

Prudential Financial

Prudential Financial, Inc. (PRU)

Quarterly Financial Supplement

FINANCIAL SERVICES BUSINESSES
THIRD QUARTER 2004

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.

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 Debt	9
Long-Term Debt	10
INSURANCE DIVISION	
Combined Statements of Operations	11
Combining Statements of Operations (Quarter)	12
Combining Statements of Operations	13
Individual Life and Annuities Sales Results and Account Values	14
Individual Life Account Value Activity	15
Annuities Account Value Activity	16
Deferred Policy Acquisition Costs	17
Supplementary Information for Individual Life Insurance	18
Supplementary Information for Group Insurance	19
INVESTMENT DIVISION	
Combined Statements of Operations	20
Combining Statements of Operations	21
Supplementary Revenue Information for Asset Management Segment	22
Supplementary Information for Financial Advisory Segment	23
Assets Under Management for Investment Management and Advisory Services operations	24
Mutual Funds and Wrap-fee Products	25
Retirement Sales Results and Account Values	26
INTERNATIONAL INSURANCE AND INVESTMENTS DIVISION	
Combined Statements of Operations	27
Combining Statements of Operations	28
International Insurance Segment - Supplementary Income Statement Information	29
Sales Results and Supplementary Information	30-31
INVESTMENT PORTFOLIO	
Investment Portfolio Composition	32
Financial Services Businesses Investment Portfolio Composition - Japanese Insurance Operations and Excluding Japanese Insurance Operations	33
Financial Services Businesses Investment Results	34
Financial Services Businesses Investment Results - Japanese Insurance Operations	35
Financial Services Businesses Investment Results - Excluding Japanese Insurance Operations	36
KEY DEFINITIONS AND FORMULAS	37-39
RATINGS AND INVESTOR INFORMATION	40

FINANCIAL HIGHLIGHTS
(in millions, except per share data)

Year-to-date		% Change	2003					2004				
2004	2003		3Q	4Q	1Q	2Q	3Q	3Q	4Q	1Q	2Q	3Q
Financial Services Businesses:												
Pre-tax adjusted operating income by division:												
694	582	19%	183	206	211	238	245					
244	233	5%	83	56	96	72	76					
733	618	19%	223	184	219	262	252					
144	49	194%	32	44	23	66	55					
1,815	1,482	22%	521	490	549	638	628					
481	482	-	170	159	170	143	168					
1,334	1,000	33%	351	331	379	495	460					
Financial Services Businesses after-tax adjusted operating income												
Items excluded from adjusted operating income:												
182	(170)	207%	(46)	(29)	1	143	38					
(64)	-	-	-	-	50	(322)	208					
33	-	-	-	-	(50)	183	(100)					
(53)	(450)	88%	(36)	265	(21)	(9)	(23)					
98	(620)	116%	(82)	236	(20)	(5)	123					
9	(187)	105%	24	65	(13)	(11)	33					
89	(433)	121%	(106)	171	(7)	6	90					
Income from continuing operations (after-tax) of Financial Services Businesses												
1,423	567	151%	245	502	372	501	550					
(8)	(23)	65%	(25)	(21)	(3)	(2)	(3)					
21	-	-	-	-	-	20	1					
(79)	-	-	-	-	(79)	-	-					
1,357	544	149%	220	481	290	519	548					
Earnings per share of Common Stock (diluted):												
Financial Services Businesses after-tax adjusted operating income												
2.63	1.90		0.68	0.64	0.74	0.97	0.92					
Items excluded from adjusted operating income:												
0.34	(0.31)		(0.08)	(0.06)	-	0.27	0.07					
(0.12)	-		-	-	0.09	(0.60)	0.40					
0.06	-		-	-	(0.09)	0.34	(0.19)					
(0.10)	(0.82)		(0.07)	0.49	(0.04)	(0.02)	(0.05)					
0.18	(1.13)		(0.15)	0.43	(0.04)	(0.01)	0.23					
0.02	(0.34)		0.05	0.12	(0.02)	(0.02)	0.06					
0.16	(0.79)		(0.20)	0.31	(0.02)	0.01	0.17					
Income from continuing operations (after-tax) of Financial Services Businesses												
2.79	1.11		0.48	0.95	0.72	0.98	1.09					
(0.01)	(0.04)		(0.04)	(0.03)	-	-	(0.01)					
0.04	-		-	-	-	0.04	-					
(0.15)	-		-	-	(0.15)	-	-					
2.67	1.07		0.44	0.92	0.57	1.02	1.08					
Net income of Financial Services Businesses												
532.5	550.5		545.9	541.9	539.9	532.2	525.7					
9.99%	7.58%		8.06%	7.51%	8.61%	11.14%	10.23%					
Reconciliation to Consolidated Net Income of Prudential Financial, Inc.:												
1,357	544		220	481	290	519	548					
321	145		77	94	111	30	180					
1,678	689		297	575	401	549	728					
64	45		19	15	19	23	22					

FINANCIAL HIGHLIGHTS
 (in millions, except per share data)

Year-to-date						
2004	2003	2003		2004		
		3Q	4Q	1Q	2Q	3Q
Financial Services Businesses Capitalization Data (1):						
		5,117	4,739	4,603	4,432	6,135
		4,330	3,860	3,820	4,437	5,708
Attributed Equity:						
		20,541	20,340	20,837	19,619	20,457
		18,396	18,440	18,520	18,695	18,987
		18,564	18,563	18,554	18,755	18,995
Total Capitalization:						
		24,871	24,200	24,657	24,056	26,165
		22,726	22,300	22,340	23,132	24,695
		22,894	22,423	22,374	23,192	24,703
Book value per share of Common Stock:						
		37.81	37.61	38.90	37.11	39.19
		33.86	34.10	34.58	35.36	36.37
		34.17	34.33	34.64	35.47	36.39
		543.3	540.8	535.6	528.7	522.0
Common Stock Price Range (based on closing price):						
48.11	38.06	38.06	42.19	48.11	46.47	48.10
41.05	27.56	34.00	36.60	41.62	41.05	44.30
47.04	37.36	37.36	41.77	44.78	46.47	47.04
		20,202	22,341	23,679	24,209	24,158
Common Stock market capitalization (1)						

(1) As of end of period.

OPERATIONS HIGHLIGHTS

Year-to-date							
2004	2003	2003		2004			
		3Q	4Q	1Q	2Q	3Q	
Assets Under Management and Administration (\$ billions) (1) (2):							
Assets Under Management :							
Managed by Investment Division:							
Asset Management Segment - Investment Management & Advisory Services							
		82.1	81.2	78.4	74.4	62.3	
		89.7	94.8	99.9	106.3	108.9	
		130.3	127.8	131.2	147.6	152.3	
		<u>302.1</u>	<u>303.8</u>	<u>309.5</u>	<u>328.3</u>	<u>323.5</u>	
		22.1	22.7	22.3	43.6	43.5	
		<u>324.2</u>	<u>326.5</u>	<u>331.8</u>	<u>371.9</u>	<u>367.0</u>	
		50.7	53.9	67.6	67.0	67.1	
		31.4	33.9	35.3	35.3	35.9	
		<u>406.3</u>	<u>414.3</u>	<u>434.7</u>	<u>474.2</u>	<u>470.0</u>	
		45.2	50.4	52.2	64.6	72.9	
		<u>451.5</u>	<u>464.7</u>	<u>486.9</u>	<u>538.8</u>	<u>542.9</u>	
		81.0	84.9	100.8	97.3	96.4	
Distribution Representatives (1):							
		4,281	4,320	4,147	4,001	3,982	
		4,875	4,989	5,008	5,123	5,234	
		4,848	4,826	4,815	4,888	4,759	
38	37	Prudential Agent productivity (\$ thousands)	38	44	36	40	37
Third Party Distribution - Retail Products (\$ millions) (3):							
107	62	Individual life insurance (4)	17	49	28	34	45
10	20	Corporate-owned life insurance sales	3	-	6	1	3
3,820	1,882	Individual annuities (5)	1,125	1,166	1,410	1,332	1,078
9,130	3,916	Mutual funds and wrap-fee products (5)	2,517	2,144	2,742	2,386	4,002

(1) As of end of period.

(2) At fair market value.

(3) 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.

(4) Excludes corporate-owned life insurance sales.

(5) Includes, effective July 1, 2003, production through Financial Advisors formerly associated with Prudential Securities, who became associated with Wachovia Securities Financial Holdings, LLC as a result of the combination of Prudential's retail securities brokerage operation with Wachovia Securities Financial Holdings, LLC as of that date.

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

Year-to-date		%	Change		2003		2004		
2004	2003				3Q	4Q	1Q	2Q	3Q
Revenues (1):									
6,577	5,876	12%		Premiums	1,950	2,042	2,191	2,210	2,176
1,735	1,448	20%		Policy charges and fee income	509	553	559	580	596
3,979	3,717	7%		Net investment income	1,215	1,226	1,246	1,333	1,400
2,497	2,648	-6%		Commissions, investment management fees, and other income	695	714	709	933	855
<u>14,788</u>	<u>13,689</u>	8%		Total revenues	<u>4,369</u>	<u>4,535</u>	<u>4,705</u>	<u>5,056</u>	<u>5,027</u>
Benefits and Expenses (1):									
6,699	6,113	10%		Insurance and annuity benefits	2,023	2,171	2,262	2,217	2,220
1,543	1,263	22%		Interest credited to policyholders' account balances	424	428	427	559	557
193	143	35%		Interest expense	59	57	53	57	83
(1,056)	(917)	-15%		Deferral of acquisition costs	(312)	(353)	(364)	(354)	(338)
585	452	29%		Amortization of acquisition costs	150	81	187	189	209
5,009	5,153	-3%		General and administrative expenses	1,504	1,661	1,591	1,750	1,668
<u>12,973</u>	<u>12,207</u>	6%		Total benefits and expenses	<u>3,848</u>	<u>4,045</u>	<u>4,156</u>	<u>4,418</u>	<u>4,399</u>
<u>1,815</u>	<u>1,482</u>	22%		Adjusted operating income before income taxes	<u>521</u>	<u>490</u>	<u>549</u>	<u>638</u>	<u>628</u>
Items excluded from adjusted operating income before income taxes:									
214	(145)	248%		Realized investment gains (losses), net, and related adjustments	(40)	(11)	9	155	50
(32)	(25)	-28%		Related charges	(6)	(18)	(8)	(12)	(12)
<u>182</u>	<u>(170)</u>	207%		Total realized investment gains (losses), net, and related charges and adjustments	<u>(46)</u>	<u>(29)</u>	<u>1</u>	<u>143</u>	<u>38</u>
(64)	-	-		Investment gains (losses) on trading account assets supporting insurance liabilities, net	-	-	50	(322)	208
33	-	-		Change in experience-rated contractholder liabilities due to asset value changes	-	-	(50)	183	(100)
(53)	(450)	88%		Divested businesses	(36)	265	(21)	(9)	(23)
<u>98</u>	<u>(620)</u>	116%		Total items excluded from adjusted operating income before income taxes	<u>(82)</u>	<u>236</u>	<u>(20)</u>	<u>(5)</u>	<u>123</u>
1,913	862	122%		Income from continuing operations before income taxes, extraordinary gain on acquisition and cumulative effect of accounting change	439	726	529	633	751
490	295	66%		Income tax expense (benefit)	194	224	157	132	201
<u>1,423</u>	<u>567</u>	151%		Income from continuing operations before extraordinary gain on acquisition and cumulative effect of accounting change	<u>245</u>	<u>502</u>	<u>372</u>	<u>501</u>	<u>550</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)

