

Prudential Financial

Prudential Financial, Inc. (PRU)

Quarterly Financial Supplement

FINANCIAL SERVICES BUSINESSES
SECOND 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.

CONTENTS

	<u>Page</u>
HIGHLIGHTS	
Financial Highlights	1-2
Operations Highlights	3
FINANCIAL SERVICES BUSINESSES	
Combined Statements of Operations	4
Combined Balance Sheets	5
Combining Statements of Operations by Division (Quarter)	6
Combining Statements of Operations by Division	7
Combining Balance Sheets by Division	8
Short-Term and Long-Term Debt	9
INSURANCE DIVISION	
Combined Statements of Operations	10
Combining Statements of Operations (Quarter)	11
Combining Statements of Operations	12
Individual Annuities Sales Results, Account Values and Minimum Guarantees	13
Individual Life Sales, Account Value Activity, and Face Amount in Force	14
Individual Annuities Account Value Activity	15
Deferred Policy Acquisition Costs	16
Supplementary Information for Individual Life Insurance	17
Supplementary Information for Group Insurance	18
INVESTMENT DIVISION	
Combined Statements of Operations	19
Combining Statements of Operations	20
Supplementary Revenue Information for Asset Management Segment	21
Assets Under Management for Investment Management and Advisory Services operations	22
Mutual Funds and Wrap-fee Products	23
Supplementary Information for Financial Advisory Segment	24
Retirement Sales Results and Account Values	25
INTERNATIONAL INSURANCE AND INVESTMENTS DIVISION	
Combined Statements of Operations	26
Combining Statements of Operations	27
International Insurance Segment - Supplementary Income Statement Information	28
Sales Results and Supplementary Information	29-30
INVESTMENT PORTFOLIO	
Investment Portfolio Composition	31
Financial Services Businesses Investment Portfolio Composition - Japanese Insurance Operations and Excluding Japanese Insurance Operations	32
Financial Services Businesses Investment Results	33
Financial Services Businesses Investment Results - Japanese Insurance Operations	34
Financial Services Businesses Investment Results - Excluding Japanese Insurance Operations	35
RECLASSIFIED STATEMENTS OF OPERATIONS AND SUPPLEMENTAL INFORMATION	36-40
KEY DEFINITIONS AND FORMULAS	41-43
RATINGS AND INVESTOR INFORMATION	44

Revenues, expenses, assets, liabilities and certain supplemental information as reported herein reflect reclassifications to conform to current reporting practices.

FINANCIAL HIGHLIGHTS
(in millions, except per share data)

Year-to-date		% Change	2005			2006	
2006	2005		2Q	3Q	4Q	1Q	2Q
Financial Services Businesses:							
Pre-tax adjusted operating income by division:							
545	521	5%	266	341	365	298	247
556	454	22%	150	257	(4)	240	316
740	656	13%	346	383	377	382	358
63	76	-17%	59	50	76	26	37
1,904	1,707	12%	821	1,031	814	946	958
553	538	3%	253	292	290	277	276
1,351	1,169	16%	568	739	524	669	682
Financial Services Businesses after-tax adjusted operating income							
Items excluded from adjusted operating income:							
(260)	485	-154%	249	80	(1)	51	(311)
(265)	58	-557%	190	(99)	8	(114)	(151)
196	(57)	444%	(145)	47	(34)	66	130
2	(2)	200%	3	(3)	(45)	8	(6)
(327)	484	-168%	297	25	(72)	11	(338)
(93)	88	-206%	67	(572)	72	2	(95)
(234)	396	-159%	230	597	(144)	9	(243)
1,117	1,565	-29%	798	1,336	380	678	439
(18)	(45)	60%	(44)	(14)	(3)	(3)	(15)
1,099	1,520	-28%	754	1,322	377	675	424
Income from continuing operations (after-tax) of Financial Services Businesses							
Loss from discontinued operations, net of taxes							
Net income of Financial Services Businesses							
Earnings per share of Common Stock (diluted):							
2.77	2.30		1.12	1.46	1.06	1.36	1.40
Financial Services Businesses after-tax adjusted operating income							
Items excluded from adjusted operating income:							
(0.52)	0.92		0.47	0.15	-	0.10	(0.63)
(0.53)	0.11		0.37	(0.19)	0.02	(0.23)	(0.30)
0.39	(0.11)		(0.28)	0.09	(0.07)	0.13	0.26
0.01	(0.01)		0.01	-	(0.09)	0.02	(0.01)
(0.65)	0.91		0.57	0.05	(0.14)	0.02	(0.68)
(0.18)	0.17		0.13	(1.10)	0.14	-	(0.20)
(0.47)	0.74		0.44	1.15	(0.28)	0.02	(0.48)
2.30	3.04		1.56	2.61	0.78	1.38	0.92
(0.03)	(0.08)		(0.08)	(0.02)	-	-	(0.03)
2.27	2.96		1.48	2.59	0.78	1.38	0.89
Income from continuing operations (after-tax) of Financial Services Businesses							
Income (loss) from discontinued operations, net of taxes							
Net income of Financial Services Businesses							
500.6	527.6		525.2	518.3	510.2	504.1	497.1
13.62%	12.15%		11.71%	14.67%	10.54%	13.55%	13.66%
Reconciliation to Consolidated Net Income of Prudential Financial, Inc:							
1,099	1,520		754	1,322	377	675	424
87	292		129	42	(13)	58	29
1,186	1,812		883	1,364	364	733	453
35	44		22	19	19	19	16
Direct equity adjustments for earnings per share calculations							

FINANCIAL HIGHLIGHTS
 (in millions, except per share data)

Year-to-date		2005			2006	
2006	2005	2Q	3Q	4Q	1Q	2Q
Financial Services Businesses Capitalization Data (1):						
Short-term debt		5,856	5,572	9,447	9,685	9,723
Long-term debt		6,984	7,053	6,520	7,284	7,520
Attributed Equity:						
Including accumulated other comprehensive income		22,375	22,493	21,654	21,229	20,424
Excluding unrealized gains and losses on investments		20,311	21,025	20,206	20,426	20,444
Excluding accumulated other comprehensive income		20,292	21,083	20,546	20,717	20,604
Total Capitalization:						
Including accumulated other comprehensive income		29,359	29,546	28,174	28,513	27,944
Excluding unrealized gains and losses on investments		27,295	28,078	26,726	27,710	27,964
Excluding accumulated other comprehensive income		27,276	28,136	27,066	28,001	28,124
Book value per share of Common Stock:						
Including accumulated other comprehensive income		42.82	43.79	42.70	42.43	41.41
Excluding unrealized gains and losses on investments		38.87	40.94	39.85	40.83	41.45
Excluding accumulated other comprehensive income		38.84	41.05	40.52	41.41	41.78
Number of diluted shares at end of period		522.5	513.6	507.1	500.3	493.2
Common Stock Price Range (based on closing price):						
78.89	66.30	High	66.30	68.30	77.96	77.48
73.19	52.62	Low	55.23	63.09	63.27	73.19
77.70	65.66	Close	65.66	67.56	73.19	75.81
Common Stock market capitalization (1)		33,707	34,118	36,412	37,288	37,651

(1) As of end of period.

OPERATIONS HIGHLIGHTS

Year-to-date		2005			2006	
2006	2005	2Q	3Q	4Q	1Q	2Q
Assets Under Management and Administration (\$ billions) (1) (2):						
Assets Under Management :						
Managed by Investment Division:						
Asset Management Segment - Investment Management & Advisory Services						
		65.7	70.5	73.5	75.6	75.1
		125.3	129.8	134.7	138.7	138.5
		157.6	156.3	159.2	157.8	159.7
		348.6	356.6	367.4	372.1	373.3
		46.5	48.0	48.1	51.3	49.6
		395.1	404.6	415.5	423.4	422.9
		74.1	73.0	71.4	74.5	82.6
		41.8	44.0	44.6	49.5	62.9
		511.0	521.6	531.5	547.4	568.4
		90.0	96.9	92.5	100.0	101.6
		601.0	618.5	624.0	647.4	670.0
		107.0	108.8	100.4	105.3	114.0
Distribution Representatives (1):						
		3,340	3,212	2,946	2,850	2,844
		5,464	5,626	5,627	5,712	5,726
		4,788	5,349	5,436	5,716	5,684
48	39	42	43	61	45	52
Prudential Agent productivity (\$ thousands)						
Third Party Distribution - Retail Products (\$ millions) (4):						
103	86	47	55	66	47	56
4	2	1	3	2	-	4
3,840	2,777	1,640	1,596	1,600	1,752	2,088
16,801	12,751	6,490	6,164	6,624	8,282	8,519

(1) As of end of period.

(2) At fair market value.

(3) Life Planner count excludes Life Planners associated with discontinued Philippine operations for all periods presented.

(4) Represents scheduled premiums from new sales on an annualized basis and first year excess premiums and deposits on a cash-received basis for Individual Life Insurance, including corporate-owned life insurance, and gross sales for Individual Annuities, Mutual Funds and Wrap-fee products.

(5) Excludes corporate-owned life insurance sales.

