

PRUDENTIAL FINANCIAL INC

Form 424B2

March 08, 2013

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Filed pursuant to Rule 424(b)(2)

Registration Statement Nos. 333-180020

333-180020-01

333-180020-02

**CALCULATION OF REGISTRATION FEE**

<b>Title of Each Class of Securities Offered</b>	<b>Maximum Aggregate Offering Price</b>	<b>Amount of Registration Fee(1)(2)</b>
5.70% Junior Subordinated Notes due 2053	\$747,500,000	\$101,959

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

(2) A registration fee of \$101,959 has been paid with respect to this offering.

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**Prospectus Supplement**

(To Prospectus dated March 9, 2012)

**\$650,000,000**

**Prudential Financial, Inc.**

**5.70% Junior Subordinated Notes due 2053**

The 5.70% Junior Subordinated Notes due 2053, or the notes, are our unsecured, subordinated debt instruments and will bear interest at an annual rate of 5.70%, payable quarterly in arrears on March 15, June 15, September 15 and December 15 of each year, beginning on June 15, 2013. So long as no event of default with respect to the notes has occurred and is continuing, we have the right, on one or more occasions, to defer the payment of interest on the notes as described in this prospectus supplement for one or more consecutive interest periods up to five years. Deferred interest will accrue additional interest at an annual rate of 5.70%.

The notes will be issued in denominations of \$25 and integral multiples of \$25 in excess thereof. The principal amount of the notes will become due on March 15, 2053. Payment of the principal on the notes will be accelerated only in the case of our bankruptcy or certain other insolvency events with respect to us. There is no right of acceleration in the case of default in the payment of interest on the notes or the performance of any of our other obligations with respect to the notes.

We may redeem the notes, in whole but not in part, at any time prior to March 15, 2018, within 90 days after the occurrence of a tax event, a rating agency event or a regulatory capital event, at a redemption price equal to (i) in the case of a tax event or a rating agency event, their principal amount or, if greater, a make-whole redemption price calculated as described herein, in each case plus accrued and unpaid interest or (ii) in the case of a regulatory capital event, their principal amount plus accrued and unpaid interest. On or after March 15, 2018, we may redeem the notes, in whole or in part, at their principal amount plus accrued and unpaid interest. In the event the notes are treated as Tier 2 capital (or its equivalent) under the capital guidelines of Prudential Financial, Inc.'s capital regulator, any redemption of notes will be subject to our receipt of any required prior approval from the capital regulator and to the satisfaction of any conditions set forth in those capital guidelines or any other applicable regulations of the capital regulator to our redemption of the notes. *Capital regulator* means the Board of Governors of the Federal Reserve System, if Prudential Financial, Inc. is then subject to its regulation, or such other agency or instrumentality of the United States as may then have primary oversight of Prudential Financial, Inc.'s regulatory capital.

The notes will be unsecured, subordinated and junior in right of payment to all our existing and future senior indebtedness (as defined in this prospectus supplement). The notes will rank *pari passu* with our \$600,000,000 aggregate principal amount of 8.875% Fixed-to-Floating Rate Junior Subordinated Notes due 2068, our \$920,000,000 aggregate principal amount of 9.0% Junior Subordinated Notes due 2068, our \$1,000,000,000 aggregate principal amount of 5.875% Fixed-to-Floating Rate Junior Subordinated Notes due 2042, our \$1,500,000,000 aggregate principal amount of 5.625% Fixed-to-Floating Rate Junior Subordinated Notes due 2043, and our \$575,000,000 aggregate principal amount of 5.75% Junior Subordinated Notes due 2052. All of our other existing indebtedness for money borrowed is senior to the notes.

We intend to apply to list the notes on the New York Stock Exchange under the symbol PRH. If the application is approved, we expect trading of the notes on the New York Stock Exchange to commence within 30 days after the notes are first issued.

The notes are not insured or guaranteed by any governmental agency.

