



BOARD OF GOVERNORS  
OF THE  
**FEDERAL RESERVE SYSTEM**  
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

October 31, 2012

Mr. Carlos R. Mello  
President and  
Chief Executive Officer  
Prudential Bank and Trust, FSB  
280 Trumbull Street  
Hartford, Connecticut 06103

Dear Mr. Mello:

This is in response to the application by Prudential Financial Inc. and Prudential IBH Holdco, Inc. (together the “Prudential Companies”), both of Newark, New Jersey, to deregister as savings and loan holding companies (“SLHCs”) pursuant to section 604(i) of the Dodd-Frank Act, 12 U.S.C. § 1467a(a)(1)(D)(ii)(II), and the Board’s Regulation LL, 12 CFR 238.4(d). The Prudential Companies seek to deregister based on the representation that the companies’ subsidiary federal savings association, Prudential Bank and Trust, FSB (“Trust Company”), Hartford, Connecticut, qualifies as a trust-only company pursuant to section 2(c)(2)(D) of the Bank Holding Company Act, 12 U.S.C. § 1841(c)(2)(D).

Prudential Financial Inc. is a financial services company, and Prudential IBH Holdco, Inc. is its subsidiary. The Prudential Companies are SLHCs because they own Trust Company. Trust Company is a limited-purpose savings association that serves as a trustee and custodian for its customers and provides investment management services.

In connection with the application, the Prudential Companies and Trust Company have committed as follows:

1. Trust Company will not, without the prior approval of the Board or its staff, engage in activities beyond those that are permissible under section 5(n) of the Home Owners’ Loan Act, 12 U.S.C. § 1464(n), and its implementing regulations.
2. Trust Company will hold at least 99 percent of its deposits in a trust or fiduciary capacity (excluding from the calculation the amount required to maintain deposit insurance from the Federal Deposit Insurance Corporation (“FDIC”).
3. Trust Company does not maintain and will not accept demand deposits or deposits that the depositor may withdraw by check or similar means for payment to third parties or others.
4. Trust Company does not and will not make commercial loans.

5. Trust Company will not obtain payment or payment-related services from any Federal Reserve Bank and will not seek to exercise discount or borrowing privileges with the Federal Reserve.
6. No affiliates of Trust Company will offer or market deposits of Trust Company that are insured by the FDIC.

Based on the foregoing and all the facts of record, including the most recent call report and report of examination of Trust Company and consultation with the Office of the Comptroller of the Currency, Trust Company's primary federal regulator, the General Counsel and the Director of the Division of Banking Supervision and Regulation, acting pursuant to authority delegated by the Board, have approved the application by the Prudential Companies to deregister as SLHCs. This action is taken in reliance on all the facts of record, including all the representations and commitments made to the Board in connection with the application. Those representations and commitments constitute conditions imposed in writing in connection with the approval of the Prudential Companies' application to deregister as SLHCs and, as such, may be enforced in proceedings under applicable law. Any change in the representations or commitments may result in a different conclusion and should be reported to Board staff promptly.

Sincerely yours,

A handwritten signature in blue ink that reads "Robert deV. Frierson".

Robert deV. Frierson  
Secretary of the Board

cc: James T. Nolan, Executive Vice President  
Federal Reserve Bank of Boston  
Office of the Comptroller of the Currency