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

Year-to-date		% Change		2005			2006	
2006	2005			2Q	3Q	4Q	1Q	2Q
Revenues (1):								
5,146	5,104	1%	Premiums	2,585	2,574	2,450	2,604	2,542
1,329	1,232	8%	Policy charges and fee income	615	668	629	662	667
3,666	3,269	12%	Net investment income	1,644	1,731	1,810	1,801	1,865
2,020	1,700	19%	Asset management fees, commissions and other income	852	960	948	1,054	966
<u>12,161</u>	<u>11,305</u>	8%	Total revenues	<u>5,696</u>	<u>5,933</u>	<u>5,837</u>	<u>6,121</u>	<u>6,040</u>
Benefits and Expenses (1):								
5,168	5,055	2%	Insurance and annuity benefits	2,519	2,496	2,439	2,577	2,591
1,329	1,231	8%	Interest credited to policyholders' account balances	626	653	632	652	677
424	245	73%	Interest expense	134	143	180	201	223
(996)	(918)	-8%	Deferral of acquisition costs	(496)	(444)	(439)	(501)	(495)
504	467	8%	Amortization of acquisition costs	232	271	172	240	264
3,828	3,518	9%	General and administrative expenses	1,860	1,783	2,039	2,006	1,822
<u>10,257</u>	<u>9,598</u>	7%	Total benefits and expenses	<u>4,875</u>	<u>4,902</u>	<u>5,023</u>	<u>5,175</u>	<u>5,082</u>
<u>1,904</u>	<u>1,707</u>	12%	Adjusted operating income before income taxes	<u>821</u>	<u>1,031</u>	<u>814</u>	<u>946</u>	<u>958</u>
Items excluded from adjusted operating income before income taxes:								
(283)	579	-149%	Realized investment gains (losses), net, and related adjustments	322	90	3	51	(334)
23	(94)	124%	Related charges	(73)	(10)	(4)	-	23
<u>(260)</u>	<u>485</u>	-154%	Total realized investment gains (losses), net, and related charges and adjustments	<u>249</u>	<u>80</u>	<u>(1)</u>	<u>51</u>	<u>(311)</u>
(265)	58	-557%	Investment gains (losses) on trading account assets supporting insurance liabilities, net	190	(99)	8	(114)	(151)
196	(57)	444%	Change in experience-rated contractholder liabilities due to asset value changes	(145)	47	(34)	66	130
2	(2)	200%	Divested businesses	3	(3)	(45)	8	(6)
<u>(327)</u>	<u>484</u>	-168%	Total items excluded from adjusted operating income before income taxes	<u>297</u>	<u>25</u>	<u>(72)</u>	<u>11</u>	<u>(338)</u>
1,577	2,191	-28%	Income from continuing operations before income taxes	1,118	1,056	742	957	620
460	626	-27%	Income tax expense (benefit)	320	(280)	362	279	181
<u>1,117</u>	<u>1,565</u>	-29%	Income from continuing operations	<u>798</u>	<u>1,336</u>	<u>380</u>	<u>678</u>	<u>439</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>6/30/2005</u>	<u>9/30/2005</u>	<u>12/31/2005</u>	<u>3/31/2006</u>	<u>6/30/2006</u>
Assets:					
Investments:					
Fixed maturities, available for sale, at fair value (amortized cost \$100,311; \$99,424;\$101,672; \$102,220; \$107,756)	105,724	103,300	105,188	104,276	108,150
Fixed maturities, held to maturity, at amortized cost (fair value \$3,167; \$3,049; \$3,228; \$3,397; \$3,416)	3,123	3,051	3,249	3,430	3,555
Trading account assets supporting insurance liabilities, at fair value	13,744	14,208	13,781	13,877	14,239
Other trading account assets, at fair value	1,403	1,409	1,443	2,358	4,561
Equity securities, available for sale, at fair value (cost \$2,229; \$2,243;\$2,206; \$2,249; \$2,415)	2,479	2,584	2,627	2,724	2,801
Commercial loans	17,189	17,167	17,177	17,721	18,018
Policy loans	2,935	2,959	2,967	3,094	3,253
Securities purchased under agreements to resell	60	146	413	103	2,242
Other long-term investments	4,331	4,341	4,495	4,920	5,049
Short-term investments	2,541	2,160	2,565	2,404	2,768
Total investments	<u>153,529</u>	<u>151,325</u>	<u>153,905</u>	<u>154,907</u>	<u>164,636</u>
Cash and cash equivalents	6,055	6,124	5,493	5,915	6,521
Accrued investment income	1,350	1,402	1,358	1,400	1,433
Reinsurance recoverables	3,648	3,673	3,548	3,480	1,869
Deferred policy acquisition costs	7,891	8,131	8,357	8,776	9,239
Other assets	14,466	14,975	15,069	16,279	19,188
Separate account assets	149,256	155,400	157,561	170,134	166,735
Total assets	<u>336,195</u>	<u>341,030</u>	<u>345,291</u>	<u>360,891</u>	<u>369,621</u>
Liabilities:					
Future policy benefits	53,817	52,936	51,926	52,838	55,520
Policyholders' account balances	71,067	71,205	69,924	70,482	74,122
Reinsurance payables	3,203	3,210	3,069	2,994	1,351
Securities sold under agreements to repurchase	5,739	5,682	6,801	7,141	9,564
Cash collateral for loaned securities	3,048	2,995	3,425	3,139	3,834
Income taxes payable	2,602	2,084	2,136	2,500	1,969
Securities sold but not yet purchased	144	207	223	132	2,152
Short-term debt	5,856	5,572	9,447	9,685	9,723
Long-term debt	6,984	7,053	6,520	7,284	7,520
Other liabilities	12,104	12,193	12,605	13,333	16,707
Separate account liabilities	149,256	155,400	157,561	170,134	166,735
Total liabilities	<u>313,820</u>	<u>318,537</u>	<u>323,637</u>	<u>339,662</u>	<u>349,197</u>
Attributed Equity:					
Accumulated other comprehensive income (loss)	2,083	1,410	1,108	512	(180)
Other attributed equity	20,292	21,083	20,546	20,717	20,604
Total attributed equity	<u>22,375</u>	<u>22,493</u>	<u>21,654</u>	<u>21,229</u>	<u>20,424</u>
Total liabilities and attributed equity	<u>336,195</u>	<u>341,030</u>	<u>345,291</u>	<u>360,891</u>	<u>369,621</u>

FINANCIAL SERVICES BUSINESSES COMBINING STATEMENTS OF OPERATIONS - BY DIVISION
 (in millions)

	Quarter Ended June 30, 2006				
	Total	International		Corporate and Other Operations	
	Financial Services Businesses	Insurance Division	Investment Division		
Revenues (1) :					
Premiums	2,542	1,005	30	1,517	(10)
Policy charges and fee income	667	559	43	70	(5)
Net investment income	1,865	441	921	343	160
Asset management fees, commissions and other income	966	166	652	150	(2)
Total revenues	6,040	2,171	1,646	2,080	143
Benefits and Expenses (1):					
Insurance and annuity benefits	2,591	1,144	235	1,203	9
Interest credited to policyholders' account balances	677	181	452	61	(17)
Interest expense	223	28	62	4	129
Deferral of acquisition costs	(495)	(228)	(22)	(257)	12
Amortization of acquisition costs	264	142	17	115	(10)
General and administrative expenses	1,822	657	586	596	(17)
Total benefits and expenses	5,082	1,924	1,330	1,722	106
Adjusted operating income before income taxes	958	247	316	358	37

	Quarter Ended June 30, 2005				
	Total	International		Corporate and Other Operations	
	Financial Services Businesses	Insurance Division	Investment Division		
Revenues (1):					
Premiums	2,585	938	103	1,550	(6)
Policy charges and fee income	615	505	48	66	(4)
Net investment income	1,644	421	765	315	143
Asset management fees, commissions and other income	852	164	592	87	9
Total revenues	5,696	2,028	1,508	2,018	142
Benefits and Expenses (1):					
Insurance and annuity benefits	2,519	1,029	272	1,200	18
Interest credited to policyholders' account balances	626	183	397	55	(9)
Interest expense	134	25	25	6	78
Deferral of acquisition costs	(496)	(234)	(16)	(261)	15
Amortization of acquisition costs	232	126	14	104	(12)
General and administrative expenses	1,860	633	666	568	(7)
Total benefits and expenses	4,875	1,762	1,358	1,672	83
Adjusted operating income before income taxes	821	266	150	346	59

(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.

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

	As of June 30, 2006				
	Total			International	
	Financial	Insurance	Investment	Insurance &	Corporate
	Services	Division	Division	Investments	and Other
	Businesses			Division	Operations
Assets:					
Total investments	164,636	33,183	67,375	51,312	12,766
Deferred policy acquisition costs	9,239	4,986	149	4,254	(150)
Other assets	29,011	5,507	9,173	8,236	6,095
Separate account assets	166,735	83,610	84,267	107	(1,249)
Total assets	369,621	127,286	160,964	63,909	17,462
Liabilities:					
Future policy benefits	55,520	7,363	14,049	33,477	631
Policyholders' account balances	74,122	21,133	38,941	15,443	(1,395)
Debt	17,243	2,131	2,500	1,130	11,482
Other liabilities	35,577	6,884	15,357	8,236	5,100
Separate account liabilities	166,735	83,610	84,267	107	(1,249)
Total liabilities	349,197	121,121	155,114	58,393	14,569
Attributed Equity:					
Accumulated other comprehensive income (loss)	(180)	(47)	(114)	91	(110)
Other attributed equity	20,604	6,212	5,964	5,425	3,003
Total attributed equity	20,424	6,165	5,850	5,516	2,893
Total liabilities and attributed equity	369,621	127,286	160,964	63,909	17,462

	As of December 31, 2005				
	Total			International	
	Financial	Insurance	Investment	Insurance &	Corporate
	Services	Division	Division	Investments	and Other
	Businesses			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 June 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	5	4,363	4,368	353	3,846	4,199
Investment related	5,574	3,046	8,620	5,442	2,449	7,891
Securities business related	3,020	-	3,020	2,758	107	2,865
Specified other businesses	1,122	57	1,179	893	63	956
Limited recourse and non-recourse borrowing	2	54	56	1	55	56
Total debt - Financial Services Businesses	<u>9,723</u>	<u>7,520</u>	<u>17,243</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>17.6%</u>			<u>17.2%</u>
Closed Block Business						
Investment related	1,738	-	1,738	1,667	-	1,667
Limited recourse and non-recourse borrowing	-	1,750	1,750	-	1,750	1,750
Total debt	<u>1,738</u>	<u>1,750</u>	<u>3,488</u>	<u>1,667</u>	<u>1,750</u>	<u>3,417</u>

	As of June 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	3,070	1,298	-	4,368	2,902	1,297	-	4,199
Investment related	4,725	3,895	-	8,620	4,173	3,718	-	7,891
Securities business related	868	1,344	808	3,020	1,117	1,173	575	2,865
Specified other businesses	88	876	215	1,179	116	692	148	956
Limited recourse and non-recourse borrowing	-	-	56	56	-	-	56	56
Total debt - Financial Services Businesses	<u>8,751</u>	<u>7,413</u>	<u>1,079</u>	<u>17,243</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 June 30, 2006 and December 31, 2005, respectively.

