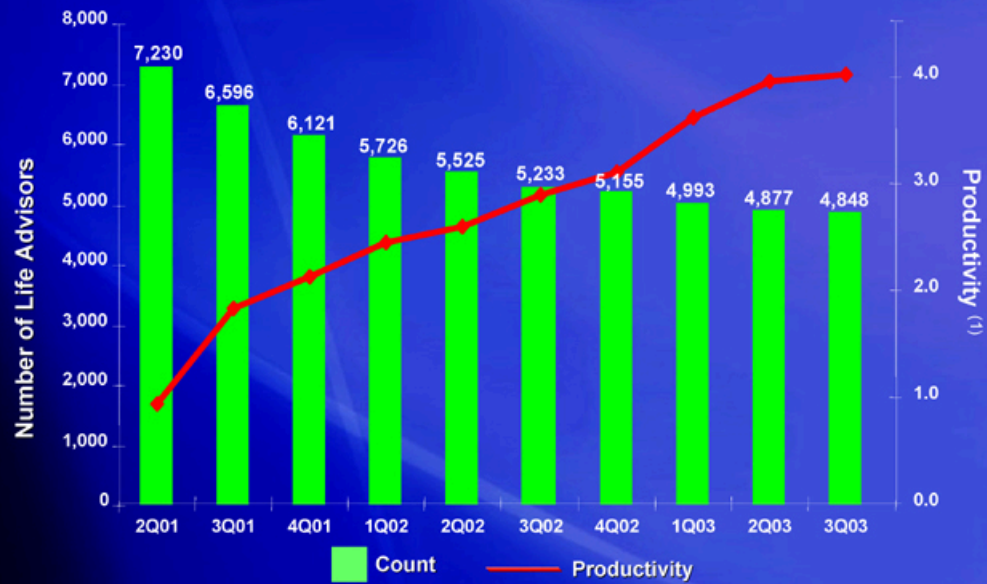
Competitive Advantage to Rest of Traditional Industry

- Sales/service capability
- Needs based selling
- Client focus

Product Strategy

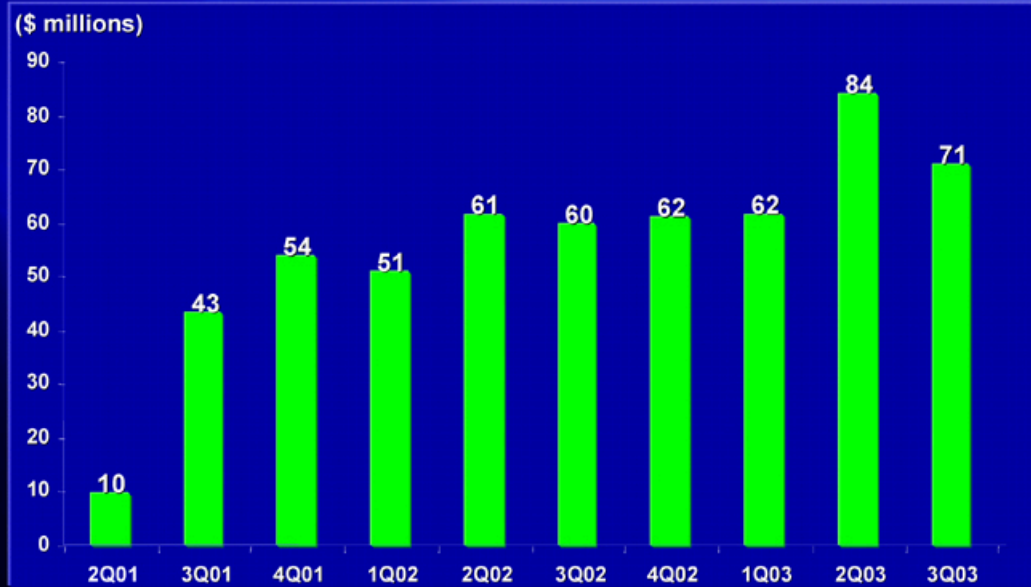
- Sales focus on protection life insurance
- Savings products remain important to the channel

Life Advisor count and productivity trend



(1) Policies per Life Advisor per month

Annualized new business premiums⁽¹⁾



(1) Annualized new business premiums translated at constant average FX rate for the year ended December 31, 2002

