

Prudential Financial

Prudential Financial, Inc. (PRU)

Quarterly Financial Supplement

FINANCIAL SERVICES BUSINESSES
THIRD QUARTER 2007

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

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FINANCIAL HIGHLIGHTS
(in millions, except per share data)

Year-to-date		% Change		2006		2007		
2007	2006			3Q	4Q	1Q	2Q	3Q
Financial Services Businesses:								
Pre-tax adjusted operating income (loss) by division:								
1,255	1,010	24%	465	349	318	390	547	
1,086	768	41%	260	361	429	400	257	
1,410	1,168	21%	428	398	475	455	480	
(4)	60	-107%	4	(13)	9	(8)	(5)	
3,747	3,006	25%	1,157	1,095	1,231	1,237	1,279	
1,104	861	28%	329	313	365	365	374	
2,643	2,145	23%	828	782	866	872	905	
Financial Services Businesses after-tax adjusted operating income								
Reconciling items:								
63	(40)	258%	221	130	140	32	(109)	
10	(8)	225%	257	43	82	(108)	36	
4	28	-86%	(168)	(17)	(62)	72	(6)	
29	58	-50%	10	18	19	(5)	15	
(323)	(223)	-45%	(78)	(99)	(120)	(100)	(103)	
(217)	(185)	-17%	242	75	59	(109)	(167)	
(90)	(91)	1%	34	43	14	(45)	(59)	
(127)	(94)	-35%	208	32	45	(64)	(108)	
Income from continuing operations (after-tax) of Financial Services Businesses before equity in earnings of operating joint ventures								
2,516	2,051	23%	1,036	814	911	808	797	
200	146	37%	50	62	77	56	67	
2,716	2,197	24%	1,086	876	988	864	864	
4	54	-93%	66	17	37	(29)	(4)	
2,720	2,251	21%	1,152	893	1,025	835	860	
Net income of Financial Services Businesses								
Earnings per share of Common Stock (diluted):								
5.69	4.41		1.72	1.65	1.85	1.87	1.97	
Reconciling items:								
0.13	(0.08)		0.45	0.27	0.29	0.07	(0.24)	
0.02	(0.02)		0.52	0.09	0.17	(0.23)	0.08	
0.01	0.06		(0.34)	(0.04)	(0.13)	0.15	(0.01)	
0.06	0.12		0.02	0.04	0.04	(0.01)	0.03	
(0.68)	(0.45)		(0.16)	(0.20)	(0.25)	(0.21)	(0.22)	
(0.46)	(0.37)		0.49	0.16	0.12	(0.23)	(0.36)	
(0.19)	(0.18)		0.06	0.09	0.03	(0.10)	(0.13)	
(0.27)	(0.19)		0.43	0.07	0.09	(0.13)	(0.23)	
Income from continuing operations (after-tax) of Financial Services Businesses before equity in earnings of operating joint ventures								
5.42	4.22		2.15	1.72	1.94	1.74	1.74	
0.43	0.29		0.10	0.13	0.16	0.12	0.15	
5.85	4.51		2.25	1.85	2.10	1.86	1.89	
0.01	0.11		0.13	0.03	0.08	(0.06)	(0.01)	
5.86	4.62		2.38	1.88	2.18	1.80	1.88	
Net income of Financial Services Businesses								
471.6	497.8		490.5	482.8	477.2	472.8	464.9	
16.46%	14.08%		16.07%	15.01%	16.40%	16.31%	16.68%	
Reconciliation to Consolidated Net Income of Prudential Financial, Inc.:								
2,720	2,251		1,152	893	1,025	835	860	
113	140		53	144	95	11	7	
2,833	2,391		1,205	1,037	1,120	846	867	
42	51		16	17	15	14	13	

FINANCIAL HIGHLIGHTS
 (in millions, except per share data)

Year-to-date						
2007	2006	2006		2007		
		3Q	4Q	1Q	2Q	3Q
Financial Services Businesses Capitalization Data (1):						
		9,418	10,798	12,812	11,533	12,619
		7,464	9,673	10,080	9,401	9,771
Attributed Equity:						
		22,053	21,690	22,265	21,718	21,751
		21,290	21,306	21,657	21,792	22,244
		21,232	21,194	21,585	21,835	22,051
Total Capitalization:						
		29,517	31,363	32,345	31,119	31,522
		28,754	30,979	31,737	31,193	32,015
		28,696	30,867	31,665	31,236	31,822
Book value per share of Common Stock:						
		45.31	45.18	47.05	46.27	47.08
		43.74	44.38	45.77	46.43	48.15
		43.62	44.15	45.61	46.52	47.73
		486.7	480.1	473.2	469.4	462.0
Common Stock Price Range (based on closing price):						
103.17	79.06	79.06	86.84	93.10	103.17	98.71
84.28	71.47	71.47	76.03	85.69	90.21	84.28
97.58	76.25	76.25	85.86	90.26	97.23	97.58
		36,394	40,449	42,025	44,879	44,309
Common Stock market capitalization (1)						

(1) As of end of period.

OPERATIONS HIGHLIGHTS

Year-to-date		2006		2007			
2007	2006	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							
		147.9	156.8	161.0	166.2	170.1	
		75.9	79.0	84.2	87.1	88.5	
		163.8	167.6	168.9	167.0	171.6	
		<u>387.6</u>	<u>403.4</u>	<u>414.1</u>	<u>420.3</u>	<u>430.2</u>	
		51.0	54.2	53.4	56.1	57.0	
		<u>438.6</u>	<u>457.6</u>	<u>467.5</u>	<u>476.4</u>	<u>487.2</u>	
		82.2	86.2	88.8	94.3	71.5	
		<u>65.4</u>	<u>72.2</u>	<u>73.5</u>	<u>77.7</u>	<u>78.2</u>	
		<u>586.2</u>	<u>616.0</u>	<u>629.8</u>	<u>648.4</u>	<u>636.9</u>	
		<u>105.8</u>	<u>112.9</u>	<u>117.2</u>	<u>127.0</u>	<u>131.4</u>	
		<u><u>692.0</u></u>	<u><u>728.9</u></u>	<u><u>747.0</u></u>	<u><u>775.4</u></u>	<u><u>768.3</u></u>	
		115.5	123.8	128.8	137.3	119.6	
Distribution Representatives (1):							
		2,814	2,562	2,505	2,512	2,552	
		5,802	5,828	5,893	6,001	6,038	
		6,036	5,944	5,952	5,815	5,944	
53	47	Prudential Agent productivity (\$ thousands)	46	74	49	57	54

(1) As of end of period.

(2) At fair market value.

(3) Assets managed by the International Insurance and Investments Division and Assets managed or administered for customers outside of the United States at end of period at June 30, 2007 included \$28 billion associated with investments in operating joint ventures which the Company sold in the third quarter of 2007. As a result, these assets are no longer reported as a component of its assets under management and administration.

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

Year-to-date		% Change		2006		2007		
2007	2006			3Q	4Q	1Q	2Q	3Q
Revenues (1):								
8,077	7,694	5%	Premiums	2,548	2,593	2,720	2,684	2,673
2,294	1,912	20%	Policy charges and fee income	583	737	784	783	727
6,240	5,647	11%	Net investment income	1,962	2,010	2,053	2,074	2,113
3,406	2,831	20%	Asset management fees, commissions and other income	971	1,138	1,104	1,157	1,145
<u>20,017</u>	<u>18,084</u>	11%	Total revenues	<u>6,064</u>	<u>6,478</u>	<u>6,661</u>	<u>6,698</u>	<u>6,658</u>
Benefits and Expenses (1):								
8,104	7,818	4%	Insurance and annuity benefits	2,650	2,605	2,763	2,683	2,658
2,286	2,045	12%	Interest credited to policyholders' account balances	716	745	745	762	779
831	694	20%	Interest expense	249	255	274	276	281
(1,649)	(1,492)	-11%	Deferral of acquisition costs	(496)	(545)	(539)	(556)	(554)
643	431	49%	Amortization of acquisition costs	(73)	239	272	265	106
6,055	5,582	8%	General and administrative expenses	1,861	2,084	1,915	2,031	2,109
<u>16,270</u>	<u>15,078</u>	8%	Total benefits and expenses	<u>4,907</u>	<u>5,383</u>	<u>5,430</u>	<u>5,461</u>	<u>5,379</u>
<u>3,747</u>	<u>3,006</u>	25%	Adjusted operating income before income taxes	<u>1,157</u>	<u>1,095</u>	<u>1,231</u>	<u>1,237</u>	<u>1,279</u>
Reconciling items:								
80	(70)	214%	Realized investment gains (losses), net, and related adjustments	214	143	146	39	(105)
(17)	30	-157%	Related charges	7	(13)	(6)	(7)	(4)
<u>63</u>	<u>(40)</u>	258%	Total realized investment gains (losses), net, and related charges and adjustments	<u>221</u>	<u>130</u>	<u>140</u>	<u>32</u>	<u>(109)</u>
10	(8)	225%	Investment gains (losses) on trading account assets supporting insurance liabilities, net	257	43	82	(108)	36
4	28	-86%	Change in experience-rated contractholder liabilities due to asset value changes	(168)	(17)	(62)	72	(6)
29	58	-50%	Divested businesses	10	18	19	(5)	15
(323)	(223)	-45%	Equity in earnings of operating joint ventures	(78)	(99)	(120)	(100)	(103)
<u>(217)</u>	<u>(185)</u>	-17%	Total reconciling items, before income taxes	<u>242</u>	<u>75</u>	<u>59</u>	<u>(109)</u>	<u>(167)</u>
3,530	2,821	25%	Income from continuing operations before income taxes and equity in earnings of operating joint ventures	1,399	1,170	1,290	1,128	1,112
1,014	770	32%	Income tax expense	363	356	379	320	315
<u>2,516</u>	<u>2,051</u>	23%	Income from continuing operations before equity in earnings of operating joint ventures	<u>1,036</u>	<u>814</u>	<u>911</u>	<u>808</u>	<u>797</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, and include revenues representing equity in earnings of operating joint ventures. Benefits and expenses exclude charges related to realized investment gains, net of losses; change 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)