COMBINED STATEMENTS OF OPERATIONS - INSURANCE DIVISION
 (in millions)

Year-to-date		% Change		2005			2006	
2006	2005			2Q	3Q	4Q	1Q	2Q
1,987	1,873	6%	Revenues (1):					
1,102	1,009	9%	Premiums					
862	854	1%	Policy charges and fee income					
341	300	14%	Net investment income					
4,292	4,036	6%	Asset management fees, commissions and other income					
			Total revenues					
			Benefits and Expenses (1):					
2,214	2,081	6%	Insurance and annuity benefits					
361	360	0%	Interest credited to policyholders' account balances					
58	50	16%	Interest expense					
(484)	(399)	-21%	Deferral of acquisition costs					
273	253	8%	Amortization of acquisition costs					
1,325	1,170	13%	General and administrative expenses					
3,747	3,515	7%	Total benefits and expenses					
545	521	5%	Adjusted operating income before income taxes					

(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.

COMBINING STATEMENTS OF OPERATIONS - INSURANCE DIVISION
 (in millions)

	Quarter Ended June 30, 2006				
	Total	Individual	Group	Individual Life and Annuities	
	Insurance	Life and		Individual	Individual
	Division	Annuities	Insurance	Life	Annuities
Revenues (1):					
Premiums	1,005	119	886	103	16
Policy charges and fee income	559	495	64	270	225
Net investment income	441	287	154	137	150
Asset management fees, commissions and other income	166	153	13	75	78
Total revenues	<u>2,171</u>	<u>1,054</u>	<u>1,117</u>	<u>585</u>	<u>469</u>
Benefits and Expenses (1):					
Insurance and annuity benefits	1,144	250	894	199	51
Interest credited to policyholders' account balances	181	133	48	50	83
Interest expense	28	28	-	18	10
Deferral of acquisition costs	(228)	(216)	(12)	(83)	(133)
Amortization of acquisition costs	142	142	-	91	51
General and administrative expenses (2)	657	499	158	214	285
Total benefits and expenses	<u>1,924</u>	<u>836</u>	<u>1,088</u>	<u>489</u>	<u>347</u>
Adjusted operating income before income taxes	<u>247</u>	<u>218</u>	<u>29</u>	<u>96</u>	<u>122</u>
Quarter Ended June 30, 2005					
	Total	Individual	Group	Individual Life and Annuities	
	Insurance	Life and		Individual	Individual
	Division	Annuities	Insurance	Life	Annuities
Revenues (1):					
Premiums	938	105	833	93	12
Policy charges and fee income	505	436	69	259	177
Net investment income	421	273	148	119	154
Asset management fees, commissions and other income	164	154	10	77	77
Total revenues	<u>2,028</u>	<u>968</u>	<u>1,060</u>	<u>548</u>	<u>420</u>
Benefits and Expenses (1):					
Insurance and annuity benefits	1,029	211	818	160	51
Interest credited to policyholders' account balances	183	131	52	44	87
Interest expense	25	21	4	15	6
Deferral of acquisition costs	(234)	(196)	(38)	(79)	(117)
Amortization of acquisition costs	126	125	1	70	55
General and administrative expenses (2)	633	456	177	219	237
Total benefits and expenses	<u>1,762</u>	<u>748</u>	<u>1,014</u>	<u>429</u>	<u>319</u>
Adjusted operating income before income taxes	<u>266</u>	<u>220</u>	<u>46</u>	<u>119</u>	<u>101</u>

(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.

(2) General and administrative expenses for Individual Annuities include \$15 million for the quarter ended June 30, 2006 and \$8 million for the quarter ended June 30, 2005 for the amortization, net of interest, of value of business acquired (VOBA) associated with the American Skandia and Allstate acquisitions.

COMBINING STATEMENTS OF OPERATIONS - INSURANCE DIVISION
 (in millions)

	Six Months Ended June 30, 2006				
	Total	Individual	Group	Individual Life and Annuities	
	Insurance	Life and		Individual	Individual
	Division	Annuities	Insurance	Life	Annuities
Revenues (1):					
Premiums	1,987	234	1,753	203	31
Policy charges and fee income	1,102	961	141	536	425
Net investment income	862	559	303	264	295
Asset management fees, commissions and other income	341	312	29	141	171
Total revenues	4,292	2,066	2,226	1,144	922
Benefits and Expenses (1):					
Insurance and annuity benefits	2,214	460	1,754	360	100
Interest credited to policyholders' account balances	361	264	97	98	166
Interest expense	58	55	3	35	20
Deferral of acquisition costs	(484)	(415)	(69)	(163)	(252)
Amortization of acquisition costs	273	273	-	165	108
General and administrative expenses (2)	1,325	960	365	420	540
Total benefits and expenses	3,747	1,597	2,150	915	682
Adjusted operating income before income taxes	545	469	76	229	240

	Six Months Ended June 30, 2005				
	Total	Individual	Group	Individual Life and Annuities	
	Insurance	Life and		Individual	Individual
	Division	Annuities	Insurance	Life	Annuities
Revenues (1):					
Premiums	1,873	222	1,651	185	37
Policy charges and fee income	1,009	866	143	520	346
Net investment income	854	555	299	244	311
Asset management fees, commissions and other income	300	281	19	131	150
Total revenues	4,036	1,924	2,112	1,080	844
Benefits and Expenses (1):					
Insurance and annuity benefits	2,081	436	1,645	323	113
Interest credited to policyholders' account balances	360	257	103	86	171
Interest expense	50	41	9	30	11
Deferral of acquisition costs	(399)	(353)	(46)	(153)	(200)
Amortization of acquisition costs	253	251	2	142	109
General and administrative expenses (2)	1,170	855	315	416	439
Total benefits and expenses	3,515	1,487	2,028	844	643
Adjusted operating income before income taxes	521	437	84	236	201

(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.

(2) General and administrative expenses for Individual Annuities include \$26 million for the six months ended June 30, 2006 and \$16 million for the six months ended June 30, 2005 for the amortization, net of interest, of value of business acquired (VOBA) associated with the American Skandia and Allstate acquisitions.

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

Year-to-date		2005			2006	
2006	2005	2Q	3Q	4Q	1Q	2Q
SALES AND ACCOUNT VALUES:						
Variable Annuities:						
50,778	47,418	46,386	47,402	49,484	50,778	53,181
4,629	3,212	1,779	1,930	1,964	2,129	2,500
<u>(3,342)</u>	<u>(2,858)</u>	<u>(1,470)</u>	<u>(1,397)</u>	<u>(1,436)</u>	<u>(1,585)</u>	<u>(1,757)</u>
1,287	354	309	533	528	544	743
<u>(410)</u>	<u>(341)</u>	<u>(170)</u>	<u>(179)</u>	<u>(158)</u>	<u>(185)</u>	<u>(225)</u>
877	13	139	354	370	359	518
1,228	289	1,037	1,904	1,106	2,228	(1,000)
<u>(388)</u>	<u>(318)</u>	<u>(160)</u>	<u>(176)</u>	<u>(182)</u>	<u>(184)</u>	<u>(204)</u>
16,312	-	-	-	-	-	16,312
<u>68,807</u>	<u>47,402</u>	<u>47,402</u>	<u>49,484</u>	<u>50,778</u>	<u>53,181</u>	<u>68,807</u>
Fixed Annuities:						
3,991	3,879	3,879	4,064	4,033	3,991	3,941
60	295	243	39	27	28	32
<u>(161)</u>	<u>(109)</u>	<u>(53)</u>	<u>(56)</u>	<u>(66)</u>	<u>(69)</u>	<u>(92)</u>
(101)	186	190	(17)	(39)	(41)	(60)
<u>(85)</u>	<u>(84)</u>	<u>(43)</u>	<u>(35)</u>	<u>(41)</u>	<u>(43)</u>	<u>(42)</u>
(186)	102	147	(52)	(80)	(84)	(102)
68	86	40	22	39	35	33
<u>(2)</u>	<u>(3)</u>	<u>(2)</u>	<u>(1)</u>	<u>(1)</u>	<u>(1)</u>	<u>(1)</u>
<u>3,871</u>	<u>4,064</u>	<u>4,064</u>	<u>4,033</u>	<u>3,991</u>	<u>3,941</u>	<u>3,871</u>
SALES BY DISTRIBUTION CHANNEL:						
<u>Variable and Fixed Annuities (1):</u>						
886	730	382	373	391	405	481
460	217	123	149	176	194	266
<u>3,343</u>	<u>2,560</u>	<u>1,517</u>	<u>1,447</u>	<u>1,424</u>	<u>1,558</u>	<u>1,785</u>
<u>4,689</u>	<u>3,507</u>	<u>2,022</u>	<u>1,969</u>	<u>1,991</u>	<u>2,157</u>	<u>2,532</u>
VARIABLE ANNUITY MINIMUM DEATH BENEFIT GUARANTEES (3):						
<i>Return of net deposits:</i>						
		26,224	27,646	28,290	29,988	32,897
		2,346	2,085	1,974	1,751	1,870
<i>Minimum return, anniversary contract value, or maximum contract value:</i>						
		15,814	16,528	17,022	17,755	30,594
		2,183	1,918	1,809	1,600	3,378
<u>Variable Annuity Account Values with Living Benefit Features (3):</u>						
		6,368	6,823	7,162	7,738	9,231
		700	765	815	885	1,678
		2,756	2,941	3,052	3,203	7,047
		<u>869</u>	<u>1,870</u>	<u>2,951</u>	<u>4,155</u>	<u>5,304</u>
		<u>10,693</u>	<u>12,399</u>	<u>13,980</u>	<u>15,981</u>	<u>23,260</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						
2006	2005	2005			2006	
		2Q	3Q	4Q	1Q	2Q
SALES:						
Excluding corporate-owned life insurance:						
45	37	18	19	27	21	24
83	104	53	54	56	40	43
65	59	30	30	33	31	34
193	200	101	103	116	92	101
5	2	1	3	2	1	4
198	202	102	106	118	93	105
Corporate-owned life insurance						
Total						
SALES BY DISTRIBUTION CHANNEL:						
Excluding corporate-owned life insurance:						
90	114	54	48	50	45	45
103	86	47	55	66	47	56
5	2	1	3	2	1	4
198	202	102	106	118	93	105
Corporate-owned life insurance						
Total						
ACCOUNT VALUE ACTIVITY:						
Policyholders' Account Balances (1):						
5,694	5,284	5,424	5,532	5,619	5,694	5,802
639	632	343	287	289	307	332
(520)	(387)	(214)	(212)	(216)	(242)	(278)
119	245	129	75	73	65	54
(69)	(58)	(27)	(29)	(39)	(37)	(32)
50	187	102	46	34	28	22
143	67	11	42	45	83	60
121	89	44	50	49	55	66
(117)	(95)	(49)	(51)	(53)	(58)	(59)
5,891	5,532	5,532	5,619	5,694	5,802	5,891
Separate Account Liabilities:						
16,170	15,180	14,912	15,207	15,808	16,170	16,682
633	641	331	308	407	301	332
(375)	(298)	(157)	(206)	(149)	(177)	(198)
258	343	174	102	258	124	134
(18)	(9)	1	(4)	(5)	(9)	(9)
240	334	175	98	253	115	125
425	183	364	756	359	653	(228)
(121)	(89)	(44)	(50)	(49)	(55)	(66)
(401)	(401)	(200)	(203)	(201)	(201)	(200)
16,313	15,207	15,207	15,808	16,170	16,682	16,313
FACE AMOUNT IN FORCE (2):						
Variable life						
Universal life						
Term life						
Total						

