

PRUDENTIAL FINANCIAL INC
 Form 424B2
 June 13, 2008
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Filed Pursuant to Rule 424(b)(2)
 Registration Statement No. 333-132469
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CALCULATION OF REGISTRATION FEE

<u>Title of Each Class of Securities Offered</u>	<u>Maximum Aggregate Offering Price</u>	<u>Amount of Registration Fee (1)</u>
8.875% Fixed-to-Floating Rate Junior Subordinated Notes due 2068	\$600,000,000	\$23,580

(1) Calculated in accordance with Rule 457(r) of the Securities Act of 1933.

Prospectus Supplement

(To Prospectus dated March 16, 2006)

\$600,000,000

Prudential Financial, Inc.

8.875% Fixed-to-Floating Rate Junior Subordinated Notes due 2068

The 8.875% Fixed-to-Floating Rate Junior Subordinated Notes due 2068, or the *notes*, are our unsecured, subordinated debt instruments and will bear interest from the date they are issued to, but excluding, June 15, 2018, at an annual rate of 8.875%, payable semi-annually in arrears on June 15 and December 15 of each year, beginning on December 15, 2008 and ending on June 15, 2018. From and including June 15, 2018, the notes will bear interest at an annual rate equal to three-month LIBOR plus 5.0%, payable quarterly in arrears on March 15, June 15, September 15 and December 15 of each year, beginning September 15, 2018. We have the right, on one or more occasions, to defer the payment of interest on the notes as described in this prospectus supplement. We will not be required to settle deferred interest pursuant to the alternative payment mechanism described in this prospectus supplement until we have deferred interest for five consecutive years or, if earlier, made a payment of current interest during a deferral period. We may defer interest for one or more consecutive interest periods up to ten years without giving rise to an event of default. Deferred interest will accrue additional interest at an annual rate equal to the annual interest rate then applicable to the notes. In the event of our bankruptcy, holders of the notes may have a limited claim for deferred interest.

The principal amount of the notes will become due on June 15, 2038, or, if that day is not a business day, on the next business day (the *scheduled maturity date*), only to the extent that we have received proceeds from the sale of certain qualifying capital securities during a 180-day period ending on a notice date not more than 15 and not less than ten business days prior to such date. We will use our commercially reasonable efforts, subject to a market disruption event, to raise sufficient net proceeds from the issuance of qualifying capital securities to permit repayment of the notes in full on the scheduled maturity date. If we have not raised sufficient net proceeds to permit repayment of the notes on the scheduled maturity date, we will repay the notes to the extent of such net proceeds, and the unpaid portion will remain outstanding and will continue to bear interest at three-month LIBOR plus 5.0%, payable quarterly. We will use our commercially reasonable efforts, subject to a market disruption event, to raise sufficient proceeds from the issuance of qualifying capital securities to permit repayment of the remaining

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principal amount of the notes on the following quarterly interest payment date, and on each quarterly interest payment date thereafter, until the notes are paid in full. On June 15, 2068, or, if that day is not a business day, on the next business day (the *final maturity date*), we must pay any remaining outstanding principal and accrued and unpaid interest in full on the notes whether or not we have sold qualifying capital securities.

We may elect to redeem any or all of the notes at any time. Any redemption prior to June 15, 2048 will be subject to our covenants in the Replacement Capital Covenant, as described in this prospectus supplement. In the case of a redemption before June 15, 2018, the redemption price will be equal to the greater of (x) 100% of the principal amount of the notes being redeemed and (y) the applicable make-whole amount described herein, in each case plus any accrued and unpaid interest. The applicable make-whole amount will be lower in the case of a redemption of all outstanding notes in connection with a tax event or rating agency event. In the case of a redemption on or after June 15, 2018, the redemption price will be equal to 100% of the principal amount of the notes being redeemed plus any accrued and unpaid interest.

Investing in the notes involves risks. See Risk Factors beginning on page S-8 of this prospectus supplement and the Risk Factors contained in our Annual Report on Form 10-K for the year ended December 31, 2007 and other periodic reports, incorporated by reference herein.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

	<u>Per Note</u>	<u>Total</u>
Initial public offering price	99.714%	\$598,284,000
Underwriting discount	1.000%	\$ 6,000,000
Proceeds, before expenses, to Prudential Financial, Inc.	98.714%	\$592,284,000

The underwriters expect to deliver the notes through the facilities of The Depository Trust Company for the accounts of its participants, including Clearstream Banking, société anonyme, Luxembourg (*Clearstream Luxembourg*) and Euroclear Bank N.V./S.A. (*Euroclear*) against payment in New York, New York on or about June 17, 2008.

Joint Bookrunning Managers

JPMorgan

Joint Structuring Advisor

Morgan Stanley

Joint Structuring Advisor

Wachovia Securities

Citi

Credit Suisse

Goldman, Sachs & Co.

Lehman Brothers

UBS Investment Bank

BMO Capital Markets BNP PARIBAS BNY Mellon Capital Markets, LLC RBS Greenwich Capital Loop Capital Markets, LLC The Williams Capital Group, L.P.

Prospectus Supplement dated June 12, 2008.

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This document consists of two parts. The first part is the prospectus supplement, which describes the specific terms of this offering. The second part is the prospectus, which contains more general information, some of which may not apply to this offering. You should read both this prospectus supplement and the accompanying prospectus, together with the documents identified under the heading "Incorporation of Information by Reference" on page S-58 of this prospectus supplement. If the information set forth in this prospectus supplement differs in any way from the information set forth in the accompanying prospectus, you should rely on the information set forth in this prospectus supplement.

