PRUDENTIAL FINANCIAL INC
Form 424B2
March 09, 2012
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Registration Statement No. 333-180020
333-180020-01
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PROSPECTUS SUPPLEMENT
(To Prospectus dated March 9, 2012)

Prudential Financial

Retail Medium-Term Notes

Prudential Financial, Inc.

We may offer to sell, from time to time, our Prudential Financial Retail Medium-Term Notes, which may include Prudential Financial InterNotes®, and which we refer to together as the notes . The specific terms of the notes will be set prior to the time of sale and described in a pricing supplement. You should read this prospectus supplement, the accompanying prospectus, the applicable pricing supplement and any other offering material carefully.

We may offer the notes to or through agents for resale. The applicable pricing supplement will specify the purchase price, agent discounts and commissions and net proceeds for any particular offering of notes. We also may offer the notes directly. We have not set a date for termination of our offering.

The agents have advised us that from time to time they may purchase and sell notes in the secondary market, but they are not obligated to make a market in the notes and may suspend or completely stop that activity without any notice at any time. Unless otherwise specified in connection with a particular offering, we will not list the notes on any securities exchange or make them available for quotation on any quotation system.

Investing in the notes involves certain risks, including those described in the "Risk Factors" section beginning on page S-7 of this prospectus supplement.

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

We may use this prospectus supplement and the accompanying prospectus in the initial sale of any note. In addition, we or any of our affiliates may use this prospectus supplement in a remarketing or other resale transaction involving any note after its initial sale. These transactions may be executed at negotiated prices that are related to market prices at the time of purchase or sale or at other prices.

Retail Medium-Term Notes Lead Manager and Lead Agent

BofA Merrill Lynch

Retail Medium-Term Notes Agents

Barclays Capital	**Citigroup**	**Credit Suisse**	**Deutsche Bank**
Fidelity Capital Markets, a division of National Financial Services LLC	**Incapital LLC**	**J.P. Morgan**	**Morgan Stanley**
Muriel Siebert & Co., Inc.	**Ramirez & Co., Inc.**	**RBC Capital Markets**	**UBS Investment Bank**
Wells Fargo Advisors, LLC			

InterNotes® Joint Lead Managers and Lead Agents

BofA Merrill Lynch **Incapital LLC**

InterNotes® Agents

Barclays Capital	**Citigroup**	**Credit Suisse**	**Deutsche Bank**
Fidelity Capital Markets, a division of National Financial Services LLC	**J.P. Morgan**	**Morgan Stanley**	**Muriel Siebert & Co., Inc.**
Ramirez & Co., Inc.	**RBC Capital Markets**	**UBS Investment Bank**	**Wells Fargo Advisors, LLC**

Prospectus Supplement dated March 9, 2012.

InterNotes® is a registered servicemark of Incapital Holdings LLC

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We are responsible only for the information contained in or incorporated by reference in this prospectus supplement, the accompanying prospectus, any pricing supplement and in any related free-writing prospectus we prepare or authorize. We and the agents have not authorized anyone to provide you with different or additional information. Neither we nor the agents take responsibility for any other information or representations that others may give you. This prospectus supplement, the accompanying prospectus, any pricing supplement and any related free-writing prospectus are an offer to sell only the securities they describe, but 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, the accompanying prospectus and any pricing supplement or other offering material may only be accurate on the date of the document containing the information. Our business, financial condition, results of operations and prospects may have changed since their respective dates.

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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Prospectus Supplement

Prospectus

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ABOUT THIS PROSPECTUS SUPPLEMENT AND THE PRICING SUPPLEMENTS

Except as the context otherwise requires or as otherwise specified in this prospectus supplement or the accompanying prospectus, as used in this prospectus supplement, dated March 9, 2012, and the prospectus, dated March 9, 2012, the terms the Company, Prudential Financial, Inc., Prudential, we, us and our refer to Prudential Financial, Inc. only and not to any of its consolidated subsidiaries. References in this prospectus supplement to U.S. dollars or U.S. $ or $ are to the currency of the United States of America.

We may use this prospectus supplement, together with the accompanying prospectus, a pricing supplement or any other offering material, to offer notes from time to time.

This prospectus supplement sets forth certain terms of the notes that we may offer. It supplements the description of the notes contained in the accompanying prospectus, where the notes are included in the defined term debt securities. If information in this prospectus supplement is inconsistent with that in the accompanying prospectus, this prospectus supplement will apply and you should not rely on the information in the prospectus.

Each time we issue notes, we will attach a pricing supplement to this prospectus supplement. We and the agents may also provide you with other material relating to an offering of notes. For each offering, we will provide to you the specific description of the notes being offered and the terms of the offering. In connection with each offering, we may also add, update or change information in this prospectus supplement or the accompanying prospectus. Information in the pricing supplement or any other offering material that you have been provided will replace any inconsistent information in this prospectus supplement, including any changes in the method of calculating interest on any note. In those circumstances, you should not rely on the information in this prospectus supplement or the accompanying prospectus.

When we refer to the prospectus, we mean the prospectus that accompanies this prospectus supplement. When we refer to a pricing supplement, we mean the pricing supplement we file with respect to a particular note.

Throughout this prospectus, where we indicate that information may be supplemented in an applicable prospectus supplement or pricing supplement, that information may also be supplemented in other offering material provided to you.

You should read and consider all information contained in this prospectus supplement, the accompanying prospectus, the applicable pricing supplement or any other offering material.

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INCORPORATION BY REFERENCE

We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission, which we refer to as the SEC . Our SEC filings are available to the public over the Internet on the SEC s website at *http://www.sec.gov*. You may also read and copy any document we file at the SEC s public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Our common stock is traded on the New York Stock Exchange under the symbol PRU . You may inspect the reports, proxy statements and other information concerning us at the offices of the New York Stock Exchange, 11 Wall Street, New York, New York 10005.

The SEC allows us to incorporate by reference the information in the documents we file with them, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus supplement and accompanying prospectus, and information that we file later with the SEC will automatically update and supersede this information. Information furnished under Item 2.02 and Item 7.01 of our Current Reports on Form 8-K is not incorporated by reference in this prospectus supplement and accompanying prospectus. In addition to the documents incorporated by reference into this prospectus supplement and the accompanying prospectus, as listed in the accompanying prospectus, we incorporate by reference the documents listed below and any future filings made by us with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, or the Exchange Act:

Annual Report on Form 10-K for the year ended December 31, 2011;

Definitive proxy statement filed on March 22, 2011, pursuant to Section 14 of the Exchange Act;

Definitive additional materials filed on April 29, 2011, pursuant to Section 14 of the Exchange Act; and

Current Reports on Form 8-K filed on May 11, 2011, October 12, 2011, January 13, 2012 and February 15, 2012.

You may request a copy of these filings at no cost, by writing or telephoning us at the following address:

Corporate Secretary

Prudential Financial, Inc.

751 Broad Street

Newark, New Jersey 07102

(973) 802-6000.

All references to websites in this prospectus supplement, the accompanying prospectus, any applicable pricing supplement or any offering material are inserted as inactive textual references to the uniform resource locator , or URL , and are for your informational reference only. Information on those referenced websites is not incorporated by reference in this prospectus supplement, the accompanying prospectus, any applicable pricing supplement or any other offering material.

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SUMMARY DESCRIPTION OF NOTES

This section summarizes the legal and financial terms of the Prudential Financial Retail Medium-Term Notes and Prudential Financial InterNotes® that are described in more detail in Description of Retail Medium-Term Notes and Description of InterNotes®. Final terms of any particular notes will be determined at the time of sale and will be contained in the pricing supplement relating to those notes. The terms of the notes appearing in that pricing supplement may vary from, and if they do vary, will supersede, the terms contained in this summary and in Description of Retail Medium-Term Notes and Description of InterNotes®. In addition, you should read the more detailed information appearing elsewhere in this prospectus supplement, the prospectus and in that pricing supplement.

Issuer	Prudential Financial, Inc., 751 Broad Street, Newark, New Jersey 07102; phone (973) 802-6000
Retail Medium-Term Notes Purchasing Agent	As specified in the applicable pricing supplement.
Retail Medium-Term Notes Lead Manager and Lead Agent	Merrill Lynch, Pierce, Fenner & Smith Incorporated
Retail Medium-Term Notes Agents	Barclays Capital Inc., Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., Fidelity Capital Markets Services, a division of National Financial Services LLC, Member NYSE, SIPC, Incapital LLC, J.P. Morgan Securities LLC., Morgan Stanley & Co. LLC, Muriel Siebert & Co. Inc., RBC Capital Markets LLC, Samuel A. Ramirez & Co., Inc., UBS Securities LLC and Wells Fargo Advisors, LLC
InterNotes® Purchasing Agent	Incapital LLC. Incapital LLC and the Retail Medium-Term Notes Purchasing Agent are referred to together herein as the Purchasing Agents.
InterNotes® Joint Lead Managers and Lead Agents	Merrill Lynch, Pierce, Fenner & Smith Incorporated and Incapital LLC
InterNotes® Agents	Barclays Capital Inc., Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., Fidelity Capital Markets Services, a division of National Financial Services LLC, Member NYSE, SIPC, J.P. Morgan Securities LLC, Morgan Stanley & Co. LLC, Muriel Siebert & Co. Inc., RBC Capital Markets LLC, Samuel A. Ramirez & Co., Inc., UBS Securities LLC and Wells Fargo Advisors, LLC
Titles of Notes	Prudential Financial Retail Medium-Term Notes and Prudential Financial InterNotes®
Denominations	The notes will be issued and sold in denominations of $1,000 and multiples of $1,000 in excess thereof.
Status	The notes will be our direct, unsecured, senior obligations and will rank equally with all of our other unsecured, senior indebtedness from time to time

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outstanding. The notes will be junior to any existing and future indebtedness of any of our subsidiaries unless the terms of that indebtedness provide otherwise.

Maturities

Each note will mature one year or more from its date of original issuance.

Interest

Except for zero coupon notes, each note will bear interest from its date of original issuance at a fixed or floating rate that may be determined by reference to one or more base interest rates or one or more indices, which in turn may be adjusted by a spread and/or a spread multiplier and may be subject to a maximum interest rate and/or a minimum interest rate, in each case as specified in the applicable pricing supplement. The base rates include:

- the CD rate,
- the commercial paper rate,
- the constant maturity swap rate,
- the CMT rate,
- LIBOR,
- the prime rate,
- the treasury rate,
- the eleventh district cost of funds rate,
- the federal funds rate and
- any other domestic or foreign interest rate as we may describe in the note and applicable pricing supplement.

Any indexed notes may bear interest that is determined by reference to one or more commodities, securities, interest rates or any other financial, economic or other measures or instruments or indices or baskets of any of these items as may be described in the note and applicable pricing supplement.

Interest on each note will be payable either monthly, quarterly, semi-annually or annually on each interest payment date and on the stated maturity date. Interest also will be paid on the date of redemption or repayment if a note is redeemed or repurchased prior to its stated maturity in accordance with its terms. We may also issue amortizing notes from time to time.

Principal	The principal amount of each note will be payable on its stated maturity date or upon earlier redemption or repayment at the corporate trust office of the paying agent, which is initially the trustee, or at any other place we may designate.
	The amount of principal of indexed notes payable at maturity may be determined by reference to one or more commodities, securities, interest rates or any other financial, economic or other measures or instruments or indices or baskets of any of these items as may be described in the note and applicable pricing supplement.