	9/30/2006	12/31/2006	3/31/2007	6/30/2007	9/30/2007
Assets:					
Investments:					
Fixed maturities, available for sale, at fair value (amortized cost \$105,750; \$109,362; \$110,980; \$108,291; \$111,668)	108,346	112,043	113,833	109,665	112,956
Fixed maturities, held to maturity, at amortized cost (fair value \$3,400; \$3,441; \$3,407; \$3,287; \$3,411)	3,473	3,469	3,440	3,370	3,473
Trading account assets supporting insurance liabilities, at fair value	14,453	14,262	14,223	14,069	14,612
Other trading account assets, at fair value	1,933	2,209	2,119	2,100	3,118
Equity securities, available for sale, at fair value (cost \$3,761; \$3,825; \$3,942; \$3,928; \$4,385)	4,182	4,331	4,592	4,588	4,683
Commercial loans	18,139	18,421	18,947	19,852	20,756
Policy loans	3,350	3,472	3,575	3,642	3,815
Securities purchased under agreements to resell	187	153	113	198	111
Other long-term investments	3,538	3,780	4,339	4,430	4,449
Short-term investments	2,705	3,183	3,291	5,421	3,183
Total investments	160,306	165,323	168,472	167,335	171,156
Cash and cash equivalents	7,361	7,243	5,950	5,584	7,687
Accrued investment income	1,466	1,429	1,468	1,432	1,519
Reinsurance recoverables	1,908	1,958	2,021	2,127	2,149
Deferred policy acquisition costs	9,540	9,854	10,067	10,404	11,032
Other assets	17,442	16,997	16,773	15,603	16,379
Separate account assets	166,757	177,463	181,618	187,403	195,324
Total assets	<u>364,780</u>	<u>380,267</u>	<u>386,369</u>	<u>389,888</u>	<u>405,246</u>
Liabilities:					
Future policy benefits	55,238	56,245	56,490	55,692	58,117
Policyholders' account balances	75,614	75,090	75,132	75,606	77,105
Reinsurance payables	1,405	1,458	1,472	1,556	1,593
Securities sold under agreements to repurchase	6,256	5,747	4,794	5,146	5,683
Cash collateral for loaned securities	3,797	4,082	3,697	4,497	5,017
Income taxes	2,827	2,920	3,199	2,746	2,826
Securities sold but not yet purchased	313	277	307	267	204
Short-term debt	9,418	10,798	12,812	11,533	12,619
Long-term debt	7,464	9,673	10,080	9,401	9,771
Other liabilities	13,638	14,824	14,503	14,323	15,236
Separate account liabilities	166,757	177,463	181,618	187,403	195,324
Total liabilities	<u>342,727</u>	<u>358,577</u>	<u>364,104</u>	<u>368,170</u>	<u>383,495</u>
Attributed Equity:					
Accumulated other comprehensive income (loss)	821	496	680	(117)	(300)
Other attributed equity	21,232	21,194	21,585	21,835	22,051
Total attributed equity	<u>22,053</u>	<u>21,690</u>	<u>22,265</u>	<u>21,718</u>	<u>21,751</u>
Total liabilities and attributed equity	<u>364,780</u>	<u>380,267</u>	<u>386,369</u>	<u>389,888</u>	<u>405,246</u>

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

	As of September 30, 2007				
	Total			International	
	Financial	Insurance	Investment	Insurance &	Corporate
	Services	Division	Division	Investments	and Other
	Businesses	Division	Division	Division	Operations
Assets:					
Total investments	171,156	34,288	70,325	55,840	10,703
Deferred policy acquisition costs	11,032	6,030	212	4,957	(167)
Other assets	27,734	5,747	8,709	9,019	4,259
Separate account assets	195,324	99,435	97,065	264	(1,440)
Total assets	405,246	145,500	176,311	70,080	13,355
Liabilities:					
Future policy benefits	58,117	8,193	14,221	35,230	473
Policyholders' account balances	77,105	20,136	42,544	16,926	(2,501)
Debt	22,390	4,421	4,738	1,785	11,446
Other liabilities	30,559	6,879	11,707	9,507	2,466
Separate account liabilities	195,324	99,435	97,065	264	(1,440)
Total liabilities	383,495	139,064	170,275	63,712	10,444
Attributed Equity:					
Accumulated other comprehensive income (loss)	(300)	56	(111)	335	(580)
Other attributed equity	22,051	6,380	6,147	6,033	3,491
Total attributed equity	21,751	6,436	6,036	6,368	2,911
Total liabilities and attributed equity	405,246	145,500	176,311	70,080	13,355

	As of December 31, 2006				
	Total			International	
	Financial	Insurance	Investment	Insurance &	Corporate
	Services	Division	Division	Investments	and Other
	Businesses	Division	Division	Division	Operations
Assets:					
Total investments	165,323	33,154	65,805	52,884	13,480
Deferred policy acquisition costs	9,854	5,447	176	4,397	(166)
Other assets	27,627	5,555	8,232	7,968	5,872
Separate account assets	177,463	87,380	91,257	153	(1,327)
Total assets	380,267	131,536	165,470	65,402	17,859
Liabilities:					
Future policy benefits	56,245	7,905	14,517	33,333	490
Policyholders' account balances	75,090	20,511	40,616	15,842	(1,879)
Debt	20,471	3,491	2,164	1,346	13,470
Other liabilities	29,308	5,968	10,753	8,154	4,433
Separate account liabilities	177,463	87,380	91,257	153	(1,327)
Total liabilities	358,577	125,255	159,307	58,828	15,187
Attributed Equity:					
Accumulated other comprehensive income (loss)	496	235	116	694	(549)
Other attributed equity	21,194	6,046	6,047	5,880	3,221
Total attributed equity	21,690	6,281	6,163	6,574	2,672
Total liabilities and attributed equity	380,267	131,536	165,470	65,402	17,859

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

	As of September 30, 2007			As of December 31, 2006		
	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	1,399	2,736	4,135	255	4,122	4,377
Investment related	5,963	6,112	12,075	7,053	5,116	12,169
Securities business related	3,790	268	4,058	2,334	-	2,334
Specified other businesses	1,143	530	1,673	1,072	350	1,422
Limited recourse and non-recourse borrowing	324	125	449	84	85	169
Total debt - Financial Services Businesses	<u>12,619</u>	<u>9,771</u>	<u>22,390</u>	<u>10,798</u>	<u>9,673</u>	<u>20,471</u>
Ratio of long-term and short-term capital debt to capitalization			<u>15.7%</u>			<u>17.0%</u>
Closed Block Business						
Investment related	865	-	865	1,738	-	1,738
Limited recourse and non-recourse borrowing	-	1,750	1,750	-	1,750	1,750
Total debt	<u>865</u>	<u>1,750</u>	<u>2,615</u>	<u>1,738</u>	<u>1,750</u>	<u>3,488</u>

	As of September 30, 2007				As of December 31, 2006			
	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	3,086	1,049	-	4,135	3,079	1,298	-	4,377
Investment related	6,562	4,270	1,243	12,075	7,372	3,763	1,034	12,169
Securities business related	2,494	1,507	57	4,058	712	1,191	431	2,334
Specified other businesses	542	1,131	-	1,673	424	998	-	1,422
Limited recourse and non-recourse borrowing	-	-	449	449	-	-	169	169
Total debt - Financial Services Businesses	<u>12,684</u>	<u>7,957</u>	<u>1,749</u>	<u>22,390</u>	<u>11,587</u>	<u>7,250</u>	<u>1,634</u>	<u>20,471</u>

(1) Includes Prudential Funding, LLC.

(2) Capital debt at Prudential Insurance Co. of America includes \$444 million and \$693 million of Surplus Notes for September 30, 2007 and December 31, 2006, respectively.

COMBINED STATEMENTS OF OPERATIONS - INSURANCE DIVISION
 (in millions)

Year-to-date		% Change		2006		2007		
2007	2006			3Q	4Q	1Q	2Q	3Q
Revenues (1):								
3,229	3,014	7%	Premiums	1,027	1,052	1,073	1,083	1,073
1,971	1,576	25%	Policy charges and fee income	474	637	667	672	632
1,424	1,319	8%	Net investment income	463	468	470	475	479
<u>785</u>	<u>588</u>	34%	Asset management fees, commissions and other income	<u>241</u>	<u>218</u>	<u>230</u>	<u>242</u>	<u>313</u>
<u>7,409</u>	<u>6,497</u>	14%	Total revenues	<u>2,205</u>	<u>2,375</u>	<u>2,440</u>	<u>2,472</u>	<u>2,497</u>
Benefits and Expenses (1):								
3,573	3,439	4%	Insurance and annuity benefits	1,225	1,154	1,230	1,182	1,161
608	557	9%	Interest credited to policyholders' account balances	196	206	202	205	201
165	95	74%	Interest expense	37	44	53	53	59
(847)	(719)	-18%	Deferral of acquisition costs	(235)	(282)	(270)	(287)	(290)
292	82	256%	Amortization of acquisition costs	(191)	125	153	140	(1)
<u>2,363</u>	<u>2,033</u>	16%	General and administrative expenses	<u>708</u>	<u>779</u>	<u>754</u>	<u>789</u>	<u>820</u>
<u>6,154</u>	<u>5,487</u>	12%	Total benefits and expenses	<u>1,740</u>	<u>2,026</u>	<u>2,122</u>	<u>2,082</u>	<u>1,950</u>
<u>1,255</u>	<u>1,010</u>	24%	Adjusted operating income before income taxes	<u>465</u>	<u>349</u>	<u>318</u>	<u>390</u>	<u>547</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.