(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		2005			2006	
2006	2005	2Q	3Q	4Q	1Q	2Q
INDIVIDUAL ANNUITIES:						
<i>Account Values in General Account (1):</i>						
9,231	9,613	9,662	9,782	9,437	9,231	8,850
170	493	308	87	69	74	96
(586)	(483)	(244)	(202)	(250)	(273)	(313)
(416)	10	64	(115)	(181)	(199)	(217)
(186)	(164)	(82)	(67)	(72)	(94)	(92)
(602)	(154)	(18)	(182)	(253)	(293)	(309)
175	182	92	91	88	86	89
366	145	48	(252)	(39)	(173)	539
(2)	(4)	(2)	(2)	(2)	(1)	(1)
1,554	-	-	-	-	-	1,554
<u>10,722</u>	<u>9,782</u>	<u>9,782</u>	<u>9,437</u>	<u>9,231</u>	<u>8,850</u>	<u>10,722</u>
<i>Account Values in Separate Account:</i>						
45,538	41,684	40,602	41,684	44,080	45,538	48,272
4,519	3,014	1,714	1,882	1,922	2,083	2,436
(2,917)	(2,485)	(1,279)	(1,251)	(1,252)	(1,380)	(1,537)
1,602	529	435	631	670	703	899
(309)	(261)	(131)	(146)	(127)	(134)	(175)
1,293	268	304	485	543	569	724
1,121	194	986	1,834	1,057	2,177	(1,056)
(366)	(145)	(48)	252	39	173	(539)
(388)	(317)	(160)	(175)	(181)	(185)	(203)
14,758	-	-	-	-	-	14,758
<u>61,956</u>	<u>41,684</u>	<u>41,684</u>	<u>44,080</u>	<u>45,538</u>	<u>48,272</u>	<u>61,956</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		2Q	3Q	4Q	1Q	2Q
INDIVIDUAL LIFE INSURANCE:							
3,187	3,151	Beginning balance	3,210	3,162	3,158	3,187	3,253
163	153	Capitalization	79	79	82	80	83
(165)	(142)	Amortization - operating results	(70)	(152)	(75)	(74)	(91)
-	-	Amortization - realized investment gains and losses	-	-	-	-	-
92	-	Impact of unrealized (gains) or losses on AFS securities	(57)	69	22	60	32
<u>3,277</u>	<u>3,162</u>	Ending balance	<u>3,162</u>	<u>3,158</u>	<u>3,187</u>	<u>3,253</u>	<u>3,277</u>
INDIVIDUAL ANNUITIES:							
1,256	907	Beginning balance	1,012	1,049	1,155	1,256	1,337
252	200	Capitalization	117	108	113	119	133
(108)	(109)	Amortization - operating results	(55)	(27)	(37)	(57)	(51)
8	1	Amortization - realized investment gains and losses	2	(4)	2	-	8
62	50	Impact of unrealized (gains) or losses on AFS securities	(27)	29	23	19	43
<u>1,470</u>	<u>1,049</u>	Ending balance	<u>1,049</u>	<u>1,155</u>	<u>1,256</u>	<u>1,337</u>	<u>1,470</u>
GROUP INSURANCE:							
170	111	Beginning balance	118	155	169	170	227
69	46	Capitalization	38	15	1	57	12
-	(2)	Amortization - operating results	(1)	(1)	-	-	-
-	-	Amortization - realized investment gains and losses	-	-	-	-	-
-	-	Impact of unrealized losses on AFS securities	-	-	-	-	-
<u>239</u>	<u>155</u>	Ending balance	<u>155</u>	<u>169</u>	<u>170</u>	<u>227</u>	<u>239</u>
TOTAL INSURANCE DIVISION:							
4,613	4,169	Beginning balance	4,340	4,366	4,482	4,613	4,817
484	399	Capitalization	234	202	196	256	228
(273)	(253)	Amortization - operating results	(126)	(180)	(112)	(131)	(142)
8	1	Amortization - realized investment gains and losses	2	(4)	2	-	8
154	50	Impact of unrealized (gains) or losses on AFS securities	(84)	98	45	79	75
<u>4,986</u>	<u>4,366</u>	Ending balance	<u>4,366</u>	<u>4,482</u>	<u>4,613</u>	<u>4,817</u>	<u>4,986</u>

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

Year-to-date			2005			2006	
2006	2005		2Q	3Q	4Q	1Q	2Q
Individual Life Insurance:							
Policy Surrender Experience:							
403	321	Cash value of surrenders	166	214	163	191	212
4.1%	3.3%	Cash value of surrenders as a percentage of mean future policy benefits, policyholders' account balances, and separate account balances	3.4%	4.3%	3.2%	3.7%	3.9%
Death benefits per \$1,000 of in force (1):							
3.24	2.98	Variable and universal life	2.88	2.95	3.04	2.87	3.59
1.22	1.33	Term life	1.32	1.27	0.89	1.09	1.64
2.75	2.69	Total, Individual Life Insurance	2.67	2.63	2.63	2.50	3.20

(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	2Q	3Q	4Q	1Q	2Q
GROUP INSURANCE NEW ANNUALIZED PREMIUMS:						
231	304	30	32	34	206	25
92	122	46	15	17	74	18
<u>323</u>	<u>426</u>	<u>76</u>	<u>47</u>	<u>51</u>	<u>280</u>	<u>43</u>
Future Policy Benefits (2):						
		1,837	1,803	2,004	1,967	1,980
		375	395	413	474	496
		<u>2,212</u>	<u>2,198</u>	<u>2,417</u>	<u>2,441</u>	<u>2,476</u>
Policyholders' Account Balances (2):						
		4,573	4,555	4,916	4,935	5,178
		85	90	98	95	101
		<u>4,658</u>	<u>4,645</u>	<u>5,014</u>	<u>5,030</u>	<u>5,279</u>
Separate Account Liabilities (2):						
		15,954	15,983	15,811	21,156	20,035
		-	-	-	-	-
		<u>15,954</u>	<u>15,983</u>	<u>15,811</u>	<u>21,156</u>	<u>20,035</u>
Group Life Insurance:						
1,745	1,377	683	668	964	791	954
1,507	1,421	707	694	707	755	752
93.7%	89.9%	89.7%	89.5%	86.4%	92.1%	95.4%
8.5%	9.3%	9.7%	10.3%	7.3%	9.4%	7.9%
		96.4%	95.6%	95.2%	96.5%	95.9%
Group Disability Insurance (1):						
402	398	210	193	190	199	203
387	373	195	184	182	189	198
88.4%	98.7%	94.9%	91.3%	92.9%	87.3%	89.4%
21.6%	20.6%	19.1%	20.7%	21.6%	21.6%	21.7%
		90.2%	87.1%	85.4%	94.2%	92.2%

(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		2Q	3Q	4Q	1Q	2Q
Revenues (1):							
122	144	-15%	103	106	70	92	30
91	94	-3%	48	46	48	48	43
1,774	1,535	16%	765	810	820	853	921
1,393	1,208	15%	592	648	645	741	652
<u>3,380</u>	<u>2,981</u>	13%	<u>1,508</u>	<u>1,610</u>	<u>1,583</u>	<u>1,734</u>	<u>1,646</u>
Benefits and Expenses (1):							
504	487	3%	272	296	266	269	235
881	781	13%	397	431	421	429	452
108	47	130%	25	23	45	46	62
(44)	(33)	-33%	(16)	(13)	(15)	(22)	(22)
30	28	7%	14	13	13	13	17
1,345	1,217	11%	666	603	857	759	586
<u>2,824</u>	<u>2,527</u>	12%	<u>1,358</u>	<u>1,353</u>	<u>1,587</u>	<u>1,494</u>	<u>1,330</u>
<u>556</u>	<u>454</u>	22%	<u>150</u>	<u>257</u>	<u>(4)</u>	<u>240</u>	<u>316</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)