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*Investing in the notes involves risks. See Risk Factors beginning on page S-5 of this prospectus supplement and the Risk Factors contained in our Annual Report on Form 10-K for the year ended December 31, 2012, incorporated by reference herein.*

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

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	<u>Per Note</u>	<u>Total<sup>(3)</sup></u>
Initial public offering price <sup>(1)</sup>	\$ 25.0000	\$ 650,000,000.00
Underwriting discount <sup>(2)</sup>	\$ 0.7634	\$ 19,847,737.50
Proceeds, before expenses, to Prudential Financial, Inc	\$ 24.2366	\$ 630,152,262.50

- (1) Plus accrued interest, if any, from March 14, 2013 if settlement occurs after that date.
- (2) Reflects 24,833,000 notes sold to retail investors, for which the underwriters received an underwriting discount of \$0.7875 per note, and 1,167,000 notes sold to institutional investors, for which the underwriters received an underwriting discount of \$0.25 per note.
- (3) Assumes no exercise of the underwriters' over-allotment option described below.

We have granted the underwriters a one-time option to purchase up to an additional \$97,500,000 principal amount of notes at the initial public offering price less the applicable underwriting discount within 30 days of the date of this prospectus supplement solely to cover over-allotments, if any.

The underwriters expect to deliver the notes through the facilities of The Depository Trust Company for the accounts of its participants, including Clearstream Banking, *société anonyme*, Luxembourg ( *Clearstream* ) and Euroclear Bank N.V./S.A. ( *Euroclear* ), against payment in New York, New York on or about March 14, 2013.

*Joint Book-Running Managers*

**Wells Fargo Securities**

**BofA Merrill Lynch**

**Citigroup**

**Morgan Stanley**

**UBS Investment Bank**

Prospectus Supplement dated March 7, 2013

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We are responsible only for the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus and in any related free-writing prospectus we prepare or authorize. We have not, and the underwriters have not, authorized anyone to provide you with different or additional information. We and the underwriters take no responsibility for any other information that others may give you. This prospectus supplement and the accompanying prospectus are an offer to sell only the notes offered hereby, 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 and the accompanying prospectus and any related free-writing prospectus may only be accurate on the date of the document containing the information.

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

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**ABOUT THIS PROSPECTUS SUPPLEMENT**

This document consists of two parts. The first part is this prospectus supplement, which describes the specific terms of this offering and supplements information contained in the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus. The second part is the accompanying prospectus, which contains more general information, some of which may not apply to this offering. You should read both this prospectus supplement and the accompanying prospectus, together with additional information described under the headings **Where You Can Find More Information** and **Information Incorporated by Reference** in this prospectus supplement. If the information set forth in this prospectus supplement differs in any way from the information set forth in the accompanying prospectus, you should rely on the information set forth in this prospectus supplement.

Unless the context otherwise requires or as otherwise specified, references in this prospectus supplement to the **Company**, **Prudential Financial, Inc.**, **Prudential Financial**, **we**, **us** or **our** refer to Prudential Financial, Inc. only and do not include its consolidated subsidiaries.

You should not consider any information in this prospectus supplement or the accompanying prospectus to be investment, legal or tax advice. You should consult your own counsel, accountants and other advisers for legal, tax, business, financial and related advice regarding the purchase of any of the notes offered by this prospectus supplement.

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**NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA**

In any Member State of the European Economic Area ( EEA ) that has implemented the Prospectus Directive, this prospectus supplement and the accompanying prospectus are only addressed to and are only directed at qualified investors in that Member State within the meaning of the Prospectus Directive.

This prospectus supplement and the accompanying prospectus have been prepared on the basis that any offer of notes in any Member State of the EEA which has implemented the Prospectus Directive (each, a *Relevant Member State* ) will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of notes. Accordingly any person making or intending to make any offer in that Relevant Member State of notes which are the subject of the offering contemplated in this prospectus supplement and the accompanying prospectus may only do so in circumstances in which no obligation arises for the Company or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither the Company nor any underwriter has authorized, nor do they authorize, the making of any offer of notes in circumstances in which an obligation arises for the Company or any underwriter to publish a prospectus for such offer.

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any notes under, the offering contemplated in this prospectus supplement and the accompanying prospectus will be deemed to have represented, warranted and agreed to and with each of the Company and each underwriter that:

(a) it is a qualified investor within the meaning of Article 2(1)(e) of the Prospectus Directive (a *qualified investor* ); and

(b) in the case of any notes acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the notes acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, or in circumstances in which the prior consent of the underwriters has been given to the offer or resale; or (ii) where notes have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those notes to it is not treated under the Prospectus Directive as having been made to such persons.

