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Prudential Financial Inc 4th Quarter 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator instructions). The first question will come from Suneet Kamath from Sanford Bernstein. Please go ahead.

Suneet Kamath – Sanford Bernstein

Thank you and good morning. Two questions please, first on your guidance, if you think back to Investor Day, I think your market average level was a lot lower than what your current assumptions are, I think was \$850 back then and I think now it's something closer to \$940 on the 2% market appreciation assumption.

I'm just wondering what the logic is there. I'm not sure that the market is (inaudible) different from where it was in terms of absolute levels back in early December, but for some reason you decided to change that assumption, so I'm just curious about that.

And then second, on the Wachovia put option, I would say there's been some talk in the press about Wachovia securities perhaps combining their retail brokerage business with that of another company. I'm not asking you to predict what's going to happen, but if something like that conceptually does happen, what happens to your put option? In other words, who becomes the counterparty to that? Does it stay with Wells or does it travel with the business? Thanks.

Mark B. Grier

This is Mark. Let me tackle both questions. With respect to the equity market assumption, that assumption is consistent with our past practice. We've taken previous quarters and we have consistently assumed 2% appreciation. So everything is very volatile and very uncertain. We've presented a consistent scenario, and as I said, it's based on our past practice of assuming 2% appreciation from wherever the market ended before.

I don't want to speculate on what may or may not be going on with respect to Wells Fargo and any other counterparties, and I think it's probably also too early to think about how the put might move around in the context of any deal. Our contract is public, so anybody who wants to look at what's in our joint venture agreement can find that contract and review it, but I can't speculate on what might happen in the context of a deal.

Suneet Kamath – Sanford Bernstein

Can I just quickly follow-up on the guidance? Maybe I'll try it another way. If we went back to your average \$850 (ph 0:08:20) assumption that you had at Investor Day, do you think you would still be within the EPS range that you have?

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