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References in this prospectus supplement to the Company, Prudential Financial, Inc., Prudential Financial, we, us or our refer to Prudential Financial, Inc. only and do not include its consolidated subsidiaries.

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No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus supplement or the accompanying prospectus. You must not rely on any unauthorized information or representations. This prospectus supplement and the accompanying prospectus are an offer to sell only the securities they describe and only under circumstances and in jurisdictions where it is lawful to do so. The information provided by or incorporated by reference in this prospectus supplement and the accompanying prospectus may only be accurate on the date of the document containing the information.

Any investor purchasing the notes in this offering is solely responsible for ensuring that any offer or resale of the notes it purchased in this offering occurs in compliance with applicable laws and regulations.

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SUMMARY

The following summary does not purport to be complete and is qualified in its entirety by the more detailed information and financial statements appearing elsewhere, or incorporated by reference, in this prospectus supplement. You should read and consider carefully all of this information, including the information set forth under Risk Factors , as well as the financial statements in our Current Report on Form 8-K dated May 16, 2008 that are incorporated by reference herein, before making an investment decision.

Prudential Financial, Inc.

Business

Prudential Financial, Inc., a financial services leader with approximately \$648 billion of assets under management as of December 31, 2007, has operations in the United States, Asia, Europe and Latin America. Through our subsidiaries and affiliates, we offer a wide array of financial products and services, including life insurance, annuities, mutual funds, pension and retirement-related services and administration, investment management, real estate brokerage and relocation services, and, through a joint venture, retail securities brokerage services. We provide these products and services to individual and institutional customers through one of the largest distribution networks in the financial services industry.

We are a holding company whose principal asset is our investments in subsidiaries. As a holding company, we are dependent on dividends, loans or advances, or other intercompany transfers of funds from our subsidiaries to meet our obligations. The subsidiaries are separate and distinct legal entities and have no obligation to pay any amounts due under our obligations or to make any funds available for such payment. Because we are principally a holding company, our right to participate in any distribution of assets of any of our subsidiaries, including The Prudential Insurance Company of America, upon the subsidiary's liquidation or reorganization or otherwise, is subject to the prior claims of its creditors, except to the extent that we may be recognized as a creditor of that subsidiary. Accordingly, our obligations under the notes will be effectively subordinated to all existing and future indebtedness and liabilities of our subsidiaries, including liabilities under contracts of insurance and annuities written by our insurance subsidiaries, and you, as holders of debt securities, should look only to our assets for payment thereunder.

Prudential Financial, Inc. has two classes of common stock outstanding: our Class A common stock, which we refer to as our common stock in this prospectus supplement and which began trading on December 13, 2001 on the New York Stock Exchange under the symbol PRU , reflects the performance of the Financial Services Businesses, while our Class B stock, which was issued through a private placement and does not trade on any exchange, reflects the performance of the Closed Block Business. On December 18, 2001, our date of demutualization, The Prudential Insurance Company of America converted from a mutual life insurance company owned by its policyholders to a stock life insurance company and became an indirect, wholly owned subsidiary of Prudential Financial, Inc.

We are incorporated under the laws of the State of New Jersey.

Additional information about Prudential Financial, Inc. and its subsidiaries can be found in our documents filed with the Securities and Exchange Commission, which are incorporated herein by reference. See Incorporation of Information by Reference and Where You Can Find

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More Information in this prospectus supplement.

Our Executive Offices

Our registered office and principal executive offices are located at 751 Broad Street, Newark, New Jersey 07102. Our telephone number is (973) 802-6000.

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The Notes

Repayment of Principal

We must repay the principal amount of the notes, together with accrued and unpaid interest, on June 15, 2038, or, if that day is not a business day, on the next business day (the *scheduled maturity date*), subject to the limitations described below.

We are required to repay the notes on the scheduled maturity date only to the extent of the net proceeds we have raised from the issuance of qualifying capital securities, as described under *Description of the Replacement Capital Covenant*, during a 180-day period ending on a notice date not more than 15 and not less than ten business days prior to the scheduled maturity date. We are required to use our commercially reasonable efforts, subject to a market disruption event, as described under *Description of the Junior Subordinated Notes Market Disruption Events*, to raise sufficient net proceeds from the issuance of qualifying capital securities to permit repayment of the notes in full on the scheduled maturity date in accordance with the foregoing requirement. If we have not raised sufficient net proceeds to permit repayment of the notes on the scheduled maturity date, we will repay the notes to the extent of such net proceeds, and the unpaid portion will remain outstanding and will continue to bear interest at three-month LIBOR plus 5.0%, payable quarterly. We will continue to use our commercially reasonable efforts, subject to a market disruption event, to raise sufficient proceeds from the issuance of qualifying capital securities to permit repayment of the remaining principal amount of the notes on the following quarterly interest payment date, and on each quarterly interest payment date thereafter, until the notes are paid in full.

Any unpaid principal amount of the notes, together with accrued and unpaid interest, will be due and payable on June 15, 2068, or, if that day is not a business day, on the next business day (the *final maturity date*), or upon acceleration following an event of default, regardless of the amount of qualifying capital securities we have issued and sold.

Interest

Interest on the notes will accrue from June 17, 2008. From and including June 17, 2008 to but excluding June 15, 2018, the notes will bear interest at an annual rate of 8.875%. We will pay that interest semi-annually in arrears on June 15 and December 15 of each year, beginning on December 15, 2008, subject to our rights and obligations described under *Description of the Junior Subordinated Notes Option to Defer Interest Payments* and *Description of the Junior Subordinated Notes Alternative Payment Mechanism*. From and including June 15, 2018, the notes will bear interest at an annual rate equal to three-month LIBOR plus 5.0% payable quarterly in arrears on March 15, June 15, September 15 and December 15 of each year (or if any of these days is not a business day, on the next business day), beginning on September 15, 2018, subject to our rights and obligations described under *Description of the Junior Subordinated Notes Option to Defer Interest Payments* and *Description of the Junior Subordinated Notes Alternative Payment Mechanism*. In the event that any interest payment date prior to June 15, 2018 falls on a day that is not a business day, the interest payment due on that date will be postponed to the next day that is a business day, and no interest will accrue as a result of that postponement.