The expression *Prospectus Directive* means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression *2010 PD Amending Directive* means Directive 2010/73/EU.

**NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM**

This prospectus supplement and the accompanying prospectus are only being distributed to and are only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the *Order* ) or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as *relevant persons* ). The notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire the notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this prospectus supplement and the accompanying prospectus or any of their contents.





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**SPECIAL NOTE REGARDING FORWARD-LOOKING INFORMATION**

Certain of the statements included in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein constitute forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Words such as expects, believes, anticipates, includes, plans, assumes, estimates, projects, intends, should, will, shall or may are generally part of forward-looking statements. Forward-looking statements are made based on management's current expectations and beliefs concerning future developments and their potential effects upon Prudential Financial, Inc. and its subsidiaries. There can be no assurance that future developments affecting Prudential Financial, Inc. and its subsidiaries will be those anticipated by management. These forward-looking statements are not a guarantee of future performance and involve risks and uncertainties, and there are certain important factors that could cause actual results to differ, possibly materially, from expectations or estimates reflected in such forward-looking statements, including, among others:

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

the availability and cost of additional debt or equity capital or external financing for our operations;

interest rate fluctuations or prolonged periods of low interest rates;

the degree to which we choose not to hedge risks, or the potential ineffectiveness or insufficiency of hedging or risk management strategies we do implement, with regard to variable annuity or other product guarantees;

any inability to access our credit facilities;

reestimates of our reserves for future policy benefits and claims;

differences between actual experience regarding mortality, longevity, morbidity, persistency, surrender experience, interest rates or market returns and the assumptions we use in pricing our products, establishing liabilities and reserves or for other purposes;

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

changes in assumptions for retirement expense;

changes in our financial strength or credit ratings;

statutory reserve requirements associated with term and universal life insurance policies under Regulation XXX and Guideline AXXX;

investment losses, defaults and counterparty non-performance;

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competition in our product lines and for personnel;

difficulties in marketing and distributing products through current or future distribution channels;

changes in tax law;

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

fluctuations in foreign currency exchange rates and foreign securities markets;

regulatory or legislative changes, including the Dodd-Frank Wall Street Reform and Consumer Protection Act;

inability to protect our intellectual property rights or claims of infringement of the intellectual property rights of others;

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

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domestic or international military actions, natural or man-made disasters including terrorist activities or pandemic disease, or other events resulting in catastrophic loss of life;

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

effects of acquisitions, divestitures and restructurings;

interruption in telecommunication, information technology or other operational systems or failure to maintain the security, confidentiality or privacy of sensitive data on such systems;

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

Prudential Financial, Inc.'s primary reliance, as a holding company, on dividends or distributions from its subsidiaries to meet debt payment obligations and the ability of the subsidiaries to pay such dividends or distributions in light of our ratings objectives and/or applicable regulatory restrictions; and

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

Prudential Financial does not intend, and is under no obligation, to update any particular forward-looking statement included in this prospectus supplement, the accompanying prospectus or the documents incorporated by reference herein and therein.

You should carefully consider the risks described in the **Risk Factors** section of this prospectus supplement and in our Annual Report on Form 10-K for the year ended December 31, 2012, incorporated by reference herein, for a more complete discussion of the risks of an investment in the notes.

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**WHERE YOU CAN FIND MORE INFORMATION**

We are subject to the informational requirements of the Securities Exchange Act of 1934, as amended, or the *Exchange Act*. We have filed and will continue to file with the Securities and Exchange Commission, or the *SEC*, annual reports on Form 10-K, quarterly reports on Form 10-Q, proxy statements and current reports with respect to specified events on Form 8-K, as required of a U.S. domestic private issuer subject to those particular requirements of the Exchange Act, including the informational and timing requirements for filing such reports. Our SEC filings are available to the public from the SEC's web site at [www.sec.gov](http://www.sec.gov) or from our web site at [www.prudential.com](http://www.prudential.com). However, the information on or accessible through our web site does not constitute a part of this prospectus supplement or the accompanying prospectus. You may also read and copy any document we file at the SEC's public reference room in Washington, D.C. at 100 F Street, NE, Room 1580, Washington, D.C. 20549. Please call the SEC at 1-888-SEC-0330 for further information on the public reference room. In addition, copies of the documents incorporated by reference in this prospectus supplement may be requested by contacting us as further described below in *Information Incorporated by Reference*. Our common stock is listed on the New York Stock Exchange under the symbol *PRU*.