	Six Months Ended June 30, 2006				Quarter Ended June 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	122	-	-	122	30	-	-	30
Policy charges and fee income	91	-	-	91	43	-	-	43
Net investment income	1,774	93	18	1,663	921	51	9	861
Asset management fees, commissions and other income	1,393	878	288	227	652	418	119	115
Total revenues	3,380	971	306	2,103	1,646	469	128	1,049
Benefits and Expenses (1):								
Insurance and annuity benefits	504	-	-	504	235	-	-	235
Interest credited to policyholders' account balances	881	-	-	881	452	-	-	452
Interest expense	108	15	-	93	62	9	-	53
Deferral of acquisition costs	(44)	(11)	-	(33)	(22)	(6)	-	(16)
Amortization of acquisition costs	30	15	-	15	17	8	-	9
General and administrative expenses	1,345	646	335	364	586	321	91	174
Total benefits and expenses	2,824	665	335	1,824	1,330	332	91	907
Adjusted operating income before income taxes	556	306	(29)	279	316	137	37	142
Six Months Ended June 30, 2005								
Quarter Ended June 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	144	-	-	144	103	-	-	103
Policy charges and fee income	94	-	-	94	48	-	-	48
Net investment income	1,535	42	4	1,489	765	15	3	747
Asset management fees, commissions and other income	1,208	777	203	228	592	386	92	114
Total revenues	2,981	819	207	1,955	1,508	401	95	1,012
Benefits and Expenses (1):								
Insurance and annuity benefits	487	-	-	487	272	-	-	272
Interest credited to policyholders' account balances	781	-	-	781	397	-	-	397
Interest expense	47	7	-	40	25	4	-	21
Deferral of acquisition costs	(33)	(9)	-	(24)	(16)	(5)	-	(11)
Amortization of acquisition costs	28	18	-	10	14	9	-	5
General and administrative expenses	1,217	564	289	364	666	288	192	186
Total benefits and expenses	2,527	580	289	1,658	1,358	296	192	870
Adjusted operating income before income taxes	454	239	(82)	297	150	105	(97)	142

(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 INFORMATION FOR ASSET MANAGEMENT SEGMENT
(in millions)

Year-to-date		%		2005			2006	
2006	2005			2Q	3Q	4Q	1Q	2Q
		Change	Asset Management Segment:					
			Analysis of revenues by source:					
			Investment Management and Advisory Services:					
			Retail customers					
130	115	13%	57	60	69	65	65	
349	283	23%	149	151	159	191	158	
142	130	9%	65	63	64	71	71	
621	528	18%	271	274	292	327	294	
350	291	20%	130	167	144	175	175	
971	819	19%	401	441	436	502	469	
			Subtotal					
			Mutual Fund, managed account and other revenues (1)					
			Total Asset Management segment revenues					
			Analysis of asset management fees, commissions and other income by type:					
			Investment Management and Advisory Services:					
			Asset-based fees					
564	473	19%	247	249	253	291	273	
38	40	-5%	19	14	28	29	9	
602	513	17%	266	263	281	320	282	
276	264	5%	120	145	125	140	136	
878	777	13%	386	408	406	460	418	
			Subtotal					
			Mutual Fund, managed account and other revenues (1)					
			Total					

(1) Represents mutual fund, managed account and other revenues other than asset management fees, which are included in appropriate categories above.

INVESTMENT DIVISION - ASSETS UNDER MANAGEMENT FOR INVESTMENT MANAGEMENT AND ADVISORY SERVICES OPERATIONS
(in billions)

	June 30, 2006			Total
	Equity	Fixed Income	Real Estate	
Retail customers	53.5	20.4	1.2	75.1
Institutional customers	49.7	68.9	19.9	138.5
General account	3.6	155.0	1.1	159.7
Total	106.8	244.3	22.2	373.3

	June 30, 2005			Total
	Equity	Fixed Income	Real Estate	
Retail customers	46.0	18.2	1.5	65.7
Institutional customers	42.9	66.6	15.8	125.3
General account	3.1	153.4	1.1	157.6
Total	92.0	238.2	18.4	348.6

Year-to-date			2005			2006	
2006	2005		2Q	3Q	4Q	1Q	2Q
Institutional Assets Under Management:							
Assets gathered by Investment Management & Advisory Services sales force:							
101.3	84.8	Beginning assets under management	85.7	91.1	95.0	101.3	106.7
12.6	8.5	Additions to managed portfolio (1)	5.0	7.1	7.3	7.3	5.3
(8.4)	(4.3)	Withdrawals	(2.1)	(5.1)	(3.1)	(4.0)	(4.4)
1.5	2.1	Change in market value	2.7	2.2	2.0	1.9	(0.4)
0.1	-	Net money market flows	(0.2)	(0.3)	0.1	0.2	(0.1)
107.1	91.1	Ending assets under management	91.1	95.0	101.3	106.7	107.1
31.4	34.2	Other institutional assets under management	34.2	34.8	33.4	32.0	31.4
138.5	125.3	Total assets managed for institutional customers at end of period	125.3	129.8	134.7	138.7	138.5

(1) Additions to managed portfolio include \$1.8 billion for the six months ended June 30, 2006, \$.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 from the Retirement segment.

INVESTMENT DIVISION - MUTUAL FUNDS AND WRAP-FEE PRODUCTS
(in millions)

Year-to-date		2005			2006	
2006	2005	2Q	3Q	4Q	1Q	2Q
Mutual Funds Assets Under Management:						
31,336	30,686	29,894	30,446	31,050	31,336	32,577
3,589	2,162	1,288	1,023	1,387	1,380	2,209
(3,288)	(3,174)	(1,582)	(1,893)	(1,618)	(1,614)	(1,674)
684	674	1,174	1,691	445	1,199	(515)
1,131	98	(328)	(217)	72	276	855
<u>33,452</u>	<u>30,446</u>	<u>30,446</u>	<u>31,050</u>	<u>31,336</u>	<u>32,577</u>	<u>33,452</u>
301	(1,012)	(294)	(870)	(231)	(234)	535
Wrap-fee Products Assets Under Administration:						
55,191	41,254	43,054	46,621	51,752	55,191	60,826
13,833	11,295	5,623	5,418	5,492	7,207	6,626
(8,128)	(5,572)	(2,735)	(2,608)	(3,177)	(4,331)	(3,797)
1,573	(356)	679	2,321	1,124	2,759	(1,186)
<u>62,469</u>	<u>46,621</u>	<u>46,621</u>	<u>51,752</u>	<u>55,191</u>	<u>60,826</u>	<u>62,469</u>
5,705	5,723	2,888	2,810	2,315	2,876	2,829
MUTUAL FUNDS AND WRAP-FEE PRODUCTS GROSS SALES BY DISTRIBUTION CHANNEL						
<u>Mutual funds, excluding wrap-fee products (1):</u>						
218	197	93	82	83	105	113
3,362	1,805	1,041	938	1,299	1,271	2,091
9	160	154	3	5	4	5
<u>3,589</u>	<u>2,162</u>	<u>1,288</u>	<u>1,023</u>	<u>1,387</u>	<u>1,380</u>	<u>2,209</u>
<u>Wrap-fee products:</u>						
394	349	174	192	167	196	198
13,439	10,946	5,449	5,226	5,325	7,011	6,428
<u>13,833</u>	<u>11,295</u>	<u>5,623</u>	<u>5,418</u>	<u>5,492</u>	<u>7,207</u>	<u>6,626</u>

(1) Other than money market.

(2) 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		2005			2006	
2006	2005	2Q	3Q	4Q	1Q	2Q
Information pertaining to Wachovia Securities Financial Holdings, LLC:						
Revenues:						
148	117	61	65	70	72	76
934	939	457	464	449	483	451
1,037	898	455	459	485	503	534
86	70	41	53	47	53	33
2,205	2,024	1,014	1,041	1,051	1,111	1,094
Expenses:						
1,859	1,756	885	881	892	933	926
-	65	37	-	-	-	-
1,859	1,821	922	881	892	933	926
346	203	92	160	159	178	168
131	77	35	61	60	68	63
(2)	(5)	(2)	(2)	1	1	(3)
129	72	33	59	61	69	60
Recurring revenue as a percentage of total non-interest revenue (1)						
		47.6%	47.7%	48.2%	48.4%	49.0%
Total client assets (\$ in billions) (2)						
		655.6	683.1	683.6	688.7	704.3
Distribution representatives (2):						
		7,833	7,941	8,028	7,926	7,973
		2,456	2,493	2,458	2,454	2,541
Customer debit balances (\$ in billions) (2)						
		5.7	5.6	5.8	5.4	5.1
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						
(77)	(86)	(98)	37	(206)	(107)	30

(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	2Q	3Q	4Q	1Q	2Q
RETIREMENT SALES AND ACCOUNT VALUES						
Full Service:						
88,385	83,891	83,927	85,331	88,337	88,385	91,854
9,519	6,451	2,667	3,509	3,046	5,381	4,138
(8,883)	(6,186)	(2,837)	(3,202)	(4,530)	(5,471)	(3,412)
2,516	1,175	1,574	2,699	1,532	3,559	(1,043)
<u>91,537</u>	<u>85,331</u>	<u>85,331</u>	<u>88,337</u>	<u>88,385</u>	<u>91,854</u>	<u>91,537</u>
<u>636</u>	<u>265</u>	<u>(170)</u>	<u>307</u>	<u>(1,484)</u>	<u>(90)</u>	<u>726</u>
		31,937	31,967	31,266	30,696	30,784
Institutional Investment Products:						
48,080	47,680	47,698	48,612	48,917	48,080	47,215
2,624	2,478	1,235	802	785	1,536	1,088
(3,881)	(2,403)	(1,222)	(896)	(2,234)	(2,452)	(1,429)
605	1,446	1,128	311	562	182	423
(515)	(589)	(227)	88	50	(131)	(384)
<u>46,913</u>	<u>48,612</u>	<u>48,612</u>	<u>48,917</u>	<u>48,080</u>	<u>47,215</u>	<u>46,913</u>
<u>(1,257)</u>	<u>75</u>	<u>13</u>	<u>(94)</u>	<u>(1,449)</u>	<u>(916)</u>	<u>(341)</u>

