

Prudential Financial

Prudential Financial, Inc. (PRU)

Quarterly Financial Supplement

FINANCIAL SERVICES BUSINESSES
THIRD QUARTER 2006

Reference is made to Prudential Financial, Inc.'s filings with the Securities and Exchange Commission for general information, and consolidated financial information, regarding Prudential Financial, Inc., including its Closed Block Business. All financial information in this document is unaudited.

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This Quarterly Financial Supplement reflects the classification of results for the Company's Canadian branch operations, formerly classified as "divested businesses", as discontinued operations for all periods presented, as a result of the sale of this business in August, 2006.

In addition, the Asset Management segment's supplemental revenue and assets under management and administration information has been modified to provide more meaningful presentation.

FINANCIAL HIGHLIGHTS
(in millions, except per share data)

Year-to-date		% Change	2005		2006				
2006	2005		3Q	4Q	1Q	2Q	3Q		
Financial Services Businesses:									
Pre-tax adjusted operating income by division:									
1,010	862	17%	341	365	298	247		465	
808	711	14%	257	(4)	240	316		252	
1,168	1,039	12%	383	377	382	358		428	
78	126	-38%	50	76	26	37		15	
3,064	2,738	12%	1,031	814	946	958		1,160	
883	830	6%	292	290	277	276		330	
2,181	1,908	14%	739	524	669	682		830	
Financial Services Businesses after-tax adjusted operating income									
Items excluded from adjusted operating income:									
(40)	563	-107%	79	(2)	50	(311)		221	
(8)	(41)	80%	(99)	8	(114)	(151)		257	
28	(10)	380%	47	(34)	66	130		(168)	
13	(5)	360%	(1)	(11)	13	(4)		4	
(7)	507	-101%	26	(39)	15	(336)		314	
(31)	(480)	94%	(572)	79	3	(94)		60	
24	987	-98%	598	(118)	12	(242)		254	
2,205	2,895	-24%	1,337	406	681	440		1,084	
46	(53)	187%	(15)	(29)	(6)	(16)		68	
2,251	2,842	-21%	1,322	377	675	424		1,152	
Net income of Financial Services Businesses									
Earnings per share of Common Stock (diluted):									
4.48	3.76		1.46	1.06	1.36	1.40		1.72	
Items excluded from adjusted operating income:									
(0.08)	1.07		0.15	-	0.10	(0.63)		0.45	
(0.02)	(0.08)		(0.19)	0.02	(0.23)	(0.30)		0.52	
0.06	(0.02)		0.09	(0.07)	0.13	0.26		(0.34)	
0.03	(0.01)		-	(0.02)	0.03	(0.01)		0.01	
(0.01)	0.96		0.05	(0.07)	0.03	(0.68)		0.64	
(0.06)	(0.92)		(1.11)	0.16	-	(0.20)		0.12	
0.05	1.88		1.16	(0.23)	0.03	(0.48)		0.52	
4.53	5.64		2.62	0.83	1.39	0.92		2.24	
0.09	(0.10)		(0.03)	(0.05)	(0.01)	(0.03)		0.14	
4.62	5.54		2.59	0.78	1.38	0.89		2.38	
Net income of Financial Services Businesses									
497.8	524.5		518.3	510.2	504.1	497.1		490.5	
14.50%	12.99%		14.67%	10.54%	13.55%	13.66%		16.32%	
Reconciliation to Consolidated Net Income of Prudential Financial, Inc.:									
2,251	2,842		1,322	377	675	424		1,152	
140	334		42	(13)	58	29		53	
2,391	3,176		1,364	364	733	453		1,205	
51	63		19	19	19	16		16	

FINANCIAL HIGHLIGHTS
(in millions, except per share data)

Year-to-date						
2006	2005	2005		2006		
		3Q	4Q	1Q	2Q	3Q
Financial Services Businesses Capitalization Data (1):						
		5,572	9,447	9,685	9,723	9,418
		7,053	6,520	7,284	7,520	7,464
Attributed Equity:						
		22,493	21,654	21,229	20,424	22,053
		21,025	20,206	20,426	20,444	21,015
		21,083	20,546	20,717	20,604	21,232
Total Capitalization:						
		29,546	28,174	28,513	27,944	29,517
		28,078	26,726	27,710	27,964	28,479
		28,136	27,066	28,001	28,124	28,696
Book value per share of Common Stock:						
		43.79	42.70	42.43	41.41	45.31
		40.94	39.85	40.83	41.45	43.18
		41.05	40.52	41.41	41.78	43.62
		513.6	507.1	500.3	493.2	486.7
Common Stock Price Range (based on closing price):						
79.06	68.30	68.30	77.96	77.48	78.89	79.06
71.47	52.62	63.09	63.27	73.19	74.43	71.47
76.25	67.56	67.56	73.19	75.81	77.70	76.25
		34,118	36,412	37,288	37,651	36,394
Common Stock market capitalization (1)						

(1) As of end of period.

OPERATIONS HIGHLIGHTS

Year-to-date		2005		2006		
2006	2005	3Q	4Q	1Q	2Q	3Q
Assets Under Management and Administration (\$ billions) (1) (2):						
Assets Under Management :						
Managed by Investment Division:						
Asset Management Segment - Investment Management & Advisory Services						
		129.8	134.7	138.7	138.5	147.9
		70.5	73.5	75.6	75.1	75.9
		156.3	159.2	157.8	159.7	163.8
		356.6	367.4	372.1	373.3	387.6
		48.0	48.1	51.3	49.6	51.0
		404.6	415.5	423.4	422.9	438.6
		73.0	71.4	74.5	82.6	82.2
		44.0	44.6	49.5	62.9	65.4
		521.6	531.5	547.4	568.4	586.2
		96.9	92.5	100.0	101.6	105.8
		618.5	624.0	647.4	670.0	692.0
		108.8	100.4	105.3	114.0	115.5
Distribution Representatives (1):						
		3,212	2,946	2,850	2,844	2,814
		5,626	5,627	5,712	5,726	5,802
		5,349	5,436	5,716	5,684	6,036
47	40	43	61	45	52	46
		Prudential Agent productivity (\$ thousands)				

(1) As of end of period.

(2) At fair market value.

COMBINED STATEMENTS OF OPERATIONS - FINANCIAL SERVICES BUSINESSES
(in millions)

Year-to-date		% Change		2005		2006		
2006	2005			3Q	4Q	1Q	2Q	3Q
Revenues (1):								
7,694	7,678	0%	Premiums	2,574	2,450	2,604	2,542	2,548
1,912	1,900	1%	Policy charges and fee income	668	629	662	667	583
5,618	5,000	12%	Net investment income	1,731	1,810	1,801	1,865	1,952
3,044	2,660	14%	Asset management fees, commissions and other income	960	948	1,054	966	1,024
<u>18,268</u>	<u>17,238</u>	6%	Total revenues	<u>5,933</u>	<u>5,837</u>	<u>6,121</u>	<u>6,040</u>	<u>6,107</u>
Benefits and Expenses (1):								
7,818	7,551	4%	Insurance and annuity benefits	2,496	2,439	2,577	2,591	2,650
2,045	1,884	9%	Interest credited to policyholders' account balances	653	632	652	677	716
663	388	71%	Interest expense	143	180	201	223	239
(1,492)	(1,362)	-10%	Deferral of acquisition costs	(444)	(439)	(501)	(495)	(496)
431	738	-42%	Amortization of acquisition costs	271	172	240	264	(73)
5,739	5,301	8%	General and administrative expenses	1,783	2,039	2,006	1,822	1,911
<u>15,204</u>	<u>14,500</u>	5%	Total benefits and expenses	<u>4,902</u>	<u>5,023</u>	<u>5,175</u>	<u>5,082</u>	<u>4,947</u>
<u>3,064</u>	<u>2,738</u>	12%	Adjusted operating income before income taxes	<u>1,031</u>	<u>814</u>	<u>946</u>	<u>958</u>	<u>1,160</u>
Items excluded from adjusted operating income before income taxes:								
(70)	667	-110%	Realized investment gains (losses), net, and related adjustments	89	2	50	(334)	214
30	(104)	129%	Related charges	(10)	(4)	-	23	7
<u>(40)</u>	<u>563</u>	-107%	Total realized investment gains (losses), net, and related charges and adjustments	<u>79</u>	<u>(2)</u>	<u>50</u>	<u>(311)</u>	<u>221</u>
(8)	(41)	80%	Investment gains (losses) on trading account assets supporting insurance liabilities, net	(99)	8	(114)	(151)	257
28	(10)	380%	Change in experience-rated contractholder liabilities due to asset value changes	47	(34)	66	130	(168)
13	(5)	360%	Divested businesses	(1)	(11)	13	(4)	4
<u>(7)</u>	<u>507</u>	-101%	Total items excluded from adjusted operating income before income taxes	<u>26</u>	<u>(39)</u>	<u>15</u>	<u>(336)</u>	<u>314</u>
3,057	3,245	-6%	Income from continuing operations before income taxes	1,057	775	961	622	1,474
852	350	143%	Income tax expense (benefit)	(280)	369	280	182	390
<u>2,205</u>	<u>2,895</u>	-24%	Income from continuing operations	<u>1,337</u>	<u>406</u>	<u>681</u>	<u>440</u>	<u>1,084</u>

(1) Revenues exclude realized investment gains, net of losses and related charges and adjustments, investment gains, net of losses, on trading account assets supporting insurance liabilities, and revenues of divested businesses. Benefits and expenses exclude charges related to realized investment gains, net of losses; changes in experience-rated contractholder liabilities due to asset value changes, and benefits and expenses of divested businesses.