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

Year-to-date		2006					2007				
2007	2006	3Q	4Q	1Q	2Q	3Q	3Q	4Q	1Q	2Q	3Q
SALES:											
Excluding corporate-owned life insurance:											
86	70	25	20	48	19	19	25	20	48	19	19
129	117	34	75	44	45	40	34	75	44	45	40
157	100	35	48	49	54	54	35	48	49	54	54
372	287	94	143	141	118	113	94	143	141	118	113
9	10	5	2	5	3	1	5	2	5	3	1
381	297	99	145	146	121	114	99	145	146	121	114
SALES BY DISTRIBUTION CHANNEL:											
Excluding corporate-owned life insurance:											
128	127	37	54	42	42	44	37	54	42	42	44
244	160	57	89	99	76	69	57	89	99	76	69
9	10	5	2	5	3	1	5	2	5	3	1
381	297	99	145	146	121	114	99	145	146	121	114
ACCOUNT VALUE ACTIVITY:											
Policyholders' Account Balances (1):											
6,165	5,694	5,891	6,018	6,165	6,253	6,385	5,891	6,018	6,165	6,253	6,385
969	938	299	340	325	345	299	299	340	325	345	299
(756)	(804)	(284)	(214)	(236)	(263)	(257)	(284)	(214)	(236)	(263)	(257)
213	134	15	126	89	82	42	15	126	89	82	42
(115)	(105)	(36)	(33)	(46)	(40)	(29)	(36)	(33)	(46)	(40)	(29)
98	29	(21)	93	43	42	13	(21)	93	43	42	13
231	292	149	60	46	92	93	149	60	46	92	93
200	180	59	62	65	65	70	59	62	65	65	70
(205)	(177)	(60)	(68)	(66)	(67)	(72)	(60)	(68)	(66)	(67)	(72)
6,489	6,018	6,018	6,165	6,253	6,385	6,489	6,018	6,165	6,253	6,385	6,489
Separate Account Liabilities:											
17,586	16,170	16,313	16,747	17,586	17,748	18,517	16,313	16,747	17,586	17,748	18,517
990	931	298	290	316	314	360	298	290	316	314	360
(506)	(548)	(173)	(145)	(166)	(156)	(184)	(173)	(145)	(166)	(156)	(184)
484	383	125	145	150	158	176	125	145	150	158	176
(46)	(25)	(7)	(9)	(28)	(5)	(13)	(7)	(9)	(28)	(5)	(13)
438	358	118	136	122	153	163	118	136	122	153	163
1,644	999	574	963	303	880	461	574	963	303	880	461
(200)	(180)	(59)	(62)	(65)	(65)	(70)	(59)	(62)	(65)	(65)	(70)
(592)	(600)	(199)	(198)	(198)	(199)	(195)	(199)	(198)	(198)	(199)	(195)
18,876	16,747	16,747	17,586	17,748	18,517	18,876	16,747	17,586	17,748	18,517	18,876
FACE AMOUNT IN FORCE (2):											
		140,139	139,847	139,418	139,280	138,872	140,139	139,847	139,418	139,280	138,872
		21,017	21,971	22,910	23,696	24,424	21,017	21,971	22,910	23,696	24,424
		231,971	247,933	264,840	282,434	300,056	231,971	247,933	264,840	282,434	300,056
		393,127	409,751	427,168	445,410	463,352	393,127	409,751	427,168	445,410	463,352

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

Year-to-date			2006		2007		
2007	2006		3Q	4Q	1Q	2Q	3Q
		Individual Life Insurance:					
		Policy Surrender Experience:					
565	584	Cash value of surrenders	181	160	167	175	223
3.3%	3.7%	Cash value of surrenders as a percentage of mean future policy benefits, policyholders' account balances, and separate account balances	3.4%	2.9%	3.0%	3.1%	3.8%
		Death benefits per \$1,000 of in force (1):					
3.58	3.23	Variable and universal life	3.22	3.51	3.66	3.04	4.00
2.17	1.41	Term life	1.92	1.17	3.18	1.62	1.99
3.20	2.80	Total, Individual Life Insurance	2.93	2.84	3.64	2.68	3.38

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

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

Year-to-date		2006		2007				
2007	2006			3Q	4Q	1Q	2Q	3Q
SALES AND ACCOUNT VALUES:								
Variable Annuities:								
74,555	50,778	Beginning total account value	68,807	70,555	74,555	75,591	78,968	78,968
8,637	6,952	Sales	2,323	2,641	2,779	3,033	2,825	2,825
(7,153)	(5,426)	Surrenders and withdrawals	(2,084)	(2,296)	(2,310)	(2,515)	(2,328)	(2,328)
1,484	1,526	Net sales	239	345	469	518	497	497
(870)	(654)	Benefit payments	(244)	(264)	(306)	(299)	(265)	(265)
614	872	Net flows	(5)	81	163	219	232	232
6,941	3,240	Change in market value, interest credited, and other	2,012	4,208	1,168	3,478	2,295	2,295
(937)	(647)	Policy charges	(259)	(289)	(295)	(320)	(322)	(322)
-	16,312	Acquisition	-	-	-	-	-	-
<u>81,173</u>	<u>70,555</u>	Ending total account value	<u>70,555</u>	<u>74,555</u>	<u>75,591</u>	<u>78,968</u>	<u>81,173</u>	<u>81,173</u>
Fixed Annuities:								
3,748	3,991	Beginning total account value	3,871	3,814	3,748	3,679	3,608	3,608
57	93	Sales	33	26	21	20	16	16
(224)	(236)	Surrenders and withdrawals	(75)	(77)	(81)	(74)	(69)	(69)
(167)	(143)	Net redemptions	(42)	(51)	(60)	(54)	(53)	(53)
(129)	(126)	Benefit payments	(41)	(50)	(43)	(45)	(41)	(41)
(296)	(269)	Net flows	(83)	(101)	(103)	(99)	(94)	(94)
97	95	Interest credited and other	27	36	35	29	33	33
(3)	(3)	Policy charges	(1)	(1)	(1)	(1)	(1)	(1)
<u>3,546</u>	<u>3,814</u>	Ending total account value	<u>3,814</u>	<u>3,748</u>	<u>3,679</u>	<u>3,608</u>	<u>3,546</u>	<u>3,546</u>
SALES BY DISTRIBUTION CHANNEL:								
<u>Variable and Fixed Annuities (1):</u>								
1,856	1,352	Insurance Agents	466	638	589	660	607	607
1,052	717	Wirehouses	257	352	318	376	358	358
5,786	4,976	Independent Financial Planners (2)	1,633	1,677	1,893	2,017	1,876	1,876
<u>8,694</u>	<u>7,045</u>	Total	<u>2,356</u>	<u>2,667</u>	<u>2,800</u>	<u>3,053</u>	<u>2,841</u>	<u>2,841</u>
VARIABLE ANNUITY MINIMUM DEATH BENEFIT GUARANTEES (3):								
<i>Return of net deposits:</i>								
		Account value	34,288	37,071	38,287	40,762	42,708	42,708
		Net amount at risk	1,724	1,491	1,433	1,268	1,171	1,171
<i>Minimum return, anniversary contract value, or maximum contract value:</i>								
		Account value	30,942	32,118	32,059	32,925	33,184	33,184
		Net amount at risk	3,009	2,528	2,439	2,108	1,978	1,978
<u>Variable Annuity Account Values with Living Benefit Features (3):</u>								
		Guaranteed minimum accumulation benefits	9,667	10,452	10,731	11,335	11,757	11,757
		Guaranteed minimum withdrawal benefits	1,853	2,028	2,105	2,229	2,274	2,274
		Guaranteed minimum income benefits	7,113	7,329	7,269	7,386	7,320	7,320
		Guaranteed minimum withdrawal & income benefits	6,678	8,570	10,205	12,448	14,659	14,659
		Total	<u>25,311</u>	<u>28,379</u>	<u>30,310</u>	<u>33,398</u>	<u>36,010</u>	<u>36,010</u>

(1) Amounts represent gross sales.

(2) Including bank distribution.

(3) At end of period.