Surrenders declining

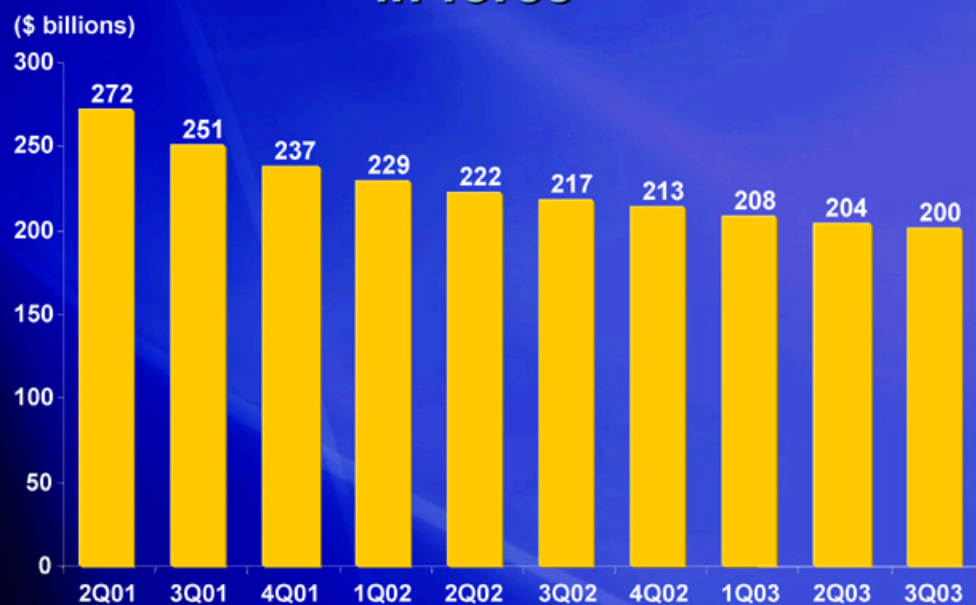


(1) Based on daily surrender report; translated at constant average FX rate for the year ended December 31, 2002