We have filed with the SEC a registration statement on Form S-3 under the Securities Act of 1933, as amended, or the *Securities Act*, covering the securities described in this prospectus supplement and the accompanying prospectus. This prospectus supplement and the accompanying prospectus do not contain all of the information included in the registration statement, some of which is contained in exhibits included with or incorporated by reference into the registration statement. The registration statement, including the exhibits contained or incorporated by reference therein, can be read at the SEC's web site or at the SEC's public reference room referred to above.

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**INFORMATION INCORPORATED BY REFERENCE**

Rather than include certain information in this prospectus supplement that we have already included in documents filed with the SEC, we are incorporating this information by reference, which means that we are disclosing important information to you by referring to those publicly filed documents that contain the information. The information incorporated by reference is considered to be part of this prospectus supplement. Accordingly, we incorporate by reference the following documents filed with the SEC by us:

our Annual Report on Form 10-K for the year ended December 31, 2012;

our definitive proxy statement filed with the SEC on March 27, 2012 pursuant to Section 14 of the Exchange Act; and

our Current Reports on Form 8-K filed with the SEC on May 9, 2012, January 2, 2013, February 12, 2013 and February 13, 2013.

We also incorporate by reference any future filings we will make with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus supplement and until all of the notes to which this prospectus supplement relates are sold or the offering is otherwise terminated.

The information incorporated by reference in this prospectus supplement is an important part of this prospectus supplement and the accompanying prospectus. Any statement contained in a document incorporated or considered to be incorporated by reference in this prospectus supplement and the accompanying prospectus shall be considered to be modified or superseded for purposes of this prospectus supplement and the accompanying prospectus to the extent a statement contained in this prospectus supplement or in any other subsequently filed document that is or is considered to be incorporated by reference in this prospectus supplement and the accompanying prospectus modifies or supersedes such statement. Any statement that is modified or superseded shall not, except as so modified or superseded, constitute a part of this prospectus supplement and the accompanying prospectus.

Information furnished under the applicable items of our Current Reports on Form 8-K is not incorporated by reference in this prospectus supplement or the accompanying prospectus, unless specifically stated otherwise.

You may request a copy of the filings that we incorporate by reference, at no cost, by writing or telephoning us as follows: Prudential Financial, Inc., 751 Broad Street, Newark, New Jersey 07102, Attention: Corporate Secretary; telephone: (973) 802-6000. Exhibits to the filings will not be sent, however, unless specifically requested.

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**SUMMARY**

*The following summary highlights information contained elsewhere in this prospectus supplement, the accompanying prospectus and in the documents incorporated by reference herein. The following summary does not purport to be complete and is qualified in its entirety by the more detailed information and financial statements appearing elsewhere, or incorporated by reference, in this prospectus supplement and the accompanying prospectus. You should read and consider carefully all of this information, including the information set forth under "Risk Factors", as well as the financial statements and notes thereto in our annual report on Form 10-K, before making an investment decision.*

**Prudential Financial, Inc.**

**Business**

Prudential Financial, Inc., a financial services leader with approximately \$1.060 trillion of assets under management as of December 31, 2012, has operations in the United States, Asia, Europe and Latin America. Through our subsidiaries and affiliates, we offer a wide array of financial products and services, including life insurance, annuities, retirement-related services, mutual funds and investment management. We offer these products and services to individual and institutional customers through one of the largest distribution networks in the financial services industry.

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

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

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

**Our Executive Offices**

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

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The notes will mature on March 15, 2053 (the *maturity date* ). If that day is not a business day, payment of principal and interest will be postponed to the next business day and no interest will accrue as a result of that postponement.