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Redemption and Repayment	Unless otherwise stated in the applicable pricing supplement, a note will not be redeemable at our option or be repayable at the option of the holder prior to its stated maturity date. The notes will not be subject to any sinking fund.
Survivor s Option	Some notes may contain a provision permitting the optional repayment of those notes prior to stated maturity, if requested by the authorized representative of the beneficial owner of those notes, following the death of the beneficial owner of the notes, so long as the notes were owned by the beneficial owner or his or her estate at least six months prior to the request. This feature is referred to as a Survivor s Option. Your notes will not be repaid in this manner unless the pricing supplement for your notes provides for the Survivor s Option. The right to exercise the Survivor s Option is subject to limits set by us on (1) the permitted dollar amount of total exercises by all holders of notes in any calendar year, and (2) the permitted dollar amount of an individual exercise by a holder of a note in any calendar year. Additional details on the Survivor s Option are described in the sections entitled Description of Retail Medium-Term Notes Survivor s Option and Description of InterNotes® Survivor s Option .
Additional Issuances	The notes will not contain any limitations on our ability to issue additional Retail Medium-Term Notes, InterNotes® or any other indebtedness.
Sale and Clearance	Notes will be issued in book-entry only form and will clear through The Depository Trust Company, unless otherwise specified in the applicable pricing supplement. We do not intend to issue notes in certificated form except in the limited circumstances described in this prospectus supplement or the applicable pricing supplement.
Trustee and Paying Agent	The trustee for the notes is The Bank of New York Mellon, as successor to JPMorgan Chase Bank N.A., under an indenture, dated as of April 25, 2003 between us and the trustee, as amended and supplemented. Citibank, N.A. will act as paying agent.
Selling Group	The Retail Medium-Term Notes and the InterNotes® agents and dealers comprising the selling groups are broker-dealers and securities firms. The agents, including the Purchasing Agents, of each respective selling group have entered into Selling Agent Agreements with us, each dated March 9, 2012, which we refer to together as the Selling Agent Agreements . Dealers who are members of the respective selling groups have executed a master selected dealer agreement with their respective Purchasing Agents.
	The agents and dealers have agreed to market and sell the notes in accordance with the terms of those respective agreements and all other applicable laws and regulations. You may contact the Retail Notes Purchasing Agent at the e-mail address specified in the applicable pricing supplement, and the InterNotes® Purchasing Agent at info@incapital.com for a list of the respective selling group members.

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Use of Proceeds	Unless otherwise specified in the applicable pricing supplement, we intend to use the net proceeds from the sales of notes for the purpose of purchasing funding agreements from one of our subsidiaries, The Prudential Insurance Company of America, or for general corporate purposes, including making loans and capital contributions to our affiliates.

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RISK FACTORS

You should carefully consider the risks described in this section of this prospectus supplement, in the accompanying prospectus and in our Annual Report on Form 10-K for the year ended December 31, 2011 and other periodic reports that are incorporated by reference herein. The notes will not be an appropriate investment for you if you are not knowledgeable about significant features of the notes, about our financial condition, operations and business or about financial matters in general. You should not purchase the notes unless you understand, and know that you can bear, these risks. Although we discuss key risks in our risk factor descriptions, new risks may emerge in the future, which may prove to be important. Our subsequent filings with the SEC may contain amended and updated discussions of significant risks. We cannot predict future risks or estimate the extent to which they may affect our financial performance.

An investment in the notes involves risks related to the fact that we are a holding company. We summarize these risks under Description of Debt Securities We May Offer We Are a Holding Company in the accompanying prospectus.

Our credit ratings may not reflect all risks of an investment in the notes.

Our credit ratings are an assessment of our ability to pay our obligations. Consequently, real or anticipated changes in our credit ratings will generally affect the market value of the notes. Our credit ratings, however, may not reflect the potential impact of risks related to market or other factors discussed in this prospectus supplement on the value of the notes.

An investment in indexed notes entails significant risks not associated with a similar investment in fixed or conventional floating rate debt securities.

An investment in notes that are indexed, as to interest and/or principal, to commodities, securities, baskets of securities or securities indices, interest rates, financial, economic or other measures or other indices, either directly or inversely, entails significant risks that are not associated with similar investments in a fixed rate or conventional floating rate debt security.

These risks include the possibility that an index or indices may be subject to significant changes and that the resulting interest rate will be less than that payable on a fixed or conventional floating rate debt security issued by us at the same time. These risks depend on a number of interrelated factors, including economic, financial and political events, over which we have no control.

Additionally, if the formula used to determine the amount of interest payable with respect to such notes contains a multiplier or leverage factor, the effect of any change in the applicable index or indices will be magnified. In recent years, values of certain indices have been highly volatile, and such volatility may be expected to continue in the future. Fluctuations in the value of any particular index that have occurred in the past are not necessarily indicative, however, of fluctuations that may occur in the future.

The secondary market, if any, for indexed notes will be affected by a number of factors independent of our creditworthiness and the value of the applicable index or indices, including the complexity and volatility of the index or indices, the method of calculating the interest in respect of indexed notes, the time remaining to the maturity of such notes, the outstanding amount of such notes, any redemption features of such notes, the amount of other debt securities linked to such index or indices and the level, direction and volatility of market interest rates generally. Such factors also will affect the market value of indexed notes.

In addition, certain notes may be designed for specific investment objectives or strategies and, therefore, may have a more limited secondary market and experience more price volatility than conventional debt securities. Investors may not be able to sell such notes readily or at prices that will enable them to realize their

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anticipated yield. You should not purchase such notes unless you understand and are able to bear the risks that such notes may not be readily saleable, that the value of such notes will fluctuate over time and that such fluctuations may be significant.

Finally, our credit ratings may not reflect the potential impact of all risks related to structure and other factors on the market value of the notes. Accordingly, prospective investors should consult their own financial and legal advisors as to the risks an investment in the notes may entail and the suitability of the notes in light of their particular circumstances.

We may choose to redeem notes when prevailing interest rates are relatively low.

If your notes will be redeemable at our option, we may choose to redeem your notes from time to time, especially when prevailing interest rates are lower than the rate borne by the notes. If prevailing rates are lower at the time of redemption, you would not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on the notes being redeemed. Our redemption right also may adversely impact your ability to sell your notes as the optional redemption date or period approaches.

Any Survivor s Option may be limited in amount.

We will have a discretionary right to limit the aggregate principal amount of notes subject to any Survivor s Option that may be exercised in any calendar year to an amount equal to the greater of $2,000,000 or 2% of the principal amount of all notes outstanding as of the end of the most recent calendar year. We also have the discretionary right to limit to $250,000 in any calendar year the aggregate principal amount of notes subject to the Survivor s Option that may be exercised in such calendar year on behalf of any individual deceased beneficial owner of notes. Accordingly, no assurance can be given that exercise of the Survivor s Option for a desired amount will be permitted in any single calendar year.

The notes may have limited or no liquidity.

There is currently no secondary market for the notes, and there can be no assurance that a secondary market will develop. If a secondary market does develop, there can be no assurance that it will continue or that it will be sufficiently liquid to allow you to resell your notes when you want or at a price that you wish to receive for your notes.

Risks Related to an Investment in Inflation-Linked Notes

Historical changes in the CPI are not necessarily indicative of future changes.

Movements in the U.S. Consumer Price Index, or CPI, that have occurred in the past are not necessarily indicative of changes that may occur in the future, which may be wider or more confined than those that have occurred historically. As reported by the Bureau of Labor Statistics of the U.S. Department of Labor, the CPI is a measure of the average change in consumer prices over time in a fixed market basket of goods and services. In calculating the CPI, price changes for the various items are averaged together with weights that represent their relative importance in the spending of urban households in the United States. The contents of the market basket of goods and services and the weights assigned to the various items are updated periodically to take into account changes in consumer expenditure patterns. Changes in the level of the CPI are a function of the changes in specified consumer prices over time, which result from the interaction of many factors that we, the agents and their affiliates do not control and cannot foresee. In addition, changes in the way the CPI is calculated could reduce the level of the CPI and lower the interest payments with respect to inflation-linked notes. Investors should not rely on any historical changes or trends in the CPI as an indicator of future changes in the CPI. Changes in the CPI will impact the rate of interest payable on inflation-linked notes but it is impossible to predict whether the level of the CPI will rise or fall.

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During periods of reduced inflation or deflation, the interest rate applicable to the inflation-linked notes for any interest payment period could be as low as zero.

During periods of reduced inflation, the amount of interest payable on inflation-linked notes will decrease, and during periods in which year-over-year inflation is negative, which we refer to as deflation, the applicable interest rate on the notes for such interest periods will be less than the applicable spread and as low as zero. Therefore, for example, if the applicable spread over the inflation index adjustment were 2.00% and the inflation index adjustment were to decrease to 1.00% based on the observed change in the CPI, the interest rate in that period would be 2.00% above the inflation index adjustment, or 3.00%. In a period of deflation, the inflation index adjustment would be negative, which then could result in an interest rate below the applicable spread and as low as zero. For example, if the applicable spread over the inflation index adjustment were 2.00% and the inflation index adjustment were -1.00%, the interest rate in that period would be 1.00%, and if the inflation index adjustment were -2.00%, the interest rate in that period would be zero. The calculation of the inflation index adjustment in respect of the CPI incorporates an approximate three-month lag, as described under Description of Retail Medium-Term Notes Indexed Retail Medium-Term Notes Inflation-Linked Rate and Description of InterNotes® Indexed InterNotes® Inflation-Linked Rate, which will affect the amount of interest payable on inflation-linked notes and may have an impact on the trading prices of inflation-linked notes, particularly during periods of significant and rapid changes in the CPI.

The yield on inflation-linked notes may be lower than the yield on a standard debt security of comparable maturity.

The amounts we will pay you on interest payment dates and the maturity date may be less than the return you could have earned on other investments. Because the level of the CPI as of each interest payment date may be less than, equal to or only somewhat greater than its value as of the previous interest payment date, the effective yield to maturity on inflation-linked notes may be less than that which would be payable on a conventional fixed-rate, non-callable debt security of Prudential Financial, Inc. of comparable maturity. In addition, any such return may not fully compensate you for any opportunity cost to you when other factors relating to the time value of money are taken into account.

We are acting as the calculation agent for inflation-linked notes, which could result in a conflict of interest.

Because we are acting as the calculation agent for inflation-linked notes, potential conflicts of interest may exist between us and you, including with respect to certain determinations and judgments that we as calculation agent must make in determining amounts due to you.

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USE OF PROCEEDS

Unless otherwise specified in the applicable pricing supplement, we intend to use the net proceeds from the sales of notes for the purpose of purchasing funding agreements from one of our subsidiaries, The Prudential Insurance Company of America, or for general corporate purposes, including making loans and capital contributions to our affiliates.

We will receive the net proceeds only from sales of the notes made in connection with their original issuance. We have not received, and do not expect to receive, any proceeds from resales of the notes by any of the agents named on the cover of this prospectus supplement or any of our affiliates in remarketing or other resale transactions.

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DESCRIPTION OF RETAIL MEDIUM-TERM NOTES

Investors should carefully read the description of the terms and provisions of our debt securities and our senior debt securities indenture under Description of Debt Securities We May Offer in the accompanying prospectus. That section, together with this prospectus supplement, the applicable pricing supplement and any other offering material, summarizes all the material terms of our senior debt securities indenture and the Prudential Financial Retail Medium-Term Notes. They do not, however, describe every aspect of our senior debt securities indenture and the Retail Medium-Term Notes. For example, in this section entitled Description of Retail Medium-Term Notes, the accompanying prospectus and the applicable pricing supplement, we use terms that have been given special meanings in our senior debt securities indenture, but we describe the meanings of only the more important of those terms. Unless otherwise specified in connection with a particular offering, the Retail Medium-Term Notes will have the terms described below. Capitalized terms used but not defined below have the meanings given to them in the prospectus and in the indenture relating to the notes.

The Retail Medium-Term Notes being offered by this prospectus supplement, the prospectus and the applicable pricing supplement will be issued under an indenture, dated as of April 25, 2003, between us and The Bank of New York Mellon, as successor to JPMorgan Chase Bank N.A., as amended and supplemented. The indenture is more fully described in the prospectus. The indenture does not limit the aggregate amount of debt securities that may be issued under it and provides that the debt securities may be issued under it from time to time in one or more series. The following statements are summaries of the material provisions of the indenture and the Retail Medium-Term Notes. These summaries do not purport to be complete and are qualified in their entirety by reference to the indenture, including for the definitions of certain terms. The Retail Medium-Term Notes and the InterNotes® together constitute a single series of debt securities for purposes of the indenture.