	9/30/2003	12/31/2003	3/31/2004	6/30/2004	9/30/2004
Assets:					
Investments:					
Fixed maturities, available for sale, at fair value (amortized cost \$79,964; \$79,900; \$84,853; \$87,800; \$89,640)	84,725	84,353	90,479	90,596	93,889
Fixed maturities, held to maturity, at amortized cost (fair value \$2,954; \$3,084; \$2,999; \$2,704; \$2,633)	2,954	3,068	2,949	2,724	2,607
Trading account assets supporting insurance liabilities, at fair value (1)	83	88	807	11,920	12,695
Other trading account assets, at fair value (1)	3,769	3,214	5,245	3,098	3,222
Equity securities, available for sale, at fair value (cost \$950; \$1,045; \$1,027; \$1,271; \$1,282)	1,106	1,119	1,164	1,422	1,457
Commercial loans	12,261	12,463	11,508	16,412	16,315
Policy loans	2,732	2,609	2,671	2,608	2,606
Securities purchased under agreements to resell	1,276	1,464	2,086	147	190
Other long-term investments	4,796	4,568	4,143	4,553	4,518
Short-term investments	3,758	4,052	2,913	3,818	2,399
Total investments	117,460	116,998	123,965	137,298	139,898
Cash and cash equivalents	6,252	5,791	5,893	4,053	4,471
Accrued investment income	1,139	1,046	1,137	1,238	1,317
Broker-dealer related receivables	908	1,098	1,072	1,146	1,252
Deferred policy acquisition costs	6,348	6,605	6,665	7,005	6,923
Other assets	14,558	14,320	17,652	49,607	49,573
Separate account assets	101,841	106,680	106,833	103,961	105,621
Total assets	248,506	252,538	263,217	304,308	309,055
Liabilities:					
Future policy benefits	44,608	46,003	47,648	46,736	47,574
Policyholders' account balances	42,766	44,168	47,012	63,236	63,521
Unpaid claims and claim adjustment expenses	3,201	1,687	1,717	1,740	1,775
Securities sold under agreements to repurchase	5,454	5,196	5,536	5,685	4,957
Cash collateral for loaned securities	3,563	3,571	3,361	3,661	2,978
Income taxes payable	2,019	2,234	2,686	2,015	2,427
Broker-dealer related payables	1,951	2,364	2,555	2,230	2,408
Securities sold but not yet purchased	1,620	1,598	2,386	345	503
Short-term debt	5,117	4,739	4,603	4,432	6,135
Long-term debt	4,330	3,860	3,820	4,437	5,708
Other liabilities	11,495	10,098	14,223	46,211	44,991
Separate account liabilities	101,841	106,680	106,833	103,961	105,621
Total liabilities	227,965	232,198	242,380	284,689	288,598
Attributed Equity:					
Accumulated other comprehensive income	1,977	1,777	2,283	864	1,462
Other attributed equity	18,564	18,563	18,554	18,755	18,995
Total attributed equity	20,541	20,340	20,837	19,619	20,457
Total liabilities and attributed equity	248,506	252,538	263,217	304,308	309,055

(1) Commencing June 30, 2004, investments for which fair value changes result in changes in experience-rated contractholder liabilities are classified as "Trading account assets supporting insurance liabilities." Classification for earlier periods presented has been conformed to the current presentation.

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

	Quarter Ended September 30, 2004				
	Total			International	
	Financial Services Businesses	Insurance Division	Investment Division	Insurance & Investments Division	Corporate and Other Operations
Revenues (1) :					
Premiums	2,176	845	43	1,292	(4)
Policy charges and fee income	596	512	31	55	(2)
Net investment income	1,400	402	619	245	134
Commissions, investment management fees, and other income	855	162	561	121	11
Total revenues	5,027	1,921	1,254	1,713	139
Benefits and Expenses (1):					
Insurance and annuity benefits	2,220	959	237	996	28
Interest credited to policyholders' account balances	557	179	349	29	-
Interest expense	83	10	17	1	55
Deferral of acquisition costs	(338)	(161)	(10)	(184)	17
Amortization of acquisition costs	209	120	15	89	(15)
General and administrative expenses	1,668	569	570	530	(1)
Total benefits and expenses	4,399	1,676	1,178	1,461	84
Adjusted operating income before income taxes	628	245	76	252	55
	Quarter Ended September 30, 2003				
	Total			International	
	Financial Services Businesses	Insurance Division	Investment Division	Insurance & Investments Division	Corporate and Other Operations
Revenues (1):					
Premiums	1,950	779	1	1,170	-
Policy charges and fee income	509	441	17	54	(3)
Net investment income	1,215	349	516	212	138
Commissions, investment management fees, and other income	695	108	481	85	21
Total revenues	4,369	1,677	1,015	1,521	156
Benefits and Expenses (1):					
Insurance and annuity benefits	2,023	918	187	894	24
Interest credited to policyholders' account balances	424	158	239	27	-
Interest expense	59	1	9	1	48
Deferral of acquisition costs	(312)	(161)	(6)	(157)	12
Amortization of acquisition costs	150	80	15	69	(14)
General and administrative expenses	1,504	498	488	464	54
Total benefits and expenses	3,848	1,494	932	1,298	124
Adjusted operating income before income taxes	521	183	83	223	32

(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 September 30, 2004				
	Total			International	
	Financial	Insurance	Investment	Insurance &	Corporate
	Services	Division	Division	Investments	and Other
	Businesses	Division	Division	Division	Operations
Assets:					
Total investments	139,898	31,880	54,323	43,251	10,444
Deferred policy acquisition costs	6,923	3,955	50	3,049	(131)
Other assets	56,613	3,239	41,481	6,320	5,573
Separate account assets	105,621	63,715	42,954	18	(1,066)
Total assets	309,055	102,789	138,808	52,638	14,820
Liabilities:					
Future policy benefits	47,574	4,920	13,591	28,440	623
Policyholders' account balances	63,521	18,585	34,350	10,879	(293)
Debt	11,843	1,366	1,785	831	7,861
Other liabilities	60,039	8,125	39,931	8,401	3,582
Separate account liabilities	105,621	63,715	42,954	18	(1,066)
Total liabilities	288,598	96,711	132,611	48,569	10,707
Attributed Equity:					
Accumulated other comprehensive income	1,462	652	367	404	39
Other attributed equity	18,995	5,426	5,830	3,665	4,074
Total attributed equity	20,457	6,078	6,197	4,069	4,113
Total liabilities and attributed equity	309,055	102,789	138,808	52,638	14,820

	As of December 31, 2003				
	Total			International	
	Financial	Insurance	Investment	Insurance &	Corporate
	Services	Division	Division	Investments	and Other
	Businesses	Division	Division	Division	Operations
Assets:					
Total investments	116,998	27,048	38,002	41,015	10,933
Deferred policy acquisition costs	6,605	3,918	23	2,769	(105)
Other assets	22,255	3,211	8,153	6,047	4,844
Separate account assets	106,680	64,034	43,019	649	(1,022)
Total assets	252,538	98,211	89,197	50,480	14,650
Liabilities:					
Future policy benefits	46,003	5,008	12,937	27,613	445
Policyholders' account balances	44,168	15,863	17,632	10,673	-
Debt	8,599	437	2,645	528	4,989
Other liabilities	26,748	6,539	8,599	7,409	4,201
Separate account liabilities	106,680	64,034	43,019	649	(1,022)
Total liabilities	232,198	91,881	84,832	46,872	8,613
Attributed Equity:					
Accumulated other comprehensive income	1,777	632	587	415	143
Other attributed equity	18,563	5,698	3,778	3,193	5,894
Total attributed equity	20,340	6,330	4,365	3,608	6,037
Total liabilities and attributed equity	252,538	98,211	89,197	50,480	14,650

SHORT TERM DEBT
(in millions)

	As of September 30, 2004				As of December 31, 2003			
	Prudential Financial, Inc.	The Prudential Insurance Co. of America (1)	Other Affiliates	Total	Prudential Financial, Inc.	The Prudential Insurance Co. of America (1)	Other Affiliates	Total
Financial Services Businesses:								
<i>Borrowings by use of proceeds:</i>								
General corporate purposes	-	5	-	5	-	5	-	5
Investment related	95	2,418	-	2,513	167	386	-	553
Securities business related	411	1,675	873	2,959	155	1,872	882	2,909
Specified other businesses	-	516	141	657	90	1,052	129	1,271
Limited recourse and non-recourse borrowing	-	-	1	1	-	-	1	1
Total short-term debt - Financial Services Businesses	<u>506</u>	<u>4,614</u>	<u>1,015</u>	<u>6,135</u>	<u>412</u>	<u>3,315</u>	<u>1,012</u>	<u>4,739</u>
<i>Borrowings by type:</i>								
Long-term debt due within one year	-	57	-	57	-	453	-	453
Commercial paper	506	4,541	-	5,047	412	2,846	-	3,258
Bank borrowings	-	-	538	538	-	-	535	535
Other short-term debt	-	16	476	492	-	16	476	492
Total general obligations	506	4,614	1,014	6,134	412	3,315	1,011	4,738
Limited recourse and non-recourse borrowing	-	-	1	1	-	-	1	1
Total short-term debt - Financial Services Businesses	<u>506</u>	<u>4,614</u>	<u>1,015</u>	<u>6,135</u>	<u>412</u>	<u>3,315</u>	<u>1,012</u>	<u>4,739</u>
Closed Block Business:								
Investment related commercial paper borrowings	-	477	-	477	-	-	-	-

(1) Includes Prudential Funding, LLC.