COMBINED BALANCE SHEETS - FINANCIAL SERVICES BUSINESSES
 (in millions)

	<u>9/30/2005</u>	<u>12/31/2005</u>	<u>3/31/2006</u>	<u>6/30/2006</u>	<u>9/30/2006</u>
Assets:					
Investments:					
Fixed maturities, available for sale, at fair value (amortized cost \$99,424; \$101,672; \$102,220; \$107,756; \$105,750)	103,300	105,188	104,276	108,150	108,346
Fixed maturities, held to maturity, at amortized cost (fair value \$3,049; \$3,228; \$3,397; \$3,416; \$3,400)	3,051	3,249	3,430	3,555	3,473
Trading account assets supporting insurance liabilities, at fair value	14,208	13,781	13,877	14,239	14,453
Other trading account assets, at fair value	1,409	1,443	2,358	4,561	1,933
Equity securities, available for sale, at fair value (cost \$2,243; \$2,206; \$2,249; \$2,415; \$2,486)	2,584	2,627	2,724	2,801	2,893
Commercial loans	17,167	17,177	17,721	18,018	18,139
Policy loans	2,959	2,967	3,094	3,253	3,350
Securities purchased under agreements to resell	146	413	103	2,242	187
Other long-term investments	4,341	4,495	4,920	5,049	4,827
Short-term investments	2,160	2,565	2,404	2,768	2,705
Total investments	<u>151,325</u>	<u>153,905</u>	<u>154,907</u>	<u>164,636</u>	<u>160,306</u>
Cash and cash equivalents	6,124	5,493	5,915	6,521	7,361
Accrued investment income	1,402	1,358	1,400	1,433	1,466
Reinsurance recoverables	3,673	3,548	3,480	1,869	1,908
Deferred policy acquisition costs	8,131	8,357	8,776	9,239	9,540
Other assets	14,975	15,069	16,279	19,188	17,442
Separate account assets	155,400	157,561	170,134	166,735	175,363
Total assets	<u>341,030</u>	<u>345,291</u>	<u>360,891</u>	<u>369,621</u>	<u>373,386</u>
Liabilities:					
Future policy benefits	52,936	51,926	52,838	55,520	55,423
Policyholders' account balances	71,205	69,924	70,482	74,122	75,429
Reinsurance payables	3,210	3,069	2,994	1,351	1,405
Securities sold under agreements to repurchase	5,682	6,801	7,141	9,564	6,256
Cash collateral for loaned securities	2,995	3,425	3,139	3,834	3,797
Income taxes payable	2,084	2,136	2,500	1,969	2,827
Securities sold but not yet purchased	207	223	132	2,152	313
Short-term debt	5,572	9,447	9,685	9,723	9,418
Long-term debt	7,053	6,520	7,284	7,520	7,464
Other liabilities	12,193	12,605	13,333	16,707	13,638
Separate account liabilities	155,400	157,561	170,134	166,735	175,363
Total liabilities	<u>318,537</u>	<u>323,637</u>	<u>339,662</u>	<u>349,197</u>	<u>351,333</u>
Attributed Equity:					
Accumulated other comprehensive income (loss)	1,410	1,108	512	(180)	821
Other attributed equity	21,083	20,546	20,717	20,604	21,232
Total attributed equity	<u>22,493</u>	<u>21,654</u>	<u>21,229</u>	<u>20,424</u>	<u>22,053</u>
Total liabilities and attributed equity	<u>341,030</u>	<u>345,291</u>	<u>360,891</u>	<u>369,621</u>	<u>373,386</u>

FINANCIAL SERVICES BUSINESSES COMBINING BALANCE SHEETS - BY DIVISION
 (in millions)

	As of September 30, 2006				
	Total			International	
	Financial	Insurance	Investment	Insurance &	Corporate
	Services	Division	Division	Investments	and Other
	Businesses	Division	Division	Division	Operations
Assets:					
Total investments	160,306	33,000	64,822	51,050	11,434
Deferred policy acquisition costs	9,540	5,291	157	4,251	(159)
Other assets	28,177	5,363	7,890	8,324	6,600
Separate account assets	175,363	88,218	88,299	128	(1,282)
Total assets	373,386	131,872	161,168	63,753	16,593
Liabilities:					
Future policy benefits	55,423	7,595	14,541	32,790	497
Policyholders' account balances	75,429	20,877	40,851	15,328	(1,627)
Debt	16,882	2,478	2,083	1,002	11,319
Other liabilities	28,236	6,261	9,243	8,490	4,242
Separate account liabilities	175,363	88,218	88,299	128	(1,282)
Total liabilities	351,333	125,429	155,017	57,738	13,149
Attributed Equity:					
Accumulated other comprehensive income (loss)	821	238	102	518	(37)
Other attributed equity	21,232	6,205	6,049	5,497	3,481
Total attributed equity	22,053	6,443	6,151	6,015	3,444
Total liabilities and attributed equity	373,386	131,872	161,168	63,753	16,593

	As of December 31, 2005				
	Total			International	
	Financial	Insurance	Investment	Insurance &	Corporate
	Services	Division	Division	Investments	and Other
	Businesses	Division	Division	Division	Operations
Assets:					
Total investments	153,905	31,117	60,941	47,930	13,917
Deferred policy acquisition costs	8,357	4,613	119	3,761	(136)
Other assets	25,468	3,531	8,524	7,343	6,070
Separate account assets	157,561	77,518	81,204	67	(1,228)
Total assets	345,291	116,779	150,788	59,101	18,623
Liabilities:					
Future policy benefits	51,926	7,129	13,339	30,800	658
Policyholders' account balances	69,924	19,204	37,901	13,893	(1,074)
Debt	15,967	1,950	1,623	1,032	11,362
Other liabilities	28,259	4,949	10,707	7,672	4,931
Separate account liabilities	157,561	77,518	81,204	67	(1,228)
Total liabilities	323,637	110,750	144,774	53,464	14,649
Attributed Equity:					
Accumulated other comprehensive income	1,108	293	65	737	13
Other attributed equity	20,546	5,736	5,949	4,900	3,961
Total attributed equity	21,654	6,029	6,014	5,637	3,974
Total liabilities and attributed equity	345,291	116,779	150,788	59,101	18,623

SHORT-TERM AND LONG-TERM DEBT
(in millions)

	As of September 30, 2006			As of December 31, 2005		
	Short-term Debt	Long-term Debt	Total Debt	Short-term Debt	Long-term Debt	Total Debt
Financial Services Businesses						
<i>Borrowings by use of proceeds:</i>						
Capital Debt	255	4,119	4,374	353	3,846	4,199
Investment related	5,388	3,235	8,623	5,442	2,449	7,891
Securities business related	2,431	-	2,431	2,758	107	2,865
Specified other businesses	1,342	56	1,398	893	63	956
Limited recourse and non-recourse borrowing	2	54	56	1	55	56
Total debt - Financial Services Businesses	<u>9,418</u>	<u>7,464</u>	<u>16,882</u>	<u>9,447</u>	<u>6,520</u>	<u>15,967</u>
Ratio of long-term and short-term capital debt to capitalization			<u>17.2%</u>			<u>17.2%</u>
Closed Block Business						
Investment related	1,347	-	1,347	1,667	-	1,667
Limited recourse and non-recourse borrowing	-	1,750	1,750	-	1,750	1,750
Total debt	<u>1,347</u>	<u>1,750</u>	<u>3,097</u>	<u>1,667</u>	<u>1,750</u>	<u>3,417</u>

	As of September 30, 2006				As of December 31, 2005			
	Prudential Financial, Inc.	The Prudential Insurance Co. of America (1)(2)	Other Affiliates	Total	Prudential Financial, Inc.	The Prudential Insurance Co. of America (1)(2)	Other Affiliates	Total
Financial Services Businesses								
<i>Borrowings by sources:</i>								
Capital Debt	3,076	1,298	-	4,374	2,902	1,297	-	4,199
Investment related	4,960	3,663	-	8,623	4,173	3,718	-	7,891
Securities business related	909	1,399	123	2,431	1,117	1,173	575	2,865
Specified other businesses	55	1,257	86	1,398	116	692	148	956
Limited recourse and non-recourse borrowing	-	-	56	56	-	-	56	56
Total debt - Financial Services Businesses	<u>9,000</u>	<u>7,617</u>	<u>265</u>	<u>16,882</u>	<u>8,308</u>	<u>6,880</u>	<u>779</u>	<u>15,967</u>

(1) Includes Prudential Funding, LLC.

(2) Capital debt at Prudential Insurance Co. of America includes \$693 million of Surplus Notes for September 30, 2006 and December 31, 2005.

COMBINED STATEMENTS OF OPERATIONS - INSURANCE DIVISION
(in millions)

Year-to-date		% Change		2005		2006		
2006	2005			3Q	4Q	1Q	2Q	3Q
3,014	2,785	8%	Revenues (1):					
1,576	1,568	1%	Premiums	912	943	982	1,005	1,027
1,328	1,283	4%	Policy charges and fee income	559	530	543	559	474
579	481	20%	Net investment income	429	428	421	441	466
6,497	6,117	6%	Asset management fees, commissions and other income	181	161	175	166	238
			Total revenues	2,081	2,062	2,121	2,171	2,205
			Benefits and Expenses (1):					
3,439	3,019	14%	Insurance and annuity benefits	938	994	1,070	1,144	1,225
557	540	3%	Interest credited to policyholders' account balances	180	175	180	181	196
95	81	17%	Interest expense	31	30	30	28	37
(719)	(601)	-20%	Deferral of acquisition costs	(202)	(196)	(256)	(228)	(235)
82	433	-81%	Amortization of acquisition costs	180	112	131	142	(191)
2,033	1,783	14%	General and administrative expenses	613	582	668	657	708
5,487	5,255	4%	Total benefits and expenses	1,740	1,697	1,823	1,924	1,740
1,010	862	17%	Adjusted operating income before income taxes	341	365	298	247	465

(1) Revenues exclude realized investment gains, net of losses and related charges and adjustments. Benefits and expenses exclude charges related to realized investment gains, net of losses.

INSURANCE DIVISION - INDIVIDUAL ANNUITIES SALES RESULTS, ACCOUNT VALUES AND MINIMUM GUARANTEES
(in millions)

Year-to-date		2005		2006		
2006	2005	3Q	4Q	1Q	2Q	3Q
SALES AND ACCOUNT VALUES:						
Variable Annuities:						
50,778	47,418	47,402	49,484	50,778	53,181	68,807
6,952	5,142	1,930	1,964	2,129	2,500	2,323
(5,426)	(4,255)	(1,397)	(1,436)	(1,585)	(1,757)	(2,084)
1,526	887	533	528	544	743	239
(654)	(520)	(179)	(158)	(185)	(225)	(244)
872	367	354	370	359	518	(5)
3,240	2,193	1,904	1,106	2,228	(1,000)	2,012
(647)	(494)	(176)	(182)	(184)	(204)	(259)
16,312	-	-	-	-	16,312	-
<u>70,555</u>	<u>49,484</u>	<u>49,484</u>	<u>50,778</u>	<u>53,181</u>	<u>68,807</u>	<u>70,555</u>
Fixed Annuities:						
3,991	3,879	4,064	4,033	3,991	3,941	3,871
93	334	39	27	28	32	33
(236)	(165)	(56)	(66)	(69)	(92)	(75)
(143)	169	(17)	(39)	(41)	(60)	(42)
(126)	(119)	(35)	(41)	(43)	(42)	(41)
(269)	50	(52)	(80)	(84)	(102)	(83)
95	108	22	39	35	33	27
(3)	(4)	(1)	(1)	(1)	(1)	(1)
<u>3,814</u>	<u>4,033</u>	<u>4,033</u>	<u>3,991</u>	<u>3,941</u>	<u>3,871</u>	<u>3,814</u>
SALES BY DISTRIBUTION CHANNEL:						
<u>Variable and Fixed Annuities (1):</u>						
1,352	1,103	373	391	405	481	466
717	366	149	176	194	266	257
4,976	4,007	1,447	1,424	1,558	1,785	1,633
<u>7,045</u>	<u>5,476</u>	<u>1,969</u>	<u>1,991</u>	<u>2,157</u>	<u>2,532</u>	<u>2,356</u>
VARIABLE ANNUITY MINIMUM DEATH BENEFIT GUARANTEES (3):						
<i>Return of net deposits:</i>						
		27,646	28,290	29,988	32,897	34,288
		2,085	1,974	1,751	1,870	1,724
<i>Minimum return, anniversary contract value, or maximum contract value:</i>						
		16,528	17,022	17,755	30,594	30,942
		1,918	1,809	1,600	3,378	3,009
<u>Variable Annuity Account Values with Living Benefit Features (3):</u>						
		6,823	7,162	7,738	9,231	9,667
		765	815	885	1,678	1,853
		2,941	3,052	3,203	7,047	7,113
		1,870	2,951	4,155	5,304	6,678
		<u>12,399</u>	<u>13,980</u>	<u>15,981</u>	<u>23,260</u>	<u>25,311</u>

(1) Amounts represent gross sales.
(2) Including bank distribution.
(3) At end of period.