(1) Withdrawals and benefits include \$1.8 billion for the six months ended June 30, 2006, \$.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			2Q	3Q	4Q	1Q	2Q
			Revenues (1):					
3,050	3,098	-2%	1,550	1,562	1,438	1,533	1,517	
146	137	7%	66	67	60	76	70	
673	620	9%	315	333	371	330	343	
310	207	50%	87	114	151	160	150	
<u>4,179</u>	<u>4,062</u>	3%	<u>2,018</u>	<u>2,076</u>	<u>2,020</u>	<u>2,099</u>	<u>2,080</u>	
			Benefits and Expenses (1):					
2,427	2,453	-1%	1,200	1,250	1,162	1,224	1,203	
118	103	15%	55	54	50	57	61	
7	12	-42%	6	7	3	3	4	
(513)	(518)	1%	(261)	(243)	(242)	(256)	(257)	
231	211	9%	104	90	89	116	115	
1,169	1,145	2%	568	535	581	573	596	
<u>3,439</u>	<u>3,406</u>	1%	<u>1,672</u>	<u>1,693</u>	<u>1,643</u>	<u>1,717</u>	<u>1,722</u>	
<u>740</u>	<u>656</u>	13%	<u>346</u>	<u>383</u>	<u>377</u>	<u>382</u>	<u>358</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.

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

	Six Months Ended June 30, 2006				Quarter Ended June 30, 2006			
	Total	International	International	International	Total	International	International	International
	International	Insurance	Insurance	Investments	International	Insurance	Insurance	Investments
	Insurance & Investments	- Life Planner	Insurance - Gibraltar Life	Investments	Insurance & Investments	- Life Planner	Insurance - Gibraltar Life	Investments
Division	Operations	Gibraltar Life	Investments	Division	Operations	Gibraltar Life	Investments	
Revenues (1):								
Premiums	3,050	1,966	1,084	-	1,517	977	540	-
Policy charges and fee income	146	109	37	-	70	51	19	-
Net investment income	673	318	342	13	343	162	175	6
Asset management fees, commissions and other income	310	21	6	283	150	7	3	140
Total revenues	4,179	2,414	1,469	296	2,080	1,197	737	146
Benefits and Expenses (1):								
Insurance and annuity benefits	2,427	1,513	914	-	1,203	744	459	-
Interest credited to policyholders' account balances	118	54	64	-	61	27	34	-
Interest expense	7	6	-	1	4	3	-	1
Deferral of acquisition costs	(513)	(370)	(143)	-	(257)	(179)	(78)	-
Amortization of acquisition costs	231	184	47	-	115	93	22	-
General and administrative expenses	1,169	577	375	217	596	287	198	111
Total benefits and expenses	3,439	1,964	1,257	218	1,722	975	635	112
Adjusted operating income before income taxes	740	450	212	78	358	222	102	34
Six Months Ended June 30, 2005								
Quarter Ended June 30, 2005								
Total								
International	International	International	International	International	International	International	International	International
Insurance & Investments	Insurance	Insurance	Investments	Insurance & Investments	Insurance	Insurance	Investments	Insurance & Investments
Division	- Life Planner	Insurance - Gibraltar Life	Investments	Division	- Life Planner	Insurance - Gibraltar Life	Investments	Division
Operations	Operations	Gibraltar Life	Investments	Operations	Operations	Gibraltar Life	Investments	Operations
Revenues (1):								
Premiums	3,098	1,875	1,223	-	1,550	911	639	-
Policy charges and fee income	137	99	38	-	66	46	20	-
Net investment income	620	284	326	10	315	140	170	5
Asset management fees, commissions and other income	207	(15)	(2)	224	87	(13)	(1)	101
Total revenues	4,062	2,243	1,585	234	2,018	1,084	828	106
Benefits and Expenses (1):								
Insurance and annuity benefits	2,453	1,456	997	-	1,200	686	514	-
Interest credited to policyholders' account balances	103	54	49	-	55	29	26	-
Interest expense	12	11	(1)	2	6	5	-	1
Deferral of acquisition costs	(518)	(385)	(133)	-	(261)	(190)	(71)	-
Amortization of acquisition costs	211	152	59	-	104	76	28	-
General and administrative expenses	1,145	593	364	188	568	295	187	86
Total benefits and expenses	3,406	1,881	1,335	190	1,672	901	684	87
Adjusted operating income before income taxes	656	362	250	44	346	183	144	19

(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		2005			2006	
2006	2005	2Q	3Q	4Q	1Q	2Q
Japanese Yen Basis Results:						
Revenues (1):						
¥ 190,904	¥ 173,044	¥ 82,958	¥ 85,595	¥ 92,934	¥ 98,534	¥ 92,370
169,037	167,763	88,530	95,340	84,366	84,650	84,387
359,941	340,807	171,488	180,935	177,300	183,184	176,757
Benefits and Expenses (1):						
152,181	138,625	65,271	64,755	71,278	77,842	74,339
145,707	140,502	72,737	79,787	71,963	72,640	73,067
297,888	279,127	138,008	144,542	143,241	150,482	147,406
Adjusted operating income (2):						
38,723	34,419	17,687	20,840	21,656	20,692	18,031
23,330	27,261	15,793	15,553	12,403	12,010	11,320
¥ 62,053	¥ 61,680	¥ 33,480	¥ 36,393	¥ 34,059	¥ 32,702	¥ 29,351
U.S. Dollar adjusted operating income (3):						
\$ 368	\$ 313	\$ 159	\$ 190	\$ 197	\$ 196	\$ 172
212	250	144	141	111	110	102
580	563	303	331	308	306	274
82	49	24	27	32	32	50
\$ 662	\$ 612	\$ 327	\$ 358	\$ 340	\$ 338	\$ 324

- (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	2Q	3Q	4Q	1Q	2Q
INTERNATIONAL INSURANCE OPERATING DATA:						
Actual exchange rate basis (1):						
Net premiums, policy charges and fee income:						
1,424	1,411	670	658	630	731	693
1,121	1,261	659	681	564	562	559
651	563	287	290	304	316	335
<u>3,196</u>	<u>3,235</u>	<u>1,616</u>	<u>1,629</u>	<u>1,498</u>	<u>1,609</u>	<u>1,587</u>
Annualized new business premiums:						
251	350	179	117	109	138	113
207	167	96	82	74	73	134
150	134	68	64	82	78	72
<u>608</u>	<u>651</u>	<u>343</u>	<u>263</u>	<u>265</u>	<u>289</u>	<u>319</u>
Annualized new business premiums by distribution channel:						
401	484	247	181	191	216	185
188	167	96	82	74	73	115
19	-	-	-	-	-	19
<u>608</u>	<u>651</u>	<u>343</u>	<u>263</u>	<u>265</u>	<u>289</u>	<u>319</u>
Constant exchange rate basis (3):						
Net premiums, policy charges and fee income:						
1,499	1,362	655	664	670	778	721
1,183	1,206	636	685	587	596	587
619	557	284	292	308	304	315
<u>3,301</u>	<u>3,125</u>	<u>1,575</u>	<u>1,641</u>	<u>1,565</u>	<u>1,678</u>	<u>1,623</u>
Annualized new business premiums:						
261	343	176	119	113	145	116
213	160	92	82	77	76	137
143	134	69	63	84	74	69
<u>617</u>	<u>637</u>	<u>337</u>	<u>264</u>	<u>274</u>	<u>295</u>	<u>322</u>
Annualized new business premiums by distribution channel:						
404	477	245	182	197	219	185
194	160	92	82	77	76	118
19	-	-	-	-	-	19
<u>617</u>	<u>637</u>	<u>337</u>	<u>264</u>	<u>274</u>	<u>295</u>	<u>322</u>

(1) Translated based on applicable average exchange rates for the period shown.
(2) Substantially all bank channel distribution represents U.S. dollar denominated Gibraltar Life fixed annuities.
(3) 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	
	2Q	3Q	4Q	1Q	2Q
Face amount of individual policies in force at end of period (in billions) (1)(2): (Constant exchange rate basis)					
Japan, excluding Gibraltar Life	188	191	194	198	200
Gibraltar Life	181	180	179	179	178
All other countries	85	86	88	90	92
Total	<u>454</u>	<u>457</u>	<u>461</u>	<u>467</u>	<u>470</u>
Number of individual policies in force at end of period (in thousands) (2):					
Japan, excluding Gibraltar Life	1,901	1,927	1,956	1,996	2,023
Gibraltar Life	3,961	3,938	3,915	3,890	3,871
All other countries	1,036	1,064	1,098	1,137	1,171
Total	<u>6,898</u>	<u>6,929</u>	<u>6,969</u>	<u>7,023</u>	<u>7,065</u>
International insurance policy persistency:					
<u>Excluding Gibraltar Life:</u>					
13 months	93.1%	93.3%	93.0%	92.8%	93.0%
25 months	86.2%	86.6%	87.1%	87.1%	87.4%
<u>Gibraltar Life:</u>					
13 months	94.3%	94.2%	94.2%	94.3%	94.2%
25 months	85.8%	86.4%	87.3%	87.7%	88.0%
Number of Life Planners at end of period:					
Japan	2,603	2,752	2,753	2,855	2,847
All other countries (3)	2,861	2,874	2,874	2,857	2,879
Total life planners	<u>5,464</u>	<u>5,626</u>	<u>5,627</u>	<u>5,712</u>	<u>5,726</u>
Gibraltar Life Advisors	4,788	5,349	5,436	5,716	5,684

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

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

(3) Life Planner count for All other countries excludes Life Planners associated with discontinued Philippine operations for all periods presented.

