



Prudential – The Rock®

# History of The Rock





## Prudential – The Rock

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Prudential Annuities® is a business division of Prudential Financial, Inc., one of the largest financial services companies in the United States. Prudential has one of America's most recognized brands: The Rock, an icon of strength, stability, expertise and innovation.<sup>1</sup> And we are recognized as one of the world's most admired companies.

## Key differentiating factors for Prudential

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Prudential has distinguished itself in the financial services industry through some key business differentiators.

- Our ability to manage through the current market with our core business models remaining intact
- Our diversified mix of businesses and risks
- Our diverse mix of clients invested in a broad range of asset classes
- Our global presence
- Our rock-solid financial strength

## A heritage of success for more than 130 years

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

<sup>1</sup> Prudential's 2007 Brand Image Tracking Study

## Positioned to manage through the current market

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Current market conditions are challenging for companies around the world. Our core business models remain intact, and the balanced mix of risks and businesses that we've built since becoming a public company in 2001 positions us well to manage through the current economic environment.



**“** *We have a balanced portfolio of businesses that are competitive in their markets; we have a strong balance sheet with a solid capital position; and we believe we have the best talent in the industry.* **”**

**John Strangfeld**  
**Chairman and CEO**  
**Prudential Financial**

## Diversified mix of businesses and risks

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

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

## Diverse mix of clients invested in a broad range of asset classes

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



## Helping people around the world with their insurance and financial needs

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Prudential Financial has expanded its operations outside its base in the United States to serve customers in Asia, Europe and Latin America. Today, we have approximately 50 million institutional and individual customers in over 30 countries around the world (as of December 31, 2007). We can help address financial concerns of people during every phase of life, from helping them save for the future, to helping them protect their assets, to converting their money into a guaranteed stream of income in retirement, to transferring their wealth to loved ones.

### Diverse U.S. Business Portfolio

- Annuities
- Investment Management
- Life Insurance
- Long-Term Care Insurance
- Group Disability Insurance
- Real Estate
- Full Service Retirement Plan Administration

## Commitment to serving our clients in a highly professional and ethical way

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We are committed to serving our clients with professionalism in all we do – from providing quality products to excellent customer service and ethical business behavior.

Prudential is a member of the Insurance Marketplace Standards Association (IMSA). IMSA-qualified companies commit to maintaining high ethical standards and to being fair, honest and open in the way they advertise, sell and service their products.

We are proud to be recognized by millions as a symbol of financial strength, quality and trust in helping our clients achieve financial security.

## A leader on retirement issues

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

# Rock-solid financial strength

Our name has long been associated with financial strength. With total assets under management of over half a trillion dollars, Prudential Financial companies have been helping grow and protect wealth for more than 130 years.

Prudential Annuities Life Assurance Corporation, Pruco Life Insurance Company and Pruco Life Insurance Company of New Jersey (in New York) are members of the Prudential Financial family of companies and are the issuers of variable annuities. Each is solely responsible for its own financial obligations. All are highly rated by the major independent rating agencies for their ability to meet financial obligations. The ratings tell you that our position is solid – from capitalization to liquidity.

A.M. BEST COMPANY	FITCH RATINGS	STANDARD & POOR'S	MOODY'S
<b>A+</b> (2ND CATEGORY OF 15)	<b>A+</b> (5TH CATEGORY OF 21)	<b>AA-</b> (4TH CATEGORY OF 21)	<b>A2</b> (6TH CATEGORY OF 21)
Superior ability to meet ongoing obligations to policyholders	Strong capacity to meet policyholder and contract obligations	Very strong financial security characteristics	Good financial security

Prudential Annuities Life Assurance Corporation and Pruco Life Insurance Company of New Jersey are not rated by Moody's. All ratings are as of 5/6/2009. Ratings are intended to reflect the financial strength or claims-paying ability of the issuer and are not intended to reflect the investment performance or financial strength of the variable accounts, which are subject to market risk. These ratings are subject to change and do not reflect any subsequent rating agency actions. Please visit our investor relations site, [www.investor.prudential.com](http://www.investor.prudential.com), for the most current ratings information.