INSURANCE DIVISION - INDIVIDUAL LIFE SALES, ACCOUNT VALUE ACTIVITY, AND FACE AMOUNT IN FORCE
(in millions)

Year-to-date		2005					2006				
2006	2005	3Q	4Q	1Q	2Q	3Q					
SALES:											
Excluding corporate-owned life insurance:											
70	56	19	27	21	24	25					
117	158	54	56	40	43	34					
100	89	30	33	31	34	35					
287	303	103	116	92	101	94					
10	5	3	2	1	4	5					
297	308	106	118	93	105	99					
SALES BY DISTRIBUTION CHANNEL:											
Excluding corporate-owned life insurance:											
127	162	48	50	45	45	37					
160	141	55	66	47	56	57					
10	5	3	2	1	4	5					
297	308	106	118	93	105	99					
ACCOUNT VALUE ACTIVITY:											
Policyholders' Account Balances (1):											
5,694	5,284	5,532	5,619	5,694	5,802	5,891					
938	919	287	289	307	332	299					
(804)	(599)	(212)	(216)	(242)	(278)	(284)					
134	320	75	73	65	54	15					
(105)	(87)	(29)	(39)	(37)	(32)	(36)					
29	233	46	34	28	22	(21)					
292	109	42	45	83	60	149					
180	139	50	49	55	66	59					
(177)	(146)	(51)	(53)	(58)	(59)	(60)					
6,018	5,619	5,619	5,694	5,802	5,891	6,018					
Separate Account Liabilities:											
16,170	15,180	15,207	15,808	16,170	16,682	16,313					
931	949	308	407	301	332	298					
(548)	(504)	(206)	(149)	(177)	(198)	(173)					
383	445	102	258	124	134	125					
(25)	(13)	(4)	(5)	(9)	(9)	(7)					
358	432	98	253	115	125	118					
999	939	756	359	653	(228)	574					
(180)	(139)	(50)	(49)	(55)	(66)	(59)					
(600)	(604)	(203)	(201)	(201)	(200)	(199)					
16,747	15,808	15,808	16,170	16,682	16,313	16,747					
FACE AMOUNT IN FORCE (2):											
Variable life		143,186	142,408	141,962	140,629	140,139					
Universal life		17,862	18,835	19,639	20,318	21,017					
Term life		190,913	201,139	210,589	221,072	231,971					
Total		351,961	362,382	372,190	382,019	393,127					

(1) Includes fixed rate funds, alliance deposits, supplementary contracts and deferred revenues on variable products.

(2) At end of period; before reinsurance ceded.

INSURANCE DIVISION - INDIVIDUAL ANNUITIES ACCOUNT VALUE ACTIVITY
(in millions)

Year-to-date						
2006	2005	2005		2006		
		3Q	4Q	1Q	2Q	3Q
INDIVIDUAL ANNUITIES:						
<i>Account Values in General Account (1):</i>						
9,231	9,613	9,782	9,437	9,231	8,850	10,722
352	580	87	69	74	96	182
(936)	(685)	(202)	(250)	(273)	(313)	(350)
(584)	(105)	(115)	(181)	(199)	(217)	(168)
(287)	(231)	(67)	(72)	(94)	(92)	(101)
(871)	(336)	(182)	(253)	(293)	(309)	(269)
273	273	91	88	86	89	98
37	(107)	(252)	(39)	(173)	539	(329)
(2)	(6)	(2)	(2)	(1)	(1)	-
1,554	-	-	-	-	1,554	-
<u>10,222</u>	<u>9,437</u>	<u>9,437</u>	<u>9,231</u>	<u>8,850</u>	<u>10,722</u>	<u>10,222</u>
<i>Account Values in Separate Account:</i>						
45,538	41,684	41,684	44,080	45,538	48,272	61,956
6,692	4,896	1,882	1,922	2,083	2,436	2,173
(4,726)	(3,736)	(1,251)	(1,252)	(1,380)	(1,537)	(1,809)
1,966	1,160	631	670	703	899	364
(493)	(407)	(146)	(127)	(134)	(175)	(184)
1,473	753	485	543	569	724	180
3,063	2,028	1,834	1,057	2,177	(1,056)	1,942
(37)	107	252	39	173	(539)	329
(648)	(492)	(175)	(181)	(185)	(203)	(260)
14,758	-	-	-	-	14,758	-
<u>64,147</u>	<u>44,080</u>	<u>44,080</u>	<u>45,538</u>	<u>48,272</u>	<u>61,956</u>	<u>64,147</u>

(1) Premiums and deposits, and surrenders and withdrawals, are classified within the general account and separate account for purposes of this presentation based on the allocation of customer funds. For example, premiums allocated by customers to separate account investments at the time of sale, while remitted through the company's general account, are shown as separate account premium in this display, rather than as general account premium and transfers to the separate account.

INSURANCE DIVISION - DEFERRED POLICY ACQUISITION COSTS
(in millions)

Year-to-date			2005		2006		
2006	2005		3Q	4Q	1Q	2Q	3Q
INDIVIDUAL LIFE INSURANCE:							
3,187	3,151	Beginning balance	3,162	3,158	3,187	3,253	3,277
254	232	Capitalization	79	82	80	83	91
55	(294)	Amortization - operating results	(152)	(75)	(74)	(91)	220
-	-	Amortization - realized investment gains and losses	-	-	-	-	-
12	69	Impact of unrealized (gains) or losses on AFS securities	69	22	60	32	(80)
<u>3,508</u>	<u>3,158</u>	Ending balance	<u>3,158</u>	<u>3,187</u>	<u>3,253</u>	<u>3,277</u>	<u>3,508</u>
INDIVIDUAL ANNUITIES:							
1,256	907	Beginning balance	1,049	1,155	1,256	1,337	1,470
383	308	Capitalization	108	113	119	133	131
(136)	(136)	Amortization - operating results	(27)	(37)	(57)	(51)	(28)
20	(3)	Amortization - realized investment gains and losses	(4)	2	-	8	12
9	79	Impact of unrealized (gains) or losses on AFS securities	29	23	19	43	(53)
<u>1,532</u>	<u>1,155</u>	Ending balance	<u>1,155</u>	<u>1,256</u>	<u>1,337</u>	<u>1,470</u>	<u>1,532</u>
GROUP INSURANCE:							
170	111	Beginning balance	155	169	170	227	239
82	61	Capitalization	15	1	57	12	13
(1)	(3)	Amortization - operating results	(1)	-	-	-	(1)
-	-	Amortization - realized investment gains and losses	-	-	-	-	-
-	-	Impact of unrealized losses on AFS securities	-	-	-	-	-
<u>251</u>	<u>169</u>	Ending balance	<u>169</u>	<u>170</u>	<u>227</u>	<u>239</u>	<u>251</u>
TOTAL INSURANCE DIVISION:							
4,613	4,169	Beginning balance	4,366	4,482	4,613	4,817	4,986
719	601	Capitalization	202	196	256	228	235
(82)	(433)	Amortization - operating results	(180)	(112)	(131)	(142)	191
20	(3)	Amortization - realized investment gains and losses	(4)	2	-	8	12
21	148	Impact of unrealized (gains) or losses on AFS securities	98	45	79	75	(133)
<u>5,291</u>	<u>4,482</u>	Ending balance	<u>4,482</u>	<u>4,613</u>	<u>4,817</u>	<u>4,986</u>	<u>5,291</u>

INSURANCE DIVISION - SUPPLEMENTARY INFORMATION FOR INDIVIDUAL LIFE INSURANCE
 (dollar amounts in millions)

Year-to-date			2005		2006		
2006	2005		3Q	4Q	1Q	2Q	3Q
		Individual Life Insurance:					
		Policy Surrender Experience:					
584	535	Cash value of surrenders	214	163	191	212	181
3.7%	3.6%	Cash value of surrenders as a percentage of mean future policy benefits, policyholders' account balances, and separate account balances	4.3%	3.2%	3.7%	4.1%	3.4%
		Death benefits per \$1,000 of in force (1):					
3.23	2.97	Variable and universal life	2.95	3.04	2.87	3.59	3.22
1.41	1.25	Term life	1.27	0.89	1.09	1.64	1.92
2.80	2.64	Total, Individual Life Insurance	2.63	2.63	2.50	3.20	2.93

(1) Annualized, for interim reporting periods. Amounts are stated net of reinsurance.

INSURANCE DIVISION - SUPPLEMENTARY INFORMATION FOR GROUP INSURANCE
 (dollar amounts in millions)

Year-to-date				2005		2006		
2006	2005			3Q	4Q	1Q	2Q	3Q
		GROUP INSURANCE NEW ANNUALIZED PREMIUMS:						
329	336	Group life		32	34	206	25	98
121	137	Group disability (1)		15	17	74	18	29
<u>450</u>	<u>473</u>	Total		<u>47</u>	<u>51</u>	<u>280</u>	<u>43</u>	<u>127</u>
		Future Policy Benefits (2):						
		Group life		1,803	2,004	1,967	1,980	1,953
		Group disability (1)		395	413	474	496	498
		Total		<u>2,198</u>	<u>2,417</u>	<u>2,441</u>	<u>2,476</u>	<u>2,451</u>
		Policyholders' Account Balances (2):						
		Group life		4,555	4,916	4,935	5,178	5,325
		Group disability (1)		90	98	95	101	108
		Total		<u>4,645</u>	<u>5,014</u>	<u>5,030</u>	<u>5,279</u>	<u>5,433</u>
		Separate Account Liabilities (2):						
		Group life		15,983	15,811	21,156	20,035	22,202
		Group disability (1)		-	-	-	-	-
		Total		<u>15,983</u>	<u>15,811</u>	<u>21,156</u>	<u>20,035</u>	<u>22,202</u>
		Group Life Insurance:						
2,508	2,045	Gross premiums, policy charges and fee income (3)		668	964	791	954	763
2,291	2,115	Earned premiums, policy charges and fee income		694	707	755	752	784
92.4%	89.7%	Benefits ratio		89.5%	86.4%	92.1%	95.4%	89.8%
9.0%	9.6%	Administrative operating expense ratio		10.3%	7.3%	9.4%	7.9%	10.0%
		Persistency ratio		95.6%	95.2%	96.5%	95.9%	95.1%
		Group Disability Insurance (1):						
612	591	Gross premiums, policy charges and fee income (3)		193	190	199	203	210
582	557	Earned premiums, policy charges and fee income		184	182	189	198	195
85.4%	96.2%	Benefits ratio		91.3%	92.9%	87.3%	89.4%	79.5%
21.2%	20.6%	Administrative operating expense ratio		20.7%	21.6%	21.6%	21.7%	20.5%
		Persistency ratio		87.1%	85.4%	94.2%	92.2%	90.8%

(1) Group disability amounts include long-term care products.