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

Year-to-date			2006		2007		
2007	2006		3Q	4Q	1Q	2Q	3Q
INDIVIDUAL ANNUITIES:							
<i>Account Values in General Account (1):</i>							
9,527	9,231	Beginning balance	10,722	10,222	9,527	9,246	8,784
224	352	Premiums and deposits	182	110	83	79	62
(903)	(936)	Surrenders and withdrawals	(350)	(332)	(333)	(307)	(263)
(679)	(584)	Net redemptions	(168)	(222)	(250)	(228)	(201)
(303)	(287)	Benefit payments	(101)	(114)	(102)	(105)	(96)
(982)	(871)	Net flows	(269)	(336)	(352)	(333)	(297)
258	273	Interest credited and other	98	95	85	84	89
(153)	37	Net transfers (to) from separate account	(329)	(453)	(13)	(212)	72
(3)	(2)	Policy charges	-	(1)	(1)	(1)	(1)
-	1,554	Acquisition	-	-	-	-	-
<u>8,647</u>	<u>10,222</u>	Ending balance	<u>10,222</u>	<u>9,527</u>	<u>9,246</u>	<u>8,784</u>	<u>8,647</u>
<i>Account Values in Separate Account:</i>							
68,776	45,538	Beginning balance	61,956	64,147	68,776	70,024	73,792
8,470	6,692	Premiums and deposits	2,173	2,558	2,717	2,974	2,779
(6,474)	(4,726)	Surrenders and withdrawals	(1,809)	(2,041)	(2,058)	(2,282)	(2,134)
1,996	1,966	Net sales	364	517	659	692	645
(696)	(493)	Benefit payments	(184)	(199)	(247)	(239)	(210)
1,300	1,473	Net flows	180	318	412	453	435
6,780	3,063	Change in market value, interest credited and other	1,942	4,147	1,118	3,423	2,239
153	(37)	Net transfers (to) from general account	329	453	13	212	(72)
(937)	(648)	Policy charges	(260)	(289)	(295)	(320)	(322)
-	14,758	Acquisition	-	-	-	-	-
<u>76,072</u>	<u>64,147</u>	Ending balance	<u>64,147</u>	<u>68,776</u>	<u>70,024</u>	<u>73,792</u>	<u>76,072</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 - SUPPLEMENTARY INFORMATION FOR GROUP INSURANCE
 (dollar amounts in millions)

Year-to-date				2006		2007		
2007	2006			3Q	4Q	1Q	2Q	3Q
		GROUP INSURANCE NEW ANNUALIZED PREMIUMS:						
162	329	Group life		98	37	103	26	33
139	121	Group disability (1)		29	17	92	26	21
<u>301</u>	<u>450</u>	Total		<u>127</u>	<u>54</u>	<u>195</u>	<u>52</u>	<u>54</u>
		Future Policy Benefits (2):						
		Group life		1,953	2,181	2,103	2,105	2,032
		Group disability (1)		498	519	589	614	640
		Total		<u>2,451</u>	<u>2,700</u>	<u>2,692</u>	<u>2,719</u>	<u>2,672</u>
		Policyholders' Account Balances (2):						
		Group life		5,325	5,466	5,439	5,521	5,610
		Group disability (1)		108	112	109	124	132
		Total		<u>5,433</u>	<u>5,578</u>	<u>5,548</u>	<u>5,645</u>	<u>5,742</u>
		Separate Account Liabilities (2):						
		Group life		15,023	16,412	16,898	17,293	19,462
		Group disability (1)		-	-	-	-	-
		Total		<u>15,023</u>	<u>16,412</u>	<u>16,898</u>	<u>17,293</u>	<u>19,462</u>
		Group Life Insurance:						
2,533	2,508	Gross premiums, policy charges and fee income (3)		763	788	832	860	841
2,405	2,291	Earned premiums, policy charges and fee income		784	794	811	810	784
90.4%	92.4%	Benefits ratio		89.8%	90.1%	91.5%	91.1%	88.4%
9.6%	9.0%	Administrative operating expense ratio		10.0%	11.4%	9.6%	9.3%	9.8%
		Persistency ratio		95.1%	94.8%	95.6%	95.3%	94.2%
		Group Disability Insurance (1):						
675	612	Gross premiums, policy charges and fee income (3)		210	211	217	225	233
650	582	Earned premiums, policy charges and fee income		195	196	211	216	223
85.9%	85.4%	Benefits ratio		79.5%	85.7%	91.0%	84.7%	82.1%
20.9%	21.2%	Administrative operating expense ratio		20.5%	22.3%	22.1%	20.0%	20.6%
		Persistency ratio		90.8%	89.9%	92.1%	91.1%	88.9%

(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.

INSURANCE DIVISION - DEFERRED POLICY ACQUISITION COSTS
 (in millions)

Year-to-date			2006		2007		
2007	2006		3Q	4Q	1Q	2Q	3Q
INDIVIDUAL LIFE INSURANCE:							
3,550	3,187	Beginning balance	3,277	3,508	3,550	3,570	3,678
333	254	Capitalization	91	97	103	115	115
(74)	55	Amortization - operating results	220	(57)	(78)	(64)	68
-	-	Amortization - realized investment gains and losses	-	-	-	-	-
32	12	Impact of unrealized (gains) or losses on AFS securities	(80)	2	(5)	57	(20)
<u>3,841</u>	<u>3,508</u>	Ending balance	<u>3,508</u>	<u>3,550</u>	<u>3,570</u>	<u>3,678</u>	<u>3,841</u>
INDIVIDUAL ANNUITIES:							
1,613	1,256	Beginning balance	1,470	1,532	1,613	1,671	1,791
480	383	Capitalization	131	151	154	168	158
(213)	(136)	Amortization - operating results	(28)	(67)	(74)	(75)	(64)
3	20	Amortization - realized investment gains and losses	12	-	1	(1)	3
6	9	Impact of unrealized (gains) or losses on AFS securities	(53)	(3)	(10)	28	(12)
(13)	-	Other (1)	-	-	(13)	-	-
<u>1,876</u>	<u>1,532</u>	Ending balance	<u>1,532</u>	<u>1,613</u>	<u>1,671</u>	<u>1,791</u>	<u>1,876</u>
GROUP INSURANCE:							
284	170	Beginning balance	239	251	284	296	299
34	82	Capitalization	13	34	13	4	17
(5)	(1)	Amortization - operating results	(1)	(1)	(1)	(1)	(3)
-	-	Amortization - realized investment gains and losses	-	-	-	-	-
-	-	Impact of unrealized losses on AFS securities	-	-	-	-	-
<u>313</u>	<u>251</u>	Ending balance	<u>251</u>	<u>284</u>	<u>296</u>	<u>299</u>	<u>313</u>
TOTAL INSURANCE DIVISION:							
5,447	4,613	Beginning balance	4,986	5,291	5,447	5,537	5,768
847	719	Capitalization	235	282	270	287	290
(292)	(82)	Amortization - operating results	191	(125)	(153)	(140)	1
3	20	Amortization - realized investment gains and losses	12	-	1	(1)	3
38	21	Impact of unrealized (gains) or losses on AFS securities	(133)	(1)	(15)	85	(32)
(13)	-	Other (1)	-	-	(13)	-	-
<u>6,030</u>	<u>5,291</u>	Ending balance	<u>5,291</u>	<u>5,447</u>	<u>5,537</u>	<u>5,768</u>	<u>6,030</u>

(1) Reflects the impact of adoption of SOP 05-1 on January 1, 2007.

COMBINED STATEMENTS OF OPERATIONS - INVESTMENT DIVISION
(in millions)

Year-to-date		% Change		2006		2007		
2007	2006			3Q	4Q	1Q	2Q	3Q
			Revenues (1):					
255	206	24%	Premiums	84	88	96	71	88
128	136	-6%	Policy charges and fee income	45	43	44	44	40
3,027	2,689	13%	Net investment income	926	969	992	1,013	1,022
2,081	1,820	14%	Asset management fees, commissions and other income	578	791	699	733	649
<u>5,491</u>	<u>4,851</u>	13%	Total revenues	<u>1,633</u>	<u>1,891</u>	<u>1,831</u>	<u>1,861</u>	<u>1,799</u>
			Benefits and Expenses (1):					
868	801	8%	Insurance and annuity benefits	297	303	302	276	290
1,528	1,356	13%	Interest credited to policyholders' account balances	475	497	492	508	528
199	171	16%	Interest expense	63	67	59	64	76
(63)	(69)	9%	Deferral of acquisition costs	(25)	(24)	(19)	(25)	(19)
31	42	-26%	Amortization of acquisition costs	12	10	9	11	11
1,842	1,782	3%	General and administrative expenses	551	677	559	627	656
<u>4,405</u>	<u>4,083</u>	8%	Total benefits and expenses	<u>1,373</u>	<u>1,530</u>	<u>1,402</u>	<u>1,461</u>	<u>1,542</u>
<u>1,086</u>	<u>768</u>	41%	Adjusted operating income before income taxes	<u>260</u>	<u>361</u>	<u>429</u>	<u>400</u>	<u>257</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 include revenues representing equity in earnings of operating joint ventures. 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, 2007				Quarter Ended September 30, 2007			
	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	255	-	-	255	88	-	-	88
Policy charges and fee income	128	-	-	128	40	-	-	40
Net investment income	3,027	288	2	2,737	1,022	87	1	934
Asset management fees, commissions and other income	2,081	1,404	301	376	649	431	97	121
Total revenues	5,491	1,692	303	3,496	1,799	518	98	1,183
Benefits and Expenses (1):								
Insurance and annuity benefits	868	-	-	868	290	-	-	290
Interest credited to policyholders' account balances	1,528	-	-	1,528	528	-	-	528
Interest expense	199	43	-	156	76	19	-	57
Deferral of acquisition costs	(63)	(12)	-	(51)	(19)	(4)	-	(15)
Amortization of acquisition costs	31	15	-	16	11	4	-	7
General and administrative expenses	1,842	1,153	49	640	656	380	13	263
Total benefits and expenses	4,405	1,199	49	3,157	1,542	399	13	1,130
Adjusted operating income before income taxes	1,086	493	254	339	257	119	85	53
<hr/>								
	Nine Months Ended September 30, 2006				Quarter Ended September 30, 2006			
	Total	Asset	Financial	Retirement	Total	Asset	Financial	Retirement
	Investment	Management	Advisory		Investment	Management	Advisory	
Division	Management	Advisory	Retirement	Division	Management	Advisory	Retirement	
Revenues (1):								
Premiums	206	-	-	206	84	-	-	84
Policy charges and fee income	136	-	-	136	45	-	-	45
Net investment income	2,689	148	20	2,521	926	55	5	866
Asset management fees, commissions and other income	1,820	1,266	202	352	578	388	73	117
Total revenues	4,851	1,414	222	3,215	1,633	443	78	1,112
Benefits and Expenses (1):								
Insurance and annuity benefits	801	-	-	801	297	-	-	297
Interest credited to policyholders' account balances	1,356	-	-	1,356	475	-	-	475
Interest expense	171	25	-	146	63	10	-	53
Deferral of acquisition costs	(69)	(14)	-	(55)	(25)	(3)	-	(22)
Amortization of acquisition costs	42	21	-	21	12	6	-	6
General and administrative expenses	1,782	976	248	558	551	330	27	194
Total benefits and expenses	4,083	1,008	248	2,827	1,373	343	27	1,003
Adjusted operating income (loss) before income taxes	768	406	(26)	388	260	100	51	109