Option to Defer Interest Payments

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We have the right on one or more occasions to defer the payment of interest on the notes for one or more consecutive interest periods that do not exceed ten years without giving rise to an event of default. We may defer payment of interest prior to, on or after the scheduled maturity date, subject to our obligations described under [Description of the Junior Subordinated Notes Alternative Payment Mechanism](#) and [Description of the Junior Subordinated Notes Repayment of Principal](#) . We may not defer interest beyond the final maturity date,

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any earlier accelerated maturity date arising from an event of default or any other earlier repayment in full or redemption of the notes. Deferred interest on the notes will bear interest at the then applicable interest rate, compounded on each interest payment date, subject to applicable law.

During any deferral period, we generally will not be permitted to make any payments of deferred interest on the notes (and compounded interest thereon) from any source other than eligible proceeds, as defined under Description of the Junior Subordinated Notes Alternative Payment Mechanism.

Commencing on the earlier of (i) the first interest payment date during a deferral period on which we pay current interest on the notes and (ii) the fifth anniversary of the commencement of a deferral period, we will, subject to the occurrence and continuation of a market disruption event, as defined under Description of the Junior Subordinated Notes Market Disruption Events, sell qualifying APM securities as defined below under Alternative Payment Mechanism, and apply the eligible proceeds to pay accrued and unpaid deferred interest on the notes.

We have no present intention of exercising our right to defer payment of interest.

Alternative Payment Mechanism

Subject to the conditions described in Description of the Junior Subordinated Notes Option to Defer Interest Payments and to the exclusions described in Description of the Junior Subordinated Notes Market Disruption Events, if we defer interest on the notes, we will be required, commencing on the earlier of (i) the first interest payment date on which we pay current interest on the notes (which we may do from any source of funds) and (ii) the fifth anniversary of the commencement of the deferral period, if on such date such deferral period has not ended, to issue qualifying APM securities until we have raised an amount of eligible proceeds at least equal to the aggregate amount of accrued and unpaid deferred interest (including compounded interest thereon) on the notes. We refer to this method of funding the payment of deferred interest as the alternative payment mechanism. See Description of the Junior Subordinated Notes Alternative Payment Mechanism.

Qualifying APM securities means our common stock, qualifying preferred stock, qualifying warrants and mandatorily convertible preferred stock, provided that we may, without the consent of the holders of the notes, amend the definition of qualifying APM securities to eliminate common stock or qualifying warrants (but not both) and/or mandatorily convertible preferred stock from the definition if, after the issue date, an accounting standard or interpretive guidance of an existing accounting standard issued by an organization or regulator that has responsibility for establishing or interpreting accounting standards used by us in our principal public financial reports becomes effective or applicable to us such that there is more than an insubstantial risk that failure to eliminate common stock or qualifying warrants and/or mandatorily convertible preferred stock from the definition would result in a reduction in our earnings per share as calculated in accordance with such accounting standard or interpretive guidance. The trustee will promptly notify the holders of the notes, in the manner contemplated in the junior subordinated indenture, of any such change in the definition of qualifying APM securities.

Although our failure to comply with our obligations with respect to the alternative payment mechanism will be a breach of the junior subordinated indenture, it will not constitute an event of default thereunder or give rise to a right of acceleration or similar remedy under the terms thereof. The remedies of holders of the notes will be limited in such circumstances as described under Risk Factors. As a holder of the notes, you will have limited rights of acceleration.

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Subordination

The notes will be unsecured, subordinated and junior in right of payment to all of our existing and future senior indebtedness. Senior indebtedness will include, among other things, all of our indebtedness for borrowed money but will not include (1) obligations to trade creditors created or assumed by us in the ordinary course of business or (2) indebtedness that is by its terms subordinate, or not superior, in right of payment to the notes. All of our existing indebtedness for money borrowed is senior to the notes. As of December 31, 2007, our short- and long-term debt ranking senior to the notes upon liquidation, on an unconsolidated basis, totaled approximately \$16.7 billion. Payments on the notes will also be effectively subordinated to all existing and future liabilities of our subsidiaries to the extent of the assets of such subsidiaries. As of December 31, 2007, our subsidiaries had total liabilities of approximately \$445 billion (including policyholders' account balance liability and reserves for future policy benefits and claims of approximately \$196 billion). See "Description of the Junior Subordinated Notes Subordination" for the definition of "senior indebtedness".

The terms of the notes permit us to make any payment of current or deferred interest on our indebtedness that ranks on a parity with the notes upon our liquidation, or *pari passu securities*, that is made pro rata to the amounts due on such *pari passu securities* (including the notes), provided that such payments are made in accordance with the last paragraph under "Description of the Junior Subordinated Notes Alternative Payment Mechanism", to the extent it applies, and any payments of principal or current or deferred interest on *pari passu securities* that, if not made, would cause us to breach the terms of the instrument governing such *pari passu securities*.