Retail Medium-Term Notes issued in accordance with this prospectus supplement, the prospectus and the applicable pricing supplement will have the following general characteristics:

- the notes will be our direct, unsecured, senior obligations and will rank equally with all of our other unsecured, senior indebtedness from time to time outstanding;
- the notes will be effectively subordinated to any existing and future indebtedness of any of our subsidiaries unless the terms of that indebtedness provide otherwise;
- the notes may be offered from time to time by us through the Purchasing Agent and each note will mature on a day that is at least one year from its date of original issuance;
- each note will bear interest from its date of original issuance at a fixed or floating rate;
- the notes will not be subject to any sinking fund; and
- the minimum denomination of the notes will be $1,000, unless otherwise stated in the applicable pricing supplement.

In addition, the pricing supplement relating to each offering of Retail Medium-Term Notes will describe specific terms of the notes, including:

the Purchasing Agent;

whether the note is a fixed rate note, a floating rate note or an indexed note;

whether the note is an amortizing note;

whether the note is an original issue discount note and the yield to maturity;

the price, which may be expressed as a percentage of the aggregate initial public offering price of the notes, at which the notes will be issued to the public;

the date on which the notes will be issued to the public;

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- the stated maturity date of the notes;
- if the note is a fixed rate note, the rate per year at which the notes will bear interest;
- if the note is a floating rate note, the interest rate basis, the initial interest rate, the interest determination date, the interest reset dates, the interest payment dates, the index maturity, the maximum interest rate and the minimum interest rate, if any, and the spread and/or spread multiplier, if any, and any other terms relating to the particular method of calculating the interest rate for the note; see Floating Rate Retail Medium-Term Notes for an explanation of the terms relating to floating rate notes;
- if the note is an indexed note, the amount of interest, if any, we will pay the holder on an interest payment date or the formula used to calculate these amounts, if any;
- the interest payment frequency;
- the purchase price, Purchasing Agent s discount and net proceeds to us;
- whether the authorized representative of the holder of a beneficial interest in the note will have the right to seek repayment upon the death of the holder as described under Survivor s Option;
- if the notes may be redeemed at our option or repaid at the option of the holder prior to its stated maturity date, the provisions relating to any such redemption or repayment;
- any special U.S. federal income tax consequences of the purchase, ownership and disposition of the notes; and
- any other significant terms of the notes not inconsistent with the provisions of the indenture.

We may at any time purchase Retail Medium-Term Notes at any price or prices in the open market or otherwise. Notes so purchased by us may, at our discretion, be held, resold or surrendered to the trustee for cancellation.

Payment of Principal and Interest

Unless otherwise specified in the applicable pricing supplement, payments of principal of and interest on the Retail Medium-Term Notes will be made in accordance with the arrangements then in place between the paying agent and The Depository Trust Company, or the DTC , and its participants as described under Registration and Settlement The Depository Trust Company. Payments in respect of any notes in certificated form will be made as described under Registration and Settlement Registration, Transfer and Payment of Certificated Notes.

Interest on each Retail Medium-Term Note will be payable either monthly, quarterly, semi-annually or annually on each interest payment date and at the note s stated maturity or on the date of redemption or repayment if a note is redeemed or repaid prior to maturity. Interest is payable to the person in whose name a note is registered at the close of business on the regular record date before each interest payment date. Interest due at a note s stated maturity or on a date of redemption or repayment will be payable to the person to whom principal is payable.

We will pay any administrative costs imposed by banks in connection with making payments in immediately available funds, but any tax, assessment or governmental charge imposed upon any payments on a note, including, without limitation, any withholding tax, is the responsibility of the holders of beneficial interests in the note in respect of which such payments are made.

Interest and Interest Rates

The Retail Medium-Term Notes may bear interest at:

- a fixed rate; or

a floating rate, which may be based on one of the following rates; see Floating Rate Retail Medium-Term Notes for further description of each of these floating rates:

- the CD rate,
- the commercial paper rate,
- the constant maturity swap rate,
- the CMT rate,
- LIBOR,
- the prime rate,
- the treasury rate,
- the eleventh district cost of funds rate,
- the federal funds rate or
- any other domestic or foreign interest rate that we may describe in the note and applicable pricing supplement.

Each Retail Medium-Term Note will accrue interest from its date of original issuance until its stated maturity or earlier redemption or repayment. The applicable pricing supplement will specify a fixed interest rate or a floating rate index or formula. Interest will be payable monthly, quarterly, semi-annually or annually. Interest payments on each note will include the amount of interest accrued from and including the last interest payment date to which interest has been paid, or from and including the date of original issuance if no interest has been paid with respect to the note, to, but excluding, the applicable interest payment date, stated maturity date or date of earlier redemption or repayment, as the case may be.

The interest rate on the Retail Medium-Term Notes will in no event be higher than the maximum rate permitted by New York law as the same may be modified by United States law of general application. Under current New York law, the maximum rate of interest that may be charged is 25% per annum on a simple interest basis, but that limit does not apply to floating rate notes in which U.S. $2,500,000 or more has been invested.

Interest on a Retail Medium-Term Note will be payable beginning on the first interest payment date after its date of original issuance to holders of record on the corresponding regular record date.

Payment of Interest

Unless otherwise specified in the applicable pricing supplement, interest on the Retail Medium-Term Notes will be paid as follows:

Interest Payment Frequency	***Interest Payment Dates***
Monthly	Fifteenth day of each calendar month, beginning in the first calendar month following the month the note was issued.
Quarterly	Fifteenth day of every third month, beginning in the third calendar month following the month the note was issued.
Semi-annually	Fifteenth day of every sixth month, beginning in the sixth calendar month following the month the note was issued.
Annually	Fifteenth day of every twelfth month, beginning in the twelfth calendar month following the month the note was issued.

The regular record date for any interest payment date will be the first day of the calendar month in which the interest payment date occurs, except that the regular record date for interest due on the note s stated maturity

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date or date of earlier redemption or repayment will be that particular date. If any interest payment date other than the maturity date for any floating rate note falls on a day that is not a business day, such interest payment date will be postponed to the next succeeding business day, except that, in the case of a LIBOR note or a floating rate note for which LIBOR is an applicable base rate, if that business day falls in the next succeeding calendar month, the interest payment date will be the immediately preceding business day. If the maturity date of any floating rate note falls on a day that is not a business day, the related payment of principal, premium, if any, and interest will be made on the next succeeding business day as if it were made on the date that payment was due, and no interest will accrue for the period from that maturity date to the date of payment.

As used herein, business day means any day that is (a) neither a Saturday or Sunday, nor a day on which banking institutions in The City of New York are authorized or obligated by law, regulation or executive order to close and, (b) with respect to any floating rate note for which LIBOR is an applicable Base Rate, a London Business Day. London Business Day means a day on which commercial banks are open for business, including for dealings in U.S. dollars, in London.

Fixed Rate Retail Medium-Term Notes

Each fixed rate Retail Medium-Term Note, other than zero-coupon notes, will bear interest from its date of original issuance, or from the last interest payment date to which interest has been paid or duly provided for, at the annual fixed interest rate stated in the applicable pricing supplement.

Unless the applicable pricing supplement specifies otherwise, interest on fixed rate notes will be computed on the basis of a 360-day year of twelve 30-day months and, in the case of an incomplete month, the number of days elapsed calculated on the basis of a 30-day month.

If the stated maturity date, date of earlier redemption or repayment or interest payment date for any fixed rate note is not a business day, principal and interest for that note will be paid on the next succeeding business day, and no interest will accrue on the amount payable from, and after, the stated maturity date, date of earlier redemption or repayment or interest payment date.

Floating Rate Retail Medium-Term Notes

Interest on floating rate Retail Medium-Term Notes will be determined by reference to one or more base rates specified in the applicable note and related pricing supplement, which will include:

- the CD rate,
- the commercial paper rate,
- the constant maturity swap rate,

the CMT rate,

LIBOR,

the prime rate,

the treasury rate,

the eleventh district cost of funds rate,

the federal funds rate or

any other domestic or foreign interest rate that we may describe in the note and applicable pricing supplement.

The related base rate will be based upon the index maturity, as defined below under General Features, if applicable, and adjusted by a spread and/or spread multiplier, if any, as specified in the applicable pricing

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supplement. In addition, a floating rate note may bear interest that is calculated by reference to two or more base rates determined in the same manner as the base rates are determined for the types of floating rate notes described above. Each floating rate note will specify the base rate or rates applicable to it.

General Features

Base Rates, Spreads and Spread Multipliers. The interest rate on each floating rate Retail Medium-Term Note will be calculated by reference to one or more specified base rates, in either case plus or minus any applicable spread, and/or multiplied by any applicable spread multiplier. The index maturity is the period to maturity of the instrument or obligation from which the base rate or rates are calculated, if applicable, as specified in the applicable pricing supplement. The spread is the number of basis points to be added to or subtracted from the base rate or rates applicable to a floating rate note, and the spread multiplier is the percentage of the base rate or rates applicable to a floating rate note by which the base rate or rates are multiplied to determine the applicable interest rates on the floating rate note, as specified in the applicable pricing supplement. Each floating rate note will bear interest at the initial interest rate set forth, or otherwise described, in the applicable pricing supplement.

Reset of Rates. The interest rate on each floating rate Retail Medium-Term Note will be reset daily, weekly, monthly, quarterly, semi-annually, annually or otherwise. Each such interest reset period will be specified in the applicable pricing supplement. Unless otherwise specified in the applicable pricing supplement, the dates on which such an interest rate will be reset will be, in the case of floating rate notes which reset

daily, each business day;

weekly, the Wednesday of each week, except weekly reset treasury rate notes, which will be reset on the Tuesday of each week, except as provided below;

monthly, the third Wednesday of each month, with the exception of eleventh district cost of funds rate notes, which will be reset on the first calendar day of the month;

quarterly, the third Wednesday of March, June, September and December of each year;

semi-annually, the third Wednesday of the two months of each year as specified in the applicable pricing supplement; and

annually, the third Wednesday of the month of each year as specified in the applicable pricing supplement.

If any interest reset date for any floating rate note is not a business day, it will be postponed to the next succeeding business day, except that, in the case of a LIBOR note, or a floating rate note for which LIBOR is an applicable base rate, if that business day is in the next succeeding calendar month, that interest reset date will be the immediately preceding business day.

Maximum and Minimum Rates. A floating rate Retail Medium-Term Note may also have either or both of the following:

a maximum limit, or ceiling, called the maximum interest rate, on the rate at which interest may accrue during any interest period with respect to that floating rate note from time to time and

a minimum limit, or floor, called the minimum interest rate, on the rate at which interest may accrue during any interest period with respect to that floating rate note from time to time. In addition to any maximum interest rate which may apply to any floating rate note, the interest rate on floating rate notes will in no event be higher than the maximum rate permitted by New York law, as the same may be modified by federal law of general applicability. Under current New York law, the maximum rate of interest that may be charged is 25% per annum on a simple interest basis, but that limit does not apply to floating rate notes in which $2,500,000 or more has been invested.

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Determination of Reset Interest Rates. The interest rate applicable to each interest reset period commencing on the respective interest reset date will be the rate determined as of the applicable interest determination date defined below, on or prior to the calculation date, as defined below under Calculation Agent.