**Interest**

Interest on the notes will accrue from March 14, 2013 to but excluding the maturity date or any earlier redemption date at an annual rate of 5.70%, payable quarterly in arrears on March 15, June 15, September 15 and December 15 of each year, beginning on June 15, 2013, subject to our rights and obligations described under Description of the Junior Subordinated Notes Option to Defer Interest Payments in this prospectus supplement. In the event that any interest payment date falls on a day that is not a business day, the interest payment due on that date will be postponed to the next day that is a business day, and no interest will accrue as a result of that postponement.

**Option to Defer Interest Payments**

So long as no event of default with respect to the notes has occurred and is continuing, we have the right to defer the payment of interest on the notes for one or more consecutive interest periods that do not exceed five years as described in Description of the Junior Subordinated Notes Option to Defer Interest Payments in this prospectus supplement. We may not defer interest beyond the maturity date, any earlier accelerated maturity date arising from an event of default or any other earlier redemption of the notes. During a deferral period, interest will continue to accrue on the notes at the annual rate of 5.70% and deferred interest on the notes will bear additional interest at such rate, compounded on each interest payment date, subject to applicable law. If we have paid all deferred interest (including compounded interest thereon) on the notes, we can again defer interest payments on the notes as described above.

**Subordination**

The notes will be unsecured, subordinated and junior in right of payment to all of our existing and future senior indebtedness and will rank *pari passu* with our \$600,000,000 aggregate principal amount of 8.875% Fixed-to-Floating Rate Junior Subordinated Notes due 2068 (the *8.875% fixed-to-floating rate junior subordinated notes* ), our \$920,000,000 aggregate principal amount of 9.0% Junior Subordinated Notes due 2068 (the *9.0% fixed-rate junior subordinated notes* ), our \$1,000,000,000 aggregate principal amount of 5.875% Fixed-to-Floating Rate Junior Subordinated Notes due 2042, our \$1,500,000,000 aggregate principal amount of 5.625% Fixed-to-Floating Rate Junior Subordinated Notes due 2043 and our \$575,000,000 aggregate principal amount of 5.75% Junior Subordinated Notes due 2052 (collectively, our *pari passu securities* ). Senior indebtedness will include, among other things, all of our indebtedness for borrowed money but will not include (1) obligations to trade creditors created or assumed by us in the ordinary course of business, (2) indebtedness that is by its terms subordinate, or not superior, in right of payment to the notes or (3) our *pari passu* securities. All of our other existing indebtedness for money borrowed is senior to the notes. As of December 31, 2012, our short- and long-term debt ranking senior to the notes upon liquidation, on an unconsolidated basis, totaled approximately \$14.3 billion. Payments on the notes will also be effectively subordinated to all existing and future liabilities of our subsidiaries to the extent of the assets of such subsidiaries. As of December 31, 2012, our subsidiaries had total liabilities of approximately \$651 billion (including policyholders' account balance liability and reserves for future policy benefits and claims of approximately \$350 billion). See



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Description of the Junior Subordinated Notes Subordination in this prospectus supplement for the definition of senior indebtedness. In addition, our subordinated guarantee covering the commercial paper program of one of our subsidiaries constitutes senior indebtedness. As of December 31, 2012, there was \$359 million outstanding under this commercial paper program.

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### **Certain Payment Restrictions Applicable to Us**

At any time when we have given notice of our election to defer interest payments on the notes but the related deferral period has not yet commenced or a deferral period is continuing, we and our subsidiaries generally may not make payments on or redeem or purchase any shares of our capital stock or any of our debt securities or guarantees that rank upon our liquidation on a parity with or junior to the notes, subject to certain limited exceptions.

The terms of the notes permit us to make any payment of current or deferred interest on our indebtedness that ranks on a parity with the notes upon our liquidation ( *parity securities* ), including our *pari passu* securities, that is made *pro rata* to the amounts due on such parity securities (including the notes), and any payments of principal or current or deferred interest on parity securities that, if not made, would cause us to breach the terms of the instrument governing such parity securities.

For more information, see Description of the Junior Subordinated Notes Dividend and Other Payment Stoppages During Deferral Periods and Under Certain Other Circumstances in this prospectus supplement.