Gibraltar Life 23

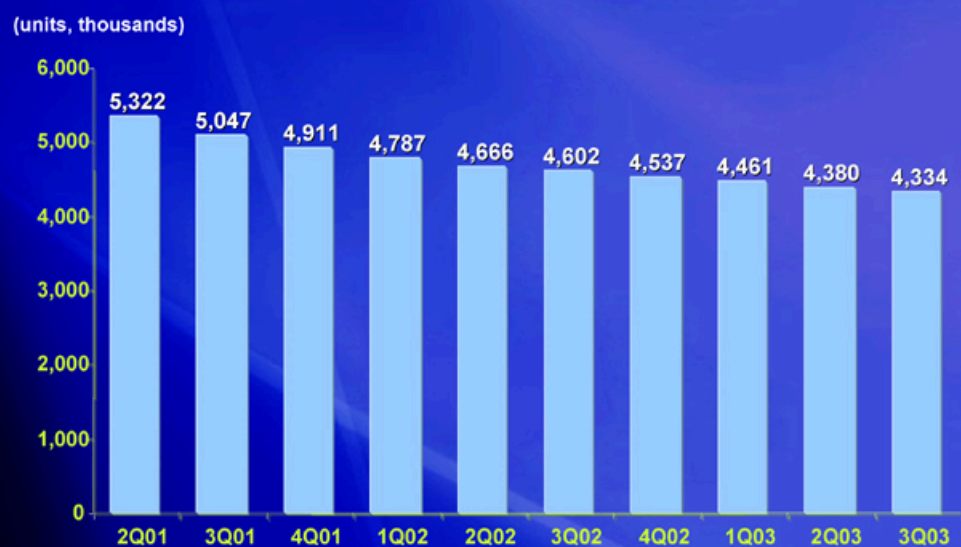
Investor Day 12.04.03

Face amount of individual policies in-force ⁽¹⁾

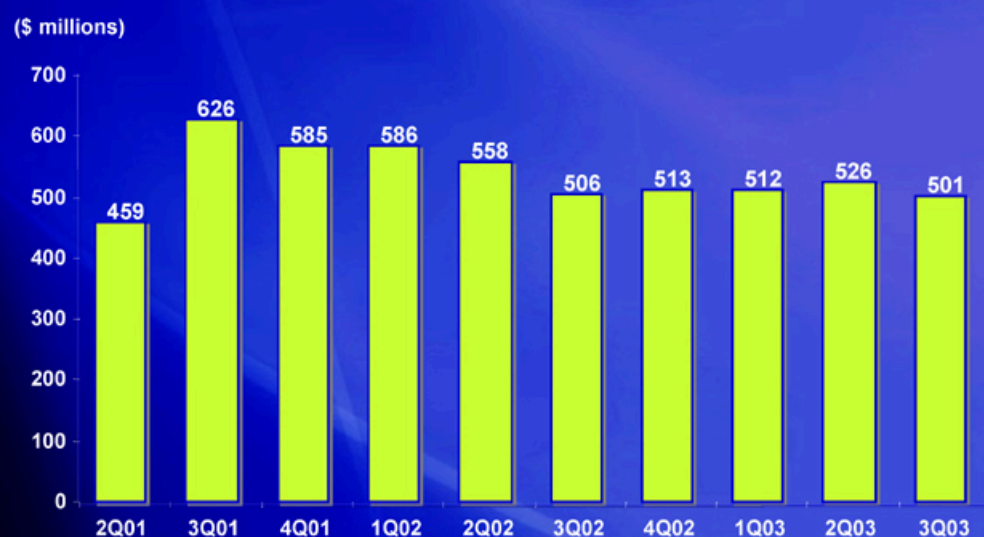


(1) Face amount translated based on constant exchange rate as of December 31, 2002

Individual Life in force – number of policies



Net premium, policy charge, and fee income ⁽¹⁾



(1) Translated at constant average FX rate for the year ended December 31, 2002

Gibraltar sources of total profitability

2002 Profitability ⁽¹⁾ (\$ millions)	
	Gibraltar
Mortality	\$ 322
Interest	85
Expenses	(8)
Surrenders	(21)
Total	\$ 378

(1) Estimated breakdown of pre-tax adjusted operating income

Investor Day 12.04.03

Gibraltar Life 27

Earnings sensitivity to changes in investment spreads ⁽¹⁾

2002 Earnings ⁽²⁾ (\$ millions)						Adjusted for change in interest spread	
	Mortality	Interest	Expenses	Surrenders	Total	- 20 b.p.	+ 20 b.p.
Gibraltar Life	\$ 322	85	(8)	(21)	\$ 378	\$ 317	\$ 437

(1) Source: Prudential estimates

(2) Estimated breakdown of pre-tax adjusted operating income

Gibraltar Life model strategy and plans

- **Stabilize Life Advisor force and then build**
- **Improve Life Advisor productivity and policy persistency**
- **Build on Gibraltar Affinity Group relationships**
- **Pursue acquisitions opportunistically**

Financial Outlook

Richard J. Carbone
Chief Financial Officer

Prudential  **Financial**

Financial Services Businesses "baseline" Adjusted operating income

Nine months ended September 30, 2003 (\$ millions, except per share data)

Reported earnings per share \$ 1.90

Q1	Gibraltar surrenders less than expected	\$ 15	
	Private Client retirement plan charge	37	
Q2	Structured financing charge	37	
	Group Insurance reserve refinement	(8)	
Q3	Wachovia costs, net of \$19 million gain on transaction	15	
		\$ 96	0.12

Baseline 2.02

Fourth quarter 2003 guidance ⁽¹⁾ 0.60 – 0.65

Annual "baseline" earnings per share \$ 2.62 – \$ 2.67

(1) Excludes estimated 5 cents to 10 cents per share for Wachovia transaction costs

Considerations for 2004

- **Transactions:**
 - Full year earnings for the Wachovia venture
 - Full year earnings for American Skandia
 - Nine months of earnings from CIGNA Retirement
 - Nine months of earnings from Hyundai
- **8% market appreciation**
- **Expense reductions realized**
- **31% effective tax rate for adjusted operating income**
- **US Dollar = ¥117**
- **Lower pension credit**

Financial Services Businesses full year 2004 earnings guidance