(2) As of end of period.

(3) Before returns of premiums to participating policyholders for favorable claims experience.

COMBINED STATEMENTS OF OPERATIONS - INVESTMENT DIVISION
(in millions)

Year-to-date		% Change		2005		2006		
2006	2005			3Q	4Q	1Q	2Q	3Q
			Revenues (1):					
206	250	-18%	Premiums	106	70	92	30	84
136	140	-3%	Policy charges and fee income	46	48	48	43	45
2,706	2,345	15%	Net investment income	810	820	853	921	932
2,013	1,856	8%	Asset management fees, commissions and other income	648	645	741	652	620
<u>5,061</u>	<u>4,591</u>	10%	Total revenues	<u>1,610</u>	<u>1,583</u>	<u>1,734</u>	<u>1,646</u>	<u>1,681</u>
			Benefits and Expenses (1):					
801	783	2%	Insurance and annuity benefits	296	266	269	235	297
1,356	1,212	12%	Interest credited to policyholders' account balances	431	421	429	452	475
171	70	144%	Interest expense	23	45	46	62	63
(69)	(46)	-50%	Deferral of acquisition costs	(13)	(15)	(22)	(22)	(25)
42	41	2%	Amortization of acquisition costs	13	13	13	17	12
1,952	1,820	7%	General and administrative expenses	603	857	759	586	607
<u>4,253</u>	<u>3,880</u>	10%	Total benefits and expenses	<u>1,353</u>	<u>1,587</u>	<u>1,494</u>	<u>1,330</u>	<u>1,429</u>
<u>808</u>	<u>711</u>	14%	Adjusted operating income before income taxes	<u>257</u>	<u>(4)</u>	<u>240</u>	<u>316</u>	<u>252</u>

(1) Revenues exclude realized investment gains, net of losses and related adjustments and investment gains, net of losses, on trading account assets supporting insurance liabilities. Benefits and expenses exclude charges related to realized investment gains, net of losses and change in experience-rated contractholder liabilities due to asset value changes.

COMBINING STATEMENTS OF OPERATIONS - INVESTMENT DIVISION
(in millions)

	Nine Months Ended September 30, 2006				Quarter Ended September 30, 2006			
	Total	Asset	Financial	Retirement	Total	Asset	Financial	Retirement
	Investment	Management	Advisory		Investment	Management	Advisory	
Division	Management	Advisory	Retirement	Division	Management	Advisory	Retirement	
Revenues (1):								
Premiums	206	-	-	206	84	-	-	84
Policy charges and fee income	136	-	-	136	45	-	-	45
Net investment income	2,706	148	24	2,534	932	55	6	871
Asset management fees, commissions and other income	2,013	1,266	408	339	620	388	120	112
Total revenues	5,061	1,414	432	3,215	1,681	443	126	1,112
Benefits and Expenses (1):								
Insurance and annuity benefits	801	-	-	801	297	-	-	297
Interest credited to policyholders' account balances	1,356	-	-	1,356	475	-	-	475
Interest expense	171	25	-	146	63	10	-	53
Deferral of acquisition costs	(69)	(14)	-	(55)	(25)	(3)	-	(22)
Amortization of acquisition costs	42	21	-	21	12	6	-	6
General and administrative expenses	1,952	976	418	558	607	330	83	194
Total benefits and expenses	4,253	1,008	418	2,827	1,429	343	83	1,003
Adjusted operating income before income taxes	808	406	14	388	252	100	43	109
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	Nine Months Ended September 30, 2005				Quarter Ended September 30, 2005			
	Total	Asset	Financial	Retirement	Total	Asset	Financial	Retirement
	Investment	Management	Advisory		Investment	Management	Advisory	
	Division	Management	Advisory	Retirement	Division	Management	Advisory	Retirement
Revenues (1):								
Premiums	250	-	-	250	106	-	-	106
Policy charges and fee income	140	-	-	140	46	-	-	46
Net investment income	2,345	75	7	2,263	810	33	3	774
Asset management fees, commissions and other income	1,856	1,185	322	349	648	408	119	121
Total revenues	4,591	1,260	329	3,002	1,610	441	122	1,047
Benefits and Expenses (1):								
Insurance and annuity benefits	783	-	-	783	296	-	-	296
Interest credited to policyholders' account balances	1,212	-	-	1,212	431	-	-	431
Interest expense	70	10	-	60	23	3	-	20
Deferral of acquisition costs	(46)	(14)	-	(32)	(13)	(5)	-	(8)
Amortization of acquisition costs	41	26	-	15	13	8	-	5
General and administrative expenses	1,820	883	380	557	603	319	91	193
Total benefits and expenses	3,880	905	380	2,595	1,353	325	91	937
Adjusted operating income before income taxes	711	355	(51)	407	257	116	31	110
	-----				-----			

(1) Revenues exclude realized investment gains, net of losses and related adjustments and investment gains, net of losses, on trading account assets supporting insurance liabilities. Benefits and expenses exclude charges related to realized investment gains, net of losses and change in experience-rated contractholder liabilities due to asset value changes.

INVESTMENT DIVISION - SUPPLEMENTARY REVENUE AND ASSETS UNDER MANAGEMENT INFORMATION FOR ASSET MANAGEMENT SEGMENT

Supplementary Revenue Information (in millions):

Year-to-date		% Change
2006	2005	
715	653	9%
334	257	30%
365	350	4%
<u>1,414</u>	<u>1,260</u>	12%
311	262	19%
227	213	7%
177	178	-1%
<u>715</u>	<u>653</u>	9%

Analysis of revenues by type:

Asset management fees
Incentive, transaction, principal investing and capital markets revenues
Service, distribution and other revenues
Total Asset Management segment revenues

Analysis of asset management fees by source:

Institutional customers
Retail customers
General account
Total asset management fees

	2005		2006		
	3Q	4Q	1Q	2Q	3Q
Asset management fees	228	233	234	237	244
Incentive, transaction, principal investing and capital markets revenues	99	88	144	111	79
Service, distribution and other revenues	114	115	124	121	120
Total Asset Management segment revenues	<u>441</u>	<u>436</u>	<u>502</u>	<u>469</u>	<u>443</u>
Institutional customers	94	97	98	102	111
Retail customers	74	76	76	76	75
General account	60	60	60	59	58
Total asset management fees	<u>228</u>	<u>233</u>	<u>234</u>	<u>237</u>	<u>244</u>

Supplementary Assets Under Management Information (in billions):

	September 30, 2006			
	Equity	Fixed Income	Real Estate	Total
Institutional customers	51.9	74.4	21.6	147.9
Retail customers	54.3	20.3	1.3	75.9
General account	3.7	159.3	0.8	163.8
Total	<u>109.9</u>	<u>254.0</u>	<u>23.7</u>	<u>387.6</u>

	September 30, 2005			
	Equity	Fixed Income	Real Estate	Total
Institutional customers	46.7	66.4	16.7	129.8
Retail customers	51.2	17.9	1.4	70.5
General account	3.2	152.0	1.1	156.3
Total	<u>101.1</u>	<u>236.3</u>	<u>19.2</u>	<u>356.6</u>

INVESTMENT DIVISION - SUPPLEMENTARY ASSETS UNDER MANAGEMENT AND ADMINISTRATION INFORMATION FOR ASSET MANAGEMENT SEGMENT
(in billions)

Year-to-date						
2006	2005	2005		2006		
		3Q	4Q	1Q	2Q	3Q
Institutional Assets Under Management:						
Assets gathered by Investment Management & Advisory Services sales force:						
101.3	84.8	91.1	95.0	101.3	106.7	107.1
19.4	15.6	7.1	7.3	7.3	5.3	6.8
(12.0)	(9.4)	(5.1)	(3.1)	(4.0)	(4.4)	(3.6)
5.8	4.3	2.2	2.0	1.9	(0.4)	4.3
0.5	(0.3)	(0.3)	0.1	0.2	(0.1)	0.4
115.0	95.0	95.0	101.3	106.7	107.1	115.0
32.9	34.8	34.8	33.4	32.0	31.4	32.9
147.9	129.8	129.8	134.7	138.7	138.5	147.9
7.4	6.2	2.0	4.2	3.3	0.9	3.2
Retail Assets Under Management:						
Assets gathered by Investment Management & Advisory Services sales force:						
38.7	33.2	33.6	36.8	38.7	40.5	40.7
7.9	5.5	2.5	3.3	2.7	3.3	1.9
(7.9)	(5.9)	(2.0)	(2.3)	(2.3)	(3.0)	(2.6)
1.6	3.1	2.2	1.0	1.3	(1.0)	1.3
1.0	-	-	0.1	0.1	0.9	-
-	0.9	0.5	(0.2)	-	-	-
41.3	36.8	36.8	38.7	40.5	40.7	41.3
34.6	33.7	33.7	34.8	35.1	34.4	34.6
75.9	70.5	70.5	73.5	75.6	75.1	75.9
-	(0.4)	0.5	1.0	0.4	0.3	(0.7)
Wrap-fee Product Assets Under Administration:						
53.6	39.7	45.1	50.2	53.6	59.1	60.5
17.7	16.4	5.3	5.3	6.9	6.1	4.7
(10.9)	(7.8)	(2.5)	(3.0)	(4.1)	(3.6)	(3.2)
3.5	1.9	2.3	1.1	2.7	(1.1)	1.9
63.9	50.2	50.2	53.6	59.1	60.5	63.9
6.8	8.6	2.8	2.3	2.8	2.5	1.5

(1) Additions include \$1.8 billion for the nine months ended September 30, 2006, \$0.4 billion for the quarter ended June 30, 2006, \$1.4 billion for the quarter ended March 31, 2006, \$0.8 billion for the quarter ended December 31, 2005 and \$1.2 billion for the year ended December 31, 2005 for assets transferred from the Retirement segment.

(2) Represents transfers of retail assets from or to non-Prudential managers.

(3) Substantially all relates to a contractual arrangement with Wachovia which provides for an essentially fixed annual fee commencing July 1, 2005.