Unless otherwise specified in the applicable pricing supplement, the interest determination date with respect to an interest reset date for

- CD rate notes, commercial paper rate notes, CMT rate notes, prime rate notes and federal funds rate notes will be the second business day before the interest reset date;

- constant maturity swap rate notes will be the second U.S. government securities business day (as defined under Constant Maturity Swap Rate in this prospectus supplement) preceding the related interest reset date; provided, however, that if, after attempting to determine the constant maturity swap rate (as described under Constant Maturity Swap Rate in this prospectus supplement), the rate is not determinable for a particular interest determination date (the original interest determination date), then the interest determination date shall be the first U.S. government securities business day preceding the original interest determination date for which the constant maturity swap rate can be determined as described under Constant Maturity Swap Rate in this prospectus supplement;

- inflation-linked notes will be the fifth business day before the interest reset date;

- eleventh district cost of funds rate notes will be the last working day of the month before each interest reset date on which the Federal Home Loan Bank of San Francisco, or the FHLB of San Francisco, publishes the Index, as defined below under Eleventh District Cost of Funds Rate ;

- LIBOR notes will be the second London banking day before the interest reset date; and

- treasury rate notes will be the day of the week in which that interest reset date falls on which treasury bills, as defined below under Treasury Rate , are normally auctioned; treasury bills are normally sold at auction on the Monday of each week, unless that day is a legal holiday, in which case the auction is normally held on the immediately succeeding Tuesday, but is sometimes held on the preceding Friday.

If as a result of a legal holiday a treasury bill auction is held on the Friday of the week preceding an interest reset date, the related interest determination date will be the preceding Friday; and if an auction falls on any interest reset date, then the interest reset date instead will be the business day immediately succeeding the auction. The interest determination date pertaining to a floating rate note the interest rate of which is determined with reference to two or more base rates will be the first business day which is at least two business days prior to the interest reset date for that floating rate note on which each base rate is determined. Each base rate will be determined on that date and the applicable interest rate will take effect on the related interest reset date.

The interest rate in effect with respect to a floating rate note on each day that is not an interest reset date will be the interest rate determined as of the interest determination date for the immediately preceding interest reset date. The interest rate in effect on any day that is an interest reset date will be the interest rate determined as of the interest determination date for that interest reset date, subject in each case to any applicable law and maximum or minimum interest rate limitations. However, the interest rate in effect with respect to a floating rate note for the period from its original issue date to the first interest reset date, to which we refer as the initial interest rate, will be determined as specified in the applicable pricing supplement.

Accrued Interest. With respect to a floating rate note, accrued interest for any interest period will be calculated by multiplying the principal amount of such floating rate note by an accrued interest factor. That accrued interest factor will be computed by adding the interest factor calculated for each day in the applicable interest period. Unless otherwise specified, the interest factor for each day will be computed by dividing the interest rate applicable to that day by 360, or, in the case of CMT rate notes, treasury rate notes or inflation-linked notes or a floating rate note for which the CMT rate, the treasury rate or the CPI is an applicable base rate, by the actual number of days in the year or, for constant maturity swap rate notes, the interest factor for each day

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will be computed by dividing the number of days in the interest period by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (unless (i) the last day of the interest period is the 31st day of a month but the first day of the interest period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the interest period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)).

Calculation Agent. Unless otherwise specified in the applicable pricing supplement, we will be the calculation agent and will calculate the interest rate applicable to a floating rate note on or before any calculation date. Upon the request of the holder of any floating rate note, the calculation agent will provide the interest rate then in effect and, if determined, the interest rate as determined for the then most recent interest reset date with respect to that floating rate note. Unless otherwise specified in the applicable pricing supplement, the calculation date pertaining to any interest determination date will be the earlier of

the tenth calendar day after that interest determination date or, if that day is not a business day, the next succeeding business day, or

the business day immediately preceding the applicable interest payment date or maturity date, as the case may be.

Unless otherwise specified, all percentages resulting from any calculation on floating rate notes will be rounded, if necessary, to the nearest one-hundred-thousandth of a percentage point, with five one-millionths of a percentage point rounded upward, *e.g.,* 9.876545%, or 0.09876545, will be rounded upward to 9.87655%, or 0.0987655, and all dollar amounts used in or resulting from that calculation on floating rate notes will be rounded to the nearest cent, with one-half cent being rounded upward.

As mentioned above, the initial interest rate in effect with respect to a floating rate note from and including the original issue date to but excluding the first interest reset date will be specified in the applicable note and related pricing supplement. The interest rate for each subsequent interest reset date will be determined by the calculation agent as set forth below, plus or minus any spread and/or multiplied by any spread multiplier, and subject to any maximum interest rate and/or minimum interest rate, as specified in the applicable note and related pricing supplement.

CD Rate

Unless otherwise specified in the applicable pricing supplement, CD rate means, with respect to any interest determination date relating to a CD rate note or any floating rate note for which the CD rate is an applicable base rate, which date we refer to as a CD rate interest determination date, the rate on that date for negotiable U.S. dollar certificates of deposit having the index maturity specified in the applicable pricing supplement as published in H.15(519), as defined below, under the heading CDs (Secondary Market). If the CD rate cannot be determined in this manner, the following procedures will apply.

If the rate described above is not published by 3:00 p.m., New York City time, on the relevant calculation date, then the CD rate will be the rate on that CD rate interest determination date for negotiable U.S. dollar certificates of deposit having the specified index maturity as published in H.15 Daily Update, as defined below, or other recognized electronic sources used for the purpose of displaying the applicable rate, under the caption CDs (Secondary Market).

If by 3:00 p.m., New York City time, on the applicable calculation date, that rate is not published in either H.15(519), H.15 Daily Update or another recognized electronic source, the CD rate for that CD rate interest determination date will be calculated by the calculation agent and will be the arithmetic mean of the secondary market offered rates as of 10:00 a.m., New York City time, on that CD rate interest determination date, of three leading non-bank dealers in negotiable U.S. dollar certificates of deposit in The City of New York, which may include one or more of the agents or their affiliates, selected by the calculation agent, after consultation with us, for negotiable U.S. dollar certificates of deposit of U.S. money center banks of the highest credit standing, in the market for negotiable certificates of deposit with a remaining maturity closest to the index maturity specified in the applicable pricing supplement in an amount that is representative for a single transaction in that market at that time.

If the dealers selected as described above by the calculation agent are not quoting rates as set forth above, the CD rate for that CD interest rate determination date will be the CD rate in effect for the immediately preceding interest reset period, or if there was no interest reset period, then the rate of interest payable will be the initial interest rate.

H.15(519) means the weekly statistical publication designated Statistical Release H.15(519), Selected Interest Rates, or any successor publication, published by the Board of Governors of the Federal Reserve System.

H.15 Daily Update means the daily update of H.15(519), available through the website of the Board of Governors of the Federal Reserve System at *http://www.federalreserve.gov/releases/h15/update,* or any successor site or publication.

Commercial Paper Rate

Unless otherwise specified in the applicable pricing supplement, commercial paper rate means, for any interest determination date relating to a commercial paper rate note or any floating rate note for which the commercial paper rate is an applicable base rate, to which we refer as a commercial paper rate interest determination date, the money market yield on that date of the rate for commercial paper having the index maturity specified in the applicable pricing supplement as published in H.15(519) under the caption Commercial Paper Nonfinancial. If the commercial paper rate cannot be determined as described above, the following procedures will apply.

If the rate described above is not published by 3:00 p.m., New York City time, on the relevant calculation date, then the commercial paper rate will be the money market yield of the rate on that commercial paper rate interest determination date for commercial paper of the specified index maturity as published in H.15 Daily Update, or in another recognized electronic source used for the purpose of displaying the applicable rate, under the caption Commercial Paper Nonfinancial.

If by 3:00 p.m., New York City time, on the calculation date, the rate described is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source, the commercial paper rate for the applicable commercial paper rate interest determination date will be calculated by the calculation agent and will be the money market yield of the arithmetic mean of the offered rates as of 11:00 a.m., New York City time, on that commercial paper rate interest determination date of three leading dealers of United States dollar commercial paper in The City of New York, which may include one or more of the agents or their affiliates, selected by the calculation agent, after consultation with us, for commercial paper of the index maturity specified in the applicable pricing supplement placed for a non-financial issuer whose bond rating is Aa, or the equivalent, from a nationally recognized statistical rating agency.

If the dealers selected as described above by the calculation agent are not quoting as set forth above, the commercial paper rate with respect to that commercial paper rate interest determination date will be the commercial paper rate in effect for the immediately preceding interest reset period, or if there was no interest reset period, the rate of interest payable will be the initial interest rate.

Money market yield means the yield, expressed as a percentage, calculated in accordance with the following formula:

$$\text{Money market yield} = \frac{360 \times D}{360 - (D \times M)} \times 100$$

where D is the annual rate for commercial paper quoted on a bank discount basis and expressed as a decimal, and M is the actual number of days in the applicable interest period.

Constant Maturity Swap Rate

Unless otherwise specified in the applicable pricing supplement, constant maturity swap rate means, with respect to any interest determination date relating to a constant maturity swap rate note or a floating rate for which the constant maturity swap rate is an applicable base rate, which date we refer to as a constant maturity swap rate determination date :

the rate for U.S. dollar swaps with the designated maturity specified in the applicable pricing supplement, expressed as a percentage, which appears on the Reuters Screen (or any successor service) ISDAFIX1 Page as of 11:00 A.M., New York City time, on the constant maturity swap rate determination date; or

if the rate referred to in the preceding paragraph does not appear on the Reuters Screen (or any successor service) ISDAFIX1 Page by 2:00 P.M., New York City time, on such constant maturity swap rate determination date, a percentage determined on the basis of the mid-market semi-annual swap rate quotations provided by the reference banks (as defined below) as of approximately 11:00 A.M., New York City time, on such constant maturity swap rate determination date, and, for this purpose, the semi-annual swap rate means the mean of the bid and offered rates for the semi-annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating U.S. dollar interest rate swap transaction with a term equal to the designated maturity specified in the applicable pricing supplement commencing on the interest reset date and in a representative amount (as defined below) with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an actual/360 day count basis, is equivalent to USD-LIBOR-BBA with a designated maturity specified in the applicable pricing supplement. The calculation agent will request the principal New York City office of each of the reference banks to provide a quotation of its rate. If at least three quotations are provided, the rate for that constant maturity swap rate determination date will be the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest); or

if at least three quotations are not received by the calculation agent as mentioned in the preceding paragraph, the constant maturity swap rate in effect on the particular constant maturity swap rate determination date.

U.S. government securities business day means any day except for Saturday, Sunday, or a day on which The Bond Market Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

Representative amount means an amount that is representative for a single transaction in the relevant market at the relevant time.

Reference banks mean five leading swap dealers in the New York City interbank market, selected by the calculation agent, after consultation with us.

CMT Rate

Unless otherwise specified in the applicable pricing supplement, CMT rate means for any interest determination date relating to a CMT rate note or any floating rate note for which the CMT rate is an applicable base rate, to which we refer as a CMT rate interest determination date, the following rate displayed on the designated CMT Reuters page, as defined below, under the caption Treasury Constant Maturities Federal Reserve Board Release H.15 Mondays approximately 3:45 p.m., under the column for the designated CMT maturity index:

if the designated CMT Reuters page is FRBCMT, the rate for the relevant interest determination date; or

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if the designated CMT Reuters page is FEDCMT, the weekly or monthly average, as specified in the applicable pricing supplement, for the week or the month, as applicable, ended immediately preceding the week or month, as applicable, in which the related CMT rate interest determination date falls.

If the CMT rate cannot be determined in this manner, the following procedures will apply.

If the applicable rate described above is no longer displayed on the relevant page, or if not displayed by 3:00 p.m., New York City time, on the related calculation date, then the CMT rate for that CMT rate interest determination date will be the treasury constant maturity rate for the designated CMT maturity index as published in H.15(519).

If the rate described in the prior paragraph is no longer published, or if not published by 3:00 p.m., New York City time, on the related calculation date, then the CMT rate for that CMT rate interest determination date will be the treasury constant maturity rate for the designated CMT maturity index, or other treasury rate for the designated CMT maturity index, for the CMT rate interest determination date with respect to that interest reset date that:

is published by either the Board of Governors of the Federal Reserve System or the United States Department of the Treasury; and

determined by the calculation agent to be comparable to the rate formerly displayed on the designated CMT Reuters page and published in H.15(519).