LONG TERM DEBT
(in millions)

As of September 30, 2004

	General Corporate Purposes	Investment Related	Securities Business Related	Specified Other Businesses	Total General Obligations	Limited Recourse and non-Recourse	Total Borrowing
Financial Services Businesses:							
Prudential Financial, Inc. (1):							
Long-term fixed and floating rate notes	1,783	1,356	-	132	3,271	-	3,271
Hybrid notes	-	-	-	-	-	-	-
Total	<u>1,783</u>	<u>1,356</u>	<u>-</u>	<u>132</u>	<u>3,271</u>	<u>-</u>	<u>3,271</u>
The Prudential Insurance Company of America (2):							
Surplus notes	692	-	-	-	692	-	692
Long-term fixed and floating rate notes	600	408	-	-	1,008	-	1,008
Commercial paper backed by long-term credit agreements	-	-	-	-	-	-	-
Total	<u>1,292</u>	<u>408</u>	<u>-</u>	<u>-</u>	<u>1,700</u>	<u>-</u>	<u>1,700</u>
Long-term debt of other affiliated companies	-	-	-	-	-	57	57
Total long-term debt of Financial Services Businesses, excluding debt related to Equity Security Units	3,075	1,764	-	132	4,971	57	5,028
Debt related to Equity Security Units (3)	680	-	-	-	680	-	680
Total long-term debt of Financial Services Businesses	<u>3,755</u>	<u>1,764</u>	<u>-</u>	<u>132</u>	<u>5,651</u>	<u>57</u>	<u>5,708</u>
Ratio of long-term and short-term corporate debt to capitalization	<u>14.1%</u>						
Closed Block Business:							
Limited recourse notes of Prudential Holdings, LLC	-	-	-	-	-	1,750	1,750

As of December 31, 2003

	General Corporate Purposes	Investment Related	Securities Business Related	Specified Other Businesses	Total General Obligations	Limited Recourse and non-Recourse	Total Borrowing
Financial Services Businesses:							
Prudential Financial, Inc. (1):							
Long-term fixed and floating rate notes	670	681	-	141	1,492	-	1,492
Hybrid notes	-	-	-	-	-	-	-
Total	<u>670</u>	<u>681</u>	<u>-</u>	<u>141</u>	<u>1,492</u>	<u>-</u>	<u>1,492</u>
The Prudential Insurance Company of America (2):							
Surplus notes	691	-	-	-	691	-	691
Long-term fixed and floating rate notes	600	291	-	-	891	-	891
Commercial paper backed by long-term credit agreements	-	-	-	-	-	-	-
Total	<u>1,291</u>	<u>291</u>	<u>-</u>	<u>-</u>	<u>1,582</u>	<u>-</u>	<u>1,582</u>
Long-term debt of other affiliated companies	-	17	-	-	17	58	75
Total long-term debt of Financial Services Businesses, excluding debt related to Equity Security Units	1,961	989	-	141	3,091	58	3,149
Debt related to Equity Security Units (3)	711	-	-	-	711	-	711
Total long-term debt of Financial Services Businesses	<u>2,672</u>	<u>989</u>	<u>-</u>	<u>141</u>	<u>3,802</u>	<u>58</u>	<u>3,860</u>
Ratio of long-term and short-term corporate debt to capitalization	<u>10.0%</u>						
Closed Block Business:							
Limited recourse notes of Prudential Holdings, LLC	-	-	-	-	-	1,750	1,750

(1) Excluding obligations related to Equity Security Units.

(2) Includes Prudential Funding, LLC.

(3) The \$680 million and \$711 million represent the carrying value of the debt associated with the Equity Security Units issued at the time of demutualization.

COMBINED STATEMENTS OF OPERATIONS - INSURANCE DIVISION
 (in millions)

Year-to-date		% Change		2003		2004		
2004	2003			3Q	4Q	1Q	2Q	3Q
2,521	2,425	4%	Revenues (1):					
1,482	1,238	20%	Premiums	779	797	850	826	845
1,149	1,075	7%	Policy charges and fee income	441	479	482	488	512
468	242	93%	Net investment income	349	371	369	378	402
5,620	4,980	13%	Commissions, investment management fees, and other income	108	145	150	156	162
			Total revenues	1,677	1,792	1,851	1,848	1,921
			Benefits and Expenses (1):					
2,850	2,765	3%	Insurance and annuity benefits	918	1,033	970	921	959
532	476	12%	Interest credited to policyholders' account balances	158	160	175	178	179
13	1	1200%	Interest expense	1	(1)	1	2	10
(523)	(422)	-24%	Deferral of acquisition costs	(161)	(173)	(182)	(180)	(161)
337	234	44%	Amortization of acquisition costs	80	11	108	109	120
1,717	1,344	28%	General and administrative expenses	498	556	568	580	569
4,926	4,398	12%	Total benefits and expenses	1,494	1,586	1,640	1,610	1,676
694	582	19%	Adjusted operating income before income taxes	183	206	211	238	245

(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 September 30, 2004				
	Total	Individual	Group	Individual Life and Annuities	
	Insurance	Life and		Individual	Individual
	Division	Annuities	Insurance	Life	Annuities
Revenues (1):					
Premiums	845	111	734	95	16
Policy charges and fee income	512	418	94	261	157
Net investment income	402	259	143	104	155
Commissions, investment management fees, and other income	162	153	9	83	70
Total revenues	1,921	941	980	543	398
Benefits and Expenses (1):					
Insurance and annuity benefits	959	214	745	159	55
Interest credited to policyholders' account balances	179	133	46	42	91
Interest expense	10	7	3	3	4
Deferral of acquisition costs	(161)	(155)	(6)	(72)	(83)
Amortization of acquisition costs	120	119	1	75	44
General and administrative expenses (2)	569	426	143	235	191
Total benefits and expenses	1,676	744	932	442	302
Adjusted operating income before income taxes	245	197	48	101	96

	Quarter Ended September 30, 2003				
	Total	Individual	Group	Individual Life and Annuities	
	Insurance	Life and		Individual	Individual
	Division	Annuities	Insurance	Life	Annuities
Revenues (1):					
Premiums	779	94	685	77	17
Policy charges and fee income	441	390	51	255	135
Net investment income	349	210	139	100	110
Commissions, investment management fees, and other income	108	100	8	32	68
Total revenues	1,677	794	883	464	330
Benefits and Expenses (1):					
Insurance and annuity benefits	918	243	675	193	50
Interest credited to policyholders' account balances	158	108	50	39	69
Interest expense	1	-	1	-	-
Deferral of acquisition costs	(161)	(153)	(8)	(68)	(85)
Amortization of acquisition costs	80	79	1	56	23
General and administrative expenses (2)	498	364	134	169	195
Total benefits and expenses	1,494	641	853	389	252
Adjusted operating income before income taxes	183	153	30	75	78

(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 \$4 million for the quarter ended September 30, 2004 and \$13 million for the quarter ended September 30, 2003 for the amortization, net of interest, of value of business acquired (VOBA) associated with the May 1, 2003 acquisition of American Skandia.

COMBINING STATEMENTS OF OPERATIONS - INSURANCE DIVISION
(in millions)

	Nine Months Ended September 30, 2004				
	Total	Individual	Group	Individual Life and Annuities	
	Insurance	Life and		Individual	Individual
	Division	Annuities	Insurance	Life	Annuities
Revenues (1):					
Premiums	2,521	315	2,206	268	47
Policy charges and fee income	1,482	1,241	241	773	468
Net investment income	1,149	733	416	298	435
Commissions, investment management fees, and other income	468	439	29	226	213
Total revenues	<u>5,620</u>	<u>2,728</u>	<u>2,892</u>	<u>1,565</u>	<u>1,163</u>
Benefits and Expenses (1):					
Insurance and annuity benefits	2,850	628	2,222	480	148
Interest credited to policyholders' account balances	532	392	140	122	270
Interest expense	13	9	4	3	6
Deferral of acquisition costs	(523)	(502)	(21)	(224)	(278)
Amortization of acquisition costs	337	334	3	213	121
General and administrative expenses (2)	1,717	1,293	424	685	608
Total benefits and expenses	<u>4,926</u>	<u>2,154</u>	<u>2,772</u>	<u>1,279</u>	<u>875</u>
Adjusted operating income before income taxes	<u>694</u>	<u>574</u>	<u>120</u>	<u>286</u>	<u>288</u>

	Nine Months Ended September 30, 2003				
	Total	Individual	Group	Individual Life and Annuities	
	Insurance	Life and		Individual	Individual
	Division	Annuities	Insurance	Life	Annuities
Revenues (1):					
Premiums	2,425	318	2,107	267	51
Policy charges and fee income	1,238	1,054	184	767	287
Net investment income	1,075	634	441	302	332
Commissions, investment management fees, and other income	242	219	23	92	127
Total revenues	<u>4,980</u>	<u>2,225</u>	<u>2,755</u>	<u>1,428</u>	<u>797</u>
Benefits and Expenses (1):					
Insurance and annuity benefits	2,765	678	2,087	544	134
Interest credited to policyholders' account balances	476	309	167	113	196
Interest expense	1	(1)	2	(2)	1
Deferral of acquisition costs	(422)	(396)	(26)	(219)	(177)
Amortization of acquisition costs	234	232	2	172	60
General and administrative expenses (2)	1,344	943	401	526	417
Total benefits and expenses	<u>4,398</u>	<u>1,765</u>	<u>2,633</u>	<u>1,134</u>	<u>631</u>
Adjusted operating income before income taxes	<u>582</u>	<u>460</u>	<u>122</u>	<u>294</u>	<u>166</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 \$20 million for the nine months ended September 30, 2004 and \$24 million for the nine months ended September 30, 2003 for the amortization, net of interest, of value of business acquired (VOBA) associated with the May 1, 2003 acquisition of American Skandia.

INSURANCE DIVISION - INDIVIDUAL LIFE AND ANNUITIES SALES RESULTS AND ACCOUNT VALUES
 (in millions)

Year-to-date		2003					2004				
2004	2003	3Q	4Q	1Q	2Q	3Q	3Q	4Q	1Q	2Q	3Q
INDIVIDUAL LIFE INSURANCE SALES:											
Excluding corporate-owned life insurance:											
78	72	20	27	26	27	25	20	27	26	27	25
119	78	24	54	32	39	48	24	54	32	39	48
88	81	26	29	32	28	28	26	29	32	28	28
285	231	70	110	90	94	101	70	110	90	94	101
11	20	3	1	6	1	4	11	1	6	1	4
296	251	73	111	96	95	105	296	111	96	95	105
ANNUITY SALES AND ACCOUNT VALUES											
Variable Annuities:											
43,949	15,338	39,780	40,815	43,949	44,858	44,927	43,949	40,815	43,949	44,858	44,927
4,518	2,870	1,469	1,548	1,723	1,536	1,259	4,518	1,548	1,723	1,536	1,259
(3,881)	(2,501)	(1,159)	(1,215)	(1,352)	(1,263)	(1,266)	(3,881)	(1,215)	(1,352)	(1,263)	(1,266)
637	369	310	333	371	273	(7)	637	333	371	273	(7)
(458)	(316)	(136)	(133)	(161)	(143)	(154)	(458)	(133)	(161)	(143)	(154)
179	53	174	200	210	130	(161)	179	200	210	130	(161)
781	3,257	990	3,072	843	84	(146)	781	3,072	843	84	(146)
(435)	(264)	(129)	(138)	(144)	(145)	(146)	(435)	(138)	(144)	(145)	(146)
-	22,431	-	-	-	-	-	-	-	-	-	-
44,474	40,815	40,815	43,949	44,858	44,927	44,474	44,474	43,949	44,858	44,927	44,474
Fixed Annuities:											
3,514	3,396	3,498	3,523	3,514	3,574	3,722	3,514	3,523	3,514	3,574	3,722
463	214	47	33	92	196	175	463	33	92	196	175
(146)	(99)	(33)	(42)	(51)	(51)	(44)	(146)	(42)	(51)	(51)	(44)
317	115	14	(9)	41	145	131	317	(9)	41	145	131
(124)	(126)	(39)	(36)	(45)	(38)	(41)	(124)	(36)	(45)	(38)	(41)
193	(11)	(25)	(45)	(4)	107	90	193	(45)	(4)	107	90
156	141	51	37	65	42	49	156	37	65	42	49
(3)	(3)	(1)	(1)	(1)	(1)	(1)	(3)	(1)	(1)	(1)	(1)
3,860	3,523	3,523	3,514	3,574	3,722	3,860	3,860	3,514	3,574	3,722	3,860
SALES BY DISTRIBUTION CHANNEL											
<u>Life Insurance:</u>											
Excluding corporate-owned life insurance:											
178	169	53	61	62	60	56	178	61	62	60	56
107	62	17	49	28	34	45	107	49	28	34	45
11	20	3	1	6	1	4	11	1	6	1	4
296	251	73	111	96	95	105	296	111	96	95	105
<u>Variable and Fixed Annuities (1):</u>											
1,161	1,097	391	415	405	400	356	1,161	415	405	400	356
291	303	115	89	108	96	87	291	89	108	96	87
3,529	1,684	1,010	1,077	1,302	1,236	991	3,529	1,077	1,302	1,236	991
4,981	3,084	1,516	1,581	1,815	1,732	1,434	4,981	1,581	1,815	1,732	1,434

(1) Amounts represent gross sales.