INVESTMENT DIVISION - SUPPLEMENTARY INFORMATION FOR FINANCIAL ADVISORY SEGMENT
(dollar amounts in millions unless otherwise noted)

Year-to-date						
2006	2005	2005		2006		
		3Q	4Q	1Q	2Q	3Q
Information pertaining to Wachovia Securities Financial Holdings, LLC:						
Revenues:						
226	182	65	70	72	76	78
1,356	1,403	464	449	483	451	422
1,571	1,357	459	485	503	534	534
139	123	53	47	53	33	53
3,292	3,065	1,041	1,051	1,111	1,094	1,087
Expenses:						
2,753	2,637	881	892	933	926	894
-	65	-	-	-	-	-
2,753	2,702	881	892	933	926	894
539	363	160	159	178	168	193
Income before income taxes						
205	138	61	60	68	63	74
(3)	(7)	(2)	1	1	(3)	(1)
202	131	59	61	69	60	73
Prudential Financial, Inc., 38% share of Wachovia Securities Financial Holdings, LLC						
Purchase accounting and related adjustments						
Prudential Financial, Inc., equity income from Wachovia Securities Financial Holdings, LLC						
Recurring revenue as a percentage of total non-interest revenue (1)						
Total client assets (\$ in billions) (2)						
Distribution representatives (2):						
Series 7 Financial Advisors						
Series 6 Financial Representatives						
Customer debit balances (\$ in billions) (2)						
Prudential Financial, Inc. income (loss) from investment in Wachovia Securities Financial Holdings, LLC, including 38% interest in results, costs incurred at Prudential level, and purchase accounting adjustments						
(26)	(49)	37	(206)	(107)	30	51

(1) Calculated on a YTD annualized basis.
(2) As of end of period.

INVESTMENT DIVISION - RETIREMENT SALES RESULTS AND ACCOUNT VALUES
(in millions)

Year-to-date			2005		2006		
2006	2005		3Q	4Q	1Q	2Q	3Q
RETIREMENT SALES AND ACCOUNT VALUES							
Full Service:							
88,385	83,891	Beginning total account value	85,331	88,337	88,385	91,854	91,537
12,433	9,960	Deposits and sales	3,509	3,046	5,381	4,138	2,914
(12,155)	(9,388)	Withdrawals and benefits	(3,202)	(4,530)	(5,471)	(3,412)	(3,272)
4,701	3,874	Change in market value, interest credited and interest income	2,699	1,532	3,559	(1,043)	2,185
<u>93,364</u>	<u>88,337</u>	Ending total account value	<u>88,337</u>	<u>88,385</u>	<u>91,854</u>	<u>91,537</u>	<u>93,364</u>
<u>278</u>	<u>572</u>	Net additions (withdrawals)	<u>307</u>	<u>(1,484)</u>	<u>(90)</u>	<u>726</u>	<u>(358)</u>
		Stable value account values included above	31,967	31,266	30,696	30,784	30,971
Institutional Investment Products:							
48,080	47,680	Beginning total account value	48,612	48,917	48,080	47,215	46,913
4,628	3,280	Additions	802	785	1,536	1,088	2,004
(4,592)	(3,299)	Withdrawals and benefits (1)	(896)	(2,234)	(2,452)	(1,429)	(711)
1,600	1,757	Change in market value, interest credited and interest income	311	562	182	423	995
(248)	(501)	Other (2)	88	50	(131)	(384)	267
<u>49,468</u>	<u>48,917</u>	Ending total account value	<u>48,917</u>	<u>48,080</u>	<u>47,215</u>	<u>46,913</u>	<u>49,468</u>
<u>36</u>	<u>(19)</u>	Net additions (withdrawals)	<u>(94)</u>	<u>(1,449)</u>	<u>(916)</u>	<u>(341)</u>	<u>1,293</u>

(1) Withdrawals and benefits include \$1.8 billion for the nine months ended September 30, 2006, \$0.4 billion for the quarter ended June 30, 2006, \$1.4 billion for the quarter ended March 31, 2006, \$.8 billion for the quarter ended December 31, 2005 and \$1.2 billion for the year ended December 31, 2005 for assets transferred to the Asset Management segment.

(2) Primarily represents changes in asset balances for externally managed accounts.

COMBINED STATEMENTS OF OPERATIONS - INTERNATIONAL INSURANCE AND INVESTMENTS DIVISION
 (in millions)

Year-to-date		% Change		2005		2006		
2006	2005			3Q	4Q	1Q	2Q	3Q
4,488	4,660	-4%	Revenues (1):	1,562	1,438	1,533	1,517	1,438
216	204	6%	Premiums	67	60	76	70	70
1,049	953	10%	Policy charges and fee income	333	371	330	343	376
482	321	50%	Net investment income	114	151	160	150	172
<u>6,235</u>	<u>6,138</u>	2%	Asset management fees, commissions and other income	<u>2,076</u>	<u>2,020</u>	<u>2,099</u>	<u>2,080</u>	<u>2,056</u>
			Total revenues					
3,539	3,703	-4%	Benefits and Expenses (1):	1,250	1,162	1,224	1,203	1,112
184	157	17%	Insurance and annuity benefits	54	50	57	61	66
10	19	-47%	Interest credited to policyholders' account balances	7	3	3	4	3
(755)	(761)	1%	Interest expense	(243)	(242)	(256)	(257)	(242)
342	301	14%	Deferral of acquisition costs	90	89	116	115	111
1,747	1,680	4%	Amortization of acquisition costs	535	581	573	596	578
<u>5,067</u>	<u>5,099</u>	-1%	General and administrative expenses	<u>1,693</u>	<u>1,643</u>	<u>1,717</u>	<u>1,722</u>	<u>1,628</u>
			Total benefits and expenses					
<u>1,168</u>	<u>1,039</u>	12%	Adjusted operating income before income taxes	<u>383</u>	<u>377</u>	<u>382</u>	<u>358</u>	<u>428</u>

(1) Revenues exclude realized investment gains, net of losses and related charges and adjustments and investment gains, net of losses, on trading account assets supporting insurance liabilities.
 Benefits and expenses exclude charges related to realized investment gains, net of losses and change in experience-rated contractholder liabilities due to asset value changes.

INTERNATIONAL INSURANCE SEGMENT - SUPPLEMENTARY INCOME STATEMENT INFORMATION
(Yen and Dollars in millions)

Year-to-date						
2006	2005	2005		2006		
		3Q	4Q	1Q	2Q	3Q
Japanese Yen Basis Results:						
Revenues (1):						
¥ 286,029	¥ 258,639	¥ 85,595	¥ 92,934	¥ 98,534	¥ 92,370	¥ 95,125
249,841	263,103	95,340	84,366	84,650	84,387	80,804
535,870	521,742	180,935	177,300	183,184	176,757	175,929
Benefits and Expenses (1):						
224,383	203,380	64,755	71,278	77,842	74,339	72,202
210,998	220,289	79,787	71,963	72,640	73,067	65,292
435,381	423,669	144,542	143,241	150,482	147,406	137,494
Adjusted operating income (2):						
61,646	55,259	20,840	21,656	20,692	18,031	22,923
38,843	42,814	15,553	12,403	12,010	11,320	15,513
¥ 100,489	¥ 98,073	¥ 36,393	¥ 34,059	¥ 32,702	¥ 29,351	¥ 38,436
U.S. Dollar adjusted operating income (3):						
\$ 581	\$ 503	\$ 190	\$ 197	\$ 196	\$ 172	\$ 213
361	391	141	111	110	102	149
942	894	331	308	306	274	362
117	76	27	32	32	50	35
\$ 1,059	\$ 970	\$ 358	\$ 340	\$ 338	\$ 324	\$ 397

- (1) Revenues exclude realized investment gains, net of losses and related charges and adjustments and investment gains, net of losses, on trading account assets supporting insurance liabilities. Benefits and expenses exclude charges related to realized investment gains, net of losses and change in experience-rated contractholder liabilities due to asset value changes.
- (2) Adjusted operating income on yen basis excludes impact of currency hedging.
- (3) U.S. dollar adjusted operating income includes impact of currency hedging.

INTERNATIONAL INSURANCE AND INVESTMENTS DIVISION - SALES RESULTS AND SUPPLEMENTARY INFORMATION
 (in millions)

Year-to-date		2005					2006				
2006	2005	3Q	4Q	1Q	2Q	3Q	3Q	4Q	1Q	2Q	3Q
INTERNATIONAL INSURANCE OPERATING DATA:											
Actual exchange rate basis (1):											
Net premiums, policy charges and fee income:											
2,109	2,069	658	630	731	693	685	681	564	562	559	490
1,611	1,942	290	304	316	335	333	984	853	316	335	333
<u>4,704</u>	<u>4,864</u>	<u>1,629</u>	<u>1,498</u>	<u>1,609</u>	<u>1,587</u>	<u>1,508</u>					
Annualized new business premiums:											
365	467	117	109	138	113	114	279	249	74	73	91
210	198	64	82	78	72	60	854	914	82	78	72
<u>854</u>	<u>914</u>	<u>263</u>	<u>265</u>	<u>289</u>	<u>300</u>	<u>265</u>					
Annualized new business premiums by distribution channel:											
575	665	181	191	216	185	174	240	249	74	73	71
39	-	-	-	-	19	20	854	914	-	-	19
<u>854</u>	<u>914</u>	<u>263</u>	<u>265</u>	<u>289</u>	<u>300</u>	<u>265</u>					
Constant exchange rate basis (4):											
Net premiums, policy charges and fee income:											
2,224	2,026	664	670	778	721	725	1,698	1,891	587	596	587
935	849	292	308	304	315	316	<u>4,857</u>	<u>4,766</u>	292	308	315
		<u>1,641</u>	<u>1,565</u>	<u>1,678</u>	<u>1,623</u>	<u>1,556</u>					
Annualized new business premiums:											
380	462	119	113	145	116	119	287	242	77	76	93
200	197	63	84	74	69	57	<u>867</u>	<u>901</u>	84	74	69
		<u>264</u>	<u>274</u>	<u>295</u>	<u>303</u>	<u>269</u>					
Annualized new business premiums by distribution channel:											
580	659	182	197	219	185	176	248	242	77	76	73
39	-	-	-	-	19	20	<u>867</u>	<u>901</u>	-	-	19
		<u>264</u>	<u>274</u>	<u>295</u>	<u>303</u>	<u>269</u>					

(1) Translated based on applicable average exchange rates for the period shown.

(2) Amounts for the quarter ended June 30, 2006 have decreased \$19 million from originally reported data, revising fixed annuity production of Life Advisors.

(3) Substantially all bank channel distribution represents U.S. dollar denominated Gibraltar Life fixed annuities.

(4) Translated based on average exchange rates for the year ended December 31, 2005.

INTERNATIONAL INSURANCE AND INVESTMENTS DIVISION - SALES RESULTS AND SUPPLEMENTARY INFORMATION

	2005		2006		
	3Q	4Q	1Q	2Q	3Q
Face amount of individual policies in force at end of period (in billions) (1)(2): (Constant exchange rate basis)					
Japan, excluding Gibraltar Life	191	194	198	200	203
Gibraltar Life	180	179	179	178	178
All other countries	86	88	90	92	92
Total	<u>457</u>	<u>461</u>	<u>467</u>	<u>470</u>	<u>473</u>
Number of individual policies in force at end of period (in thousands) (2):					
Japan, excluding Gibraltar Life	1,927	1,956	1,996	2,023	2,049
Gibraltar Life	3,938	3,915	3,890	3,871	3,872
All other countries (3):	1,054	1,088	1,127	1,150	1,169
Total (3):	<u>6,919</u>	<u>6,959</u>	<u>7,013</u>	<u>7,044</u>	<u>7,090</u>
International insurance policy persistency:					
<u>Excluding Gibraltar Life:</u>					
13 months	93.3%	93.0%	92.8%	93.0%	92.9%
25 months	86.6%	87.1%	87.1%	87.4%	87.0%
<u>Gibraltar Life:</u>					
13 months	94.2%	94.2%	94.3%	94.2%	94.4%
25 months	86.4%	87.3%	87.7%	88.0%	87.9%
Number of Life Planners at end of period:					
Japan	2,752	2,753	2,855	2,847	2,941
All other countries	2,874	2,874	2,857	2,879	2,861
Total life planners	<u>5,626</u>	<u>5,627</u>	<u>5,712</u>	<u>5,726</u>	<u>5,802</u>
Gibraltar Life Advisors	5,349	5,436	5,716	5,684	6,036

(1) Translated based on exchange rates as of December 31, 2005.