Certain Payment Restrictions Applicable to Prudential

At any time when we have given notice of our election to defer interest payments on the notes but the related deferral period has not yet commenced or a deferral period is continuing, we and our subsidiaries generally may not make payments on or redeem or purchase any shares of our capital stock or any of our debt securities or guarantees that rank upon our liquidation on a parity with or junior to the notes, subject to certain limited exceptions. In addition, subject to certain limited exceptions, if any deferral period lasts longer than one year, we and our subsidiaries generally may not redeem or purchase securities that upon our liquidation would rank *pari passu* or junior to any of our qualifying APM securities, the proceeds of which were used to settle deferred interest during the relevant deferral period, until the first anniversary of the date on which all deferred interest has been paid.

Redemption of the Notes

We may elect to redeem any or all of the notes at any time. In the case of a redemption before June 15, 2018, the redemption price will be equal to the greater of (x) 100% of the principal amount of the notes being redeemed and (y) the applicable make-whole amount, in each case plus any accrued and unpaid interest. The applicable make-whole amount will be lower in the case of a redemption of all outstanding notes in connection with a tax event or rating agency event. In the case of a redemption on or after June 15, 2018, the redemption price will be equal to 100% of the principal amount of the notes being redeemed plus any accrued and unpaid interest. For a description of the applicable make-whole amounts, including the definitions of tax event and rating agency event, see "Description of the Junior Subordinated Notes Redemption".

Any redemption of the notes before June 15, 2048 will be subject to the covenants described under the section entitled "Description of the Replacement Capital Covenant".

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Limitation on Claims in the Event of Our Bankruptcy, Insolvency or Receivership

In certain events of our bankruptcy, insolvency or receivership prior to the redemption or repayment of the notes, whether voluntary or not, a holder of notes will have no claim for, and thus no right to receive, deferred and unpaid interest (including compounded interest thereon) to the extent the amount of such interest exceeds an amount equal to the earliest two years of accumulated and unpaid interest (including compounded interest thereon) on such holder's notes.

Events of Default

The following events are events of default under the junior subordinated indenture with respect to the notes:

the failure to pay interest, including compounded interest, in full on any notes for a period of 30 days after the conclusion of a ten-year period following the commencement of any deferral period if such deferral period has not ended prior to the conclusion of such ten-year period;

the failure to pay principal on the notes when due, subject to the limitations described below under "Description of the Junior Subordinated Notes - Repayment of Principal"; or

certain events of bankruptcy, insolvency or receivership involving us.

If an event of default described in the first two bullet points above occurs and continues, the trustee or the holders of at least 25% in aggregate principal amount of the outstanding notes may declare the entire principal amount of, and all accrued but unpaid interest on, all notes to be due and payable immediately. If an event of default occurs involving certain events of our bankruptcy, insolvency or receivership, the principal amount of the notes will automatically become due and payable.

We will not be in default of our obligations, nor will an event of default occur, if we elect to defer interest in accordance with the terms of the notes (as described in "Option to Defer Interest Payments" above), or if we do not pay principal on the notes at or after the scheduled maturity date (as described in "Repayment of Principal" above) as a result of our failure to raise sufficient proceeds from the issuance of qualifying capital securities, *provided* that we have used our commercially reasonable efforts to do so.

Material United States Federal Income Tax Considerations

There is no statutory, judicial or administrative authority that directly addresses the U.S. federal income tax treatment of securities similar to the notes. Based on, among other things, certain assumptions and certain representations made by us, Debevoise & Plimpton LLP, our special tax counsel, will render its opinion generally to the effect that, although the matter is not free from doubt, under then applicable law the notes will be treated as indebtedness for U.S. federal income tax purposes. Such opinion is not binding on the Internal Revenue Service (IRS) or any court and

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there can be no assurance that the IRS or a court will agree with such opinion. We agree, and by acquiring an interest in a note each beneficial owner of a note agrees, to treat the notes as indebtedness for U.S. federal income tax purposes. See Material United States Federal Income Tax Considerations .

Form

The notes will be represented by one or more global securities registered in the name of Cede & Co., as nominee for The Depository Trust Company (DTC). Beneficial interests in the notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Investors may elect to hold interests in the global securities through either DTC (in the United States), or Clearstream, Luxembourg or Euroclear (in Europe) if they are participants in those systems, or indirectly through organizations which are participants in those systems.

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Replacement Capital Covenant

Around the time of the initial issuance of the notes, we will enter into a replacement capital covenant in which we will covenant for the benefit of holders of one or more designated series of our indebtedness, other than the notes (which initially will be our 6.625% senior notes due 2037 (CUSIP No. 74432QBD6)), that neither we nor any of our subsidiaries will repay, redeem, defease or purchase the notes before June 15, 2048, except to the extent that the amount repaid, redeemed, defeased or purchased does not exceed the sum of (i) the applicable percentage (as defined under Description of the Replacement Capital Covenant) of the aggregate amount of net cash proceeds we and our subsidiaries have received from the sale of specified securities in the specified amounts described therein and (ii) the applicable percentage of the market value of common stock that we and our subsidiaries have issued (determined as of the date of issuance) in connection with the conversion of specified non-equity convertible securities, in each case during the applicable measurement period (as defined under Description of the Replacement Capital Covenant).

The replacement capital covenant will terminate upon the occurrence of certain events, including an acceleration of the notes due to the occurrence of an event of default. The replacement capital covenant is not intended for the benefit of holders of the notes and may not be enforced by them, except that we will agree in the junior subordinated indenture that we will not amend the replacement capital covenant to impose additional restrictions on the type or amount of qualifying capital securities that we may include for purposes of determining when repayment, redemption, defeasance or purchase of the notes is permitted, except with the consent of the holders of a majority in outstanding principal amount of the notes.