If the rate described in the prior paragraph is not provided by 3:00 p.m., New York City time, on the related calculation date, then the CMT rate for the CMT rate interest determination date will be calculated by the calculation agent and will be a yield to maturity, based on the arithmetic mean of the secondary market offered rates as of approximately 3:30 p.m., New York City time, on the CMT rate interest determination date reported, according to their written records, by three leading primary United States government securities dealers in The City of New York, which may include one or more of the agents or their affiliates, which we refer to as reference dealers, selected by the calculation agent, from five such reference dealers selected by the calculation agent and eliminating the highest quotation, or, in the event of equality, one of the highest, and the lowest quotation, or, in the event of equality, one of the lowest, for the most recently issued direct noncallable fixed rate obligations of the United States, to which we refer as treasury notes, with an original maturity of approximately the designated CMT maturity index and a remaining term to maturity of not less than such designated CMT maturity index minus one year.

If the calculation agent is unable to obtain three treasury note quotations as described above, the CMT rate for that CMT rate interest determination date will be calculated by the calculation agent and will be a yield to maturity based on the arithmetic mean of the secondary market offered rates as of approximately 3:30 p.m., New York City time, on the CMT rate interest determination date of three reference dealers in The City of New York, from five such reference dealers selected by the calculation agent and eliminating the highest quotation, or, in the event of equality, one of the highest, and the lowest quotation, or, in the event of equality, one of the lowest, for treasury notes with an original maturity of the number of years that is the next highest to the designated CMT maturity index and a remaining term to maturity closest to the designated CMT maturity index and in an amount of at least $100 million.

If three or four, and not five, of such reference dealers are quoting as set forth above, then the CMT rate will be based on the arithmetic mean of the offered rates obtained and neither the highest nor lowest of such quotes will be eliminated. However, if fewer than three reference dealers selected by the calculation agent are quoting as set forth above, the CMT rate with respect to that CMT rate interest determination date will be the CMT rate for the immediately preceding interest reset period, or if there was no interest reset period, the rate of interest payable will be the initial interest rate. If two treasury notes with an original maturity as described in the second preceding sentence have remaining terms to maturity equally close to the designated CMT maturity index, then the quotes for the treasury note with the shorter remaining term to maturity will be used.

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Designated CMT maturity index means the original period to maturity of the U.S. treasury securities (1, 2, 3, 5, 7, 10, 20 or 30 years) specified in the applicable pricing supplement with respect to which the CMT rate will be calculated or, if no such maturity is specified in the applicable pricing supplement, two years.

Designated CMT Reuters page means the display on Reuters 3000 Xtra Service, or Reuters , or any successor service, on the page specified in the applicable pricing supplement, or any successor page on that service, for the purpose of displaying treasury constant maturities as reported in H.15(519), or, if no such page is specified in the applicable pricing supplement, Page FEDCMT.

LIBOR

Unless otherwise specified in the applicable pricing supplement, LIBOR means the rate determined by the calculation agent in accordance with the following provisions:

- For an interest determination date relating to a LIBOR note or any floating rate note for which LIBOR is an applicable base rate, to which we refer as a LIBOR interest determination date, LIBOR will be the arithmetic mean of the offered rates in U.S. dollars, unless the Designated LIBOR page, as defined below, by its terms provides only for a single rate, in which case that single rate shall be used for deposits in U.S. dollars having the index maturity specified in the applicable pricing supplement, commencing on the applicable interest reset date, that appear, or, if only a single rate is required as aforesaid, appears, on the designated LIBOR page as of 11:00 a.m., London time, on that LIBOR interest determination date.

- For a LIBOR interest determination date on which fewer than two offered rates appear, or no rate appears, as the case may be, on the designated LIBOR page as specified in the previous bullet point, the calculation agent will request the principal London offices of each of four major reference banks, which may include one or more of the agents or their affiliates, in the London interbank market, as selected by the calculation agent, after consultation with us, to provide its offered quotation for deposits in U.S. dollars for the period of the index maturity specified in the applicable pricing supplement, commencing on the applicable interest reset date, to prime banks in the London interbank market at approximately 11:00 a.m., London time, on that LIBOR interest determination date and in a principal amount that is representative for a single transaction in U.S. dollars in that market at that time.

- If the reference banks provide at least two such quotations, then LIBOR for that LIBOR interest determination date will be the arithmetic mean of such quotations. If fewer than two quotations are provided, then LIBOR for that LIBOR interest determination date will be the arithmetic mean of the rates quoted at approximately 11:00 a.m., in The City of New York on that LIBOR interest determination date by three major banks, which may include one or more of the agents or their affiliates, in The City of New York, after consultation with us, for loans in U.S. dollars to leading European banks, having the index maturity specified in the applicable pricing supplement and in a principal amount that is representative for a single transaction in U.S. dollars in that market at that time.

- If the banks selected by the calculation agent are not quoting as set forth above, LIBOR with respect to that LIBOR interest determination date will be LIBOR for the immediately preceding interest reset period, or if there was no interest reset period, the rate of interest payable will be the initial interest rate.

Designated LIBOR page means the display on Reuters, or any successor service, on the page specified in the applicable pricing supplement, or any successor page on that service, for the purpose of displaying the London interbank rates of major banks for U.S. dollars.

Prime Rate

Unless otherwise specified in the applicable pricing supplement, prime rate means, with respect to any interest determination date relating to a prime rate note or any floating rate note for which the prime rate is an

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applicable base rate, to which we refer as a prime rate interest determination date, the rate set forth on such date in H.15(519) under the caption Bank Prime Loan. If the prime rate cannot be determined as described above, the following procedures will apply.

If the rate described above is not published by 3:00 p.m., New York City time, on the related calculation date, then the rate on such prime rate interest determination date as published in H.15 Daily Update, or another recognized electronic source used for the purpose of displaying that rate, under the caption Bank Prime Loan will be the prime rate.

If the rate described above is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 p.m., New York City time, on the related calculation date, then the prime rate will be determined by the calculation agent and will be the arithmetic mean of the rates of interest publicly announced by each bank that appears on the Reuters Screen US PRIME 1 page, as defined below, as that bank s prime rate or base lending rate as of 11:00 a.m., New York City time, on that prime rate interest determination date.

If fewer than four of these rates appear on the Reuters Screen US PRIME 1 page for that prime rate interest determination date, then the prime rate will be determined by the calculation agent and will be the arithmetic mean of the prime rates or base lending rates quoted on the basis of the actual number of days in the year divided by a 360-day year as of the close of business on that prime rate interest determination date by three major banks in New York City, which may include one or more of the agents or their affiliates, selected by the calculation agent, after consultation with the Company.

If the banks selected by the calculation agent are not quoting as set forth above, the prime rate with respect to that prime rate interest determination date will remain the prime rate for the immediately preceding interest reset period, or if there was no interest reset period, the rate of interest payable will be the initial interest rate.

Reuters Screen US PRIME 1 page means the display on Reuters, or any successor service, on the US PRIME 1 page, or such other page as may replace the US PRIME 1 page on that service, for the purpose of displaying prime rates or base lending rates of major United States banks.

Treasury Rate

Unless otherwise specified in the applicable pricing supplement, treasury rate means, with respect to any interest determination date relating to a treasury rate note or any floating rate note for which the treasury rate is an applicable base rate, to which we refer as a treasury rate interest determination date, the rate from the auction held on such treasury rate interest determination date of direct obligations of the United States, or treasury bills, having the index maturity specified in the applicable pricing supplement under the caption INVEST RATE on the display on Reuters, or any successor service, on page USAUCTION10, or any other page as may replace that page on that service, to which we refer as Reuters Page USAUCTION10, or page USAUCTION11, or any other page as may replace that page on that service, or Reuters Page USAUCTION11. If the treasury rate cannot be determined in this manner, the following procedures will apply.

If the rate described above is not so published by 3:00 p.m., New York City time, on the related calculation date, the bond equivalent yield of the rate for those treasury bills as published in H.15 Daily Update, or another recognized electronic source used for the purpose of displaying that rate, under the caption U.S. Government Securities/Treasury Bills/Auction High, will be the treasury rate.

If the rate described in the prior paragraph is not so published by 3:00 p.m., New York City time, on the related calculation date, the bond equivalent yield, as defined below, of the auction rate of such treasury bills as announced by the United States Department of the Treasury.

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If the auction rate described in the prior paragraph is not so announced by the United States Department of the Treasury, or if no such auction is held, then the treasury rate will be the bond equivalent yield of the rate on that treasury rate interest determination date of treasury bills having the index maturity specified in the applicable pricing supplement as published in H.15(519) under the caption U.S. Government Securities/Treasury Bills/Secondary Market or, if not yet published by 3:00 p.m., New York City time, on the related calculation date, the rate on that treasury rate interest determination date of those treasury bills as published in H.15 Daily Update, or another recognized electronic source used for the purpose of displaying that rate, under the caption U.S. Government Securities/Treasury Bills/Secondary Market.

If the rate described in the prior paragraph is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source, then the treasury rate will be calculated by the calculation agent and will be the bond equivalent yield of the arithmetic mean of the secondary market bid rates, as of approximately 3:30 p.m., New York City time, on that treasury rate interest determination date, of three leading primary United States government securities dealers, which may include one or more of the agents or their affiliates, selected by the calculation agent, after consultation with us, for the issue of treasury bills with a remaining maturity closest to the index maturity specified in the applicable pricing supplement.

If the dealers selected as described above by the calculation agent are not quoting as set forth above, the treasury rate with respect to that treasury rate interest determination date will be the treasury rate for the immediately preceding interest reset period, or if there was no interest reset period, the rate of interest payable will be the initial interest rate.

Bond equivalent yield means a yield, expressed as a percentage, calculated in accordance with the following formula:

$$\text{Bond equivalent yield} = \frac{D \times N}{360 - (D \times M)} \times 100$$

where D is the applicable per annum rate for treasury bills quoted on a bank discount basis, N refers to 365 or 366, as the case may be, and M is the actual number of days in the applicable interest reset period.

Eleventh District Cost of Funds Rate

Unless otherwise specified in the applicable pricing supplement, eleventh district cost of funds rate means, with respect to any interest determination date relating to an eleventh district cost of funds rate note or any floating rate note for which the eleventh district cost of funds rate is an applicable base rate, to which we refer as an eleventh district cost of funds rate interest determination date, the rate equal to the monthly weighted average cost of funds for the calendar month immediately preceding the month in which that eleventh district cost of funds rate interest determination date falls as set forth under the caption 11th Dist COFI on the display on Reuters, or any successor service, on page COFI/ARMS, or any other page as may replace that page on that service, to which we refer as Reuters Page COFI/ARMS , as of 11:00 a.m., San Francisco time, on that eleventh district cost of funds rate interest determination date. If the eleventh district cost of funds rate cannot be determined in this manner, the following procedures will apply:

If that rate does not appear on Reuters Page COFI/ARMS on that eleventh district cost of funds rate interest determination date, then the eleventh district cost of funds rate for that eleventh district cost of funds rate interest determination date will be the monthly weighted average cost of funds paid by member institutions of the Eleventh Federal Home Loan Bank District that was most recently announced, to which we refer as the index, by the FHLB of San Francisco as that cost of funds for the calendar month immediately preceding that eleventh district cost of funds rate interest determination date.

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If the FHLB of San Francisco fails to announce the index on or prior to that eleventh district cost of funds rate interest determination date for the calendar month immediately preceding that eleventh district cost of funds rate interest determination date, the eleventh district cost of funds rate with respect to that eleventh district cost of funds rate interest determination date will be the eleventh district cost of funds rate for the immediately preceding interest reset period, or if there was no interest reset period, the rate of interest payable will be the initial interest rate.