(2) Direct business only; policy count includes annuities.

(3) Reflects the exclusion of policies for the Philippines insurance operations, for all periods presented, as a result of the sale of the business in the third quarter of 2006.

INVESTMENT PORTFOLIO COMPOSITION
 (in millions)

	September 30, 2006				December 31, 2005			
	Consolidated	Closed Block	Financial Services Businesses		Consolidated	Closed Block	Financial Services Businesses	
	Portfolio	Business	Amount	% of Total	Portfolio	Business	Amount	% of Total
Fixed maturities:								
Public, available for sale, at fair value	126,908	37,732	89,176	57.7%	122,992	35,885	87,107	58.3%
Public, held to maturity, at amortized cost	3,120	-	3,120	2.0%	3,022	-	3,022	2.0%
Private, available for sale, at fair value	30,073	11,999	18,074	11.7%	30,980	13,361	17,619	11.8%
Private, held to maturity, at amortized cost	353	-	353	0.2%	227	-	227	0.1%
Trading account assets supporting insurance liabilities, at fair value	14,453	-	14,453	9.4%	13,781	-	13,781	9.2%
Other trading account assets, at fair value	118	-	118	0.1%	124	-	124	0.1%
Equity securities, available for sale, at fair value	6,404	3,517	2,887	1.9%	5,840	3,216	2,624	1.8%
Commercial loans	24,120	7,243	16,877	10.9%	23,045	7,264	15,781	10.6%
Policy loans	8,757	5,407	3,350	2.2%	8,370	5,403	2,967	2.0%
Other long-term investments (1)	4,902	934	3,968	2.6%	4,698	973	3,725	2.5%
Short-term investments	3,961	1,773	2,188	1.3%	3,850	1,394	2,456	1.6%
Subtotal (2)	223,169	68,605	154,564	100.0%	216,929	67,496	149,433	100.0%
Invested assets of other entities and operations (3)	5,742	-	5,742		4,472	-	4,472	
Total investments	228,911	68,605	160,306		221,401	67,496	153,905	

Fixed Maturities by Credit Quality (2):

	NAIC Rating (4)	Rating Agency Equivalent	September 30, 2006					December 31, 2005						
			Amortized		Gross		Fair Value	% of Total	Amortized		Gross		Fair Value	% of Total
			Cost	Unrealized Gains	Unrealized Losses	Gross			Unrealized Losses	Cost	Unrealized Gains	Unrealized Losses		
Public Fixed Maturities:														
	1	Aaa, Aa, A	71,930	1,754	383	73,301	79.5%	68,042	2,256	298	70,000	77.7%		
	2	Baa	13,678	602	139	14,141	15.3%	15,407	746	138	16,015	17.8%		
		Subtotal Investment Grade	85,608	2,356	522	87,442	94.8%	83,449	3,002	436	86,015	95.5%		
	3	Ba	2,845	94	41	2,898	3.1%	2,711	124	43	2,792	3.1%		
	4	B	1,716	78	35	1,759	1.9%	1,109	71	20	1,160	1.3%		
	5	C and lower	83	5	2	86	0.1%	102	6	5	103	0.1%		
	6	In or near default	37	7	2	42	0.1%	28	10	1	37	0.0%		
		Subtotal Below Investment Grade	4,681	184	80	4,785	5.2%	3,950	211	69	4,092	4.5%		
		Total	90,289	2,540	602	92,227	100.0%	87,399	3,213	505	90,107	100.0%		
Private Fixed Maturities:														
	1	Aaa, Aa, A	5,702	231	42	5,891	32.0%	5,596	269	27	5,838	32.7%		
	2	Baa	9,799	401	81	10,119	54.9%	9,437	522	63	9,896	55.5%		
		Subtotal Investment Grade	15,501	632	123	16,010	86.9%	15,033	791	90	15,734	88.2%		
	3	Ba	1,243	55	11	1,287	7.0%	1,105	44	7	1,142	6.4%		
	4	B	643	22	11	654	3.5%	507	33	5	535	3.0%		
	5	C and lower	304	18	3	319	1.7%	339	23	2	360	2.0%		
	6	In or near default	148	6	1	153	0.9%	70	8	2	76	0.4%		
		Subtotal Below Investment Grade	2,338	101	26	2,413	13.1%	2,021	108	16	2,113	11.8%		
		Total	17,839	733	149	18,423	100.0%	17,054	899	106	17,847	100.0%		

- (1) Other long-term investments consist of real estate and non-real estate related investments in joint ventures (other than our investments in operating joint ventures, including our equity investment in Wachovia Securities Financial Holdings, LLC) and partnerships, investment real estate held through direct ownership, our interest in separate account investments and other miscellaneous investments.
- (2) Excludes (i) assets of our securities brokerage, securities trading, banking operations and real estate and relocation services, (ii) assets of our asset management operations, including assets managed for third parties, and (iii) those assets classified as "separate account assets" on our balance sheet.
- (3) Includes assets of our securities brokerage, securities trading, banking and asset management operations and real estate and relocation services. Excludes assets of our asset management operations managed for third parties and those assets classified as "separate account assets" on our balance sheet. Our investment in operating joint ventures, including our investment in Wachovia Securities Financial Holdings, LLC is included in "Other assets".
- (4) Reflects equivalent ratings for investments of international insurance operations that are not rated by United States insurance regulatory authorities. Includes, as of September 30, 2006 and December 31, 2005, respectively, 233 securities with amortized cost of \$5,326 million (fair value \$5,388 million) and 205 securities with amortized cost of \$3,640 million (fair value \$3,680 million) that have been categorized based on expected NAIC designations pending receipt of SVO ratings.

FINANCIAL SERVICES BUSINESSES INVESTMENT PORTFOLIO COMPOSITION
(in millions)

	September 30, 2006		December 31, 2005	
	Amount	% of Total	Amount	% of Total
Japanese Insurance Operations:				
Fixed maturities:				
Public, available for sale, at fair value	31,646	68.8%	30,757	69.6%
Public, held to maturity, at amortized cost	3,120	6.8%	3,022	6.8%
Private, available for sale, at fair value	2,946	6.4%	2,659	6.0%
Private, held to maturity, at amortized cost	353	0.8%	227	0.5%
Trading account assets supporting insurance liabilities, at fair value	1,071	2.3%	1,022	2.3%
Other trading account assets, at fair value	28	0.1%	26	0.1%
Equity securities, available for sale, at fair value	2,288	5.0%	2,021	4.6%
Commercial loans	2,598	5.6%	2,278	5.2%
Policy loans	1,005	2.2%	943	2.1%
Other long-term investments (1)	890	1.8%	941	2.1%
Short-term investments	69	0.2%	326	0.7%
Total	46,014	100.0%	44,222	100.0%

	September 30, 2006		December 31, 2005	
	Amount	% of Total	Amount	% of Total
Financial Services Businesses excluding Japanese Insurance Operations (2):				
Fixed maturities:				
Public, available for sale, at fair value	57,530	53.0%	56,350	53.7%
Public, held to maturity, at amortized cost	-	0.0%	-	0.0%
Private, available for sale, at fair value	15,128	13.9%	14,960	14.2%
Private, held to maturity, at amortized cost	-	0.0%	-	0.0%
Trading account assets supporting insurance liabilities, at fair value	13,382	12.3%	12,759	12.1%
Other trading account assets, at fair value	90	0.1%	98	0.1%
Equity securities, available for sale, at fair value	599	0.6%	603	0.6%
Commercial loans	14,279	13.2%	13,503	12.8%
Policy loans	2,345	2.2%	2,024	1.9%
Other long-term investments (1)	3,078	2.7%	2,784	2.6%
Short-term investments	2,119	2.0%	2,130	2.0%
Total	108,550	100.0%	105,211	100.0%

(1) Other long-term investments consist of real estate and non-real estate related investments in joint ventures (other than our investments in operating joint ventures, including our equity investment in Wachovia Securities Financial Holdings, LLC) and partnerships, investment real estate held through direct ownership, our interest in separate account investments and other miscellaneous investments. Our investment in operating joint ventures, including our investment in Wachovia Securities Financial Holdings, LLC is included in "Other assets".

(2) Excludes (i) assets of our securities brokerage, securities trading, banking operations and real estate and relocation services, (ii) assets of our asset management operations, including assets managed for third parties, and (iii) those assets classified as "separate account assets" on our balance sheet.

FINANCIAL SERVICES BUSINESSES INVESTMENT RESULTS
(in millions)

	Quarter Ended September 30					
	2006			2005 (4)		
	Investment Income		Realized	Investment Income		Realized
	Yield (3)	Amount	Gains / (Losses)	Yield (3)	Amount	Gains / (Losses)
Financial Services Businesses (1):						
Fixed maturities	4.91%	1,362	(5)	4.63%	1,180	45
Equity securities	4.32%	26	11	4.57%	25	40
Commercial loans	6.11%	194	1	6.94%	192	(8)
Policy loans	4.95%	41	-	4.96%	37	-
Short-term investments and cash equivalents	4.68%	91	(1)	2.36%	48	(6)
Other investments	7.24%	76	214	8.71%	83	4
Gross investment income before investment expenses	5.08%	1,790	220	4.90%	1,565	75
Investment expenses	-0.27%	(129)	-	-0.22%	(90)	-
Subtotal	4.81%	1,661	220	4.68%	1,475	75
Investment results of other entities and operations (2)		296	19		259	58
Less, investment income relating to divested businesses		(5)			(3)	
Total		1,952	239		1,731	133

	Nine Months Ended September 30					
	2006			2005 (4)		
	Investment Income		Realized	Investment Income		Realized
	Yield (3)	Amount	Gains / (Losses)	Yield (3)	Amount	Gains / (Losses)
Financial Services Businesses (1):						
Fixed maturities	4.90%	3,928	(318)	4.63%	3,470	87
Equity securities	3.70%	64	119	4.15%	67	54
Commercial loans	6.23%	563	(2)	7.27%	589	111
Policy loans	4.93%	115	-	4.86%	105	-
Short-term investments and cash equivalents	4.60%	241	-	2.33%	135	2
Other investments	7.89%	236	193	6.89%	204	348
Gross investment income before investment expenses	5.09%	5,147	(8)	4.85%	4,570	602
Investment expenses	-0.26%	(353)	-	-0.22%	(264)	-
Subtotal	4.83%	4,794	(8)	4.63%	4,306	602
Investment results of other entities and operations (2)		835	72		705	111
Less, investment income relating to divested businesses		(11)			(11)	
Total		5,618	64		5,000	713

- (1) Excludes assets of our securities brokerage, securities trading, and banking operations, real estate and relocation services, commercial loans and trading account assets supporting insurance liabilities where the investment results generally accrue to contractholders, assets of our asset management operations, including assets managed for third parties, and those assets classified as "separate account assets" on our balance sheet.
- (2) Investment income of securities brokerage, securities trading, banking operations, real estate and relocation services, commercial loans and trading account assets supporting insurance liabilities where the investment results generally accrue to contractholders.
- (3) Yields are annualized, for interim periods, and based on quarterly average carrying values except for fixed maturities, equity securities and securities lending activity. Yields for fixed maturities are based on amortized cost. Yields for equity securities are based on cost. Yields for securities lending activity are calculated net of corresponding liabilities and rebate expenses. Yields exclude investment income and assets related to commercial loans and trading account assets supporting insurance liabilities where the investment results generally accrue to contractholders and investment income on assets other than those included in invested assets of the Financial Services Businesses.
- (4) Classification for the earlier period presented has been conformed to the current presentation.