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SPECIAL NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain of the statements included in this prospectus supplement may 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, 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:

general economic, market and political conditions, including the performance and fluctuations of fixed income, equity, real estate and other financial markets;

interest rate fluctuations;

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;

fluctuations in foreign currency exchange rates and foreign securities markets;

regulatory or legislative changes;

changes in tax law;

changes in statutory or U.S. GAAP accounting principles, practices or policies;

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;

reestimates of our reserves for future policy benefits and claims;

changes in our assumptions related to deferred policy acquisition costs, valuation of business acquired or goodwill;

investment losses and defaults;

changes in our claims-paying or credit ratings;

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competition in our product lines and for personnel;

economic, political, currency and other risks relating to our international operations;

Prudential Financial, Inc.'s primary reliance, as a holding company, on dividends or distributions from its subsidiaries to meet debt payment obligations and continue share repurchases, and the applicable regulatory restrictions on the ability of the subsidiaries to pay such dividends or distributions;

risks due to the lack of legal separation between our Financial Services Businesses and our Closed Block Business;

ineffectiveness of risk management policies and procedures in identifying, monitoring and managing risks;

changes in assumptions for retirement expense;

adverse determinations in litigation or regulatory matters and our exposure to contingent liabilities, including in connection with our divestiture or winding down of businesses; and

effects of acquisitions, divestitures and restructurings, including possible difficulties in integrating and realizing the projected results of acquisitions.

Prudential Financial does not intend, and is under no obligation, to update any particular forward-looking statement included in this document.

You should review carefully the section captioned "Risk Factors" in this prospectus supplement for a more complete discussion of the risks of an investment in the notes.

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RISK FACTORS

*Your investment in the notes will involve certain risks described below. In consultation with your own financial and legal advisors, you should carefully consider the information included in or incorporated by reference in this prospectus supplement and the accompanying prospectus, and pay special attention to the following discussion of risks relating to the notes before deciding whether an investment in the notes is suitable for you. In addition to the risk factors relating to the notes set forth below, we also specifically incorporate by reference into this prospectus supplement the section captioned *Risk Factors* in our Annual Report on Form 10-K for the year ended December 31, 2007 and in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2008. The notes will not be an appropriate investment for you if you are not knowledgeable about significant features of the notes or financial matters in general. You should not purchase the notes unless you understand, and know that you can bear, these investment risks.*

Our obligation to repay the notes on the scheduled maturity date is subject to the issuance of qualifying capital securities.

Our obligation to repay the notes on the scheduled maturity date is limited. We are required to repay the notes on the scheduled maturity date only to the extent that we have raised sufficient net proceeds from the issuance of qualifying capital securities (as defined under *Description of the Replacement Capital Covenant*) within a 180-day period ending on a notice date not more than 15 and less than ten business days prior to such date. If we have not raised sufficient net proceeds from the issuance of qualifying capital securities to permit repayment of the notes on the scheduled maturity date, we will not be required to repay the unpaid amount until (i) we have raised sufficient net proceeds from the issuance of qualifying capital securities to permit repayment in full in accordance with this requirement, (ii) we redeem the notes, (iii) an event of default occurs and the notes are accelerated or (iv) the final maturity date for the notes. Our ability to raise sufficient net proceeds in connection with this obligation to repay the notes will depend on, among other things, market conditions at the time the obligation arises and our financial strength, performance and prospects, as well as the acceptability to prospective investors of the terms of these securities. Although we have agreed to use our commercially reasonable efforts, subject to a market disruption event, to raise sufficient net proceeds from the issuance of qualifying capital securities to repay the notes during the 180-day period referred to above and on each interest payment date after the scheduled maturity date until the notes are repaid in full, our failure to do so would not be an event of default or give rise to a right of acceleration or similar remedy with respect to the notes until the final maturity date, and we will be excused from using our commercially reasonable efforts if certain market disruption events occur.

We have the right to defer interest for ten years without causing an event of default.

We have the right at one or more times to defer interest on the notes for one or more consecutive interest periods that do not exceed ten years. Although we would be subject to the alternative payment mechanism after we have deferred interest for a period of five consecutive years (or upon our payment of current interest after a deferral), if we are unable to raise sufficient eligible proceeds (as defined in *Description of the Junior Subordinated Notes Alternative Payment Mechanism*), we may defer payments of accrued interest on the notes for one or more consecutive interest periods that do not exceed ten years without causing an event of default with respect to the notes. During any such deferral period, holders of notes will receive limited or no current payments on the notes and, so long as we are otherwise in compliance with our obligations, such holders will have no remedies against us for nonpayment unless we fail to pay all deferred interest (including compounded interest) at the end of the ten-year deferral period, at the final maturity date or, if applicable, at the earlier accelerated maturity date, redemption date or repayment date of the notes.

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If we elect to defer interest payments, we generally will not be permitted to pay deferred interest on the notes (or compounded interest thereon) during the deferral period from any source other than the eligible proceeds from the issuance of qualifying APM securities, as described under Description of the Junior Subordinated Notes Alternative Payment Mechanism . The preferred stock issuance cap limits the net proceeds from the issuance of qualifying preferred stock and mandatorily convertible preferred stock that we may apply to the payment of deferred interest with respect to all deferral periods to 25% of the aggregate principal amount of the notes issued in this offering. The common equity issuance cap limits our obligation to issue common stock (or, if we have amended the definition of qualifying APM securities to eliminate common stock, qualifying warrants) prior to the fifth anniversary of the commencement of a deferral period to a number of shares of our common stock issued (or issuable upon exercise of such qualifying warrants) to be applied for purposes of funding deferred interest hereunder, that, together with the number of shares of our common stock previously issued or issuable upon exercise of qualifying warrants previously issued during such deferral period for such purposes, does not exceed 2% of the total number of shares of our outstanding common stock as of the date of our most recent publicly available consolidated financial statements immediately prior to the date of such issuance. Additionally, we will not be required to sell our common stock or mandatorily convertible preferred stock (or, if we have amended the definition of qualifying APM securities to eliminate common stock, qualifying warrants) for purposes of paying deferred interest on the notes to the extent that the number of shares of our common stock to be so issued (or which would be issuable upon exercise or conversion of any such qualifying warrants or mandatorily convertible preferred stock) would exceed the share cap amount . The share cap amount is initially 110 million shares of common stock (or 220 million shares of common stock if we have amended the definition of qualifying APM securities to eliminate common stock), subject to increase as described below under Description of the Junior Subordinated Notes Alternative Payment Mechanism . If we have reached the share cap amount and the preferred stock issuance cap, we may continue to defer interest on the notes, and such deferral will not constitute an event of default unless such deferral period exceeds ten years.

