UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): July 30, 2008

PRUDENTIAL FINANCIAL, INC.
(Exact name of registrant as specified in its charter)

New Jersey	**001-16707**	**22-3703799**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(I.R.S. Employer Identification No.)**

**751 Broad Street
Newark, New Jersey 07102**
(Address of principal executive offices and zip code)

(973) 802-6000
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

¨ **Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)**

¨ **Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)**

¨ **Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))**

¨ **Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))**

Item 2.02 Results of Operations and Financial Condition.

Prudential Financial, Inc., a New Jersey corporation (the “Company”), furnishes herewith, as Exhibit 99.0, a news release announcing second quarter 2008 results.

See also Item 7.01 below, which is incorporated herein by reference.

Item 7.01 Regulation FD Disclosure.

A. Earnings Release. The Company furnishes herewith, as Exhibit 99.0, a news release announcing second quarter 2008 results.

B. Quarterly Financial Supplement. The Company furnishes herewith, as Exhibit 99.1, the Quarterly Financial Supplement for its Financial Services Businesses for the quarterly period ended June 30, 2008.

C. Investments in Residential and Commercial Mortgage-Backed Securities, Asset-Backed Securities, and Commercial Loans. In connection with its announcement of second quarter 2008 results, the Company furnishes herewith, as Exhibit 99.2, information about the Company’s investments, as of June 30, 2008, in residential and commercial mortgage-backed securities, asset-backed securities, and commercial loans. In announcing results for recent prior quarters, management has provided an estimate of credit-related principal loss on its holdings of asset-based securities collateralized by sub-prime mortgages. Management’s current estimate of the exposure of the Financial Services Businesses to credit-related loss of principal on its holdings as of June 30, 2008 of asset-backed securities collateralized by sub-prime mortgages under stress scenarios and assuming no recoveries from monoline bond insurers is approximately $500 million after-tax over a five-year period. This estimate is based on holdings of the Financial Services Businesses as of June 30, 2008 and is consistent with an approximately 40% peak to trough decline in housing prices for the collateral underlying the securities owned. Management’s estimate reflects its current evaluation of expected incidence of default and severity of loss on default. The estimate of credit-related loss of principal is a measure of possible net loss of principal on the securities owned rather than a measure of changes in market value of the securities that could be recognized under generally accepted accounting principles during the period of ownership as unrealized or realized losses on investments, or realized losses that could result from sale of the securities.

D. Investments Supported by Guarantees from Monoline Bond Insurers. Certain of the Company’s fixed maturity investments are supported by guarantees from monoline bond insurers. As of June 30, 2008, on an amortized cost basis, $1.862 billion, or 2%, of general account available for sale fixed maturity investments attributable to the Financial Services Businesses were supported by bond insurance. As of June 30, 2008, 79% of these investments had credit ratings of A or higher, reflecting the credit quality of the monoline bond insurers. Management estimates, taking into account the structure and credit quality of the underlying investments and giving no effect to the support of these securities by guarantees from monoline bond insurers, that 80% of the $1.862 billion total (based upon amortized cost) would have investment grade credit ratings. Based on amortized cost, $1.034 billion of the $1.862 billion of securities supported by bond insurance were asset-backed securities collateralized by sub-prime mortgages, $408 million were other asset-backed securities, $416 million were municipal bonds and $4 million were commercial mortgage-backed securities. Management estimates that 72% of the asset-backed securities collateralized by sub-prime mortgages, 82% of the other asset-backed securities, and all of the municipal bonds would have investment grade credit ratings giving no effect to the support of these securities by guarantees from monoline bond insurers. As of June 30, 2008, the bond insurance is provided by five insurance companies, with no company representing more than 33% of the overall amortized cost of the securities supported by bond insurance attributable to the Financial Services Businesses.

As of June 30, 2008, on an amortized cost basis, $929 million, or 2%, of fixed maturity investments attributable to the Closed Block Business were supported by bond insurance. As of June 30, 2008, 71% of these investments had credit ratings of A or higher, reflecting the credit quality of the monoline bond insurers. Management estimates, taking into account the structure and credit quality of the underlying investments and giving no effect to the support of these securities by guarantees from monoline bond insurers, that 88% of the $929 million total (based upon amortized cost) would have investment grade credit ratings. Based on amortized cost, $665 million of the $929 million of securities supported by bond insurance were asset-backed securities collateralized by sub-prime mortgages, $135 million were other asset-backed securities, $124 million were municipal bonds and $5 million were commercial mortgage-backed securities. Management estimates that 84% of the asset-backed securities collateralized by sub-prime mortgages, 94% of the other asset-backed securities, and all of the municipal bonds would have investment grade credit ratings giving no effect to the support of these securities by guarantees from monoline bond insurers. As of June 30, 2008, the bond insurance is provided by five insurance companies, with no company representing more than 34% of the overall amortized cost of the securities supported by bond insurance attributable to the Closed Block Business.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

99.0 News release of Prudential Financial, Inc., dated July 30, 2008, announcing second quarter 2008 results (furnished and not filed).