FINANCIAL SERVICES BUSINESSES INVESTMENT RESULTS - JAPANESE INSURANCE OPERATIONS
(in millions)

	Quarter Ended September 30					
	2006			2005 (2)		
	Investment Income		Realized	Investment Income		Realized
	Yield (1)	Amount	Gains / (Losses)	Yield (1)	Amount	Gains / (Losses)
Japanese Insurance Operations:						
Fixed maturities	2.52%	246	22	2.30%	219	1
Equity securities	3.76%	18	5	4.35%	19	26
Commercial loans	3.99%	25	4	4.12%	28	5
Policy loans	3.58%	9	-	3.49%	9	-
Short-term investments and cash equivalents	4.17%	6	(1)	0.87%	1	(1)
Other investments	13.03%	30	148	8.91%	27	(38)
Gross investment income before investment expenses	2.91%	334	178	2.67%	303	(7)
Investment expenses	-0.15%	(23)	-	-0.18%	(21)	-
Total	2.76%	311	178	2.49%	282	(7)

	Nine Months Ended September 30					
	2006			2005 (2)		
	Investment Income		Realized	Investment Income		Realized
	Yield (1)	Amount	Gains / (Losses)	Yield (1)	Amount	Gains / (Losses)
Japanese Insurance Operations:						
Fixed maturities	2.52%	706	4	2.26%	636	(63)
Equity securities	2.95%	40	95	3.13%	41	38
Commercial loans	3.66%	66	15	4.10%	90	120
Policy loans	3.57%	26	-	3.40%	25	-
Short-term investments and cash equivalents	3.89%	13	(2)	0.50%	3	3
Other investments	13.00%	86	51	8.72%	82	72
Gross investment income before investment expenses	2.85%	937	163	2.59%	877	170
Investment expenses	-0.18%	(67)	-	-0.19%	(64)	-
Total	2.67%	870	163	2.40%	813	170

(1) Yields are annualized, for interim periods, and based on quarterly average carrying values except for fixed maturities, equity securities and securities lending activity.

Yields for fixed maturities are based on amortized cost. Yields for equity securities are based on cost. Yields for securities lending activity are calculated net of corresponding liabilities and rebate expenses. Yields exclude investment income and assets related to trading account assets supporting insurance liabilities where the investment results generally accrue to contractholders and investment income on assets other than those included in invested assets of the Financial Services Businesses.

(2) Classification for the earlier period presented has been conformed to the current presentation.

FINANCIAL SERVICES BUSINESSES INVESTMENT RESULTS - EXCLUDING JAPANESE INSURANCE OPERATIONS
(in millions)

	Quarter Ended September 30					
	2006			2005 (3)		
	Investment Income		Realized	Investment Income		Realized
	Yield (2)	Amount	Gains / (Losses)	Yield (2)	Amount	Gains / (Losses)
Financial Services Businesses excluding Japanese Insurance Operations (1):						
Fixed maturities	6.29%	1,116	(27)	6.06%	961	44
Equity securities	6.45%	8	6	7.89%	6	14
Commercial loans	6.64%	169	(3)	7.87%	164	(13)
Policy loans	5.56%	32	-	5.70%	28	-
Short-term investments and cash equivalents	4.75%	85	-	2.63%	47	(5)
Other investments	5.31%	46	66	8.25%	56	42
Gross investment income before investment expenses	6.19%	1,456	42	6.18%	1,262	82
Investment expenses	-0.33%	(106)	-	-0.34%	(69)	-
Total	5.86%	1,350	42	5.84%	1,193	82

	Nine Months Ended September 30					
	2006			2005 (3)		
	Investment Income		Realized	Investment Income		Realized
	Yield (2)	Amount	Gains / (Losses)	Yield (2)	Amount	Gains / (Losses)
Financial Services Businesses excluding Japanese Insurance Operations (1):						
Fixed maturities	6.27%	3,222	(322)	6.13%	2,834	150
Equity securities	6.39%	24	24	10.07%	26	16
Commercial loans	6.87%	497	(17)	8.44%	499	(9)
Policy loans	5.56%	89	-	5.63%	80	-
Short-term investments and cash equivalents	4.67%	228	2	2.71%	132	(1)
Other investments	5.99%	150	142	5.89%	122	276
Gross investment income before investment expenses	6.23%	4,210	(171)	6.20%	3,693	432
Investment expenses	-0.30%	(286)	-	-0.36%	(200)	-
Total	5.93%	3,924	(171)	5.84%	3,493	432

- (1) Excludes assets of our securities brokerage, securities trading, and banking operations, real estate and relocation services, commercial loans and trading account assets supporting insurance liabilities where the investment results generally accrue to contractholders, assets of our asset management operations, including assets managed for third parties, and those assets classified as "separate account assets" on our balance sheet.
- (2) Yields are annualized, for interim periods, and based on quarterly average carrying values except for fixed maturities, equity securities and securities lending activity. Yields for fixed maturities are based on amortized cost. Yields for equity securities are based on cost. Yields for securities lending activity are calculated net of corresponding liabilities and rebate expenses. Yields exclude investment income and assets related to commercial loans and trading account assets supporting insurance liabilities where the investment results generally accrue to contractholders and investment income on assets other than those included in invested assets of the Financial Services Businesses.
- (3) Classification for the earlier period presented has been conformed to the current presentation.

INDIVIDUAL LIFE - LINE ITEM IMPACT OF THIRD QUARTER 2006 ACTUARIAL UPDATES
 (in millions)

	Third Quarter 2006 Impact on:			
	Policy Charges and Fee Income (1)	Insurance and Annuity Benefits (2)	Amortization of Deferred Policy Acquisition Costs	Pre-Tax Adjusted Operating Income
Actuarial Item:				
Annual review of assumptions for mortality, persistency, premium payment pattern, and other elements of expected gross profits	(62)	34	(156)	60
Refinement of reserving period for certain benefits on block of variable life insurance policies	(85)	62	(133)	(14)
Total impact on third quarter 2006 results	(147)	96	(289)	46
Reported amount	117	300	(220)	
Amount excluding impact of items indicated above	264	204	69	

(1) Includes unearned revenue reserve, subject to amortization based on gross profits.

(2) Includes terminal dividend reserve, accumulated over estimated contract period.

INVESTMENT DIVISION - HISTORICAL SUPPLEMENTARY REVENUE AND ASSETS UNDER MANAGEMENT AND ADMINISTRATION INFORMATION FOR ASSET MANAGEMENT SEGMENT
(in billions)

Year ended December 31 2004	2005				2006	
	1Q	2Q	3Q	4Q	1Q	2Q
Analysis of revenues by type (in millions):						
832	208	217	228	233	234	237
205	92	66	99	88	144	111
427	118	118	114	115	124	121
<u>1,464</u>	<u>418</u>	<u>401</u>	<u>441</u>	<u>436</u>	<u>502</u>	<u>469</u>
Analysis of asset management fees by source (in millions):						
297	78	90	94	97	98	102
322	71	68	74	76	76	76
213	59	59	60	60	60	59
<u>832</u>	<u>208</u>	<u>217</u>	<u>228</u>	<u>233</u>	<u>234</u>	<u>237</u>
Retail Assets Under Management (in billions):						
Assets gathered by Investment Management & Advisory Services sales force:						
47.5	33.2	32.8	33.6	36.8	38.7	40.5
4.5	1.4	1.6	2.5	3.3	2.7	3.3
(6.4)	(1.9)	(2.0)	(2.0)	(2.3)	(2.3)	(3.0)
3.3	(0.8)	1.7	2.2	1.0	1.3	(1.0)
(15.7)	0.1	(0.1)	-	0.1	0.1	0.9
-	0.8	(0.4)	0.5	(0.2)	-	-
33.2	32.8	33.6	36.8	38.7	40.5	40.7
32.8	32.0	32.1	33.7	34.8	35.1	34.4
<u>66.0</u>	<u>64.8</u>	<u>65.7</u>	<u>70.5</u>	<u>73.5</u>	<u>75.6</u>	<u>75.1</u>
<u>(1.9)</u>	<u>(0.5)</u>	<u>(0.4)</u>	<u>0.5</u>	<u>1.0</u>	<u>0.4</u>	<u>0.3</u>
Wrap-fee Product Assets Under Administration (in billions):						
18.4	39.7	41.6	45.1	50.2	53.6	59.1
11.7	5.6	5.5	5.3	5.3	6.9	6.1
(7.3)	(2.7)	(2.6)	(2.5)	(3.0)	(4.1)	(3.6)
3.0	(1.0)	0.6	2.3	1.1	2.7	(1.1)
13.9	-	-	-	-	-	-
<u>39.7</u>	<u>41.6</u>	<u>45.1</u>	<u>50.2</u>	<u>53.6</u>	<u>59.1</u>	<u>60.5</u>
<u>4.4</u>	<u>2.9</u>	<u>2.9</u>	<u>2.8</u>	<u>2.3</u>	<u>2.8</u>	<u>2.5</u>

(1) Represents transfers of retail assets from or to non-Prudential managers.

(2) Substantially all relates to a contractual arrangement with Wachovia which provides for an essentially fixed annual fee commencing July 1, 2005.

(3) As a result of agreements in connection with the formation of the retail securities brokerage joint venture with Wachovia, the Asset Management segment assumed administrative responsibilities for Wachovia Securities customer assets under wrap-fee and managed account programs.