The occurrence of a market disruption event may prevent or delay a sale of qualifying APM securities pursuant to the alternative payment mechanism and, accordingly, the payment of deferred interest on the notes. Market disruption events may occur as a result of events and circumstances both within and beyond our control, such as the failure to obtain approval of our stockholders or a regulatory body or governmental authority to issue qualifying APM securities notwithstanding our commercially reasonable efforts. Moreover, we may encounter difficulties in successfully marketing our qualifying APM securities, particularly during times that we are subject to the restrictions on dividends as a result of the deferral of interest. See Description of the Junior Subordinated Notes Option to Defer Interest Payments , Description of the Junior Subordinated Notes Alternative Payment Mechanism and Description of the Junior Subordinated Notes Market Disruption Events .

We have the ability under certain circumstances to narrow the definition of qualifying APM securities, which may make it more difficult for us to succeed in selling sufficient qualifying APM securities to fund the payment of deferred interest.

We may, without the consent of the holders of the notes, amend the definition of qualifying APM securities to eliminate common stock, qualifying warrants (but not both) and/or mandatorily convertible preferred stock from the definition if, after the issue date of the notes, an accounting standard or interpretive guidance of an existing accounting standard issued by an organization or regulator that has responsibility for establishing or interpreting accounting standards used by us in our principal public financial reports becomes effective or applicable to us, such that there is more than an insubstantial risk that failure to eliminate common stock, qualifying warrants and/or mandatorily convertible preferred stock from the definition would result in a reduction in our earnings per share, as calculated in accordance with such accounting standard or interpretive guidance. The elimination of common stock, qualifying warrants or mandatorily convertible preferred stock from the definition of qualifying APM securities, together with continued application of the preferred stock issuance cap, may make it more difficult for us to sell sufficient qualifying APM securities to fund the payment of deferred interest.

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Deferral of interest payments and other characteristics of the notes could adversely affect the market price of the notes.

We currently do not intend to exercise our right to defer payments of interest on the notes. However, if we exercise that right in the future, the market price of the notes is likely to be affected. As a result of our deferral right, the market price of the notes may be more volatile than the market prices of other securities that are not subject to optional deferrals. If we do defer interest on the notes and you sell your notes during the period of that deferral, you may not receive the same return on your investment as a holder that continues to hold its notes until we pay the deferred interest at the end of the applicable deferral period.

The notes are unlike traditional subordinated debt securities not only with respect to the possible optional deferral of interest, but also because holders have limited remedies, and our obligation to repay the principal amount of the notes prior to the final maturity date is subject to conditions. Investor demand for securities with the characteristics of the notes may change as these characteristics are assessed by market participants, regulators, rating agencies and others. Accordingly, the notes that you purchase, may trade at a significant discount to the price that you paid.

The junior subordinated indenture does not limit the amount of indebtedness we may issue, including indebtedness that ranks senior to or *pari passu* with the notes upon our liquidation or in right of payment as to principal or interest, and other future liabilities may rank senior to or equally with the notes in right of payment upon liquidation.

The notes will be subordinate and junior in right of payment to our senior indebtedness, which includes all of our obligations for money borrowed (other than the notes and other obligations issued under the junior subordinated indenture), as well as other obligations such as capital leases, but will not include (1) obligations to trade creditors created or assumed by us in the ordinary course of business or (2) indebtedness that is by its terms subordinate, or not superior, in right of payment to the notes. All of our existing indebtedness for money borrowed is senior indebtedness. The terms of the junior subordinated indenture do not limit our ability to incur additional debt, including secured or unsecured debt. As of December 31, 2007, our short- and long-term debt ranking senior to the notes upon liquidation, on a non-consolidated basis, totaled approximately \$16.7 billion in principal amount. This does not include obligations, including policyholder claims, of our subsidiaries, to which holders of the notes are structurally subordinated (see the risk factor entitled "The notes will be effectively subordinated to the obligations of our subsidiaries").

Pari passu securities means indebtedness that by its terms ranks in right of payment upon our liquidation on a parity with the notes. We may issue *pari passu* securities as to which we are required to make payments of interest that are not made pro rata with payments of interest on other *pari passu* securities (including the notes) and that, if not made, would cause us to breach the terms of the instrument governing such *pari passu* securities. The terms of the notes permit us to make (i) any payment of current or deferred interest on *pari passu* securities that is made pro rata to the amounts due on such *pari passu* securities (including the notes), *provided* that such payments are made in accordance with the last paragraph under "Description of the Junior Subordinated Notes - Alternative Payment Mechanism" to the extent it applies, (ii) any payment of principal or current or deferred interest on *pari passu* securities that, if not made, would cause us to breach the terms of the instrument governing such *pari passu* securities and (iii) any payment of principal on *pari passu* securities having the same scheduled maturity date as the notes, *provided* that such *pari passu* securities have a scheduled maturity date provision that is substantially similar to that applicable to the notes and the payment of principal is made pro rata to all the *pari passu* securities having such a provision, including the notes.