Federal Funds Rate

Unless otherwise specified in the applicable pricing supplement, federal funds rate means, with respect to any interest determination date relating to a federal funds rate note or any floating rate note for which the federal funds rate is an applicable base rate, to which we refer as a federal funds rate interest determination date, the rate on that date for United States dollar federal funds as published in H.15(519) under the heading Federal Funds (Effective) as that rate is displayed on Reuters, Inc., or any successor service, on page FEDFUNDS1, or any other page as may replace that page on that service, to which we refer as Reuters Page FEDFUNDS1. If the federal funds rate cannot be determined in this manner, the following procedures will apply:

If the rate described above does not appear on Reuters Page FEDFUNDS1 by 3:00 p.m., New York City time, on the related calculation date, then the federal funds rate will be the rate on that federal funds rate interest determination date for United States dollar federal funds as published in H.15 Daily Update, or another recognized electronic source used for the purpose of displaying that rate, under the caption Federal Funds (Effective).

If the rate described above does not appear on Reuters Page FEDFUNDS1 or is not yet published in H.15(519), H.15 Daily Update or another electronic source by 3:00 p.m., New York City time, on the related calculation date, then the federal funds rate for that federal funds rate interest determination date will be calculated by the calculation agent and will be the arithmetic mean of the rates for the last transaction in overnight United States dollar federal funds arranged by three leading brokers of United States dollar federal funds transactions in The City of New York, which may include one or more of the agents or their affiliates, selected by the calculation agent, after consultation with us, prior to 9:00 a.m., New York City time, on that federal funds rate interest determination date.

If the brokers selected as described above by the calculation agent are not quoting as set forth above, the federal funds rate with respect to that federal funds rate interest determination date will be the federal funds rate for the immediately preceding interest reset period, or if there was no interest reset period, the rate of interest payable will be the initial interest rate.

Indexed Retail Medium-Term Notes

We may issue indexed Retail Medium-Term Notes that will provide that the amount of interest payable on an interest payment date and/or the amount of principal payable at maturity will be determined by reference to:

one or more securities;

one or more commodities;

any other financial, economic or other measures or instruments, including the occurrence or non-occurrence of any event or circumstances; and/or indices or baskets of any of these items.

The applicable pricing supplement will include information about the relevant index or indices and how amounts that are to become payable will be determined by reference to that index or those indices. See also   Risk Factors   An investment in indexed notes entails significant risks not associated with a similar investment in fixed or conventional floating rate debt securities.

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Inflation-Linked Rate

Inflation Index Adjustment. Unless otherwise specified in the applicable pricing supplement, inflation-linked rate means, for any interest determination date relating to a inflation-linked note or any floating rate note for which the CPI (as defined below) is the applicable base rate, the inflation index adjustment plus a specified percentage (also referred to as the spread). The inflation index adjustment for each interest payment period will be based on the percentage change in the CPI. The inflation index adjustment may be a positive or negative rate in any interest payment period and will be calculated monthly and reset the interest rate on the notes monthly.

The inflation index adjustment (expressed as a percentage per year) for an interest payment period will be calculated as follows:

$$\text{Inflation index adjustment} = \frac{(\text{Ref CPIn} \quad \text{Ref CPI}_{n-12})}{\text{Ref CPI}_{n-12}}$$

The inflation index adjustment will be expressed as a percentage, rounded to the nearest one-hundredth of one percent. All percentages resulting from any intermediate calculation on the notes will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with .000005% rounded up to .00001%. All coupon amounts used in or resulting from such calculation on the notes will be rounded to the nearest one-hundredth of a percentage point, with .005% rounded up to .01%.

Ref CPI_n = As to any Interest Reset Date, the level of CPI for the third calendar month (the Reference Month) preceding the month in which that Interest Reset Date occurs, as reported in the second calendar month prior to such Interest Reset Date.

Ref CPI_{n-12} = As to any Interest Reset Date, the level of CPI for the 12th calendar month preceding the relevant Reference Month

Example. For example, for the Interest Payment Period from and including December 1, 2011 to but excluding January 1, 2012, CPI_n was 226.889, the CPI for September 2011 (the Reference Month), and Ref CPI_{n-12} was 218.439, the CPI for September 2010 (which is the CPI for the 12^{th} calendar month preceding the Reference Month). Assuming a spread of 2.00%, the rate at which interest would have been paid for that period would have been calculated as follows:

Inflation Index Adjustment =

$$= \frac{(\text{Ref CPIn} \quad \text{Ref CPI}_{n-12})}{\text{Ref CPI}_{n-12}}$$

$$= \frac{(226.889 \quad 218.439)}{218.439}$$

$$= .03868$$

Spread = 2.00%

Interest Rate = .03868 + .0200 = .05868 = 5.87%

CPI means the non-seasonally adjusted U.S. City Average All Items Consumer Price Index for All Urban Consumers, which is published monthly by the Bureau of Labor Statistics of the U.S. Department of Labor, as reported on Bloomberg page CPURNSA or any successor service.

The Consumer Price Index. The consumer price index is the non-seasonally adjusted U.S. City Average All Items Consumer Price Index published monthly by the Bureau of Labor Statistics of the U.S. Department of Labor. The Bureau of Labor Statistics makes available almost all consumer price index data and press releases immediately at the time of release. This material may be accessed electronically by means of the Bureau of Labor Statistics home page on the Internet at http://www.bls.gov. We make no representation or warranty as to the accuracy or completeness of the information obtained from the Bureau of Labor Statistics home page. No information contained on the Bureau of Labor Statistics home page is incorporated by reference in this prospectus supplement or the accompanying prospectus.

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According to the publicly available information provided by the Bureau of Labor Statistics, the consumer price index is a measure of the average change in consumer prices over time in a fixed market basket of goods and services, including food, clothing, shelter, fuels, transportation, drugs and charges for the services of doctors and dentists. User fees (such as water and sewer service) and sales and excise taxes paid by the consumer are also included. Income taxes and investment items such as stocks, bonds and life insurance are not included. The consumer price index includes expenditures by urban wage earners and clerical workers, professional, managerial and technical workers, the self-employed, short-term workers, the unemployed, retirees and others not in the labor force. In calculating the consumer price index, price changes for the various items are averaged together with weights that represent their significance in the spending of urban households in the United States. The contents of the market basket of goods and services and the weights assigned to the various items are updated periodically to take into account changes in consumer expenditure patterns. The consumer price index is expressed in relative terms based on a reference period for which the level is set at 100 (currently the base reference period used by the Bureau of Labor Statistics is 1982-1984). For example, because the CPI for the 1982-1984 reference period is 100, an increase of 16.5 percent from that period would be shown as 116.5.

The Bureau of Labor Statistics has made numerous technical and methodological changes to the consumer price index over the last 25 years, and it is likely to continue to do so. Examples of recent methodological changes include:

- the use of regression models to adjust for the quality improvements in various goods (televisions, personal computers, etc.);
- the introduction of geometric averages to account for consumer substitution within consumer price index categories; and
- changing the housing/shelter formula to improve rental equivalence estimation.

These changes and any future changes could reduce the level of the consumer price index and therefore lower the interest payable on the notes.

The Bureau of Labor Statistics occasionally rebases the consumer price index. The current standard reference base period is 1982-1984 = 100. The consumer price index was last rebased in January 1988. Prior to the release of the consumer price index for January 1988, the standard reference base was 1967 = 100. If the Bureau of Labor Statistics rebases the consumer price index during the time the notes are outstanding, the calculation agent will continue to calculate inflation using the existing base year in effect for the consumer price index at the time of issuance of the notes as long as the old consumer price index is still published. The conversion to a new reference base does not affect the measurement of the percent changes in a given index series from one time period to another, except for rounding differences. Thus, rebasing might affect the published headline number often quoted in the financial press; however, the inflation calculation for the notes should not be adversely affected by any such rebasing because the old-based consumer price index can be calculated by using the percent changes of the new rebased consumer price index to calculate the levels of the old consumer price index (because the two series should have the same percentage changes).

The notes represent obligations of Prudential Financial, Inc. only. The U.S. government is not involved in any way in this offering and is under no obligation relating to the notes or to the holders of the notes.

CPI Contingencies. If the CPI for a particular month is revised, the previously reported CPI will continue to be used to calculate interest payments on the notes.

In no case will the interest rate for the notes for any monthly interest payment period be less than the minimum interest rate of 0.00% per annum or more than the maximum interest rate of 100% per annum. The amount of interest payable on the notes on each interest payment date will be calculated on an actual/actual day count basis. If the CPI for a particular month is revised, the previously reported CPI will continue to be used to calculate interest payments on the notes.

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If by 3:00 p.m. on any interest determination date the CPI is not published on Bloomberg CPURNSA for any relevant month, but has otherwise been published by the Bureau of Labor Statistics, the calculation agent will determine the CPI as reported by the Bureau of Labor Statistics for such month using such other source as on its face appears to accurately set forth the CPI as reported by the Bureau of Labor Statistics.

In calculating CPI_n and CPI_{n-12}, the calculation agent will use the most recently available value of the CPI determined as described above on the applicable interest determination date, even if such value has been adjusted from a prior reported value for the relevant month. However, if a value of CPI_n and CPI_{n-12} used by the calculation agent on any interest reset date to determine the interest rate on the notes (an initial CPI) is subsequently revised by the Bureau of Labor Statistics, the calculation agent will continue to use the initial CPI, and the interest rate determined on such interest determination date will not be revised.

If the CPI is rebased to a different year or period and the 1982-1984 CPI is no longer used, the base reference period for the notes will continue to be the 1982-1984 reference period as long as the 1982-1984 CPI continues to be published.

If, while the notes are outstanding, the CPI is discontinued or substantially altered, as determined by the calculation agent in its sole discretion, the calculation agent will determine the interest rate on the notes by reference to the applicable substitute index that is chosen by the Secretary of the Treasury for the Department of The Treasury s Inflation-Linked Treasuries as described at 62 Federal Register 846-874 (January 6, 1997) or, if no such securities are outstanding, the substitute index will be determined by the calculation agent in accordance with general market practice at the time; provided that the procedure for determining the resulting interest rate is administratively acceptable to the calculation agent.

The following table sets forth the CPI from January 2006 to January 2012, as reported by the Bureau of Labor Statistics of the U.S. Department of Labor.

Month	2012	2011	2010	2009	2008	2007	2006
January	226.665	220.223	216.687	211.143	211.080	202.416	198.3
February		221.309	216.741	212.193	211.693	203.499	198.7
March		223.467	217.631	212.709	213.528	205.352	199.8
April		224.906	218.009	213.240	214.823	206.686	201.5
May		225.964	218.178	213.856	216.632	207.949	202.5
June		225.722	217.965	215.693	218.815	208.352	202.9
July		225.922	218.011	215.351	219.964	208.299	203.5
August		226.545	218.312	215.834	219.086	207.917	203.9
September		226.889	218.439	215.969	218.783	208.490	202.9
October		226.421	218.711	216.177	216.573	208.936	201.8
November		226.230	218.803	216.330	212.425	210.177	201.5
December		225.672	219.179	215.949	210.228	210.036	201.8

As previously stated, movements in the CPI that have occurred in the past are not necessarily indicative of changes that may occur in the future, which may be wider or more confined than those that have occurred historically.

Original Issue Discount Retail Medium-Term Notes

We may issue the Retail Medium-Term Notes as original issue discount notes. An original issue discount note is a note, including any note that does not provide for the payment of interest prior to its maturity date, that is issued at a price lower than its principal amount and that provides that upon redemption, repayment or acceleration of its stated maturity an amount less than its principal amount will be payable. If an original issue discount note is redeemed, repaid or accelerated prior to its stated maturity, the amount payable to the holder of

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such a note will be determined in accordance with the terms of the note, but will be an amount less than the amount payable at the stated maturity of such a note. Original issue discount notes and other notes may be treated as issued with original issue discount for U.S. federal income tax purposes. See Certain U.S. Federal Income Tax Considerations in this prospectus supplement.