INVESTMENT PORTFOLIO COMPOSITION
(in millions)

	June 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	125,864	36,086	89,778	58.1%	122,992	35,885	87,107	58.3%
Public, held to maturity, at amortized cost	3,236	-	3,236	2.1%	3,022	-	3,022	2.0%
Private, available for sale, at fair value	29,865	12,081	17,784	11.5%	30,980	13,361	17,619	11.8%
Private, held to maturity, at amortized cost	319	-	319	0.2%	227	-	227	0.1%
Trading account assets supporting insurance liabilities, at fair value	14,239	-	14,239	9.2%	13,781	-	13,781	9.2%
Other trading account assets, at fair value	117	-	117	0.1%	124	-	124	0.1%
Equity securities, available for sale, at fair value	6,176	3,389	2,787	1.8%	5,840	3,216	2,624	1.8%
Commercial loans	23,747	7,242	16,505	10.7%	23,045	7,264	15,781	10.6%
Policy loans	8,660	5,407	3,253	2.1%	8,370	5,403	2,967	2.0%
Other long-term investments (1)	4,958	828	4,130	2.7%	4,698	973	3,725	2.5%
Short-term investments	3,600	1,189	2,411	1.5%	3,850	1,394	2,456	1.6%
Subtotal (2)	220,781	66,222	154,559	100.0%	216,929	67,496	149,433	100.0%
Invested assets of other entities and operations (3)	10,077	-	10,077		4,472	-	4,472	
Total investments	230,858	66,222	164,636		221,401	67,496	153,905	

Fixed Maturities by Credit Quality (2):

	NAIC Rating (4)	Rating Agency Equivalent	June 30, 2006					December 31, 2005				
			Financial Services Businesses					Financial Services Businesses				
			Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	% of Total	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	% of Total
Public Fixed Maturities:												
1	Aaa, Aa, A		74,285	1,014	1,058	74,241	79.9%	68,042	2,256	298	70,000	77.7%
2	Baa		13,820	405	349	13,876	15.0%	15,407	746	138	16,015	17.8%
Subtotal Investment Grade			88,105	1,419	1,407	88,117	94.9%	83,449	3,002	436	86,015	95.5%
3	Ba		3,085	65	85	3,065	3.3%	2,711	124	43	2,792	3.1%
4	B		1,572	57	51	1,578	1.7%	1,109	71	20	1,160	1.3%
5	C and lower		82	5	3	84	0.1%	102	6	5	103	0.1%
6	In or near default		35	7	2	40	0.0%	28	10	1	37	0.0%
Subtotal Below Investment Grade			4,774	134	141	4,767	5.1%	3,950	211	69	4,092	4.5%
Total			92,879	1,553	1,548	92,884	100.0%	87,399	3,213	505	90,107	100.0%
Private Fixed Maturities:												
1	Aaa, Aa, A		5,934	166	95	6,005	33.2%	5,596	269	27	5,838	32.7%
2	Baa		9,619	310	194	9,735	53.8%	9,437	522	63	9,896	55.5%
Subtotal Investment Grade			15,553	476	289	15,740	87.0%	15,033	791	90	15,734	88.2%
3	Ba		1,248	52	18	1,282	7.1%	1,105	44	7	1,142	6.4%
4	B		593	23	7	609	3.3%	507	33	5	535	3.0%
5	C and lower		290	21	6	305	1.7%	339	23	2	360	2.0%
6	In or near default		155	7	4	158	0.9%	70	8	2	76	0.4%
Subtotal Below Investment Grade			2,286	103	35	2,354	13.0%	2,021	108	16	2,113	11.8%
Total			17,839	579	324	18,094	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 June 30, 2006 and December 31, 2005, respectively, 231 securities with amortized cost of \$5,009 million (fair value \$4,959 million) and 205 securities with amortized cost of \$3,640 million (fair value \$3,681 million) that have been categorized based on expected NAIC designations pending receipt of SVO ratings.

FINANCIAL SERVICES BUSINESSES INVESTMENT PORTFOLIO COMPOSITION
(in millions)

	June 30, 2006		December 31, 2005	
	Amount	% of Total	Amount	% of Total
Japanese Insurance Operations:				
Fixed maturities:				
Public, available for sale, at fair value	31,995	68.6%	30,757	69.6%
Public, held to maturity, at amortized cost	3,236	6.9%	3,022	6.8%
Private, available for sale, at fair value	2,917	6.3%	2,659	6.0%
Private, held to maturity, at amortized cost	319	0.7%	227	0.5%
Trading account assets supporting insurance liabilities, at fair value	1,070	2.3%	1,022	2.3%
Other trading account assets, at fair value	29	0.1%	26	0.1%
Equity securities, available for sale, at fair value	2,223	4.8%	2,021	4.6%
Commercial loans	2,500	5.3%	2,278	5.2%
Policy loans	1,023	2.2%	943	2.1%
Other long-term investments (1)	931	2.0%	941	2.1%
Short-term investments	386	0.8%	326	0.7%
Total	<u>46,629</u>	<u>100.0%</u>	<u>44,222</u>	<u>100.0%</u>

	June 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	57,783	53.5%	56,350	53.7%
Public, held to maturity, at amortized cost	-	0.0%	-	0.0%
Private, available for sale, at fair value	14,867	13.8%	14,960	14.2%
Private, held to maturity, at amortized cost	-	0.0%	-	0.0%
Trading account assets supporting insurance liabilities, at fair value	13,169	12.2%	12,759	12.1%
Other trading account assets, at fair value	88	0.1%	98	0.1%
Equity securities, available for sale, at fair value	564	0.5%	603	0.6%
Commercial loans	14,005	13.0%	13,503	12.8%
Policy loans	2,230	2.1%	2,024	1.9%
Other long-term investments (1)	3,199	2.9%	2,784	2.6%
Short-term investments	2,025	1.9%	2,130	2.0%
Total	<u>107,930</u>	<u>100.0%</u>	<u>105,211</u>	<u>100.0%</u>

(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 June 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	4.81%	1,318	(253)	4.50%	1,148	4
Equity securities	2.74%	16	49	3.59%	20	16
Commercial loans	6.20%	189	2	7.59%	204	121
Policy loans	4.79%	38	-	4.79%	35	-
Short-term investments and cash equivalents	4.97%	78	-	2.78%	47	(5)
Other investments	7.40%	76	(105)	6.92%	68	163
Gross investment income before investment expenses	5.00%	1,715	(307)	4.77%	1,522	299
Investment expenses	-0.25%	(164)	-	-0.22%	(115)	-
Subtotal	4.75%	1,551	(307)	4.55%	1,407	299
Investment results of other entities and operations (2)		319	17		245	12
Less, investment income relating to divested businesses		(5)			(8)	
Total		1,865	(290)		1,644	311

	Six Months Ended June 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	4.79%	2,565	(313)	4.57%	2,292	43
Equity securities	3.32%	38	108	3.87%	42	18
Commercial loans	6.19%	369	(2)	7.44%	397	118
Policy loans	4.85%	75	-	4.75%	69	-
Short-term investments and cash equivalents	4.56%	149	-	2.33%	87	-
Other investments	8.81%	175	(20)	6.49%	130	351
Gross investment income before investment expenses	5.02%	3,371	(227)	4.79%	3,017	530
Investment expenses	-0.24%	(308)	-	-0.22%	(216)	-
Subtotal	4.78%	3,063	(227)	4.57%	2,801	530
Investment results of other entities and operations (2)		614	53		484	51
Less, investment income relating to divested businesses		(11)			(16)	
Total		3,666	(174)		3,269	581

- (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 June 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	2.50%	236	(23)	2.29%	215	(27)
Equity securities	2.53%	12	38	2.60%	11	11
Commercial loans	3.60%	22	6	3.96%	29	117
Policy loans	3.37%	8	-	3.31%	8	-
Short-term investments and cash equivalents	3.93%	5	-	0.54%	1	(5)
Other investments	11.73%	27	(69)	8.80%	27	39
Gross investment income before investment expenses	2.78%	310	(48)	2.59%	291	135
Investment expenses	-0.20%	(23)	-	-0.19%	(21)	-
Total	2.58%	287	(48)	2.40%	270	135

	Six Months Ended June 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	2.48%	460	(17)	2.23%	417	(68)
Equity securities	2.48%	22	90	2.48%	21	12
Commercial loans	3.43%	40	11	4.03%	62	116
Policy loans	3.50%	17	-	3.33%	17	-
Short-term investments and cash equivalents	3.08%	7	-	0.36%	2	-
Other investments	12.54%	57	(98)	8.53%	56	116
Gross investment income before investment expenses	2.77%	603	(14)	2.53%	575	176
Investment expenses	-0.19%	(45)	-	-0.19%	(43)	-
Total	2.58%	558	(14)	2.34%	532	176

(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 June 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	6.14%	1,082	(230)	5.85%	933	31
Equity securities	3.56%	4	11	7.35%	9	5
Commercial loans	6.84%	167	(4)	8.97%	175	4
Policy loans	5.45%	30	-	5.56%	27	-
Short-term investments and cash equivalents	5.09%	73	-	3.11%	46	-
Other investments	6.05%	49	(36)	5.92%	41	124
Gross investment income before investment expenses	6.14%	1,405	(259)	6.01%	1,231	164
Investment expenses	-0.27%	(141)	-	-0.23%	(94)	-
Total	5.87%	1,264	(259)	5.78%	1,137	164

	Six Months Ended June 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	6.11%	2,105	(296)	6.04%	1,875	111
Equity securities	6.31%	16	18	9.65%	21	6
Commercial loans	6.87%	329	(13)	8.80%	335	2
Policy loans	5.48%	58	-	5.51%	52	-
Short-term investments and cash equivalents	4.75%	142	-	2.76%	85	-
Other investments	7.35%	118	78	5.41%	74	235
Gross investment income before investment expenses	6.17%	2,768	(213)	6.12%	2,442	354
Investment expenses	-0.27%	(263)	-	-0.24%	(173)	-
Total	5.90%	2,505	(213)	5.88%	2,269	354

- (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.