### **Redemption of the Notes**

We may elect to redeem the notes:

in whole at any time or in part from time to time on or after March 15, 2018 at a redemption price equal to their principal amount plus accrued and unpaid interest to but excluding the date of redemption; *provided* that if the notes are not redeemed in whole, at least \$25 million aggregate principal amount of the notes, excluding any notes held by us or any of our affiliates, must remain outstanding after giving effect to such redemption;

in whole, but not in part, at any time prior to March 15, 2018, within 90 days after the occurrence of a tax event or a rating agency event , at a redemption price equal to their principal amount or, if greater, a make-whole redemption price , in each case plus accrued and unpaid interest to but excluding the date of redemption; or

in whole, but not in part, at any time prior to March 15, 2018, within 90 days after the occurrence of a regulatory capital event , at a redemption price equal to their principal amount plus accrued and unpaid interest to but excluding the date of redemption.

In the event the notes are treated as Tier 2 capital (or its equivalent) under the capital guidelines of Prudential Financial, Inc.'s *capital regulator* , any redemption of notes will be subject to our receipt of any required prior approval from the capital regulator and to the satisfaction of any conditions set forth in those capital guidelines or any other applicable regulations of the capital regulator to our redemption of the notes. *Capital regulator* means the Board of Governors of the Federal Reserve System, if Prudential Financial, Inc. is then subject to its regulation, or such other agency or instrumentality of the United States as may then have primary oversight of Prudential Financial, Inc.'s regulatory capital.

For more information and the definitions of tax event , rating agency event , regulatory capital event and make-whole redemption price , see Description of the Junior Subordinated Notes Redemption in this prospectus supplement.

**Events of Default**

An *event of default* with respect to the notes shall occur only upon certain events of bankruptcy, insolvency or receivership involving us. If an event of default occurs and continues, the principal amount of the notes will automatically become due and payable without any declaration or other action on the part of the trustee or any holder of the notes.

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There is no right of acceleration in the case of any payment default or other breaches of covenants under the junior subordinated indenture or the notes. Notwithstanding the foregoing, in the case of a default in the payment of principal of or interest on the notes, including any compounded interest (and, in the case of payment of deferred interest, such failure to pay shall have continued for 30 calendar days after the conclusion of any deferral period), the holder of a note may, or if directed by the holders of a majority in principal amount of the notes the trustee shall, subject to the conditions set forth in the junior subordinated indenture, demand payment of the amount then due and payable and may institute legal proceedings for the collection of such amount if we fail to make payment thereof upon demand.

## **Form and Denomination**

The notes will be issued in denominations of \$25 and integral multiples of \$25 in excess thereof. The notes will be represented by one or more global securities registered in the name of Cede & Co., as nominee for The Depository Trust Company ( *DTC* ). Beneficial interests in the notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Investors may elect to hold interests in the global securities through either DTC (in the United States), or Clearstream or Euroclear (in Europe) if they are participants in those systems, or indirectly through organizations which are participants in those systems. We will issue certificated notes only in the limited circumstances described under *Description of the Junior Subordinated Notes Book-Entry System* in this prospectus supplement.

## **The Indenture and the Trustee**

The notes will be issued pursuant to the subordinated debt indenture, dated as of June 17, 2008, between us and The Bank of New York Mellon (formerly known as The Bank of New York), as trustee, as amended and supplemented by a supplemental indenture to be dated as of the issue date of the notes, which we refer to as the *junior subordinated indenture* .

## **Governing Law**

The junior subordinated indenture and the notes will be governed by and construed in accordance with the laws of the State of New York.

## **Risk Factors**

See *Risk Factors* beginning on page S-5 of this prospectus supplement and similar sections in our Annual Report on Form 10-K for the year ended December 31, 2012, incorporated by reference herein before buying any of the notes offered hereby.

## **Use of Proceeds**

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We expect to receive proceeds, after deducting the underwriting discount and other offering expenses payable by us, of approximately \$629.80 million (or approximately \$724.23 million if the underwriters exercise their over-allotment option in full).

We intend to use the net proceeds from this offering for general corporate purposes, which may include redemption of some of our 9.0% Junior Subordinated Notes due 2068, of which \$920,000,000 aggregate principal amount are outstanding.

### **Listing**

We intend to apply to list the notes on the New York Stock Exchange under the symbol PRH . If the application is approved, we expect trading of the notes on the New York Stock Exchange to commence within 30 days after the notes are first issued.