**“ We offer clients guaranteed retirement income through innovative product solutions, underpinned by solid risk management disciplines. ”**

**Stephen Pelletier**  
**President**  
**Prudential Annuities**



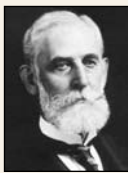
## Giving back to our communities

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

## Encouraging diversity in our workplace

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

## Prudential's long history is a testament to the quality of service and



**1875**

### The Prudential Friendly Society of Newark, New Jersey

In 1875, John Fairfield Dryden founded a life insurance company with a revolutionary idea: to provide life insurance to working people. Prior to 1875, only about 3% of the working population had insurance protection, which was generally reserved for the affluent.



**1896**

### "The Rock" Is Born

An advertising designer charged with finding a new trademark for Prudential was inspired by a rock formation he saw during his daily train commute. Today, the Rock is one of the most recognizable commercial icons in the world.

**1935**

### Helping Farmers in the "Dust Bowl"

Severe drought conditions plagued farmers across the grain-producing regions of the U.S. Farmers with mortgages through Prudential had programs to help them retain or repurchase their land, and millions of dollars in loans for improvements.

**1962**

### Separate Account Formed

Prudential became the first insurance company to issue a contract based on a "separate account" that provided much greater flexibility in managing money for pension funds and individuals.

**1875**

**1876**

### 5,000th Policy Is Issued

**1878**

### First Branch Office Opens

The company changed its name to The Prudential Insurance Company of America. As word spread of the company's reputation for paying claims within 24 hours, communities outside of Newark expressed interest in having their own Prudential office.



**1911**

### 10 Millionth Policy Is Issued

**1952**

### Decentralization of Operations

Prudential regionalized its operations to ensure that policyholders received the fastest, most efficient and personal service possible and integrated Prudential employees into different communities throughout the U.S.

innovative products we have provided to our clients for over 130 years.



**1981**

**Expansion of Financial Services**

By acquiring Bache Halsey Stuart Shields Inc., Prudential had an essential new window on Wall Street. The new company, Prudential-Bache, offered an established line of investment-oriented products and services, many of them the first of their kind, in addition to traditional insurance products and services.



**2003**

**Prudential Acquires American Skandia**

Prudential acquired American Skandia (now Prudential Annuities Life Assurance Corporation), the largest domestic distributor of variable annuities through independent financial professionals. The acquisition created a major new force in financial services, strengthening Prudential's strategy to offer cutting-edge retirement solutions.

**2007**

**Highest Daily Guarantees**

With the introduction of its suite of optional Highest Daily benefits, Prudential Annuities can help investors capture an annuity's highest daily value on the road to securing their retirement goals.

**2009**

**1970**

**Diversification**

Prudential became the first major insurance company to market an individual retirement income solution called a "variable annuity" to individuals.

**2001**

**Demutualization**

Demutualization made Prudential more competitive by increasing access to capital and helping define Prudential's identity as a financial services powerhouse.

**2006**

**Prudential Acquires Allstate Financial's Variable Annuity Business**

The Allstate acquisition makes Prudential the third largest provider of advisor-sold variable annuity products as measured by assets under administration and management and the fourth largest as measured by sales.

*(Source: VARDS as of 9/30/08)*

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**Investors should consider the contract and the underlying portfolios' investment objectives, risks, charges and expenses carefully before investing. This and other important information is contained in the prospectuses, which can be obtained from your financial professional. Please read the prospectuses carefully before investing.**

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Variable annuities are appropriate for long-term investing and designed for retirement purposes.

Annuities are subject to risk. Your principal value may decline.

Your needs and the suitability of an annuity product should be carefully considered before investing. When evaluating your needs, please consider all variable annuities available from Prudential Financial companies. Annuity contracts contain exclusions, limitations, reductions of benefits and terms for keeping them in force. Your licensed financial professional can provide you with costs and complete details.

Optional living benefits may not be available in every state and may not be elected in conjunction with certain optional benefits. The fees are in addition to fees and charges associated with the basic annuity. Optional benefits have certain investment, holding period, liquidity and withdrawal limitations and restrictions; you should see the prospectus for more information.

All guarantees, including optional benefits, are backed by the claims-paying ability of the issuing company. Guarantees do not apply to the underlying investment options which are subject to market risk. The value of the variable investment options will fluctuate, and when redeemed, may be worth more or less than the original cost. Withdrawals and distributions of taxable amounts are subject to ordinary income tax and, if made prior to age 59½, may be subject to an additional 10% federal income tax penalty. Withdrawals, for tax purposes, are deemed to be gains out first. Withdrawals can reduce the living benefit, death benefit and account value.

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