(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 include revenues representing equity in earnings of operating joint ventures. Benefits and expenses exclude charges related to realized investment gains, net of losses and change in experience-rated contractholder liabilities due to asset value changes.

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

Supplementary Revenue Information (in millions):

Year-to-date		% Change
2007	2006	
798	715	12%
422	334	26%
472	365	29%
<u>1,692</u>	<u>1,414</u>	20%
358	311	15%
258	227	14%
182	177	3%
<u>798</u>	<u>715</u>	12%

Analysis of revenues by type:

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

	2006		2007		
	3Q	4Q	1Q	2Q	3Q
Asset management fees	244	259	262	271	265
Incentive, transaction, principal investing and capital markets revenues	79	247	143	186	93
Service, distribution and other revenues	120	130	152	160	160
Total Asset Management segment revenues	443	636	557	617	518
Institutional customers	111	115	117	123	118
Retail customers	75	83	84	87	87
General account	58	61	61	61	60
Total asset management fees	244	259	262	271	265

Analysis of asset management fees by source:

Institutional customers
Retail customers
General account
Total asset management fees

Supplementary Assets Under Management Information (in billions):

	September 30, 2007			
	Equity	Fixed Income	Real Estate	Total
Institutional customers	57.5	86.5	26.1	170.1
Retail customers	66.5	20.6	1.4	88.5
General account	4.2	166.6	0.8	171.6
Total	128.2	273.7	28.3	430.2

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

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

Year-to-date		2006		2007		
2007	2006	3Q	4Q	1Q	2Q	3Q
Institutional Assets Under Management: (1)						
Assets gathered by Investment Management & Advisory Services sales force:						
122.9	101.3	107.1	115.0	122.9	127.0	132.0
16.8	19.1	6.5	6.7	5.1	6.3	5.4
(14.5)	(11.7)	(3.3)	(3.3)	(3.9)	(4.6)	(6.0)
9.7	5.8	4.3	4.5	2.5	3.5	3.7
0.1	0.5	0.4	-	0.4	(0.2)	(0.1)
135.0	115.0	115.0	122.9	127.0	132.0	135.0
35.1	32.9	32.9	33.9	34.0	34.2	35.1
170.1	147.9	147.9	156.8	161.0	166.2	170.1
2.3	7.4	3.2	3.4	1.2	1.7	(0.6)
Retail Assets Under Management: (1)						
Assets gathered by Investment Management & Advisory Services sales force:						
43.4	38.7	40.7	41.3	43.4	47.7	49.3
7.9	7.9	1.9	2.1	2.9	2.3	2.7
(8.0)	(7.9)	(2.6)	(1.9)	(2.6)	(3.0)	(2.4)
5.1	1.6	1.3	2.0	1.1	2.3	1.7
0.1	1.0	-	(0.1)	0.1	-	-
2.8	-	-	-	2.8	-	-
51.3	41.3	41.3	43.4	47.7	49.3	51.3
37.2	34.6	34.6	35.6	36.5	37.8	37.2
88.5	75.9	75.9	79.0	84.2	87.1	88.5
(0.1)	-	(0.7)	0.2	0.3	(0.7)	0.3
Wrap-fee Product Assets Under Administration:						
69.1	53.6	60.5	63.9	69.1	72.3	78.7
15.1	17.7	4.7	4.6	5.8	5.7	3.6
(11.3)	(10.9)	(3.2)	(3.7)	(3.8)	(3.9)	(3.6)
9.2	3.5	1.9	4.3	1.2	4.6	3.4
82.1	63.9	63.9	69.1	72.3	78.7	82.1
3.8	6.8	1.5	0.9	2.0	1.8	-

(1) Additions and withdrawals have been reclassified to report certain client transfers between asset classes on a net basis, for all periods presented, rather than a gross basis as formerly reported. These reclassifications had no impact on net additions (withdrawals) or assets under management at end of each period.

(2) Additions include \$0.3 billion for the three months ended June 30, 2007 and the nine months ended September 30, 2007, and \$1.8 billion for the nine months ended September 30, 2006 for assets transferred from the Retirement segment.

(3) Withdrawals include \$(0.4) billion for the three and nine months ended September 30, 2007, \$(0.3) billion for the three and nine months ended September 30, 2006 and \$(0.1) billion for the three months ended December 31, 2006 for assets transferred to the Retirement segment.

(4) Represents transfer of retail assets from an externally managed fund family to the Jennison Dryden Fund Family (internally managed) in the quarter ended March 31, 2007.

(5) Substantially all relates to a contractual arrangement with Wachovia which provides for an essentially fixed annual fee and is scheduled to expire July 1, 2008.

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

Year-to-date						
2007	2006	2006		2007		
		3Q	4Q	1Q	2Q	3Q
Information pertaining to Wachovia Securities Financial Holdings, LLC:						
Revenues:						
231	226	78	82	79	77	75
1,532	1,356	422	490	529	519	484
1,840	1,571	534	555	588	608	644
221	139	53	67	75	84	62
3,824	3,292	1,087	1,194	1,271	1,288	1,265
3,030	2,753	894	947	978	1,043	1,009
794	539	193	247	293	245	256
302	205	74	94	111	94	97
(1)	(3)	(1)	(2)	-	(1)	-
301	202	73	92	111	93	97
Prudential Financial, Inc., 38% share of Wachovia Securities Financial Holdings, LLC						
Purchase accounting and related adjustments						
Prudential Financial, Inc., equity income from Wachovia Securities Financial Holdings, LLC						
Recurring revenue as a percentage of total revenue (1)						
Total client assets (\$ in billions) (2)						
Distribution representatives (2):						
Series 7 Financial Advisors						
Series 6 Financial Representatives						
Customer debit balances (\$ in billions) (2)						
Prudential Financial, Inc. income (loss) from investment in Wachovia Securities Financial Holdings, LLC, including 38% interest in results, costs incurred at Prudential level, and purchase accounting adjustments						
254	(26)	51	53	97	72	85

(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		2006		2007		
2007	2006	3Q	4Q	1Q	2Q	3Q
RETIREMENT SALES AND ACCOUNT VALUES						
Full Service:						
97,430	88,385	91,537	93,364	97,430	99,558	104,033
10,434	12,433	2,914	3,723	4,003	3,212	3,219
(9,945)	(12,155)	(3,272)	(3,834)	(3,433)	(3,203)	(3,309)
7,682	4,701	2,185	4,177	1,558	4,466	1,658
<u>105,601</u>	<u>93,364</u>	<u>93,364</u>	<u>97,430</u>	<u>99,558</u>	<u>104,033</u>	<u>105,601</u>
<u>489</u>	<u>278</u>	<u>(358)</u>	<u>(111)</u>	<u>570</u>	<u>9</u>	<u>(90)</u>
Stable value account values included above		30,971	30,796	30,758	31,274	31,578
Institutional Investment Products:						
50,269	48,080	46,913	49,468	50,269	50,661	50,926
3,675	4,628	2,004	1,365	1,533	1,597	545
(4,003)	(3,010)	(974)	(1,871)	(1,743)	(1,067)	(1,193)
1,865	1,600	995	647	607	325	933
(179)	(1,830)	530	660	(5)	(590)	416
<u>51,627</u>	<u>49,468</u>	<u>49,468</u>	<u>50,269</u>	<u>50,661</u>	<u>50,926</u>	<u>51,627</u>
<u>(328)</u>	<u>1,618</u>	<u>1,030</u>	<u>(506)</u>	<u>(210)</u>	<u>530</u>	<u>(648)</u>

(1) Includes \$511 million for second quarter of 2007 and the nine months ended September 30, 2007 representing a transfer within the Retirement segment from Institutional Investment Products to Full Service as a result of one client's change in contract form.