RECLASSIFIED COMBINED STATEMENTS OF OPERATIONS - FINANCIAL SERVICES BUSINESSES

(in millions)

Year ended December 31		2005				2006
		1Q	2Q	3Q	4Q	1Q
2004						
	Revenues (1):					
8,736	Premiums	2,519	2,585	2,574	2,450	2,604
2,385	Policy charges and fee income	617	615	668	629	662
5,728	Net investment income	1,625	1,644	1,731	1,810	1,801
3,065	Asset management fees, commissions and other income	848	852	960	948	1,054
<u>19,914</u>	Total revenues	<u>5,609</u>	<u>5,696</u>	<u>5,933</u>	<u>5,837</u>	<u>6,121</u>
	Benefits and Expenses (1):					
8,897	Insurance and annuity benefits	2,536	2,519	2,496	2,439	2,577
2,220	Interest credited to policyholders' account balances	605	626	653	632	652
296	Interest expense	111	134	143	180	201
(1,528)	Deferral of acquisition costs	(422)	(496)	(444)	(439)	(501)
766	Amortization of acquisition costs	235	232	271	172	240
6,747	General and administrative expenses	1,658	1,860	1,783	2,039	2,006
<u>17,398</u>	Total benefits and expenses	<u>4,723</u>	<u>4,875</u>	<u>4,902</u>	<u>5,023</u>	<u>5,175</u>
<u>2,516</u>	Adjusted operating income before income taxes	<u>886</u>	<u>821</u>	<u>1,031</u>	<u>814</u>	<u>946</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.

RECLASSIFIED COMBINED STATEMENTS OF OPERATIONS - INTERNATIONAL INSURANCE AND INVESTMENTS DIVISION

(in millions)

Year ended December 31		2005				2006
		1Q	2Q	3Q	4Q	1Q
2004						
	Revenues (1):					
5,303	Premiums	1,548	1,550	1,562	1,438	1,533
240	Policy charges and fee income	71	66	67	60	76
933	Net investment income	305	315	333	371	330
378	Asset management fees, commissions and other income	120	87	114	151	160
<u>6,854</u>	Total revenues	<u>2,044</u>	<u>2,018</u>	<u>2,076</u>	<u>2,020</u>	<u>2,099</u>
	Benefits and Expenses (1):					
4,210	Insurance and annuity benefits	1,253	1,200	1,250	1,162	1,224
129	Interest credited to policyholders' account balances	48	55	54	50	57
7	Interest expense	6	6	7	3	3
(849)	Deferral of acquisition costs	(257)	(261)	(243)	(242)	(256)
365	Amortization of acquisition costs	107	104	90	89	116
1,998	General and administrative expenses	577	568	535	581	573
<u>5,860</u>	Total benefits and expenses	<u>1,734</u>	<u>1,672</u>	<u>1,693</u>	<u>1,643</u>	<u>1,717</u>
<u>994</u>	Adjusted operating income before income taxes	<u>310</u>	<u>346</u>	<u>383</u>	<u>377</u>	<u>382</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.

RECLASSIFIED COMBINED STATEMENTS OF OPERATIONS - INTERNATIONAL INSURANCE - GIBRALTAR LIFE

(in millions)

Year ended December 31		2005				2006
		1Q	2Q	3Q	4Q	1Q
<u>2004</u>						
	Revenues (1):					
2,355	Premiums	584	639	668	548	544
76	Policy charges and fee income	18	20	13	16	18
600	Net investment income	156	170	179	171	167
(27)	Asset management fees, commissions and other income	(1)	(1)	3	6	3
<u>3,004</u>	Total revenues	<u>757</u>	<u>828</u>	<u>863</u>	<u>741</u>	<u>732</u>
	Benefits and Expenses (1):					
1,953	Insurance and annuity benefits	483	514	577	455	455
101	Interest credited to policyholders' account balances	23	26	29	27	30
(7)	Interest expense	(1)	-	-	-	-
(224)	Deferral of acquisition costs	(62)	(71)	(65)	(67)	(65)
79	Amortization of acquisition costs	31	28	14	21	25
700	General and administrative expenses	177	187	167	194	177
<u>2,602</u>	Total benefits and expenses	<u>651</u>	<u>684</u>	<u>722</u>	<u>630</u>	<u>622</u>
<u>402</u>	Adjusted operating income before income taxes	<u>106</u>	<u>144</u>	<u>141</u>	<u>111</u>	<u>110</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 ended December 31 2004		2005				2006
		1Q	2Q	3Q	4Q	1Q
Japanese Yen Basis Results:						
Revenues (1):						
¥ 257,669	Japanese insurance operations excluding Gibraltar Life	¥ 90,086	¥ 82,958	¥ 85,595	¥ 92,934	¥ 98,534
329,264	Gibraltar Life	79,233	88,530	95,340	84,366	84,650
<u>586,933</u>	Total revenues, Japan, yen basis	<u>169,319</u>	<u>171,488</u>	<u>180,935</u>	<u>177,300</u>	<u>183,184</u>
Benefits and Expenses (1):						
207,830	Japanese insurance operations excluding Gibraltar Life	73,354	65,271	64,755	71,278	77,842
282,295	Gibraltar Life	67,765	72,737	79,787	71,963	72,640
<u>490,125</u>	Total benefits and expenses, Japan, yen basis	<u>141,119</u>	<u>138,008</u>	<u>144,542</u>	<u>143,241</u>	<u>150,482</u>
Adjusted operating income (2):						
49,839	Japanese insurance operations excluding Gibraltar Life	16,732	17,687	20,840	21,656	20,692
46,969	Gibraltar Life	11,468	15,793	15,553	12,403	12,010
<u>¥ 96,808</u>	Total adjusted operating income, Japan, yen basis	<u>¥ 28,200</u>	<u>¥ 33,480</u>	<u>¥ 36,393</u>	<u>¥ 34,059</u>	<u>¥ 32,702</u>
Actual exchange rate basis (3):						
Net premiums, policy charges and fee income:						
2,169	Japan, excluding Gibraltar Life	741	670	658	630	731
2,431	Gibraltar Life	602	659	681	564	562
943	All other countries	276	287	290	304	316
<u>5,543</u>	Total	<u>1,619</u>	<u>1,616</u>	<u>1,629</u>	<u>1,498</u>	<u>1,609</u>
Constant exchange rate basis (4):						
Net premiums, policy charges and fee income:						
2,136	Japan, excluding Gibraltar Life	707	655	664	670	778
2,398	Gibraltar Life	570	636	685	587	596
1,037	All other countries	273	284	292	308	304
<u>5,571</u>	Total	<u>1,550</u>	<u>1,575</u>	<u>1,641</u>	<u>1,565</u>	<u>1,678</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.

(2) Adjusted operating income on yen basis excludes impact of currency hedging.

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

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

INSURANCE DIVISION - INDIVIDUAL ANNUITIES SALES, ACCOUNT VALUES AND ACCOUNT VALUE ACTIVITY
(in millions)

Year ended December 31 2004		2005				2006
		1Q	2Q	3Q	4Q	1Q
INDIVIDUAL ANNUITIES:						
<i>Variable Annuities:</i>						
43,949	Beginning total account value	47,418	46,386	47,402	49,484	50,778
5,806	Sales	1,433	1,779	1,930	1,964	2,129
(5,224)	Surrenders and withdrawals	(1,388)	(1,470)	(1,397)	(1,436)	(1,585)
582	Net sales	45	309	533	528	544
(613)	Benefit payments	(171)	(170)	(179)	(158)	(185)
(31)	Net flows	(126)	139	354	370	359
4,091	Change in market value, interest credited, and other	(748)	1,037	1,904	1,106	2,228
(591)	Policy charges	(158)	(160)	(176)	(182)	(184)
<u>47,418</u>	Ending total account value	<u>46,386</u>	<u>47,402</u>	<u>49,484</u>	<u>50,778</u>	<u>53,181</u>
<i>Account Values in Separate Account:</i>						
39,803	Beginning balance	41,684	40,602	41,684	44,080	45,538
5,296	Premiums and deposits	1,300	1,714	1,882	1,922	2,083
(4,605)	Surrenders and withdrawals	(1,206)	(1,279)	(1,251)	(1,252)	(1,380)
691	Net sales	94	435	631	670	703
(458)	Benefit payments	(130)	(131)	(146)	(127)	(134)
233	Net flows	(36)	304	485	543	569
3,947	Change in market value, interest credited and other	(792)	986	1,834	1,057	2,177
(1,709)	Net transfers (to) from general account	(97)	(48)	252	39	173
(590)	Policy charges	(157)	(160)	(175)	(181)	(185)
<u>41,684</u>	Ending balance	<u>40,602</u>	<u>41,684</u>	<u>44,080</u>	<u>45,538</u>	<u>48,272</u>

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.

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 10.92% for the six months ended June 30, 2006, 14.89% for the six months ended June 30, 2005, 8.74% for the three months ended June 30, 2006, 13.00% for the three months ended March 31, 2006, 7.23% for the three months ended December 31, 2005, 24.16% for the three months ended September 30, 2005 and 15.04% for the three months ended June 30, 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 August 2, 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 August 2, 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

Investor Information Hotline:

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

Web Site:
www.prudential.com

Common Stock:

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