(2) Including bank distribution.

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

Year-to-date			2003		2004		
2004	2003		3Q	4Q	1Q	2Q	3Q
INDIVIDUAL LIFE INSURANCE:							
<i>Policyholders' Account Balances (1):</i>							
4,520	4,112	Beginning balance	4,275	4,373	4,520	4,567	4,742
895	734	Premiums and deposits	248	281	293	295	307
(478)	(402)	Surrenders and withdrawals	(137)	(147)	(158)	(161)	(159)
417	332	Net sales	111	134	135	134	148
(72)	(67)	Benefit payments	(25)	(20)	(25)	(22)	(25)
345	265	Net flows	86	114	110	112	123
2	86	Interest credited and other	39	55	(49)	82	(31)
43	(10)	Net transfers (to) from separate account	(1)	10	18	15	10
(102)	(80)	Policy charges	(26)	(32)	(32)	(34)	(36)
<u>4,809</u>	<u>4,373</u>	Ending balance	<u>4,373</u>	<u>4,520</u>	<u>4,567</u>	<u>4,742</u>	<u>4,809</u>
<i>Separate Account Liabilities:</i>							
13,981	11,412	Beginning balance	12,511	12,843	13,981	14,246	14,303
1,015	1,106	Premiums and deposits	354	328	331	355	329
(443)	(466)	Surrenders and withdrawals	(132)	(134)	(145)	(140)	(158)
572	640	Net sales	222	194	186	215	171
(21)	(18)	Benefit payments	(5)	(4)	(8)	(6)	(7)
551	622	Net flows	217	190	178	209	164
410	1,497	Change in market value, interest credited and other	340	1,181	328	87	(5)
(126)	(73)	Net transfers to general account	(21)	(29)	(39)	(37)	(50)
(607)	(615)	Policy charges	(204)	(204)	(202)	(202)	(203)
<u>14,209</u>	<u>12,843</u>	Ending balance	<u>12,843</u>	<u>13,981</u>	<u>14,246</u>	<u>14,303</u>	<u>14,209</u>

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

INSURANCE DIVISION - ANNUITIES ACCOUNT VALUE ACTIVITY
(in millions)

Year-to-date						
2004	2003	2003		2004		
		3Q	4Q	1Q	2Q	3Q
INDIVIDUAL ANNUITIES:						
<i>Account Values in General Account (1):</i>						
7,660	6,795	7,457	7,614	7,660	9,675	10,101
860	860	263	209	249	338	273
(647)	(309)	(102)	(120)	(251)	(209)	(187)
213	551	161	89	(2)	129	86
(240)	(222)	(71)	(69)	(82)	(81)	(77)
(27)	329	90	20	(84)	48	9
239	252	105	62	22	118	99
2,158	86	(36)	(34)	2,079	261	(182)
(4)	(6)	(2)	(2)	(2)	(1)	(1)
-	158	-	-	-	-	-
<u>10,026</u>	<u>7,614</u>	<u>7,614</u>	<u>7,660</u>	<u>9,675</u>	<u>10,101</u>	<u>10,026</u>
<i>Account Values in Separate Account:</i>						
39,803	11,939	35,821	36,724	39,803	38,757	38,548
4,121	2,224	1,253	1,372	1,566	1,394	1,161
(3,380)	(2,291)	(1,090)	(1,137)	(1,152)	(1,105)	(1,123)
741	(67)	163	235	414	289	38
(342)	(220)	(104)	(100)	(124)	(100)	(118)
399	(287)	59	135	290	189	(80)
698	3,146	936	3,047	886	8	(196)
(2,158)	(86)	36	34	(2,079)	(261)	182
(434)	(261)	(128)	(137)	(143)	(145)	(146)
-	22,273	-	-	-	-	-
<u>38,308</u>	<u>36,724</u>	<u>36,724</u>	<u>39,803</u>	<u>38,757</u>	<u>38,548</u>	<u>38,308</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.
- (2) Includes the transfer in classification, as of January 1, 2004, of \$2,168 million of assets from separate account to general account, reflecting the adoption of Statement of Position 03-1, "Accounting and Reporting by Insurance Enterprises for Certain Non-Traditional Long-Duration Contracts and for Separate Accounts" (SOP 03-1).

INSURANCE DIVISION - DEFERRED POLICY ACQUISITION COSTS
(in millions)

Year-to-date			2003		2004		
2004	2003		3Q	4Q	1Q	2Q	3Q
INDIVIDUAL LIFE INSURANCE:							
3,194	3,110	Beginning balance	3,102	3,131	3,194	3,032	3,141
224	219	Capitalization	68	75	77	75	72
(213)	(172)	Amortization - operating results	(56)	(23)	(70)	(68)	(75)
-	-	Amortization - realized investment gains and losses	-	-	-	-	-
(193)	(26)	Impact of unrealized (gains) or losses on AFS securities	17	11	(169)	103	(127)
<u>3,012</u>	<u>3,131</u>	Ending balance	<u>3,131</u>	<u>3,194</u>	<u>3,032</u>	<u>3,141</u>	<u>3,012</u>
INDIVIDUAL ANNUITIES:							
636	473	Beginning balance	471	522	636	697	851
278	177	Capitalization	85	90	98	97	83
(121)	(60)	Amortization - operating results	(23)	13	(37)	(40)	(44)
-	(6)	Amortization - realized investment gains and losses	(3)	(5)	1	(3)	2
40	(62)	Impact of unrealized (gains) or losses on AFS securities	(8)	16	(5)	100	(55)
4	-	Other (1)	-	-	4	-	-
<u>837</u>	<u>522</u>	Ending balance	<u>522</u>	<u>636</u>	<u>697</u>	<u>851</u>	<u>837</u>
GROUP INSURANCE (2):							
88	57	Beginning balance	74	81	88	94	101
21	26	Capitalization	8	8	7	8	6
(3)	(2)	Amortization - operating results	(1)	(1)	(1)	(1)	(1)
-	-	Amortization - realized investment gains and losses	-	-	-	-	-
-	-	Impact of unrealized losses on AFS securities	-	-	-	-	-
<u>106</u>	<u>81</u>	Ending balance	<u>81</u>	<u>88</u>	<u>94</u>	<u>101</u>	<u>106</u>
TOTAL INSURANCE DIVISION:							
3,918	3,640	Beginning balance	3,647	3,734	3,918	3,823	4,093
523	422	Capitalization	161	173	182	180	161
(337)	(234)	Amortization - operating results	(80)	(11)	(108)	(109)	(120)
-	(6)	Amortization - realized investment gains and losses	(3)	(5)	1	(3)	2
(153)	(88)	Impact of unrealized (gains) or losses on AFS securities	9	27	(174)	203	(182)
4	-	Other (1)	-	-	4	-	-
<u>3,955</u>	<u>3,734</u>	Ending balance	<u>3,734</u>	<u>3,918</u>	<u>3,823</u>	<u>4,093</u>	<u>3,955</u>

(1) Reflects the impact of adoption of SOP 03-1 on January 1, 2004.

(2) Represents long-term care products.

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

Year-to-date			2003		2004		
2004	2003		3Q	4Q	1Q	2Q	3Q
Individual Life Insurance:							
Policy Surrender Experience:							
483	506	Cash value of surrenders	154	147	164	152	167
3.5%	4.0%	Cash value of surrenders as a percentage of mean future policy benefits, policyholders' account balances, and separate account balances	3.5%	3.2%	3.5%	3.2%	3.6%
Death benefits per \$1,000 of in force (1):							
2.80	2.56	Variable and universal life	2.40	4.57	2.90	2.86	2.64
1.26	2.60	Term life	4.16	1.65	1.75	0.76	1.43
2.58	2.69	Total, Individual Life Insurance	3.10	3.94	2.75	2.58	2.49

(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						
2004	2003	2003		2004		
		3Q	4Q	1Q	2Q	3Q
GROUP INSURANCE NEW ANNUALIZED PREMIUMS:						
195	153	30	72	127	34	34
143	120	24	24	90	15	38
<u>338</u>	<u>273</u>	<u>54</u>	<u>96</u>	<u>217</u>	<u>49</u>	<u>72</u>
Future Policy Benefits (2):						
		1,656	1,832	1,780	1,760	1,734
		217	224	277	279	291
		<u>1,873</u>	<u>2,056</u>	<u>2,057</u>	<u>2,039</u>	<u>2,025</u>
Policyholders' Account Balances (2):						
		4,499	4,341	4,353	4,420	4,412
		61	66	59	61	66
		<u>4,560</u>	<u>4,407</u>	<u>4,412</u>	<u>4,481</u>	<u>4,478</u>
Separate Account Liabilities (2):						
		9,970	10,253	10,476	10,810	11,198
		-	-	-	-	-
		<u>9,970</u>	<u>10,253</u>	<u>10,476</u>	<u>10,810</u>	<u>11,198</u>
Group Life Insurance:						
1,924	1,930	603	612	674	613	637
1,933	1,806	577	620	647	634	652
89.7%	91.0%	91.2%	90.5%	92.1%	88.2%	88.7%
10.5%	9.4%	10.0%	10.6%	9.5%	11.1%	10.8%
		93.7%	92.8%	95.7%	94.7%	94.3%
Group Disability Insurance (1):						
532	497	165	165	176	174	182
514	485	159	157	173	165	176
95.3%	91.3%	93.1%	95.5%	95.4%	95.2%	95.5%
21.6%	21.9%	22.4%	24.2%	21.0%	21.8%	22.0%
		87.5%	85.0%	90.8%	89.3%	87.4%