(2) Transfers between the Retirement and Asset Management segments, formerly included in "Withdrawals and benefits," have been reclassified to "Other" activity for all periods presented. "Other" activity includes transfers from (to) the Asset Management segment of \$263 million, \$107 million, \$(332) million and \$407 million for the third and fourth quarters of 2006 and the second and third quarters of 2007, respectively; and \$75 million and \$(1,582) million for the nine months ended September 30, 2007 and 2006, respectively. "Other" activity also includes \$(511) million for the second quarter of 2007 and the nine months ended September 30, 2007 representing a transfer within the Retirement segment from Institutional Investment Products to Full Service as a result of one client's change in contract form. The remainder of "Other" activity 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		2006		2007		
2007	2006			3Q	4Q	1Q	2Q	3Q
4,602	4,488	3%	Revenues (1):					
217	216	0%	Premiums	1,438	1,458	1,553	1,531	1,518
1,210	1,049	15%	Policy charges and fee income	70	70	72	73	72
662	482	37%	Net investment income	376	376	386	405	419
6,691	6,235	7%	Asset management fees, commissions and other income	172	181	220	217	225
			Total revenues	2,056	2,085	2,231	2,226	2,234
			Benefits and Expenses (1):					
3,632	3,539	3%	Insurance and annuity benefits	1,112	1,143	1,219	1,219	1,194
240	184	30%	Interest credited to policyholders' account balances	66	67	77	79	84
13	10	30%	Interest expense	3	-	2	3	8
(773)	(755)	-2%	Deferral of acquisition costs	(242)	(252)	(261)	(259)	(253)
357	342	4%	Amortization of acquisition costs	111	112	128	126	103
1,812	1,747	4%	General and administrative expenses	578	617	591	603	618
5,281	5,067	4%	Total benefits and expenses	1,628	1,687	1,756	1,771	1,754
1,410	1,168	21%	Adjusted operating income before income taxes	428	398	475	455	480

(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 include revenues representing equity in earnings of operating joint ventures. 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, 2007				Quarter Ended September 30, 2007			
	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	4,602	3,170	1,432	-	1,518	1,060	458	-
Policy charges and fee income	217	171	46	-	72	58	14	-
Net investment income	1,210	582	600	28	419	207	201	11
Asset management fees, commissions and other income	662	36	57	569	225	(34)	19	240
Total revenues	6,691	3,959	2,135	597	2,234	1,291	692	251
Benefits and Expenses (1):								
Insurance and annuity benefits	3,632	2,492	1,140	-	1,194	837	357	-
Interest credited to policyholders' account balances	240	101	139	-	84	36	48	-
Interest expense	13	8	-	5	8	2	4	2
Deferral of acquisition costs	(773)	(571)	(202)	-	(253)	(187)	(66)	-
Amortization of acquisition costs	357	265	92	-	103	74	29	-
General and administrative expenses	1,812	928	511	373	618	316	167	135
Total benefits and expenses	5,281	3,223	1,680	378	1,754	1,078	539	137
Adjusted operating income before income taxes	1,410	736	455	219	480	213	153	114

	Nine Months Ended September 30, 2006				Quarter Ended September 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	4,488	2,929	1,559	-	1,438	963	475	-
Policy charges and fee income	216	164	52	-	70	55	15	-
Net investment income	1,049	491	538	20	376	173	196	7
Asset management fees, commissions and other income	482	46	28	408	172	25	22	125
Total revenues	6,235	3,630	2,177	428	2,056	1,216	708	132
Benefits and Expenses (1):								
Insurance and annuity benefits	3,539	2,245	1,294	-	1,112	732	380	-
Interest credited to policyholders' account balances	184	81	103	-	66	27	39	-
Interest expense	10	9	-	1	3	3	-	-
Deferral of acquisition costs	(755)	(537)	(218)	-	(242)	(167)	(75)	-
Amortization of acquisition costs	342	269	73	-	111	85	26	-
General and administrative expenses	1,747	865	564	318	578	288	189	101
Total benefits and expenses	5,067	2,932	1,816	319	1,628	968	559	101
Adjusted operating income before income taxes	1,168	698	361	109	428	248	149	31

(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 include revenues representing equity in earnings of operating joint ventures. Benefits and expenses exclude charges related to realized investment gains, net of losses and change in experience-rated contractholder liabilities due to asset value changes.

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

Year-to-date				2006		2007							
2007	2006			3Q	4Q	1Q	2Q	3Q					
		Japanese Yen Basis Results:											
		Revenues (1):											
¥	312,221	¥	286,029	¥	95,125	¥	95,896	¥	110,222	¥	103,793	¥	98,206
	249,438		249,841		80,804		77,139		80,554		86,499		82,385
	561,659		535,870		175,929		173,035		190,776		190,292		180,591
		Total revenues, Japan, yen basis											
		Benefits and Expenses (1):											
	246,327		224,383		72,202		74,907		86,553		80,649		79,125
	201,480		210,998		65,292		62,677		65,133		70,199		66,148
	447,807		435,381		137,494		137,584		151,686		150,848		145,273
		Total benefits and expenses, Japan, yen basis											
		Adjusted operating income (2):											
	65,894		61,646		22,923		20,989		23,669		23,144		19,081
	47,958		38,843		15,513		14,462		15,421		16,300		16,237
¥	113,852	¥	100,489	¥	38,436	¥	35,451	¥	39,090	¥	39,444	¥	35,318
		Total adjusted operating income, Japan, yen basis											
		U.S. Dollar adjusted operating income (3):											
\$	602	\$	581	\$	213	\$	194	\$	219	\$	212	\$	171
	455		361		149		132		143		159		153
	1,057		942		362		326		362		371		324
	134		117		35		38		51		41		42
		Total adjusted operating income, International Insurance segment, U.S. dollar basis											
\$	1,191	\$	1,059	\$	397	\$	364	\$	413	\$	412	\$	366

- (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 include revenues representing equity in earnings of operating joint ventures. 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		2006					2007				
2007	2006	3Q	4Q	1Q	2Q	3Q	3Q	4Q	1Q	2Q	3Q
INTERNATIONAL INSURANCE OPERATING DATA:											
Actual exchange rate basis (1):											
Net premiums, policy charges and fee income:											
2,237	2,109	685	680	787	719	731	685	680	787	719	731
1,478	1,611	490	483	483	523	472	490	483	483	523	472
1,104	984	333	365	355	362	387	333	365	355	362	387
<u>4,819</u>	<u>4,704</u>	<u>1,508</u>	<u>1,528</u>	<u>1,625</u>	<u>1,604</u>	<u>1,590</u>	<u>1,508</u>	<u>1,528</u>	<u>1,625</u>	<u>1,604</u>	<u>1,590</u>
Annualized new business premiums:											
365	365	114	115	153	109	103	114	115	153	109	103
264	279	91	78	76	96	92	91	78	76	96	92
214	210	60	77	70	69	75	60	77	70	69	75
<u>843</u>	<u>854</u>	<u>265</u>	<u>270</u>	<u>299</u>	<u>274</u>	<u>270</u>	<u>265</u>	<u>270</u>	<u>299</u>	<u>274</u>	<u>270</u>
Annualized new business premiums by distribution channel:											
579	575	174	192	223	178	178	174	192	223	178	178
246	240	71	68	69	90	87	71	68	69	90	87
18	39	20	10	7	6	5	20	10	7	6	5
<u>843</u>	<u>854</u>	<u>265</u>	<u>270</u>	<u>299</u>	<u>274</u>	<u>270</u>	<u>265</u>	<u>270</u>	<u>299</u>	<u>274</u>	<u>270</u>
Constant exchange rate basis (3):											
Net premiums, policy charges and fee income:											
2,614	2,395	779	785	920	851	843	779	785	920	851	843
1,733	1,829	554	557	564	611	558	554	557	564	611	558
1,022	937	316	341	331	335	356	316	341	331	335	356
<u>5,369</u>	<u>5,161</u>	<u>1,649</u>	<u>1,683</u>	<u>1,815</u>	<u>1,797</u>	<u>1,757</u>	<u>1,649</u>	<u>1,683</u>	<u>1,815</u>	<u>1,797</u>	<u>1,757</u>
Annualized new business premiums:											
405	401	125	128	169	121	115	125	128	169	121	115
289	299	98	86	84	105	100	98	86	84	105	100
201	201	57	72	66	65	70	57	72	66	65	70
<u>895</u>	<u>901</u>	<u>280</u>	<u>286</u>	<u>319</u>	<u>291</u>	<u>285</u>	<u>280</u>	<u>286</u>	<u>319</u>	<u>291</u>	<u>285</u>
Annualized new business premiums by distribution channel:											
606	602	182	200	235	186	185	182	200	235	186	185
271	260	78	76	77	99	95	78	76	77	99	95
18	39	20	10	7	6	5	20	10	7	6	5
<u>895</u>	<u>901</u>	<u>280</u>	<u>286</u>	<u>319</u>	<u>291</u>	<u>285</u>	<u>280</u>	<u>286</u>	<u>319</u>	<u>291</u>	<u>285</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) Foreign currencies translated to U.S. dollars at uniform exchange rates for all periods presented, including Japanese yen, 102 per U.S. dollar; Korean won 1030 per U.S. dollar.