KEY DEFINITIONS AND FORMULAS

1. Adjusted operating income before income taxes:

Adjusted operating income is a non-GAAP measure that excludes Realized investment gains (losses), net, as adjusted, and related charges and adjustments; net investment gains and losses on trading account assets supporting insurance liabilities; change in experience-rated contractholder liabilities due to asset value changes; results of divested businesses and discontinued operations; and the related tax effects thereof. Realized investment gains (losses) representing profit or loss of certain of our businesses which primarily originate investments for sale or syndication to unrelated investors, and those associated with terminating hedges of foreign currency earnings and current period yield adjustments are included in adjusted operating income. Revenues and benefits and expenses shown as components of adjusted operating income, are presented on the same basis as pre-tax adjusted operating income and exclude these items as well. Adjusted operating income does not equate to "Income from continuing operations before income taxes" as determined in accordance with GAAP but is the measure of profit or loss we use to evaluate segment performance. Adjusted operating income is not a substitute for income determined in accordance with GAAP, and our definition of adjusted operating income may differ from that used by other companies. The excluded items are important to an understanding of our overall results of operations. However, we believe that the presentation of adjusted operating income as we measure it for management purposes enhances the understanding of our results of operations by highlighting the results from ongoing operations and the underlying profitability factors of our businesses.

2. After-tax adjusted operating income:

Adjusted operating income before taxes, as defined above, less the income tax effect applicable to adjusted operating income before taxes.

3. Assets Under Management:

Fair market value or account value of assets which Prudential manages directly in proprietary products, such as mutual funds and variable annuities, in separate accounts, wrap-fee products and the general account, and assets invested in investment options included in the Company's products that are managed by third party sub-managers (i.e., the non-proprietary investment options in the Company's products).

4. Attributed Equity:

Amount of capital assigned to each of the Company's segments for purposes of measuring segment adjusted operating income before income taxes, established at a level which management considers necessary to support the segment's risks. Attributed equity for the Financial Services Businesses represents all of the Company's equity that is not included in the Closed Block Business.

5. Book value per share of Common Stock:

Equity attributed to Financial Services Businesses divided by the number of Common shares outstanding at end of period, on a diluted basis.

6. Borrowings - Capital Debt:

Borrowings that are or will be used for capital requirements at Prudential Financial, Inc as well as borrowings invested in equity or debt securities of direct or indirect subsidiaries of Prudential Financial, Inc., and subsidiary borrowings, utilized for capital requirements.

7. Borrowings - Investment Related:

Debt issued to finance specific investment assets or portfolios of investment assets, including institutional spread lending investment portfolios, real estate, and real estate related investments held in consolidated joint ventures, as well as institutional and insurance company portfolio cash flow timing differences.

8. Borrowings - Securities Business Related:

Debt issued to finance primarily the liquidity of our broker-dealers, and our capital markets and other securities business related operations.

9. Borrowings - Specified Other Businesses:

Borrowings associated with consumer banking activities, the individual annuity business, real estate franchises, and relocation services.

10. Client Assets:

Fair market value of assets in client accounts of International brokerage operations, Prudential Bank and mortgage loan servicing business, that are not included in Assets Under Management. Prudential does not receive a management or administrative fee on these assets, but may receive a fee for executing trades, custody or recordkeeping services.

KEY DEFINITIONS AND FORMULAS

11. Earned Premiums:

The portion of a premium, net of any amount ceded, that represents coverage already provided or that belongs to the insurer based on the part of the policy period that has passed.

12. Earnings Per Share of Common Stock:

Net income for the Financial Services Businesses and the Closed Block Business is determined in accordance with GAAP and includes general and administrative expenses charged to each of the businesses based on the Company's methodology for the allocation of such expenses. Cash flows between the Financial Services Businesses and the Closed Block Business related to administrative expenses are determined by a policy servicing fee arrangement that is based upon insurance and policies in force and statutory cash premiums. To the extent reported administrative expenses vary from these cash flow amounts, the differences are recorded, on an after-tax basis, as direct equity adjustments to the equity balances of each business. The direct equity adjustments modify earnings available to holders of Common Stock and Class B Stock for earnings per share purposes. Earnings per share of Common Stock based on adjusted operating income of the Financial Services Businesses reflects these adjustments as well.

13. Full Service:

The Full Service line of business provides retirement plan products and services to public, private and not-for-profit organizations. This business provides recordkeeping, plan administration, actuarial advisory services, participant education and communication services, trustee services and institutional and retail investment funds. This business mainly services defined contribution and defined benefit plans; non-qualified plans are also serviced. For clients with both defined contribution and defined benefit plans, integrated recordkeeping services are available. For participants leaving these plans, a range of rollover products are provided through a broker-dealer bank.

14. Full Service Stable Value:

Our Full Service Stable Value products represent fixed rate options on investment funds offered to customers. These products contain an obligation to pay interest at a specified rate for a specific period of time. Upon termination these products repay account balances at market value immediately or may be liquidated at book value over time. Substantially all of these products are either fully or partially participating, with annual or semi-annual resets giving effect to previous investment experience. These products are issued through the general account, separate accounts or client-owned trusts. Profits from partially participating general account products result from the spread between the rate of return on investment assets and the interest rates credited to the customer, less expenses. For fully participating products, generally subject to a minimum interest rate guarantee, we earn fee income.

15. General Account:

Invested assets and policyholder liabilities and reserves for which the Company bears the investment risk. Excludes assets recognized for statutory purposes that are specifically allocated to a separate account. General account assets also include assets of the parent company, Prudential Financial, Inc.

16. Gibraltar Life Advisors:

Insurance representatives for Gibraltar Life.

17. Group Life Insurance and Group Disability Insurance Administrative Operating Expense Ratios:

Ratio of administrative operating expenses (excluding commissions) to gross premiums, policy charges and fee income.

18. Group Life Insurance and Group Disability Insurance Benefits Ratios:

Ratio of policyholder benefits to earned premiums, policy charges and fee income.

19. Individual Annuity Account Values in General Account and Separate Account:

Amounts represent the breakdown of invested customer funds in annuities either written or reinsured by the Company.

20. Individual Life Insurance Sales:

Scheduled premiums from new sales on an annualized basis and first year excess premiums and deposits on a cash-received basis.

21. Insurance and Annuity Benefits:

Total death benefits, annuity benefits, disability benefits, other policy benefits, and losses paid or incurred, under insurance and annuity contracts, plus the change in reserves for future policy benefits, losses and loss adjustment expenses.

KEY DEFINITIONS AND FORMULAS

22. International Life Planners:

Insurance agents in our insurance operations outside the United States, excluding Gibraltar Life Advisors. Excludes Life Planners associated with discontinued Philippine operations.

23. New annualized premiums:

Premiums from new sales that are expected to be collected over a one year period. Group insurance new annualized premiums exclude new premiums resulting from rate changes on existing policies, from additional coverage issued under our Servicemembers' Group Life Insurance contract, and from excess premiums on group universal life insurance that build cash value but do not purchase face amounts. Group insurance new annualized premiums include premiums from the takeover of claim liabilities. Group disability amounts include long-term care products. Single premium business for the Company's international insurance operations is included in annualized new business premiums based on 10% credit.

24. Non-recourse and Limited-recourse Debt:

Limited and non-recourse borrowing is where the holder is entitled to collect only against the assets pledged to the debt as collateral or has only very limited rights to collect against other assets.

25. Operating return on average equity (based on adjusted operating income):

Adjusted operating income after-tax (giving effect to the direct equity adjustment for earnings per share calculation), annualized for interim periods, divided by average attributed equity for the Financial Services Businesses excluding unrealized gains and losses on investments.

An alternative measure to operating return on average equity (based on adjusted operating income) is return on average equity (based on income from continuing operations). Return on average equity (based on income from continuing operations) represents income from continuing operations after-tax as determined in accordance with GAAP (giving effect to the direct equity adjustment for earnings per share calculation), annualized for interim periods, divided by average total attributed equity for the Financial Services Businesses. Return on average equity (based on income from continuing operations) is 14.10% for the nine months ended September 30, 2006, 18.07% for the nine months ended September 30, 2005, 20.72% for the three months ended September 30, 2006, 24.18% for the three months ended September 30, 2005, 8.76% for the three months ended June 30, 2006, 13.06% for the three months ended March 31, 2006 and 7.70% for the three months ended December 31, 2005.

26. Policy Persistency - Group Insurance:

Percentage of the premiums in force at the end of the prior year that are still in force at the end of the period (excluding Servicemembers' Group Life Insurance and Prudential Employee Benefit Plan).

27. Policy Persistency - International Insurance:

13 month persistency represents the percentage of policies issued that are still in force at the beginning of their second policy year. 25 month persistency represents the percentage of policies issued that are still in force at the beginning of their third policy year.

28. Prudential Agents:

Insurance agents in our insurance operations in the United States.

29. Prudential Agent productivity:

Commissions on new sales of all products by Prudential Agents under contract for the entire period, divided by the number of those Prudential Agents. Excludes commissions on new sales by Prudential Agents hired or departed during the period. For interim reporting periods, the productivity measures are annualized.

30. Ratio of capital debt to total capitalization:

For purposes of this ratio, we measure "debt" as borrowings for capital debt, and we measure "total capitalization" as the sum of equity, excluding unrealized gains and losses on investments, and capital debt.

31. Separate Accounts:

Assets of our insurance companies allocated under certain policies and contracts that are segregated from the general account and other separate accounts. The policyholder or contractholder predominantly bears the risk of investments held in a separate account.

32. Wrap-Fee Products:

Investment products generating asset-based fees in which the funds of the customer are generally invested in other investment products such as mutual funds.

RATINGS AND INVESTOR INFORMATION

**INSURANCE CLAIMS PAYING RATINGS
 as of November 1, 2006**

	A.M. Best	Standard & Poor's	Moody's	Fitch Ratings
The Prudential Insurance Company of America	A+	AA-	Aa3	AA
PRUCO Life Insurance Company	A+	AA-	Aa3	AA
PRUCO Life Insurance Company of New Jersey	A+	AA-	NR *	AA
American Skandia Life Assurance Corporation	A+	AA-	NR	AA
Prudential Retirement Insurance and Annuity Company	A+	AA-	Aa3	AA
The Prudential Life Insurance Co., Ltd. (Prudential of Japan)	A+	AA-	NR	NR
Gibraltar Life Insurance Company, Ltd.	NR	AA-	A1	NR

**CREDIT RATINGS:
 as of November 1, 2006**

Prudential Financial, Inc.:				
Short-Term Borrowings	AMB-1	A-1	P-2	F1
Long-Term Senior Debt	a-	A	A3	A
Retail Notes	a-	A	A3	NR
The Prudential Insurance Company of America :				
Capital and surplus notes	a	A	A2	A
Prudential Funding, LLC:				
Short-Term Debt	AMB-1	A-1+	P-1	F1+
Long-Term Senior Debt	a+	AA-	A1	A+
PRICOA Global Funding I				
Long-Term Senior Debt	aa-	AA-	Aa3	AA

* NR indicates not rated.

INVESTOR INFORMATION:

Corporate Offices:

Prudential Financial, Inc.
 751 Broad Street
 Newark, New Jersey 07102

Common Stock:

Common Stock of Prudential Financial, Inc. is traded on the New York Stock Exchange under the symbol PRU.

Investor Information Hotline:

Dial 877-998-ROCK for additional printed information or inquiries.

Web Site:

www.prudential.com