(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		2003		2004		
2004	2003			3Q	4Q	1Q	2Q	3Q
			Revenues (1):					
82	23	257%	Premiums	1	6	12	27	43
84	54	56%	Policy charges and fee income	17	18	18	35	31
1,726	1,625	6%	Net investment income	516	526	523	584	619
1,660	2,201	-25%	Commissions, investment management fees, and other income	481	494	477	622	561
<u>3,552</u>	<u>3,903</u>	-9%	Total revenues	<u>1,015</u>	<u>1,044</u>	<u>1,030</u>	<u>1,268</u>	<u>1,254</u>
			Benefits and Expenses (1):					
653	601	9%	Insurance and annuity benefits	187	190	208	208	237
928	708	31%	Interest credited to policyholders' account balances	239	238	226	353	349
27	25	8%	Interest expense	9	8	9	1	17
(32)	(21)	-52%	Deferral of acquisition costs	(6)	(8)	(8)	(14)	(10)
44	51	-14%	Amortization of acquisition costs	15	15	15	14	15
1,688	2,306	-27%	General and administrative expenses	488	545	484	634	570
<u>3,308</u>	<u>3,670</u>	-10%	Total benefits and expenses	<u>932</u>	<u>988</u>	<u>934</u>	<u>1,196</u>	<u>1,178</u>
<u>244</u>	<u>233</u>	5%	Adjusted operating income before income taxes	<u>83</u>	<u>56</u>	<u>96</u>	<u>72</u>	<u>76</u>

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

COMBINING STATEMENTS OF OPERATIONS - INVESTMENT DIVISION
(in millions)

	Nine Months Ended September 30, 2004				Quarter Ended September 30, 2004			
	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	82	-	-	82	43	-	-	43
Policy charges and fee income	84	-	-	84	31	-	-	31
Net investment income	1,726	51	1	1,674	619	16	-	603
Commissions, investment management fees, and other income	1,660	995	221	444	561	317	44	200
Total revenues	<u>3,552</u>	<u>1,046</u>	<u>222</u>	<u>2,284</u>	<u>1,254</u>	<u>333</u>	<u>44</u>	<u>877</u>
Benefits and Expenses (1):								
Insurance and annuity benefits	653	-	-	653	237	-	-	237
Interest credited to policyholders' account balances	928	-	-	928	349	-	-	349
Interest expense	27	8	-	19	17	3	-	14
Deferral of acquisition costs	(32)	(15)	-	(17)	(10)	(4)	-	(6)
Amortization of acquisition costs	44	34	-	10	15	11	-	4
General and administrative expenses	1,688	843	392	453	570	265	120	185
Total benefits and expenses	<u>3,308</u>	<u>870</u>	<u>392</u>	<u>2,046</u>	<u>1,178</u>	<u>275</u>	<u>120</u>	<u>783</u>
Adjusted operating income before income taxes	<u>244</u>	<u>176</u>	<u>(170)</u>	<u>238</u>	<u>76</u>	<u>58</u>	<u>(76)</u>	<u>94</u>
<hr/>								
	Nine Months Ended September 30, 2003				Quarter Ended September 30, 2003			
	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	23	-	-	23	1	-	-	1
Policy charges and fee income	54	-	-	54	17	-	-	17
Net investment income	1,625	42	53	1,530	516	18	-	498
Commissions, investment management fees, and other income	2,201	939	1,164	98	481	324	122	35
Total revenues	<u>3,903</u>	<u>981</u>	<u>1,217</u>	<u>1,705</u>	<u>1,015</u>	<u>342</u>	<u>122</u>	<u>551</u>
Benefits and Expenses (1):								
Insurance and annuity benefits	601	-	-	601	187	-	-	187
Interest credited to policyholders' account balances	708	-	-	708	239	-	-	239
Interest expense	25	13	-	12	9	6	-	3
Deferral of acquisition costs	(21)	(14)	-	(7)	(6)	(4)	-	(2)
Amortization of acquisition costs	51	42	-	9	15	12	-	3
General and administrative expenses	2,306	800	1,261	245	488	286	120	82
Total benefits and expenses	<u>3,670</u>	<u>841</u>	<u>1,261</u>	<u>1,568</u>	<u>932</u>	<u>300</u>	<u>120</u>	<u>512</u>
Adjusted operating income before income taxes	<u>233</u>	<u>140</u>	<u>(44)</u>	<u>137</u>	<u>83</u>	<u>42</u>	<u>2</u>	<u>39</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.

INVESTMENT DIVISION - SUPPLEMENTARY REVENUE INFORMATION FOR ASSET MANAGEMENT SEGMENT
 (dollar amounts in millions unless otherwise noted)

Year-to-date		% Change		2003		2004		
2004	2003			3Q	4Q	1Q	2Q	3Q
Asset Management Segment:								
Analysis of revenues by source:								
Investment Management and Advisory Services:								
161	138	17%	Retail customers	50	49	54	54	53
318	258	23%	Institutional customers	92	114	95	117	106
170	161	6%	General account	56	58	53	59	58
649	557	17%	Subtotal	198	221	202	230	217
397	424	-6%	Mutual Fund and other segment revenues (1)	144	158	145	136	116
1,046	981	7%	Total Asset Management segment revenues	342	379	347	366	333
Analysis of commissions, investment management fees and other revenues by type:								
Investment Management and Advisory Services:								
597	500	19%	Asset-based fees	173	182	186	209	202
29	35	-17%	Transaction-based and other revenues	16	33	9	12	8
626	535	17%	Subtotal	189	215	195	221	210
369	404	-9%	Mutual Fund and other segment revenues (1)	135	151	136	126	107
995	939	6%	Total	324	366	331	347	317

(1) Represents mutual fund and other segment revenues other than asset management fees paid to affiliates, which are included in appropriate categories above.

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

Year-to-date	2003	2003	2004	2004	2004
2004	3Q	4Q	1Q	2Q	3Q
Information pertaining to Wachovia Securities Financial Holdings, LLC:					
Revenues:					
165	53	55	56	55	54
1,680	620	626	665	551	464
1,192	347	360	388	396	408
93	55	40	41	25	27
3,130	1,075	1,081	1,150	1,027	953
Expenses:					
2,805	939	948	1,001	929	875
222	41	43	57	66	99
3,027	980	991	1,058	995	974
103	95	90	92	32	(21)
39	36	34	35	12	(8)
(5)	(5)	(9)	(3)	(1)	(1)
34	31	25	32	11	(9)
Recurring revenue as a percentage of total non-interest revenue (1)	38.2%	38.0%	39.1%	41.3%	47.9%
Total client assets (\$ in billions) (2)	568.5	603.1	614.9	618.9	615.9
Distribution representatives (2):					
Series 7 Financial Advisors	8,309	8,192	8,133	8,009	7,964
Series 6 Financial Representatives	3,316	3,270	3,081	2,871	2,594
Customer debit balances (\$ in billions) (2)	5.6	6.1	6.1	6.3	6.0
(166)	4	(64)	(17)	(79)	(70)

(1) Calculated on a YTD annualized basis. 2003 amounts are calculated from July 1, 2003.
(2) As of end of period.

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

	September 30, 2004			Total
	Equity	Fixed Income	Real Estate	
Retail customers	42.0	19.3	1.0	62.3
Institutional customers	37.8	57.8	13.3	108.9
General account	2.7	148.3	1.3	152.3
Total	82.5	225.4	15.6	323.5

	September 30, 2003			Total
	Equity	Fixed Income	Real Estate	
Retail customers	37.9	43.0	1.2	82.1
Institutional customers	27.6	49.3	12.8	89.7
General account	3.0	126.1	1.2	130.3
Total	68.5	218.4	15.2	302.1

Year-to-date	
2004	2003
69.3	62.0
13.6	7.8
(8.9)	(8.8)
2.3	5.5
0.2	(0.9)
76.5	65.6
32.4	24.1
108.9	89.7

Institutional Assets Under Management:

Assets gathered by Investment Management & Advisory Services sales force:

	2003		2004		3Q
	3Q	4Q	1Q	2Q	
Beginning assets under management	64.4	65.6	69.3	74.2	74.0
Additions to managed portfolio	3.1	5.4	5.6	4.5	3.5
Withdrawals	(3.1)	(3.9)	(2.8)	(4.6)	(1.5)
Change in market value	1.3	2.6	1.6	-	0.7
Net money market flows	(0.1)	(0.4)	0.5	(0.1)	(0.2)
Ending assets under management	65.6	69.3	74.2	74.0	76.5
Other institutional assets under management	24.1	25.5	25.7	32.3	32.4
Total assets managed for institutional customers at end of period	89.7	94.8	99.9	106.3	108.9

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

Year-to-date		2003					2004				
2004	2003	3Q	4Q	1Q	2Q	3Q					
Mutual Funds Assets Under Management:											
46,784	49,756	51,835	51,016	46,784	44,027	39,774					
2,176	3,149	963	758	873	672	631					
(4,070)	(4,069)	(1,749)	(1,385)	(1,296)	(1,557)	(1,217)					
578	3,443	757	2,447	566	319	(307)					
(15,794)	(5,395)	(790)	(6,052)	(2,900)	(3,687)	(9,207)					
-	4,132	-	-	-	-	-					
<u>29,674</u>	<u>51,016</u>	<u>51,016</u>	<u>46,784</u>	<u>44,027</u>	<u>39,774</u>	<u>29,674</u>					
(1,894)	(920)	(786)	(627)	(423)	(885)	(586)					
Wrap-fee Products Assets Under Administration (1):											
19,833	15,153	16,702	17,960	19,833	21,084	27,728					
7,764	4,503	1,754	1,612	2,154	2,022	3,588					
(4,886)	(3,893)	(1,370)	(1,361)	(1,423)	(1,578)	(1,885)					
(187)	2,197	874	1,622	520	186	(893)					
13,884	-	-	-	-	6,014	7,870					
<u>36,408</u>	<u>17,960</u>	<u>17,960</u>	<u>19,833</u>	<u>21,084</u>	<u>27,728</u>	<u>36,408</u>					
-	804	804	807	-	-	-					
<u>36,408</u>	<u>18,764</u>	<u>18,764</u>	<u>20,640</u>	<u>21,084</u>	<u>27,728</u>	<u>36,408</u>					
2,878	610	384	251	731	444	1,703					
MUTUAL FUNDS AND WRAP-FEE PRODUCTS GROSS SALES BY DISTRIBUTION CHANNEL											
<u>Mutual funds, excluding wrap-fee products (4):</u>											
300	311	93	105	121	107	72					
-	826	-	-	-	-	-					
1,799	1,982	865	649	727	538	534					
77	30	5	4	25	27	25					
<u>2,176</u>	<u>3,149</u>	<u>963</u>	<u>758</u>	<u>873</u>	<u>672</u>	<u>631</u>					
<u>Wrap-fee products (1):</u>											
433	300	102	117	139	174	120					
-	2,269	-	-	-	-	-					
7,331	1,934	1,652	1,495	2,015	1,848	3,468					
<u>7,764</u>	<u>4,503</u>	<u>1,754</u>	<u>1,612</u>	<u>2,154</u>	<u>2,022</u>	<u>3,588</u>					

- (1) Excludes other managed accounts.
(2) As a result of the combination of the company's retail securities brokerage business with Wachovia Securities Financial Holdings, LLC, the Asset Management segment assumed responsibility for management of Latin American wrap-fee assets amounting to \$383 million as of July 1, 2003 which were formerly managed within the International Investments segment. This balance is included in "Reinvestment of distributions and change in market value". New sales related to this business are included in the Asset Management segment's wrap-fee sales data commencing with the third quarter of 2003.
(3) As a result of agreements in connection with the formation of the retail securities brokerage joint venture with Wachovia, the Asset Management segment assumed administrative responsibilities for Wachovia Securities customer assets under wrap-fee and managed account programs.
(4) Other than money market.
(5) Includes, effective July 1, 2003, production through Financial Advisors formerly associated with Prudential Securities, who became associated with Wachovia Securities Financial Holdings, LLC as a result of the combination of Prudential's retail securities brokerage operation with Wachovia Securities Financial Holdings, LLC as of that date.