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Our ability to meet our obligations under the notes is dependent upon distributions from our subsidiaries, but our subsidiaries' ability to make distributions is limited by law and certain contractual agreements.

We are a holding company whose principal assets are our investments in our subsidiaries. As a holding company, we are dependent on dividends, loans or advances, or other intercompany transfers of funds from our subsidiaries to meet our obligations. These subsidiaries are separate legal entities and have no obligation to pay any amounts due under our obligations or to make any funds available for such payment. New Jersey insurance law provides that, except in the case of extraordinary dividends or distributions, all dividends or distributions paid by our insurance subsidiaries may be declared or paid only from unassigned surplus, as determined pursuant to statutory accounting principles, less unrealized investment gains and revaluation of assets. Our New Jersey insurance subsidiaries must also notify the New Jersey insurance regulator of their intent to pay a dividend. If the dividend, together with other dividends or distributions made within the preceding twelve months, would exceed a specified statutory limit, our subsidiaries must also obtain the prior non-disapproval of the New Jersey insurance regulator. In addition to regulatory restrictions, the ability of some of our subsidiaries to make distributions to us is limited by contractual agreements.

The notes will be effectively subordinated to the obligations of our subsidiaries.

Our subsidiaries are separate and distinct legal entities. Because we are principally a holding company, our right to participate in any distribution of assets of any of our subsidiaries, including The Prudential Insurance Company of America, upon the subsidiary's liquidation or reorganization or otherwise, is subject to the prior claims of its creditors, except to the extent that we may be recognized as a creditor of that subsidiary. The applicable insurance laws of the jurisdiction where each of our insurance subsidiaries is domiciled would govern any proceedings relating to that insurance subsidiary. The insurance authority of that jurisdiction would act as a liquidator or rehabilitator for the subsidiary. Both creditors and policyholders of the subsidiary would be entitled to payment in full from the subsidiary's assets before we, as a shareholder, would be entitled to receive any distribution from the subsidiary which we might apply to make payments of principal and interest on the notes or other indebtedness.

Accordingly, our obligations under the notes will be effectively subordinated to all existing and future indebtedness and liabilities of our subsidiaries, including liabilities under contracts of insurance and annuities written by our insurance subsidiaries, and you, as holders of notes, should look only to our assets for payment thereunder. As of December 31, 2007, our subsidiaries had total liabilities of approximately \$445 billion (including our policyholders' account balance liability and reserves for future policy benefits and claims of approximately \$196 billion).

Our right to repay, redeem, defease or purchase the notes is limited by a replacement capital covenant that we are making in favor of certain of our senior debtholders.

At or around the time of issuance of the notes, we will enter into a replacement capital covenant pursuant to which we will covenant that neither we nor any of our subsidiaries will repay, redeem, defease or purchase all or any part of the notes before June 15, 2048, except to the extent that the amount repaid, redeemed, defeased or purchased does not exceed the sum of (i) the applicable percentage of the aggregate amount of net cash proceeds we or our subsidiaries have received, during the applicable measurement period from the sale of common stock, rights to acquire common stock, mandatorily convertible preferred stock, debt exchangeable for common equity and certain other qualifying capital securities and (ii) the applicable percentage of the market value of common stock that we and our subsidiaries have issued during the applicable measurement period (determined as of the date of issuance) in connection with the conversion of convertible or exchangeable securities, other than securities for which we or any of our subsidiaries have received equity credit from any rating agency (as described under Description of the Replacement Capital Covenant). Although under the replacement capital covenant the principal amount of notes that we may repay, redeem, defease or purchase may be based on the net cash proceeds from certain issuances of the securities listed in the preceding sentence (as

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described under Description of the Replacement Capital Covenant), we may modify the replacement capital covenant without your consent to the extent that such modification does not impose additional restrictions on the type or amount of qualifying capital securities that we may include for purposes of determining whether or to what extent repayment, redemption, defeasance or purchase of the notes is permitted. In addition, beginning on the scheduled maturity date, we will have no obligation to use commercially reasonable efforts to issue any securities other than qualifying capital securities to repay the notes. See Description of the Replacement Capital Covenant .

There can be no assurance that the IRS or a court will agree with the characterization of the notes as indebtedness for U.S. federal income tax purposes.

There is no statutory, judicial or administrative authority that directly addresses the U.S. federal income tax treatment of securities similar to the notes. Thus, no assurance can be given that the IRS or a court will agree with the characterization of the notes as indebtedness for U.S. federal income tax purposes. If, contrary to the opinion of our special tax counsel, the notes were recharacterized as our equity, payments on the notes to non-United States holders would generally be subject to U.S. federal withholding tax at a rate of 30% (or such lower applicable income tax treaty rate). See Material United States Federal Income Tax Considerations .

We may redeem the notes at any time. If we redeem the notes in full prior to June 15, 2018, the applicable make-whole redemption price may be lower if there is a challenge to the tax characterization of the notes or certain other events occur.

We may redeem at our option all or any part of the notes at any time. The redemption price for the notes will be equal to their principal amount, if they are redeemed on or after June 15, 2018, and will be equal to the greater of (x) their principal amount and (y) a make-whole amount, if they are redeemed prior to June 15, 2018, in each case plus any accrued and unpaid interest to the date of redemption. The make-whole amount, if applicable, will be lower in the case of redemption of all outstanding notes in connection with the occurrence of certain changes relating to the tax treatment of the notes or the degree of equity credit accorded to the notes by one or more nationally recognized rating agencies. If we redeem the notes, the redemption would be a taxable event to you. See Description of the Junior Subordinated Notes Redemption .