Amortizing Retail Medium-Term Notes

We may from time to time offer Retail Medium-Term Notes on which we pay principal and interest in installments over the life of the notes. Interest on amortizing notes will be computed on the basis of a 360-day year of twelve 30-day months and, in the case of an incomplete month, the number of days elapsed calculated on the basis of a 30-day month. Unless otherwise specified in the applicable pricing supplement, payments with respect to the amortizing notes will be applied first to interest due and payable and then to the reduction of the unpaid principal amount. We will provide a table with repayment information with respect to each amortizing note to its original purchaser and we will make this information available, upon request, to subsequent noteholders.

Redemption and Repayment

Unless we otherwise provide in the applicable pricing supplement, a Retail Medium-Term Note will not be redeemable or repayable prior to its stated maturity date.

If the applicable pricing supplement states that the note will be redeemable at our option prior to its stated maturity date, then on such date or dates specified in the pricing supplement, we may redeem that note at our option either in whole or from time to time in part, upon not less than 30 days written notice to the holder of that note.

If the pricing supplement states that your note will be repayable at your option prior to its stated maturity date, we will require receipt of notice of the request for repayment at least 30 but not more than 60 days prior to the date or dates specified in the pricing supplement. We also must receive the completed form entitled Option to Elect Repayment. Exercise of the repayment option by the holder of a note is irrevocable.

Since the notes will be represented by a single master global note in fully registered form, DTC or its nominee will be treated as the holder of the notes; therefore, other than the trustee under the indenture, DTC or its nominee will be the only entity that receives notices of redemption of notes from us and will be the only entity that can exercise the right to have the notes repaid, in the case of optional repayment. See Registration and Settlement.

To ensure that DTC or its nominee will timely exercise a right to repayment with respect to a particular beneficial interest in a note, the beneficial owner of the interest in that note must instruct the broker or other direct or indirect participant through which it holds the beneficial interest to notify DTC or its nominee of its desire to exercise a right of repayment. Because different firms have different cut-off times for accepting instructions from their customers, each beneficial owner should consult the broker or other direct or indirect participant through which it holds an interest in a note to determine the cut-off time by which the instruction must be given for timely notice to be delivered to DTC or its nominee. Conveyance of notices and other communications by DTC or its nominee to participants, by participants to indirect participants and by participants and indirect participants to beneficial owners of the notes will be governed by agreements among them and any applicable statutory or regulatory requirements.

The redemption or repayment of a note normally will occur on the interest payment date or dates following receipt of a valid notice. Unless otherwise specified in the pricing supplement, the redemption or repayment price will equal 100% of the principal amount of the note plus unpaid interest accrued to the date or dates of redemption or repayment.

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We may at any time purchase notes at any price or prices in the open market or otherwise. We may also purchase notes otherwise tendered for repayment by a holder or tendered by a holder s duly authorized representative through exercise of the Survivor s Option described below. If we purchase the notes in this manner, we have the discretion to hold, resell or surrender the notes to the trustee for cancellation.

Survivor s Option

The Survivor s Option is a provision in a Retail Medium-Term Note pursuant to which we agree to repay that note, if requested by the authorized representative of the beneficial owner of that note, following the death of the beneficial owner of the note, so long as the note was owned by that beneficial owner or the estate of that beneficial owner at least six months prior to the request. The pricing supplement relating to each offering of notes will state whether the Survivor s Option applies to those notes.

If a note is entitled to a Survivor s Option, upon the valid exercise of the Survivor s Option and the proper tender of that note for repayment, we will, at our option, repay that note, in whole or in part, at a price equal to 100% of the amortized principal amount of the deceased beneficial owner s interest in that note plus unpaid interest accrued to the date of repayment.

To be valid, the Survivor s Option must be exercised by or on behalf of the person who has authority to act on behalf of the deceased beneficial owner of the note, including, without limitation, the personal representative or executor of the deceased beneficial owner or the surviving joint owner with the deceased beneficial owner, under the laws of the applicable jurisdiction.

The death of a person holding a beneficial ownership interest in a note as a joint tenant or tenant by the entirety with another person, or as a tenant in common with the deceased holder s spouse, will be deemed the death of a beneficial owner of that note, and the entire principal amount of the note so held will be subject to repayment by us upon request. However, the death of a person holding a beneficial ownership interest in a note as tenant in common with a person other than such deceased holder s spouse will be deemed the death of a beneficial owner only with respect to such deceased person s interest in the note.

The death of a person who, during his or her lifetime, was entitled to substantially all of the beneficial ownership interests in a note will be deemed the death of the beneficial owner of that note for purposes of the Survivor s Option, regardless of whether that beneficial owner was the registered holder of that note, if entitlement to those interests can be established to the satisfaction of us and the paying agent. A beneficial ownership interest will be deemed to exist in typical cases of nominee ownership, ownership under the Uniform Transfers to Minors Act or Uniform Gifts to Minors Act, community property or other joint ownership arrangements between a husband and wife. In addition, a beneficial ownership interest will be deemed to exist in custodial and trust arrangements where one person has all of the beneficial ownership interests in the applicable note during his or her lifetime.

We have the discretionary right to limit the aggregate principal amount of notes as to which exercises of the Survivor s Option shall be accepted by us from authorized representatives of all deceased beneficial owners in any calendar year to an amount equal to the greater of $2,000,000 or 2% of the principal amount of all notes outstanding as of the end of the most recent calendar year. We also have the discretionary right to limit to $250,000 in any calendar year the aggregate principal amount of notes as to which exercises of the Survivor s Option shall be accepted by us from the authorized representative of any individual deceased beneficial owner of notes in such calendar year. In addition, we will not permit the exercise of the Survivor s Option except in principal amounts equal to the minimum denomination ($1,000, unless otherwise specified in the applicable pricing supplement) and integral multiples thereof.

An otherwise valid election to exercise the Survivor s Option may not be withdrawn. Each election to exercise the Survivor s Option will be accepted in the order that elections are received by the paying agent, except for any note the acceptance of which would contravene any of the limitations described in the preceding paragraph. Notes accepted for repayment through the exercise of the Survivor s Option normally will be repaid on the first interest payment date that occurs 20 or more calendar days after the date of the acceptance. For example, if the acceptance date of a note tendered through a valid exercise of the Survivor s Option is April 1, 2012, and interest on that note is paid monthly, we would normally, at our option, repay that note on the interest payment date occurring on May 15, 2012, because the April 15, 2012 interest payment date would occur less than 20 days from the date of acceptance. Each tendered note that is not accepted in any calendar year due to the application of any of the limitations described in the preceding paragraph will be deemed to be tendered in the following calendar year in the order in which all such notes were originally tendered. If a note tendered through a valid exercise of the Survivor s Option is not accepted, the paying agent will deliver a notice by first-class mail to the registered holder, at that holder s last known address as indicated in the note register, that states the reason that note has not been accepted for repayment.

With respect to notes represented by a global note, DTC or its nominee is treated as the holder of the notes and will be the only entity that can exercise the Survivor s Option for such notes. To obtain repayment pursuant to exercise of the Survivor s Option for a note, the deceased beneficial owner s authorized representative must provide the following items to the broker or other entity through which the beneficial interest in the note is held by the deceased beneficial owner:

- a written instruction to such broker or other entity to notify DTC of the authorized representative s desire to obtain repayment pursuant to exercise of the Survivor s Option;

- appropriate evidence satisfactory to us and the paying agent (a) that the deceased was the beneficial owner of the note at the time of death and his or her interest in the note was owned by the deceased beneficial owner or his or her estate at least six months prior to the request for repayment, (b) that the death of the beneficial owner has occurred, (c) of the date of death of the beneficial owner, and (d) that the representative has authority to act on behalf of the beneficial owner;

- if the interest in the note is held by a nominee of the deceased beneficial owner, a certificate satisfactory to us and the paying agent from the nominee attesting to the deceased s beneficial ownership of such note;

- a written request for repayment signed by the authorized representative of the deceased beneficial owner with the signature guaranteed by a member firm of a registered national securities exchange or of the Financial Industry Regulatory Authority, Inc., which we refer to as FINRA , or a commercial bank or trust company having an office or correspondent in the United States;

- if applicable, a properly executed assignment or endorsement;

- tax waivers and any other instruments or documents that we or the paying agent reasonably require in order to establish the validity of the beneficial ownership of the note and the claimant s entitlement to payment; and

- any additional information we or the paying agent reasonably require to evidence satisfaction of any conditions to the exercise of the Survivor s Option or to document beneficial ownership or authority to make the election and to cause the repayment of the note.

In turn, the broker or other entity will deliver each of these items to the paying agent, together with evidence satisfactory to us and the paying agent from the broker or other entity stating that it represents the deceased beneficial owner.

All questions regarding the eligibility or validity of any exercise of the Survivor s Option will be determined by us, in our sole discretion, which determination will be final and binding on all parties.

The broker or other entity will be responsible for disbursing payments received from the paying agent to the authorized representative. See Registration and Settlement.

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Forms for the exercise of the Survivor s Option may be obtained from the paying agent, Citibank, N.A., at 388 Greenwich Street, 14th Floor, New York, New York 10013, Attention: Agency & Trust Group.

If applicable, we will comply with the requirements of Section 14(e) of the Exchange Act, and the rules promulgated thereunder, and any other securities laws or regulations in connection with any repayment of notes at the option of the registered holders or beneficial owners thereof.

Replacement of Retail Medium-Term Notes

If any mutilated Retail Medium-Term Note is surrendered to the trustee, we will execute and the trustee will authenticate and deliver in exchange for such mutilated note a new note of the same series and principal amount. If the trustee and we receive evidence to our satisfaction of the destruction, loss or theft of any note and such security or indemnity as may be required by them, then we shall execute and the trustee shall authenticate and deliver, in lieu of such destroyed, lost or stolen note, a new note of the same series and principal amount. All expenses, including counsel fees and expenses, associated with issuing the new note shall be borne by the owner of the mutilated, destroyed, lost or stolen note.

Reopening of Issue

We may, from time to time, without the consent of existing noteholders, reopen an issue of Retail Medium-Term Notes and issue additional Retail Medium-Term Notes with the same terms, including maturity and interest payment terms, as Retail Medium-Term Notes issued on an earlier date, except for the issue date, issue price and the first payment date of interest. After such additional note are issued, they will be fungible with the previously issued note to the extent specified in the applicable pricing supplement.

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DESCRIPTION OF INTERNOTES®

Investors should carefully read the description of the terms and provisions of our debt securities and our senior debt securities indenture under Description of Debt Securities We May Offer in the accompanying prospectus. That section, together with this prospectus supplement, the applicable pricing supplement and any other offering material, summarizes all the material terms of our senior debt securities indenture and the Prudential Financial InterNotes®. They do not, however, describe every aspect of our senior debt securities indenture and the InterNotes®. For example, in this section entitled Description of InterNotes®, the accompanying prospectus and the applicable pricing supplement, we use terms that have been given special meanings in our senior debt securities indenture, but we describe the meanings of only the more important of those terms. Unless otherwise specified in connection with a particular offering, the InterNotes® will have the terms described below. Capitalized terms used but not defined below have the meanings given to them in the prospectus and in the indenture relating to the InterNotes®.

The InterNotes® being offered by this prospectus supplement, the prospectus and the applicable pricing supplement will be issued under an indenture, dated as of April 25, 2003, between us and The Bank of New York Mellon, as successor to JPMorgan Chase Bank N.A., as amended and supplemented. The indenture is more fully described in the prospectus. The indenture does not limit the aggregate amount of debt securities that may be issued under it and provides that the debt securities may be issued under it from time to time in one or more series. The following statements are summaries of the material provisions of the indenture and the InterNotes®. These summaries do not purport to be complete and are qualified in their entirety by reference to the indenture, including for the definitions of certain terms. The InterNotes® and the Retail Medium-Term Notes together constitute a single series of debt securities for purposes of the indenture.