INTERNATIONAL INSURANCE AND INVESTMENTS DIVISION - SALES RESULTS AND SUPPLEMENTARY INFORMATION

	2006		2007		
	3Q	4Q	1Q	2Q	3Q
Face amount of individual policies in force at end of period (in billions) (1)(2): (Constant exchange rate basis)					
Japan, excluding Gibraltar Life	232	236	239	242	244
Gibraltar Life	197	196	195	194	194
All other countries	92	93	96	97	99
Total	<u>521</u>	<u>525</u>	<u>530</u>	<u>533</u>	<u>537</u>
Number of individual policies in force at end of period (in thousands) (2):					
Japan, excluding Gibraltar Life	2,049	2,074	2,118	2,144	2,167
Gibraltar Life	3,872	3,871	3,846	3,816	3,815
All other countries	1,169	1,201	1,225	1,246	1,270
Total	<u>7,090</u>	<u>7,146</u>	<u>7,189</u>	<u>7,206</u>	<u>7,252</u>
International life insurance policy persistency:					
<u>Excluding Gibraltar Life:</u>					
13 months	92.9%	93.0%	92.8%	92.7%	92.6%
25 months	87.0%	87.1%	86.9%	86.9%	86.5%
<u>Gibraltar Life:</u>					
13 months	94.4%	94.4%	93.9%	93.5%	92.6%
25 months	87.9%	87.8%	88.0%	87.9%	88.0%
Number of Life Planners at end of period:					
Japan	2,941	2,956	3,001	3,012	3,030
All other countries	2,861	2,872	2,892	2,989	3,008
Total life planners	<u>5,802</u>	<u>5,828</u>	<u>5,893</u>	<u>6,001</u>	<u>6,038</u>
Gibraltar Life Advisors	6,036	5,944	5,952	5,815	5,944

(1) Foreign currencies translated to U.S. dollars at uniform exchange rates for all periods presented, including Japanese yen, 102 per U.S. dollar; Korean won 1030 per U.S. dollar.

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

INVESTMENT PORTFOLIO COMPOSITION
(in millions)

	September 30, 2007				December 31, 2006			
	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	130,071	38,595	91,476	56.8%	131,554	38,752	92,802	58.2%
Public, held to maturity, at amortized cost	2,879	-	2,879	1.8%	3,025	-	3,025	1.9%
Private, available for sale, at fair value	32,042	12,221	19,821	12.3%	30,357	12,021	18,336	11.5%
Private, held to maturity, at amortized cost	594	-	594	0.4%	443	-	443	0.3%
Trading account assets supporting insurance liabilities, at fair value	14,612	-	14,612	9.1%	14,262	-	14,262	8.9%
Other trading account assets, at fair value	326	142	184	0.1%	109	-	109	0.1%
Equity securities, available for sale, at fair value	8,755	4,080	4,675	2.9%	8,086	3,772	4,314	2.7%
Commercial loans	26,243	7,580	18,663	11.6%	24,593	7,318	17,275	10.8%
Policy loans	9,214	5,399	3,815	2.3%	8,887	5,415	3,472	2.2%
Other long-term investments (1)	3,782	1,034	2,748	1.7%	3,756	965	2,791	1.7%
Short-term investments	2,586	941	1,645	1.0%	4,603	1,851	2,752	1.7%
Subtotal (2)	231,104	69,992	161,112	100.0%	229,675	70,094	159,581	100.0%
Invested assets of other entities and operations (3)	10,044	-	10,044		5,742	-	5,742	
Total investments	241,148	69,992	171,156		235,417	70,094	165,323	

Fixed Maturities by Credit Quality (2):

	NAIC Rating (4)	Rating Agency Equivalent	September 30, 2007					December 31, 2006				
			Amortized Cost		Fair Value		% of Total	Amortized Cost		Fair Value		% of Total
			Unrealized Gains	Unrealized Losses	Unrealized Gains	Unrealized Losses						
Public Fixed Maturities:												
1	Aaa, Aa, A		75,115	1,470	876	75,709	80.3%	75,796	1,787	322	77,261	80.6%
2	Baa		13,813	452	294	13,971	14.8%	13,328	580	137	13,771	14.4%
Subtotal Investment Grade			88,928	1,922	1,170	89,680	95.1%	89,124	2,367	459	91,032	95.0%
3	Ba		2,693	80	72	2,701	3.0%	2,692	109	22	2,779	2.9%
4	B		1,760	53	59	1,754	1.9%	1,746	93	23	1,816	1.9%
5	C and lower		114	6	4	116	0.0%	115	8	2	121	0.1%
6	In or near default		32	9	-	41	0.0%	48	7	1	54	0.1%
Subtotal Below Investment Grade			4,599	148	135	4,612	4.9%	4,601	217	48	4,770	5.0%
Total			93,527	2,070	1,305	94,292	100.0%	93,725	2,584	507	95,802	100.0%
Private Fixed Maturities:												
1	Aaa, Aa, A		6,651	216	63	6,804	33.3%	6,214	248	49	6,413	34.2%
2	Baa		10,445	343	89	10,699	52.4%	9,463	377	73	9,767	52.0%
Subtotal Investment Grade			17,096	559	152	17,503	85.7%	15,677	625	122	16,180	86.2%
3	Ba		1,587	53	18	1,622	7.9%	1,422	50	11	1,461	7.7%
4	B		883	9	16	876	4.3%	645	12	7	650	3.5%
5	C and lower		229	5	1	233	1.1%	321	18	4	335	1.8%
6	In or near default		160	24	2	182	1.0%	139	11	1	149	0.8%
Subtotal Below Investment Grade			2,859	91	37	2,913	14.3%	2,527	91	23	2,595	13.8%
Total			19,955	650	189	20,416	100.0%	18,204	716	145	18,775	100.0%

- (1) Other long-term investments consist of real estate and non-real estate related investments in joint ventures (other than our investments in operating joint ventures, including our equity investment in Wachovia Securities Financial Holdings, LLC) and partnerships, investment real estate held through direct ownership, our interest in separate account investments and other miscellaneous investments.
- (2) Excludes (i) assets of our securities brokerage, securities trading, banking operations and real estate and relocation services, (ii) assets of our asset management operations, including assets managed for third parties, and (iii) those assets classified as "separate account assets" on our balance sheet.
- (3) Includes assets of our securities brokerage, securities trading, banking and asset management operations and real estate and relocation services. Excludes assets of our asset management operations managed for third parties and those assets classified as "separate account assets" on our balance sheet. Our investment in operating joint ventures, including our investment in Wachovia Securities Financial Holdings, LLC is included in "Other assets".
- (4) Reflects equivalent ratings for investments of international insurance operations that are not rated by United States insurance regulatory authorities. Includes, as of September 30, 2007 and December 31, 2006, respectively, 248 securities with amortized cost of \$4,413 million (fair value \$4,400 million) and 231 securities with amortized cost of \$3,515 million (fair value, \$3,588 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, 2007		December 31, 2006	
	Amount	% of Total	Amount	% of Total
Japanese Insurance Operations:				
Fixed maturities:				
Public, available for sale, at fair value	33,061	68.3%	32,242	67.9%
Public, held to maturity, at amortized cost	2,879	5.9%	3,025	6.4%
Private, available for sale, at fair value	3,325	6.9%	3,139	6.6%
Private, held to maturity, at amortized cost	594	1.2%	443	0.9%
Trading account assets supporting insurance liabilities, at fair value	1,160	2.4%	1,106	2.3%
Other trading account assets, at fair value	28	0.1%	28	0.1%
Equity securities, available for sale, at fair value	2,533	5.2%	2,372	5.0%
Commercial loans	2,812	5.8%	2,782	5.9%
Policy loans	1,091	2.3%	1,016	2.1%
Other long-term investments (1)	871	1.8%	970	2.0%
Short-term investments	35	0.1%	374	0.8%
Total	48,389	100.0%	47,497	100.0%

	September 30, 2007		December 31, 2006	
	Amount	% of Total	Amount	% of Total
Financial Services Businesses excluding Japanese Insurance Operations (2):				
Fixed maturities:				
Public, available for sale, at fair value	58,415	51.8%	60,560	54.0%
Public, held to maturity, at amortized cost	-	0.0%	-	0.0%
Private, available for sale, at fair value	16,496	14.6%	15,197	13.6%
Private, held to maturity, at amortized cost	-	0.0%	-	0.0%
Trading account assets supporting insurance liabilities, at fair value	13,452	11.9%	13,156	11.7%
Other trading account assets, at fair value	156	0.2%	81	0.1%
Equity securities, available for sale, at fair value	2,142	1.9%	1,942	1.7%
Commercial loans	15,851	14.1%	14,493	12.9%
Policy loans	2,724	2.4%	2,456	2.2%
Other long-term investments (1)	1,877	1.7%	1,821	1.7%
Short-term investments	1,610	1.4%	2,378	2.1%
Total	112,723	100.0%	112,084	100.0%

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

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

FINANCIAL SERVICES BUSINESSES INVESTMENT RESULTS
(in millions)

	Quarter Ended September 30					
	2007			2006 (4)		
	Investment Income		Realized	Investment Income		Realized
	Yield (3)	Amount	Gains / (Losses)	Yield (3)	Amount	Gains / (Losses)
Financial Services Businesses (1):						
Fixed maturities	5.01%	1,426	(74)	4.90%	1,357	(5)
Equity securities	5.82%	60	118	5.35%	49	11
Commercial loans	6.26%	219	10	6.11%	194	1
Policy loans	5.08%	47	-	4.94%	41	-
Short-term investments and cash equivalents	5.10%	93	-	4.43%	90	(1)
Other investments	3.61%	26	(211)	9.12%	62	215
Gross investment income before investment expenses	5.14%	1,871	(157)	5.11%	1,793	221
Investment expenses	-0.15%	(128)	-	-0.17%	(138)	-
Subtotal	<u>4.99%</u>	<u>1,743</u>	<u>(157)</u>	<u>4.94%</u>	<u>1,655</u>	<u>221</u>
Investment results of other entities and operations (2)		373	(40)		312	18
Less, investment income relating to divested businesses		(3)			(5)	
Total		<u>2,113</u>	<u>(197)</u>		<u>1,962</u>	<u>239</u>