A change in law or regulations, IRS pronouncement or threatened challenge resulting in a tax event could occur at any time. Similarly, changes in rating agency methodology for assigning equity credit to the notes could result in the notes being redeemed earlier than would otherwise be the case. See Description of the Junior Subordinated Notes Redemption for a further description of those events.

If interest payments on the notes are deferred, holders of the notes will be required to recognize income for U.S. federal income tax purposes in advance of the receipt of cash attributable to such income.

If we were to defer interest payments on the notes, the notes would be treated as issued with original issue discount (OID) at the time of such deferral, and all stated interest due after such deferral would be treated as OID. In such case, a United States holder would be required to include such stated interest in income as it accrues, regardless of such United States holder's regular method of accounting, using a constant yield method, before such holder received any payment attributable to such income, and would not separately report the actual payments of interest on the notes as taxable income. See Material United States Federal Income Tax Considerations United States Holders Interest Income and Original Issue Discount .

Claims would be limited upon our bankruptcy, insolvency or receivership.

In certain events of our bankruptcy, insolvency or receivership prior to the redemption or repayment of any notes, whether voluntary or not, a holder of notes will have no claim for, and thus no right to receive, deferred and unpaid interest (including compounded interest thereon) to the extent the amount of such interest exceeds an amount equal to the earliest two years of accumulated and unpaid interest (including compounded interest thereon) on such holder's notes.

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As a holder of the notes, you will have limited rights of acceleration.

An event of default under the junior subordinated indenture is limited to certain payment defaults, after giving effect to our deferral rights, and specific events of bankruptcy, insolvency and receivership relating to us. The junior subordinated indenture provides that the indenture trustee must give registered holders notice of all defaults or events of default after they become known to the indenture trustee. However, except in the cases of a default or an event of default in payment on the notes, the indenture trustee will be protected in withholding the notice if its responsible officers determine that withholding of the notice is in the interest of such holders. There is no right of acceleration upon breaches by us of other covenants under the junior subordinated indenture, including our obligations under the alternative payment mechanism.

The secondary market for the notes may be illiquid.

The notes are a new issue of securities with no established trading market and will not be listed on any national securities exchange. The underwriters have advised us that they intend to make a market for the notes, but they have no obligation to do so and may discontinue market making at any time and for any reason without providing any notice. We cannot give any assurance as to the liquidity of any trading market for the notes.

If a trading market does develop, changes in our credit ratings or the debt markets could adversely affect the market price of the notes.

The price for the notes depends on many factors, including:

our credit ratings with major credit rating agencies;

the prevailing interest rates being paid by other companies similar to us;

our financial condition, financial performance and future prospects;

our election to defer payment on the notes discussed above in the risk factor entitled "Deferral of interest payments and other characteristics of the notes could adversely affect the market price of the notes"; and

the overall condition of the financial markets.

The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Such fluctuations could have an adverse effect on the price of the notes.

In addition, credit rating agencies continually review their ratings for the companies that they follow, including us. The credit rating agencies also evaluate the insurance industry as a whole and may change their credit rating for us based on their overall view of our industry. A negative

change in our rating could have an adverse effect on the price of the notes.

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Table of Contents**RATIO OF EARNINGS TO FIXED CHARGES**

The following table sets forth our ratio of earnings to fixed charges on a historical basis for the periods indicated. The ratios are calculated by dividing earnings by fixed charges. For purposes of this computation, earnings are defined as income from continuing operations before income taxes, extraordinary gain on acquisition and cumulative effect of accounting change excluding undistributed income from equity method investments, fixed charges and interest capitalized. Fixed charges are the sum of gross interest expense, interest credited to policyholders account balances and an estimated interest component of rent expense.

Ratio of Earnings to Fixed Charges

	Three Months Ended March 31,		Year Ended December 31,				
	2008	2007	2007	2006	2005	2004	2003
Ratio of Earnings to Fixed Charges	1.09	2.23	2.05	2.12	2.19	2.10	1.78

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USE OF PROCEEDS

We expect to receive proceeds, after deducting underwriting commissions and other offering expenses, of approximately \$591.7 million from this offering. We currently intend to use the proceeds for general corporate purposes and to fund our previously authorized share repurchase program.

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DESCRIPTION OF THE JUNIOR SUBORDINATED NOTES

The following is a description of the material terms of the notes and the junior subordinated indenture. It does not purport to be complete in all respects. This description is subject to and qualified in its entirety by reference to the notes and the junior subordinated indenture referred to below, copies of which are available upon request from us.

The notes will be issued pursuant to the subordinated debt indenture, to be dated as of June 17, 2008, between us and The Bank of New York (as successor to JPMorgan Chase Bank, N.A.), as trustee. We refer to the subordinated debt indenture, as amended and supplemented by a first supplemental indenture, to be dated as of June 17, 2008, as the *junior subordinated indenture*, and to The Bank of New York or its successor, as trustee, as the *trustee*. You should read the junior subordinated indenture for provisions that may be important to you.

When we use the term *holder* in this prospectus supplement with respect to registered notes, we mean the person in whose name such note is registered in the security register. We expect that the notes will be held in book-entry form only, as described below under *Book-Entry System*, and will be held in the name of DTC or its nominee.

The junior subordinated indenture does not limit the amount of debt that we or our subsidiaries may incur under the junior subordinated indenture or under other indentures to which we are or become a party or otherwise. The notes are not convertible into or exchangeable for shares.