InterNotes® issued in accordance with this prospectus supplement, the prospectus and the applicable pricing supplement will have the following general characteristics:

- the notes will be our direct, unsecured, senior obligations and will rank equally with all of our other unsecured, senior indebtedness from time to time outstanding;
- the notes will be effectively subordinated to any existing and future indebtedness of any of our subsidiaries unless the terms of that indebtedness provide otherwise;
- the notes may be offered from time to time by us through the Purchasing Agent and each note will mature on a day that is at least one year from its date of original issuance;
- each note will bear interest from its date of original issuance at a fixed or floating rate;
- the notes will not be subject to any sinking fund; and
- the minimum denomination of the notes will be $1,000, unless otherwise stated in the applicable pricing supplement.

In addition, the pricing supplement relating to each offering of InterNotes® will describe specific terms of the notes, including:

whether the note is a fixed rate note, a floating rate note or an indexed note;

whether the note is an amortizing note;

whether the note is an original issue discount note and the yield to maturity;

the price, which may be expressed as a percentage of the aggregate initial public offering price of the notes, at which the notes will be issued to the public;

the date on which the notes will be issued to the public;

the stated maturity date of the notes;

if the note is a fixed rate note, the rate per year at which the notes will bear interest;

if the note is a floating rate note, the interest rate basis, the initial interest rate, the interest determination date, the interest reset dates, the interest payment dates, the index maturity, the maximum interest rate and the minimum interest rate, if any, and the spread and/or spread multiplier, if any, and any other terms relating to the particular method of calculating the interest rate for the note; see Floating Rate InterNotes® for an explanation of the terms relating to floating rate notes;

if the note is an indexed note, the amount of interest, if any, we will pay the holder on an interest payment date or the formula used to calculate these amounts, if any;

the interest payment frequency;

the purchase price, Purchasing Agent s discount and net proceeds to us;

whether the authorized representative of the holder of a beneficial interest in the note will have the right to seek repayment upon the death of the holder as described under Survivor s Option;

if the notes may be redeemed at our option or repaid at the option of the holder prior to its stated maturity date, the provisions relating to any such redemption or repayment;

any special U.S. federal income tax consequences of the purchase, ownership and disposition of the notes; and

any other significant terms of the notes not inconsistent with the provisions of the indenture.

We may at any time purchase notes at any price or prices in the open market or otherwise. Notes so purchased by us may, at our discretion, be held, resold or surrendered to the trustee for cancellation.

Payment of Principal and Interest

Unless otherwise specified in the applicable pricing supplement, payments of principal of and interest on beneficial interests in the InterNotes® will be made in accordance with the arrangements then in place between the paying agent and The Depository Trust Company, or the DTC , and its participants as described under Registration and Settlement The Depository Trust Company. Payments in respect of any notes in certificated form will be made as described under Registration and Settlement Registration, Transfer and Payment of Certificated Notes.

Interest on each note will be payable either monthly, quarterly, semi-annually or annually on each interest payment date and at the note s stated maturity or on the date of redemption or repayment if a note is redeemed or repaid prior to maturity. Interest is payable to the person in whose name a note is registered at the close of business on the regular record date before each interest payment date. Interest due at a note s stated maturity or on a date of redemption or repayment will be payable to the person to whom principal is payable.

We will pay any administrative costs imposed by banks in connection with making payments in immediately available funds, but any tax, assessment or governmental charge imposed upon any payments on a note, including, without limitation, any withholding tax, is the responsibility of the holders of beneficial interests in the note in respect of which such payments are made.

Interest and Interest Rates

The InterNotes® may bear interest at:

- a fixed rate; or
- a floating rate, which may be based on one of the following rates; see Floating Rate InterNotes® for further description of each of these floating rates:
  - the CD rate,

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- the commercial paper rate,
- the constant maturity swap rate,
- the CMT rate,
- LIBOR,
- the prime rate,
- the treasury rate,
- the eleventh district cost of funds rate,
- the federal funds rate or
- any other domestic or foreign interest rate that we may describe in the note and applicable pricing supplement.

Each note will accrue interest from its date of original issuance until its stated maturity or earlier redemption or repayment. The applicable pricing supplement will specify a fixed interest rate or a floating rate index or formula. Interest will be payable monthly, quarterly, semi-annually or annually. Interest payments on each note will include the amount of interest accrued from and including the last interest payment date to which interest has been paid, or from and including the date of original issuance if no interest has been paid with respect to the note, to, but excluding, the applicable interest payment date, stated maturity date or date of earlier redemption or repayment, as the case may be.

The interest rate on the notes will in no event be higher than the maximum rate permitted by New York law as the same may be modified by United States law of general application. Under current New York law, the maximum rate of interest that may be charged is 25% per annum on a simple interest basis, but that limit does not apply to floating rate notes in which U.S. $2,500,000 or more has been invested.

Interest on an InterNotes® will be payable beginning on the first interest payment date after its date of original issuance to holders of record on the corresponding regular record date.

Payment of Interest

Unless otherwise specified in the applicable pricing supplement, interest on the InterNotes® will be paid as follows:

Interest Payment Frequency	*Interest Payment Dates*
Monthly	Fifteenth day of each calendar month, beginning in the first calendar month following the month the note was issued.
Quarterly	Fifteenth day of every third month, beginning in the third calendar month following the month the note was issued.
Semi-annually	Fifteenth day of every sixth month, beginning in the sixth calendar month following the month the note was issued.
Annually	Fifteenth day of every twelfth month, beginning in the twelfth calendar month following the month the note was issued.

The regular record date for any interest payment date will be the first day of the calendar month in which the interest payment date occurs, except that the regular record date for interest due on the note s stated maturity date or date of earlier redemption or repayment will be that particular date. If any interest payment date other than the maturity date for any floating rate note falls on a day that is not a business day, such interest payment date will be postponed to the next succeeding business day, except that, in the case of a LIBOR note or a floating

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rate note for which LIBOR is an applicable base rate, if that business day falls in the next succeeding calendar month, the interest payment date will be the immediately preceding business day. If the maturity date of any floating rate note falls on a day that is not a business day, the related payment of principal, premium, if any, and interest will be made on the next succeeding business day as if it were made on the date that payment was due, and no interest will accrue for the period from that maturity date to the date of payment.

As used herein, business day means any day that is (a) neither a Saturday or Sunday, nor a day on which banking institutions in The City of New York are authorized or obligated by law, regulation or executive order to close and, (b) with respect to any floating rate note for which LIBOR is an applicable Base Rate, a London Business Day. London Business Day means a day on which commercial banks are open for business, including for dealings in U.S. dollars, in London.

Fixed Rate InterNotes®

Each fixed rate InterNote®, other than zero-coupon notes, will bear interest from its date of original issuance, or from the last interest payment date to which interest has been paid or duly provided for, at the annual fixed interest rate stated in the applicable pricing supplement.

Unless the applicable pricing supplement specifies otherwise, interest on fixed rate notes will be computed on the basis of a 360-day year of twelve 30-day months and, in the case of an incomplete month, the number of days elapsed calculated on the basis of a 30-day month.

If the stated maturity date, date of earlier redemption or repayment or interest payment date for any fixed rate note is not a business day, principal and interest for that note will be paid on the next succeeding business day, and no interest will accrue on the amount payable from, and after, the stated maturity date, date of earlier redemption or repayment or interest payment date.

Floating Rate InterNotes®

Interest on floating rate InterNotes® will be determined by reference to one or more base rates specified in the applicable note and related pricing supplement, which will include:

- the CD rate,
- the commercial paper rate,
- the constant maturity swap rate,
- the CMT rate,

- LIBOR,
- the prime rate,
- the treasury rate,
- the eleventh district cost of funds rate,
- the federal funds rate or
- any other domestic or foreign interest rate that we may describe in the note and applicable pricing supplement.

The related base rate will be based upon the index maturity, as defined below under General Features, if applicable, and adjusted by a spread and/or spread multiplier, if any, as specified in the applicable pricing supplement. In addition, a floating rate note may bear interest that is calculated by reference to two or more base

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rates determined in the same manner as the base rates are determined for the types of floating rate notes described above. Each floating rate note will specify the base rate or rates applicable to it.

General Features

Base Rates, Spreads and Spread Multipliers. The interest rate on each floating rate InterNote® will be calculated by reference to one or more specified base rates, in either case plus or minus any applicable spread, and/or multiplied by any applicable spread multiplier. The index maturity is the period to maturity of the instrument or obligation from which the base rate or rates are calculated, if applicable, as specified in the applicable pricing supplement. The spread is the number of basis points to be added to or subtracted from the base rate or rates applicable to a floating rate note, and the spread multiplier is the percentage of the base rate or rates applicable to a floating rate note by which the base rate or rates are multiplied to determine the applicable interest rates on the floating rate note, as specified in the applicable pricing supplement. Each floating rate note will bear interest at the initial interest rate set forth, or otherwise described, in the applicable pricing supplement.

Reset of Rates. The interest rate on each floating rate InterNote® will be reset daily, weekly, monthly, quarterly, semi-annually, annually or otherwise. Each such interest reset period will be specified in the applicable pricing supplement. Unless otherwise specified in the applicable pricing supplement, the dates on which such an interest rate will be reset will be, in the case of floating rate notes which reset

- daily, each business day;
- weekly, the Wednesday of each week, except weekly reset treasury rate notes, which will be reset on the Tuesday of each week, except as provided below;
- monthly, the third Wednesday of each month, with the exception of eleventh district cost of funds rate notes, which will be reset on the first calendar day of the month;
- quarterly, the third Wednesday of March, June, September and December of each year;
- semi-annually, the third Wednesday of the two months of each year as specified in the applicable pricing supplement; and
- annually, the third Wednesday of the month of each year as specified in the applicable pricing supplement.

If any interest reset date for any floating rate note is not a business day, it will be postponed to the next succeeding business day, except that, in the case of a LIBOR note, or a floating rate note for which LIBOR is an applicable base rate, if that business day is in the next succeeding calendar month, that interest reset date will be the immediately preceding business day.

Maximum and Minimum Rates. A floating rate InterNote® may also have either or both of the following:

a maximum limit, or ceiling, called the maximum interest rate, on the rate at which interest may accrue during any interest period with respect to that floating rate note from time to time and

a minimum limit, or floor, called the minimum interest rate, on the rate at which interest may accrue during any interest period with respect to that floating rate note from time to time. In addition to any maximum interest rate which may apply to any floating rate note, the interest rate on floating rate notes will in no event be higher than the maximum rate permitted by New York law, as the same may be modified by federal law of general applicability. Under current New York law, the maximum rate of interest that may be charged is 25% per annum on a simple interest basis, but that limit does not apply to floating rate notes in which $2,500,000 or more has been invested.

Determination of Reset Interest Rates. The interest rate applicable to each interest reset period commencing on the respective interest reset date will be the rate determined as of the applicable interest determination date defined below, on or prior to the calculation date, as defined below under Calculation Agent.

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Unless otherwise specified in the applicable pricing supplement, the interest determination date with respect to an interest reset date for

CD rate notes, commercial paper rate notes, CMT rate notes, prime rate notes and federal funds rate notes will be the second business day before the interest reset date;

constant maturity swap rate notes will be the second U.S. government securities business day (as defined under Constant Maturity Swap Rate in this prospectus supplement) preceding the related interest reset date; provided, however, that if, after attempting to determine the constant maturity swap rate (as described under Constant Maturity Swap Rate in this prospectus supplement), the rate is not determinable for a particular interest determination date (the original interest determination date), then the interest determination date shall be the first U.S. government securities business day preceding the original interest determination date for which the constant maturity swap rate can be determined as described under Constant Maturity Swap Rate in this prospectus supplement;

inflation-linked notes will be the fifth business day before the interest reset date;

eleventh district cost of funds rate notes will be the last working day of the month before each interest reset date on which the Federal Home Loan Bank of San Francisco, or the FHLB of San Francisco, publishes the Index, as defined below under Eleventh District Cost of Funds Rate ;

LIBOR notes will be the second London banking day before the interest reset date; and