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**RISK FACTORS**

*Your investment in the notes will involve certain risks described below. In consultation with your own financial and legal advisors, you should carefully consider the information included in or incorporated by reference in this prospectus supplement and the accompanying prospectus, and pay special attention to the following discussion of risks relating to the notes before deciding whether an investment in the notes is suitable for you. In addition to the risk factors relating to the notes set forth below, we also specifically incorporate by reference into this prospectus supplement the section captioned *Risk Factors* in our Annual Report on Form 10-K for the year ended December 31, 2012. The notes will not be an appropriate investment for you if you are not knowledgeable about significant features of the notes or financial matters in general. You should not purchase the notes unless you understand, and know that you can bear, these investment risks.*

*We have the right to defer interest for up to five consecutive years.*

We have the right at one or more times to defer interest on the notes for one or more consecutive interest periods that do not exceed five years. During any such deferral period, holders of notes will receive limited or no current payments on the notes. Holders will have no remedies against us for nonpayment unless we fail to pay all deferred interest (including compounded interest) at the end of the five-year deferral period, at the maturity date or, if applicable, at the earlier accelerated maturity date or redemption date of the notes.

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

To the extent a secondary market develops for the notes, the market price of the notes is likely to be adversely affected if we defer payments of interest on the notes. As a result of our deferral right or if investors perceive that there is a likelihood that we will exercise our deferral right, the market for the notes may become less active or be discontinued during such a deferral period, and the market price of the notes may be more volatile than the market prices of other securities that are not subject to deferral. If we do defer interest on the notes and you sell your notes during the period of that deferral, you may not receive the same return on your investment as a holder that continues to hold its notes until we pay the deferred interest at the end of the applicable deferral period.

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

The notes will be subordinate and junior in right of payment to our current and future senior indebtedness, which means we cannot make any payments on the notes if we are in default on any of our indebtedness that is senior to the notes. Therefore, in the event of our bankruptcy, liquidation or dissolution, our assets must be used to pay off our senior indebtedness in full before any payment may be made on the notes.

Our senior indebtedness includes all of our obligations for money borrowed (other than the notes and other obligations issued under the junior subordinated indenture), as well as other obligations such as capital leases, but will not include (1) obligations to trade creditors created or assumed by us in the ordinary course of business, (2) indebtedness that is by its terms subordinate, or not superior, in right of payment to the notes or (3) our *pari passu* securities. All of our existing indebtedness for money borrowed, other than our *pari passu* securities, is senior indebtedness.

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The terms of the junior subordinated indenture do not limit our ability to incur additional debt, whether secured or unsecured, and including indebtedness that ranks senior to or *pari passu* with the notes upon our liquidation or in right of payment as to principal or interest.

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As of December 31, 2012, our short- and long-term debt ranking senior to the notes upon liquidation, on a non-consolidated basis, totaled approximately \$14.3 billion in principal amount. This does not include obligations, including policyholder claims, of our subsidiaries, to which holders of the notes are structurally subordinated (see the risk factor entitled "The notes will be effectively subordinated to the obligations of our subsidiaries"). In addition, our subordinated guarantee covering the commercial paper program of one of our subsidiaries constitutes senior indebtedness. As of December 31, 2012, there was \$359 million outstanding under this commercial paper program.

### ***We may make certain payments on pari passu securities during a deferral period.***

The terms of the notes permit us to make (i) any payment of current or deferred interest on parity securities that is made *pro rata* to the amounts due on such parity securities (including the notes) and (ii) any payment of principal or current or deferred interest on parity securities that, if not made, would cause us to breach the terms of the instrument governing such parity securities. The terms of the 8.875% fixed-to-floating rate junior subordinated notes and the 9.0% fixed-rate junior subordinated notes may require us to make payments of deferred interest that are not made *pro rata* with payments of deferred interest on the notes.

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

We are a holding company whose principal assets are our investments in our subsidiaries. As a holding company, we are dependent on dividends, returns of capital and interest income from our subsidiaries to meet our obligations. These subsidiaries are separate legal entities and have no obligation to pay any amounts due under our obligations or to make any funds available for such payment.