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

Year-to-date						
2004	2003	2003		2004		
		3Q	4Q	1Q	2Q	3Q
RETIREMENT SALES AND ACCOUNT VALUES						
Defined Contribution:						
28,658	22,914	24,315	26,766	28,658	28,844	63,841
6,154	4,388	2,484	791	1,124	2,239	2,791
(7,096)	(2,521)	(613)	(860)	(1,535)	(2,520)	(3,041)
1,108	1,985	580	1,961	597	621	(110)
34,657	-	-	-	-	34,657	-
<u>63,481</u>	<u>26,766</u>	<u>26,766</u>	<u>28,658</u>	<u>28,844</u>	<u>63,841</u>	<u>63,481</u>
<u>(942)</u>	<u>1,867</u>	<u>1,871</u>	<u>(69)</u>	<u>(411)</u>	<u>(281)</u>	<u>(250)</u>
Asset management of ending total account value:						
		17,331	18,085	17,797	43,166	42,604
		9,435	10,573	11,047	20,675	20,877
		<u>26,766</u>	<u>28,658</u>	<u>28,844</u>	<u>63,841</u>	<u>63,481</u>
Guaranteed Products:						
41,955	39,058	40,372	40,727	41,955	42,260	60,365
3,881	2,168	966	1,088	501	1,704	1,676
(5,276)	(3,110)	(1,045)	(903)	(842)	(2,321)	(2,113)
1,845	2,382	381	899	1,033	(133)	945
(704)	229	53	144	(387)	(288)	(29)
19,143	-	-	-	-	19,143	-
<u>60,844</u>	<u>40,727</u>	<u>40,727</u>	<u>41,955</u>	<u>42,260</u>	<u>60,365</u>	<u>60,844</u>
<u>(1,395)</u>	<u>(942)</u>	<u>(79)</u>	<u>185</u>	<u>(341)</u>	<u>(617)</u>	<u>(437)</u>
Product composition of ending total account value (3):						
		18,853	19,606	20,256	23,407	23,396
		21,874	22,349	22,004	36,958	37,448
		<u>40,727</u>	<u>41,955</u>	<u>42,260</u>	<u>60,365</u>	<u>60,844</u>

(1) The amount originally reported for the second quarter of 2004 has been adjusted to reflect refinements in the calculation of the acquired account values.

(2) Represents changes in asset balances for externally managed accounts. Includes a \$152 million reduction in account value as of January 1, 2004 reflecting the adoption of SOP 03-1.

(3) Fee and spread based product account values reflect the reclassification of \$471 million of account values from fee based to spread based as of January 1, 2004, upon the adoption of SOP 03-1.

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

Year-to-date		% Change		2003		2004		
2004	2003			3Q	4Q	1Q	2Q	3Q
3,976	3,440	16%	Revenues (1):					
179	166	8%	Premiums	1,170	1,236	1,330	1,354	1,292
712	610	17%	Policy charges and fee income	54	60	63	61	55
346	246	41%	Net investment income	212	189	231	236	245
5,213	4,462	17%	Commissions, investment management fees, and other income	85	64	94	131	121
			Total revenues	1,521	1,549	1,718	1,782	1,713
			Benefits and Expenses (1):					
3,132	2,665	18%	Insurance and annuity benefits	894	949	1,064	1,072	996
84	79	6%	Interest credited to policyholders' account balances	27	30	26	29	29
4	2	100%	Interest expense	1	1	1	2	1
(549)	(509)	-8%	Deferral of acquisition costs	(157)	(186)	(190)	(175)	(184)
247	214	15%	Amortization of acquisition costs	69	70	79	79	89
1,562	1,393	12%	General and administrative expenses	464	501	519	513	530
4,480	3,844	17%	Total benefits and expenses	1,298	1,365	1,499	1,520	1,461
733	618	19%	Adjusted operating income before income taxes	223	184	219	262	252

(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 - INTERNATIONAL INSURANCE AND INVESTMENTS DIVISION
(in millions)

	Nine Months Ended September 30, 2004				Quarter Ended September 30, 2004			
	Total	International	International	International	Total	International	International	International
	International	Insurance	Insurance -	Investments	International	Insurance	Insurance -	Investments
	Insurance & Investments	excl. Gibraltar	Insurance - Gibraltar Life	Investments	Insurance & Investments	excl. Gibraltar	Insurance - Gibraltar Life	Investments
Division	Life	Gibraltar Life	Investments	Division	Life	Gibraltar Life	Investments	
Revenues (1):								
Premiums	3,976	2,191	1,785	-	1,292	742	550	-
Policy charges and fee income	179	120	59	-	55	38	17	-
Net investment income	712	232	450	30	245	82	152	11
Commissions, investment management fees, and other income	346	(18)	(19)	383	121	(8)	(6)	135
Total revenues	<u>5,213</u>	<u>2,525</u>	<u>2,275</u>	<u>413</u>	<u>1,713</u>	<u>854</u>	<u>713</u>	<u>146</u>
Benefits and Expenses (1):								
Insurance and annuity benefits	3,132	1,641	1,491	-	996	539	457	-
Interest credited to policyholders' account balances	84	12	72	-	29	4	25	-
Interest expense	4	8	(6)	2	1	2	(2)	1
Deferral of acquisition costs	(549)	(382)	(167)	-	(184)	(128)	(56)	-
Amortization of acquisition costs	247	190	57	-	89	70	19	-
General and administrative expenses	1,562	667	519	376	530	228	170	132
Total benefits and expenses	<u>4,480</u>	<u>2,136</u>	<u>1,966</u>	<u>378</u>	<u>1,461</u>	<u>715</u>	<u>613</u>	<u>133</u>
Adjusted operating income before income taxes	<u>733</u>	<u>389</u>	<u>309</u>	<u>35</u>	<u>252</u>	<u>139</u>	<u>100</u>	<u>13</u>
	Nine Months Ended September 30, 2003				Quarter Ended September 30, 2003			
	Total	International	International	International	Total	International	International	International
	International	Insurance	Insurance -	Investments	International	Insurance	Insurance -	Investments
	Insurance & Investments	excl. Gibraltar	Insurance - Gibraltar Life	Investments	Insurance & Investments	excl. Gibraltar	Insurance - Gibraltar Life	Investments
	Division	Life	Gibraltar Life	Investments	Division	Life	Gibraltar Life	Investments
Revenues (1):								
Premiums	3,440	1,892	1,548	-	1,170	663	507	-
Policy charges and fee income	166	99	67	-	54	34	20	-
Net investment income	610	163	415	32	212	60	143	9
Commissions, investment management fees, and other income	246	(8)	(3)	257	85	(7)	(1)	93
Total revenues	<u>4,462</u>	<u>2,146</u>	<u>2,027</u>	<u>289</u>	<u>1,521</u>	<u>750</u>	<u>669</u>	<u>102</u>
Benefits and Expenses (1):								
Insurance and annuity benefits	2,665	1,405	1,260	-	894	480	414	-
Interest credited to policyholders' account balances	79	9	70	-	27	3	24	-
Interest expense	2	9	(7)	-	1	3	(2)	-
Deferral of acquisition costs	(509)	(364)	(145)	-	(157)	(111)	(46)	-
Amortization of acquisition costs	214	180	34	-	69	54	15	-
General and administrative expenses	1,393	587	538	268	464	210	160	94
Total benefits and expenses	<u>3,844</u>	<u>1,826</u>	<u>1,750</u>	<u>268</u>	<u>1,298</u>	<u>639</u>	<u>565</u>	<u>94</u>
Adjusted operating income before income taxes	<u>618</u>	<u>320</u>	<u>277</u>	<u>21</u>	<u>223</u>	<u>111</u>	<u>104</u>	<u>8</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.

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

Year ended December 31		2003				2004		
		1Q	2Q	3Q	4Q	1Q	2Q	3Q
2002								
	Japanese Yen Basis Results (1):							
	Revenues (2):							
¥ 216,432	Japanese insurance operations excluding Gibraltar Life	¥ 61,138	¥ 57,741	¥ 62,756	¥ 60,461	¥ 67,241	¥ 61,706	¥ 65,655
336,211	Gibraltar Life	80,020	82,691	79,860	78,142	79,817	90,954	78,986
552,643	Total revenues, Japan, yen basis	141,158	140,432	142,616	138,603	147,058	152,660	144,641
	Benefits and Expenses (2):							
176,369	Japanese insurance operations excluding Gibraltar Life	50,683	47,465	51,871	48,263	55,265	50,044	52,373
292,123	Gibraltar Life	70,934	70,468	66,978	66,627	68,819	77,443	67,358
468,492	Total benefits and expenses, Japan, yen basis	121,617	117,933	118,849	114,890	124,084	127,487	119,731
	Adjusted operating income (3):							
40,063	Japanese insurance operations excluding Gibraltar Life	10,455	10,276	10,885	12,198	11,976	11,662	13,282
44,088	Gibraltar Life	9,086	12,223	12,882	11,515	10,998	13,511	11,628
¥ 84,151	Total adjusted operating income, Japan, yen basis	¥ 19,541	¥ 22,499	¥ 23,767	¥ 23,713	¥ 22,974	¥ 25,173	¥ 24,910
	U.S. Dollar adjusted operating income (4):							
\$ 342	Japanese insurance operations excluding Gibraltar Life	\$ 85	\$ 84	\$ 88	\$ 100	\$ 103	\$ 99	\$ 113
378	Gibraltar Life	75	98	104	93	94	115	100
720	Total adjusted operating income, Japan, U.S. dollar basis	160	182	192	193	197	214	213
37	All other countries	15	25	23	29	18	30	26
\$ 757	Total adjusted operating income, International Insurance segment, U.S. dollar basis	\$ 175	\$ 207	\$ 215	\$ 222	\$ 215	\$ 244	\$ 239

- (1) Refinements were introduced in the third quarter of 2004 in the reporting, on a yen basis, of revenues and expenses associated with certain intercompany transactions and with trading assets supporting insurance liabilities. Yen-based amounts shown for earlier periods have been reclassified to conform to the current presentation. The reclassification has no impact on U.S. Dollar adjusted operating income.
- (2) 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.
- (3) Adjusted operating income on yen basis excludes impact of currency hedging.
- (4) U.S. dollar adjusted operating income includes impact of currency hedging.