	Nine Months Ended September 30					
	2007			2006 (4)		
	Investment Income		Realized	Investment Income		Realized
	Yield (3)	Amount	Gains / (Losses)	Yield (3)	Amount	Gains / (Losses)
Financial Services Businesses (1):						
Fixed maturities	5.06%	4,264	(33)	4.91%	3,929	(318)
Equity securities	5.04%	149	323	5.02%	132	120
Commercial loans	6.24%	629	3	6.23%	563	(2)
Policy loans	5.11%	136	-	4.94%	115	-
Short-term investments and cash equivalents	4.96%	275	(7)	4.75%	240	-
Other investments	5.65%	118	(170)	8.02%	161	192
Gross investment income before investment expenses	5.19%	5,571	116	5.10%	5,140	(8)
Investment expenses	-0.16%	(402)	-	-0.17%	(377)	-
Subtotal	<u>5.03%</u>	<u>5,169</u>	<u>116</u>	<u>4.93%</u>	<u>4,763</u>	<u>(8)</u>
Investment results of other entities and operations (2)		1,082	25		895	72
Less, investment income relating to divested businesses		(11)			(11)	
Total		<u>6,240</u>	<u>141</u>		<u>5,647</u>	<u>64</u>

- (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, discontinued real estate operations, and trading account assets supporting insurance liabilities where the investment results generally accrue to contractholders.
- (3) Yields are annualized, for interim periods, and based on quarterly average carrying values except for fixed maturities, equity securities and securities lending activity. Yields for fixed maturities are based on amortized cost. Yields for equity securities are based on cost. Yields for securities lending activity are calculated net of corresponding liabilities and rebate expenses. Yields exclude investment income and assets related to commercial loans and trading account assets supporting insurance liabilities where the investment results generally accrue to contractholders and investment income on assets other than those included in invested assets of the Financial Services Businesses.
- (4) Classification for the earlier period presented has been conformed to the current presentation.

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

	Quarter Ended September 30					
	2007			2006 (2)		
	Investment Income		Realized	Investment Income		Realized
	Yield (1)	Amount	Gains / (Losses)	Yield (1)	Amount	Gains / (Losses)
Japanese Insurance Operations:						
Fixed maturities	2.72%	263	12	2.54%	246	22
Equity securities	3.66%	20	107	3.76%	18	5
Commercial loans	4.53%	31	5	3.99%	25	4
Policy loans	3.81%	10	-	3.58%	9	-
Short-term investments and cash equivalents	3.45%	9	-	3.36%	6	(1)
Other investments	10.10%	21	(32)	12.83%	30	147
Gross investment income before investment expenses	3.04%	354	92	2.92%	334	177
Investment expenses	-0.18%	(22)	-	-0.17%	(23)	-
Total	2.86%	332	92	2.75%	311	177

	Nine Months Ended September 30					
	2007			2006 (2)		
	Investment Income		Realized	Investment Income		Realized
	Yield (1)	Amount	Gains / (Losses)	Yield (1)	Amount	Gains / (Losses)
Japanese Insurance Operations:						
Fixed maturities	2.70%	777	53	2.52%	706	5
Equity securities	2.82%	44	283	2.95%	40	95
Commercial loans	4.49%	92	12	3.66%	66	15
Policy loans	3.78%	29	-	3.57%	26	-
Short-term investments and cash equivalents	2.91%	18	(1)	3.40%	13	(2)
Other investments	12.76%	83	(109)	12.89%	87	50
Gross investment income before investment expenses	3.03%	1,043	238	2.84%	938	163
Investment expenses	-0.18%	(70)	-	-0.18%	(68)	-
Total	2.85%	973	238	2.66%	870	163

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

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

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

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

	Quarter Ended September 30					
	2007			2006 (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	6.30%	1,163	(86)	6.26%	1,111	(27)
Equity securities	8.25%	40	11	7.08%	31	6
Commercial loans	6.68%	188	5	6.64%	169	(3)
Policy loans	5.58%	37	-	5.55%	32	-
Short-term investments and cash equivalents	5.47%	84	-	4.60%	84	-
Other investments	0.95%	5	(179)	7.16%	32	68
Gross investment income before investment expenses	6.20%	1,517	(249)	6.25%	1,459	44
Investment expenses	-0.13%	(106)	-	-0.16%	(115)	-
Total	6.07%	1,411	(249)	6.09%	1,344	44

	Nine Months Ended September 30					
	2007			2006 (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	6.39%	3,487	(86)	6.29%	3,223	(323)
Equity securities	7.55%	105	40	7.22%	92	25
Commercial loans	6.69%	537	(9)	6.87%	497	(17)
Policy loans	5.65%	107	-	5.56%	89	-
Short-term investments and cash equivalents	5.36%	257	(6)	4.93%	227	2
Other investments	2.49%	35	(61)	5.50%	74	142
Gross investment income before investment expenses	6.29%	4,528	(122)	6.28%	4,202	(171)
Investment expenses	-0.15%	(332)	-	-0.17%	(309)	-
Total	6.14%	4,196	(122)	6.11%	3,893	(171)

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

INDIVIDUAL LIFE - LINE ITEM IMPACT OF THIRD QUARTER 2006 AND 2007 ACTUARIAL UPDATES
 (in millions)

	Policy Charges and Fee Income (1)		Insurance and Annuity Benefits (2)		Amortization of Deferred Policy Acquisition Costs		Pre-Tax Adjusted Operating Income	
	Third Quarter 2006	Third Quarter 2007	Third Quarter 2006	Third Quarter 2007	Third Quarter 2006	Third Quarter 2007	Third Quarter 2006	Third Quarter 2007
Actuarial Item:								
Annual review of assumptions for mortality, persistency, premium payment pattern, and other elements of expected gross profits, and guaranteed minimum death benefits	(62)	(45)	34	12	(156)	(135)	60	78
Refinement of reserving period for certain benefits on block of variable life insurance policies	(85)	0	62	0	(133)	0	(14)	0
Total impact on reported results	(147)	(45)	96	12	(289)	(135)	46	78
Reported amount	117	226	300	254	(220)	(68)		
Amount excluding impact of items indicated above	264	271	204	242	69	67		

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

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

KEY DEFINITIONS AND FORMULAS

1. Adjusted operating income before income taxes:

Adjusted operating income is a non-GAAP measure of performance of our Financial Services Businesses 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. Adjusted operating income includes equity in earnings of operating joint ventures 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. Realized investment gains and losses from products that are free standing derivatives or contain embedded derivatives, and from associated derivative portfolios that are part of an economic hedging program related to the risk of those products, 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 are adjusted for the items above as well. Adjusted operating income does not equate to "Income from continuing operations" 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 items above are important to an understanding of our overall results of operations. However, we believe that the presentation of adjusted operating income as we measure it for management purposes enhances the understanding of our results of operations by highlighting the results from ongoing operations and the underlying profitability factors of our businesses.

2. After-tax adjusted operating income:

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

3. Assets Under Management:

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

4. Attributed Equity:

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

5. Book value per share of Common Stock:

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

6. Borrowings - Capital Debt:

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

7. Borrowings - Investment Related:

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

8. Borrowings - Securities Business Related:

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

9. Borrowings - Specified Other Businesses:

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

10. Client Assets:

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

KEY DEFINITIONS AND FORMULAS

11. Earned Premiums:

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

12. Earnings Per Share of Common Stock:

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

13. Full Service:

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

14. Full Service Stable Value:

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

15. General Account:

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

16. Gibraltar Life Advisors:

Insurance representatives for Gibraltar Life.

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

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

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

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

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

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

20. Individual Life Insurance Sales:

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

21. Insurance and Annuity Benefits:

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

KEY DEFINITIONS AND FORMULAS

22. International Life Planners:

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

23. New annualized premiums:

Premiums from new sales that are expected to be collected over a one year period. Group insurance new annualized premiums exclude new premium 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 premium 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 accumulated other comprehensive income related to unrealized gains and losses on investments and pension/postretirement benefits

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 16.82% for the nine months ended September 30, 2007, 14.04% for the nine months ended September 30, 2006, 16.14% for the three months ended September 30, 2007, 20.75% for the three months ended September 30, 2006, 15.97% for the three months ended June 30, 2007, 18.25% for the three months ended March 31, 2007 and 16.33% for the three months ended December 31, 2006.

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 accumulated other comprehensive income related to unrealized gains and losses on investments, pension and postretirement benefits 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 October 31, 2007

	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)	NR	AA	NR	NR
Gibraltar Life Insurance Company, Ltd.	NR	AA	Aa3	NR

CREDIT RATINGS:

as of October 31, 2007

Prudential Financial, Inc.:				
Short-Term Borrowings	AMB-1	A-1	P-2	F1
Long-Term Senior Debt (1)	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+	AA	A1	AA-
PRICOA Global Funding I				
Long-Term Senior Debt	aa-	AA	Aa3	AA

* NR indicates not rated.

(1) Includes the retail medium-term notes program.

INVESTOR INFORMATION:

Corporate Offices:

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

Common Stock:

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

Investor Information Hotline:

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

Web Site:

www.prudential.com