As described in our Annual Report on Form 10-K for the year ended December 31, 2012, our domestic and international insurance and various other subsidiary companies, including The Prudential Insurance Company of America, are subject to regulatory limitations on the payment of dividends and on other transfers of funds to us. For example, New Jersey insurance law provides that, except in the case of extraordinary dividends or distributions, all dividends or distributions paid by our New Jersey insurance subsidiaries may be declared or paid only from unassigned surplus, as determined pursuant to statutory accounting principles, less unrealized investment gains and revaluation of assets. Our New Jersey insurance subsidiaries must also notify the New Jersey insurance regulator of their intent to pay a dividend. If the dividend, together with other dividends or distributions made within the preceding twelve months, would exceed a specified statutory limit, those subsidiaries must also obtain the prior non-disapproval of the New Jersey insurance regulator.

In addition to regulatory restrictions, the ability of some of our subsidiaries to make distributions to us is limited by contractual agreements. Finally, our objective to capitalize The Prudential Insurance Company of America and our other subsidiaries in accordance with their ratings targets itself may constrain their payment of dividends. These restrictions on our subsidiaries may limit or prevent such subsidiaries from making dividend payments to us in an amount sufficient to fund our payment of the notes.

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

Our subsidiaries are separate and distinct legal entities. Because we are a holding company, our right to participate in any distribution of assets of any of our subsidiaries, upon the subsidiary's liquidation or reorganization or otherwise, is subject to the prior claims of its creditors, except to the extent that we may be recognized as a creditor of that subsidiary. The applicable insurance laws of the jurisdiction where each of our



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insurance subsidiaries is domiciled would govern any proceedings relating to that insurance subsidiary. The insurance authority of that jurisdiction would act as a liquidator or rehabilitator for the subsidiary. Both creditors and policyholders of the subsidiary would be entitled to payment in full from the subsidiary's assets before we, as a shareholder, would be entitled to receive any distribution from the subsidiary which we might apply to make payments of principal and interest on the notes or other indebtedness.

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Accordingly, our obligations under the notes will be effectively subordinated to all existing and future indebtedness and liabilities of our subsidiaries, including liabilities under contracts of insurance and annuities written by our insurance subsidiaries, and you, as holders of notes, should look only to our assets for payment under the notes. As of December 31, 2012, our subsidiaries had total liabilities of approximately \$651 billion (including policyholders' account balance liability and reserves for future policy benefits and claims of approximately \$350 billion).

***We may redeem the notes on or after March 15, 2018, and at any time in the event of a tax event, rating agency event or regulatory capital event.***

We may redeem the notes in whole at any time or in part from time to time on or after March 15, 2018 at a redemption price equal to their principal amount plus accrued and unpaid interest to but excluding the date of redemption. Prior to March 15, 2018, we may also redeem the notes in whole, but not in part, at any time within 90 days after the occurrence of a tax event, a rating agency event or a regulatory capital event at a redemption price equal to (i) in the case of a tax event or a rating agency event, their principal amount or, if greater, a make-whole redemption price, in each case, plus accrued and unpaid interest to but excluding the date of redemption or (ii) in the case of a regulatory capital event, their principal amount plus accrued and unpaid interest to but excluding the date of redemption. In the event the notes are treated as Tier 2 capital (or its equivalent) under the capital guidelines of Prudential Financial, Inc.'s capital regulator, any redemption of notes will be subject to our receipt of any required prior approval from the capital regulator and to the satisfaction of any conditions set forth in those capital guidelines or any other applicable regulations of the capital regulator to our redemption of the notes. If the notes are redeemed, the redemption may be a taxable event to you. See Material United States Federal Income Tax Considerations United States Holders Sale, Exchange, Redemption or Other Disposition of Notes in this prospectus supplement.

Events that would constitute a tax event, a rating agency event or a regulatory capital event could occur at any time and could result in the notes being redeemed earlier than would otherwise be the case. In the event we choose to redeem the notes, you may 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.

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

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

***A holder of the notes will not have rights of acceleration in the case of payment defaults or other breaches of covenants.***

The only event of default under the junior subordinated indenture consists of specific events of bankruptcy, insolvency or receivership relating to us. There is no right of acceleration in the case of payment defaults or other breaches of covenants under the junior subordinated indenture.