INTERNATIONAL INSURANCE AND INVESTMENTS DIVISION - SALES RESULTS AND SUPPLEMENTARY INFORMATION
(dollar amounts in millions unless otherwise noted)

Year-to-date			2003		2004		
2004	2003		3Q	4Q	1Q	2Q	3Q
INTERNATIONAL INSURANCE OPERATING DATA:							
Actual exchange rate basis (1):							
Net premiums, policy charges and fee income:							
1,628	1,434	Japan, excluding Gibraltar Life	499	509	580	506	542
1,844	1,615	Gibraltar Life	527	566	597	680	567
683	557	All other countries	198	221	216	229	238
<u>4,155</u>	<u>3,606</u>	Total	<u>1,224</u>	<u>1,296</u>	<u>1,393</u>	<u>1,415</u>	<u>1,347</u>
Annualized new business premiums:							
324	286	Japan, excluding Gibraltar Life	95	112	128	93	103
211	228	Gibraltar Life	75	68	62	81	68
150	149	All other countries	53	61	50	50	50
<u>685</u>	<u>663</u>	Total	<u>223</u>	<u>241</u>	<u>240</u>	<u>224</u>	<u>221</u>
Constant exchange rate basis (2):							
Net premiums, policy charges and fee income:							
1,535	1,465	Japan, excluding Gibraltar Life	505	479	537	482	516
1,730	1,662	Gibraltar Life	540	543	551	642	537
668	553	All other countries	191	219	212	223	233
<u>3,933</u>	<u>3,680</u>	Total	<u>1,236</u>	<u>1,241</u>	<u>1,300</u>	<u>1,347</u>	<u>1,286</u>
Annualized new business premiums:							
309	293	Japan, excluding Gibraltar Life	97	105	119	88	102
198	235	Gibraltar Life	77	64	58	76	64
145	150	All other countries	51	61	49	48	48
<u>652</u>	<u>678</u>	Total	<u>225</u>	<u>230</u>	<u>226</u>	<u>212</u>	<u>214</u>

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

(2) Translated based on average exchange rates for the year ended December 31, 2003.

INTERNATIONAL INSURANCE AND INVESTMENTS DIVISION - SALES RESULTS AND SUPPLEMENTARY INFORMATION

	2003		2004		
	3Q	4Q	1Q	2Q	3Q
Face amount of individual policies in force at end of period (in billions) (1): (Constant exchange rate basis)					
Japan, excluding Gibraltar Life	167	171	176	179	184
Gibraltar Life	222	218	215	210	208
All other countries	58	61	63	66	67
Total	<u>447</u>	<u>450</u>	<u>454</u>	<u>455</u>	<u>459</u>
Number of individual policies in force at end of period (in thousands):					
Japan, excluding Gibraltar Life	1,137	1,180	1,231	1,266	1,304
Gibraltar Life	4,334	4,288	4,226	4,149	4,109
All other countries	786	830	863	894	925
Total	<u>6,257</u>	<u>6,298</u>	<u>6,320</u>	<u>6,309</u>	<u>6,338</u>
International insurance policy persistency (2):					
13 months	92.9%	92.8%	92.7%	92.6%	92.8%
25 months	87.1%	87.0%	86.7%	86.7%	86.5%
Number of Life Planners at end of period (3):					
Japan	2,293	2,347	2,422	2,447	2,509
All other countries	2,582	2,642	2,586	2,676	2,725
Total	<u>4,875</u>	<u>4,989</u>	<u>5,008</u>	<u>5,123</u>	<u>5,234</u>

(1) Translated based on exchange rates as of December 31, 2003.

(2) Excluding Gibraltar Life.

(3) Excluding Gibraltar Life Advisors.

INVESTMENT PORTFOLIO COMPOSITION
(in millions)

	September 30, 2004				December 31, 2003			
	Consolidated Portfolio	Closed Block Business	Financial Services Businesses		Consolidated Portfolio	Closed Block Business	Financial Services Businesses	
			Amount	% of Total			Amount	% of Total
Fixed maturities:								
Public, available for sale, at fair value	111,879	35,136	76,743	56.6%	95,968	29,538	66,430	59.9%
Public, held to maturity, at amortized cost	2,510	-	2,510	1.8%	3,010	-	3,010	2.7%
Private, available for sale, at fair value	31,302	14,431	16,871	12.5%	32,973	15,052	17,921	16.2%
Private, held to maturity, at amortized cost	97	-	97	0.1%	58	-	58	0.1%
Trading account assets supporting insurance liabilities, at fair value (1)	12,695	-	12,695	9.4%	88	-	88	0.0%
Other trading account assets, at fair value (1)	153	-	153	0.1%	138	-	138	0.2%
Equity securities, available for sale, at fair value	3,779	2,345	1,434	1.1%	3,383	2,282	1,101	1.0%
Commercial loans	23,469	7,154	16,315	12.0%	18,780	7,006	11,774	10.6%
Policy loans	8,063	5,457	2,606	1.9%	8,152	5,543	2,609	2.4%
Other long-term investments (2)	4,774	1,067	3,707	2.7%	4,743	1,041	3,702	3.3%
Short-term investments	4,653	2,254	2,399	1.8%	7,633	3,581	4,052	3.6%
Subtotal (3)	203,374	67,844	135,530	100.0%	174,926	64,043	110,883	100.0%
Invested assets of other entities and operations (4)	4,368	-	4,368		6,115	-	6,115	
Total investments	207,742	67,844	139,898		181,041	64,043	116,998	

Fixed Maturities by Credit Quality (3):

	September 30, 2004					December 31, 2003				
	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:										
NAIC Rating (5) Rating Agency Equivalent										
1 Aaa, Aa, A	57,135	2,259	307	59,087	74.5%	50,133	2,247	210	52,170	75.1%
2 Baa	16,478	989	66	17,401	22.0%	13,767	900	91	14,576	21.0%
Subtotal Investment Grade	73,613	3,248	373	76,488	96.5%	63,900	3,147	301	66,746	96.1%
3 Ba	1,763	163	7	1,919	2.4%	1,580	167	11	1,736	2.5%
4 B	696	69	4	761	1.0%	757	89	3	843	1.2%
5 C and lower	61	20	1	80	0.1%	67	30	2	95	0.1%
6 In or near default	26	5	-	31	0.0%	34	3	1	36	0.1%
Subtotal Below Investment Grade	2,546	257	12	2,791	3.5%	2,438	289	17	2,710	3.9%
Total	76,159	3,505	385	79,279	100.0%	66,338	3,436	318	69,456	100.0%
Private Fixed Maturities:										
NAIC Rating (5) Rating Agency Equivalent										
1 Aaa, Aa, A	4,490	316	13	4,793	28.2%	4,647	400	7	5,040	28.0%
2 Baa	8,714	672	16	9,370	55.2%	8,749	749	13	9,485	52.6%
Subtotal Investment Grade	13,204	988	29	14,163	83.4%	13,396	1,149	20	14,525	80.6%
3 Ba	1,688	128	2	1,814	10.7%	2,004	146	13	2,137	12.1%
4 B	351	28	5	374	2.2%	508	38	3	543	3.0%
5 C and lower	355	51	4	402	2.4%	552	62	12	602	3.3%
6 In or near default	214	5	4	215	1.3%	168	7	3	172	1.0%
Subtotal Below Investment Grade	2,608	212	15	2,805	16.6%	3,232	253	31	3,454	19.4%
Total	15,812	1,200	44	16,968	100.0%	16,628	1,402	51	17,979	100.0%

- (1) Commencing June 30, 2004, investments for which fair value changes result in changes in experience-rated contractholder liabilities are classified as "Trading account assets supporting insurance liabilities."
Classification for earlier periods presented has been conformed to the current presentation. Trading account assets supporting insurance liabilities as of June 30, 2004, reflect the reclassification of \$627 million of assets from separate account assets on January 1, 2004, upon adoption of SOP 03-1.
- (2) Other long-term investments consist of real estate and non-real estate related investments in joint ventures (other than 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.
- (3) Excludes investments of securities brokerage operations, securities trading operations, banking operations, assets related to special purpose entities consolidated in accordance with FIN 46, assets of our asset management operations managed for third parties, and separate account assets for which the customer assumes risks of ownership.
- (4) Includes invested assets of securities brokerage operations, securities trading operations, banking operations and assets related to special purpose entities consolidated in accordance with FIN 46. Excludes assets of our asset management operations managed for third parties and separate account assets for which the customer assumes risks of ownership. Our investment in Wachovia Securities Financial Holdings, LLC is included in "Other assets".
- (5) Reflects equivalent ratings for investments of international insurance operations that are not rated by United States insurance regulatory authorities. Includes, as of September 30, 2004 and December 31, 2003, respectively, 460 securities with amortized cost of \$2,864 million (fair value \$2,917 million) and 223 securities with amortized cost of \$2,952 million (fair value, \$3,027 million) that have been categorized based on expected NAIC designations pending receipt of SVO ratings.

FINANCIAL SERVICES BUSINESSES INVESTMENT PORTFOLIO COMPOSITION
(in millions)

	September 30, 2004		December 31, 2003	
	Amount	% of Total	Amount	% of Total
Japanese Insurance Operations:				
Fixed maturities:				
Public, available for sale, at fair value	28,658	74.6%	28,488	74.3%
Public, held to maturity, at amortized cost	2,510	6.5%	3,010	7.8%
Private, available for sale, at fair value	722	1.9%	280	0.7%
Private, held to maturity, at amortized cost	97	0.2%	58	0.2%
Trading account assets supporting insurance liabilities, at fair value (1) (2)	784	2.0%	88	0.2%
Other trading account assets, at fair value (1)	28	0.1%	-	0.0%
Equity securities, available for sale, at fair value	1,260	3.3%	934	2.4%
Commercial loans	2,609	6.8%	2,922	7.6%
Policy loans	795	2.1%	862	2.3%
Other long-term investments (3)	962	2.5%	1,291	3.4%
Short-term investments	14	0.0%	440	1.1%
Total	38,439	100.0%	38,373	100.0%

	September 30, 2004		December 31, 2003	
	Amount	% of Total	Amount	% of Total
Financial Services Businesses excluding Japanese Insurance Operations (4):				
Fixed maturities:				
Public, available for sale, at fair value	48,085	49.5%	37,942	52.4%
Public, held to maturity, at amortized cost	-	0.0%	-	0.0%
Private, available for sale, at fair value	16,149	16.6%	17,641	24.3%
Private, held to maturity, at amortized cost	-	0.0%	-	0.0%
Trading account assets supporting insurance liabilities, at fair value (1)	11,911	12.3%	-	0.0%
Other trading account assets, at fair value (1)	125	0.1%	138	0.2%
Equity securities, available for sale, at fair value	174	0.2%	167	0.2%
Commercial loans	13,706	14.1%	8,852	12.2%
Policy loans	1,811	1.9%	1,747	2.4%
Other long-term investments (3)	2,745	2.8%	2,411	3.3%
Short-term investments	2,385	2.5%	3,612	5.0%
Total	97,091	100.0%	72,510	100.0%

(1) Commencing June 30, 2004, investments for which fair value changes result in changes in experience-rated contractholder liabilities are classified as "Trading account assets supporting insurance liabilities." Classification for earlier periods presented has been conformed to the current presentation.

(2) Trading account assets supporting insurance liabilities as of June 30, 2004, reflect the reclassification of \$627 million of assets from separate account assets on January 1, 2004, upon adoption of SOP 03-1.

(3) Other long-term investments consist of real estate and non-real estate related investments in joint ventures (other than 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 Wachovia Securities Financial Holdings, LLC is included in "Other assets".

(4) Excludes investments of securities brokerage operations, securities trading operations, banking operations, assets related to special purpose entities consolidated in accordance with FIN 46, assets of our asset management operations managed for third parties, and separate account assets for which the customer assumes risks of ownership.

FINANCIAL SERVICES BUSINESSES INVESTMENT RESULTS
(in millions)

	Quarter Ended September 30					
	2004			2003		
	Investment Income		Realized	Investment Income		Realized
	Yield (3)	Amount	Gains / (Losses)	Yield (3)	Amount	Gains / (Losses)
Financial Services Businesses (1) (4):						
Fixed maturities	4.52%	1,012	79	4.69%	931	25
Equity securities	3.70%	11	15	2.16%	5	17
Commercial loans	6.50%	185	(16)	6.95%	198	29
Policy loans	4.99%	32	-	4.70%	33	-
Short-term investments and cash equivalents	1.59%	24	(1)	2.18%	31	2
Other investments	8.64%	126	(40)	7.95%	79	(110)
Gross investment income before investment expenses	4.78%	1,390	37	4.98%	1,277	(37)
Investment expenses	-0.15%	(70)	-	-0.12%	(48)	-
Subtotal	<u>4.63%</u>	<u>1,320</u>	<u>37</u>	<u>4.86%</u>	<u>1,229</u>	<u>(37)</u>
Investment results of other entities and operations (2)		81	(1)		17	-
Less, investment income relating to divested businesses		(1)			(31)	
Total		<u>1,400</u>	<u>36</u>		<u>1,215</u>	<u>(37)</u>

	Nine Months Ended September 30					
	2004			2003		
	Investment Income		Realized	Investment Income		Realized
	Yield (3)	Amount	Gains / (Losses)	Yield (3)	Amount	Gains / (Losses)
Financial Services Businesses (1) (4):						
Fixed maturities	4.61%	2,946	118	4.87%	2,798	(38)
Equity securities	2.62%	22	94	1.56%	12	(79)
Commercial loans	6.70%	568	(2)	7.06%	598	47
Policy loans	4.77%	92	-	5.40%	117	-
Short-term investments and cash equivalents	1.54%	71	(1)	2.04%	84	2
Other investments	8.51%	301	7	8.21%	264	(69)
Gross investment income before investment expenses	4.85%	4,000	216	5.14%	3,873	(137)
Investment expenses	-0.16%	(185)	-	-0.16%	(168)	-
Subtotal	<u>4.69%</u>	<u>3,815</u>	<u>216</u>	<u>4.98%</u>	<u>3,705</u>	<u>(137)</u>
Investment results of other entities and operations (2)		166	(58)		109	-
Less, investment income relating to divested businesses		(2)			(97)	
Total		<u>3,979</u>	<u>158</u>		<u>3,717</u>	<u>(137)</u>

(1) Excludes investments of securities brokerage operations, securities trading operations, banking operations, commercial loans and trading account assets supporting insurance liabilities where the investment results generally inure to contractholders, assets of our asset management operations managed for third parties, and separate account assets for which the customer assumes risks of ownership.

(2) Investment income of securities brokerage, securities trading, banking operations, and commercial loans supporting insurance liabilities where the investment results generally inure 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 inure to contractholders and investment income on assets other than those included in invested assets of the Financial Services Businesses.

(4) Prior period amounts are presented on a basis consistent with current reporting practices.

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

	Quarter Ended September 30					
	2004			2003		
	Investment Income		Realized	Investment Income		Realized
	Yield (1)	Amount	Gains / (Losses)	Yield (1)	Amount	Gains / (Losses)
Japanese Insurance Operations (2):						
Fixed maturities	1.96%	154	(4)	1.79%	128	3
Equity securities	3.49%	10	2	1.72%	4	-
Commercial loans	4.18%	28	5	5.26%	37	2
Policy loans	3.78%	7	-	3.13%	6	-
Short-term investments and cash equivalents	8.36%	1	(1)	4.93%	-	1
Other investments	8.08%	23	(1)	5.78%	22	8
Gross investment income before investment expenses	2.39%	223	1	2.25%	197	14
Investment expenses	-0.21%	(19)	-	-0.20%	(19)	-
Total	2.18%	204	1	2.05%	178	14

	Nine Months Ended September 30					
	2004			2003		
	Investment Income		Realized	Investment Income		Realized
	Yield (1)	Amount	Gains / (Losses)	Yield (1)	Amount	Gains / (Losses)
Japanese Insurance Operations (2):						
Fixed maturities	1.94%	458	(12)	1.77%	371	12
Equity securities	2.24%	17	33	1.18%	8	(96)
Commercial loans	4.27%	88	20	4.97%	110	22
Policy loans	3.26%	20	-	2.96%	16	-
Short-term investments and cash equivalents	8.51%	2	(1)	1.37%	1	1
Other investments	8.01%	70	9	7.64%	68	-
Gross investment income before investment expenses	2.34%	655	49	2.27%	574	(61)
Investment expenses	-0.21%	(59)	-	-0.25%	(63)	-
Total	2.13%	596	49	2.02%	511	(61)

(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 inure to contractholders and investment income on assets other than those included in invested assets of the Financial Services Businesses.

(2) Prior period amounts are presented on a basis consistent with current reporting practices.

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

	Quarter Ended September 30					
	2004			2003		
	Investment Income		Realized	Investment Income		Realized
	Yield (2)	Amount	Gains / (Losses)	Yield (2)	Amount	Gains / (Losses)
Financial Services Businesses excluding Japanese Insurance Operations (1) (3):						
Fixed maturities	5.96%	858	83	6.36%	803	22
Equity securities	5.27%	1	13	5.53%	1	17
Commercial loans	7.22%	157	(21)	7.52%	161	27
Policy loans	5.54%	25	-	5.29%	27	-
Short-term investments and cash equivalents	1.55%	23	-	2.16%	31	1
Other investments	8.82%	103	(39)	7.73%	57	(118)
Gross investment income before investment expenses	5.98%	1,167	36	6.33%	1,080	(51)
Investment expenses	-0.12%	(51)	-	-0.07%	(29)	-
Total	5.86%	1,116	36	6.26%	1,051	(51)

	Nine Months Ended September 30					
	2004			2003		
	Investment Income		Realized	Investment Income		Realized
	Yield (2)	Amount	Gains / (Losses)	Yield (2)	Amount	Gains / (Losses)
Financial Services Businesses excluding Japanese Insurance Operations (1) (3):						
Fixed maturities	6.22%	2,488	130	6.64%	2,427	(50)
Equity securities	5.23%	5	61	2.85%	4	17
Commercial loans	7.49%	480	(22)	7.80%	488	25
Policy loans	5.50%	72	-	6.21%	101	-
Short-term investments and cash equivalents	1.50%	69	-	2.04%	83	1
Other investments	8.70%	231	(2)	8.80%	196	(69)
Gross investment income before investment expenses	6.17%	3,345	167	6.63%	3,299	(76)
Investment expenses	-0.13%	(126)	-	-0.11%	(105)	-
Total	6.04%	3,219	167	6.52%	3,194	(76)

- (1) Excludes investments of securities brokerage operations, securities trading operations, banking operations, commercial loans and trading account assets supporting insurance liabilities where the investment results generally inure to contractholders, assets of our asset management operations managed for third parties, and separate account assets for which the customer assumes risks of ownership.
- (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 inure to contractholders and investment income on assets other than those included in invested assets of the Financial Services Businesses.
- (3) Prior period amounts are presented on a basis consistent with current reporting practices.

KEY DEFINITIONS AND FORMULAS

1. Adjusted operating income before income taxes:

Adjusted operating income is a non-GAAP measure that excludes realized investment gains, net of losses, and related charges and adjustments; 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; cumulative effect of accounting change; extraordinary gain on acquisition; and the related tax effects thereof. 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 should not be viewed as a substitute for net 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 - General Corporate Purposes:

Amounts used for general corporate purposes include those used for cash flow timing mismatches at Prudential Financial, Prudential Financial's investments in equity and debt securities of subsidiaries, and amounts utilized for regulatory capital purposes.

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. For periods prior to July 1, 2003, also includes fair market value of assets in client accounts of Prudential Securities businesses combined into Wachovia Securities Financial Holdings, LLC.

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. 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.

14. Gibraltar Life Advisors:

Insurance representatives for Gibraltar Life.

15. 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.

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

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

17. 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.

18. 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.

19. International Life Planners:

Insurance agents in our insurance operations outside the United States, excluding Gibraltar Life Advisors.

20. 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.

21. 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.

KEY DEFINITIONS AND FORMULAS

22. 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 9.76% for the nine months ended September 30, 2004, 3.89% for the nine months ended September 30, 2003, 11.42% for the three months ended September 30, 2004, 4.99% for the three months ended September 30, 2003, 10.36% for the three months ended June 30, 2004, 7.60% for the three months ended March 31, 2004, and 10.12% for the three months ended December 31, 2003.

23. 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).

24. 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.

25. Prudential Agents:

Insurance agents in our insurance operations in the United States.

26. 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.

27. Ratio of corporate debt to total capitalization:

For purposes of this ratio, we measure "debt" as the sum of borrowings for general corporate purposes, excluding debt related to Equity Security Units, and 20% of the amount corresponding to contractual obligation of holders of Equity Security Units for purchase of Prudential Financial, Inc. Common Stock, and we measure "total capitalization" as the sum of equity excluding unrealized gains and losses on investments, corporate debt excluding Equity Security Units and the amount corresponding to contractual obligation of holders of Equity Security Units for purchase of Prudential Financial, Inc. Common Stock.

28. Redeemable Capital Securities:

Capital Trust Certificates of Prudential Financial Capital Trust I (element of Equity Security Units).

29. 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.

30. Wrap-Fee Products:

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

RATINGS AND INVESTOR INFORMATION

INSURANCE CLAIMS PAYING RATINGS

as of November 2, 2004

	A.M. Best	Standard & Poor's	Moody's	Fitch Ratings
The Prudential Insurance Company of America	A+	A+	Aa3	AA-
PRICOA Global Funding I	NR	A+	Aa3	NR
PRUCO Life Insurance Company	A+	A+	Aa3	AA-
PRUCO Life Insurance Company of New Jersey	A+	A+	NR	NR
American Skandia Life Assurance Corporation	A+	A+	NR	AA-
Prudential Retirement Insurance and Annuity Company	A+	A+	NR	NR
The Prudential Life Insurance Co., Ltd. (Prudential of Japan)	A+	AA-	NR	NR
Gibraltar Life Insurance Company, Ltd.	NR	A	A2	NR

CREDIT RATINGS:

as of November 2, 2004

Prudential Financial, Inc.:				
Short-Term Borrowings	AMB-1	A-2	P-2	F1
Long-Term Senior Debt	a-	A-	A3	A
Retail Notes	NR	A-	A3	NR
Redeemable Capital Securities	a-	A-	A3	A
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+	A+	A1	A+

* 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

Publicly Traded Securities:

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

Equity Security Units of Prudential Financial, Inc. are traded on the New York Stock Exchange under the symbol PFA.