99.1 Quarterly Financial Supplement for the Financial Services Businesses of Prudential Financial, Inc. for the quarterly period ended June 30, 2008 (furnished and not filed).

99.2 Information about Prudential Financial, Inc.'s investments, as of June 30, 2008, in residential and commercial mortgage-backed securities, asset-backed securities and commercial loans (furnished and not filed).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: July 30, 2008

PRUDENTIAL FINANCIAL, INC.

By: /s/ PETER B. SAYRE

Name: Peter B. Sayre

Title: Senior Vice President and Controller
(Principal Accounting Officer)

Exhibit Index

Exhibit No.	Description
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99.2	Information about Prudential Financial, Inc.'s investments, as of June 30, 2008, in residential and commercial mortgage-backed securities, asset-backed securities and commercial loans (furnished and not filed).

Exhibit 99.0

News Release

Prudential Financial, Inc.
751 Broad Street
Newark, NJ 07102-3777
www.prudential.com

<u>**For Immediate Release**</u>
July 30, 2008

Contact: **Gabrielle Shanin**
(973) 802-7779

Prudential Financial, Inc.
Announces Second Quarter 2008 Results

NEWARK, N.J. – Prudential Financial, Inc. (NYSE:PRU) today reported net income for its Financial Services Businesses of $575 million ($1.35 per Common share) for the second quarter of 2008, compared to $835 million ($1.80 per Common share) for the year-ago quarter. After-tax adjusted operating income for the Financial Services Businesses was $868 million ($2.02 per Common share) for the second quarter of 2008, compared to $857 million ($1.84 per Common share) for the second quarter of 2007. Adjusted operating income is a non-GAAP measure as discussed below.

For the first half of 2008, net income for the Financial Services Businesses amounted to $652 million ($1.53 per Common share) compared to $1.860 billion ($3.98 per Common share) for the first half of 2007. First half 2008 after-tax adjusted operating income for the Financial Services Businesses amounted to $1.597 billion ($3.66 per Common share) compared to $1.717 billion ($3.68 per Common share) for the first half of 2007.

"Despite unfavorable financial market conditions, the performance of our businesses was strong in the second quarter. While the challenging environment continues to have a negative effect on market values in our investment portfolio and has dampened revenues in some of our businesses, we believe that increased client focus on growth and protection of wealth through market cycles, together with emphasis on quality, will reinforce the attractiveness of our value proposition. We remain confident that our strong balance sheet and diversified mix of businesses position us well to manage through the current environment and achieve our long-term goals," said Chairman and Chief Executive Officer John Strangfeld.

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"Considering our results for the first half of the year and current financial market conditions, including equity market levels, interest rates, and credit spreads, we continue to believe that Prudential Financial will achieve Common Stock earnings per share for 2008 in the range of $7.50 to $7.80 based on after-tax adjusted operating income of the Financial Services Businesses. This expectation assumes appreciation in the S&P 500 index of 2% per quarter for the balance of the year," Strangfeld said. The 2008 expectation is subject to change if this assumption is not realized and as discussed under "Forward-Looking Statements and Non-GAAP Measures" below.

Adjusted operating income is not calculated under generally accepted accounting principles (GAAP). Information regarding adjusted operating income, a non-GAAP measure, is discussed later in this press release under "Forward-Looking Statements and Non-GAAP Measures," and a reconciliation of adjusted operating income to the most comparable GAAP measure is provided in the tables that accompany this release.

Financial Services Businesses

Prudential Financial's Common Stock (NYSE:PRU) reflects the performance of its Financial Services Businesses, which consist of its Insurance, Investment, and International Insurance and Investments divisions and its Corporate and Other operations. In the following business-level discussion, adjusted operating income refers to pre-tax results.

The **Insurance division** reported adjusted operating income of $337 million for the second quarter of 2008, compared to $390 million in the year-ago quarter. Our Individual Life segment reported adjusted operating income of $103 million for the current quarter, compared to $141 million in the year-ago quarter. Current quarter mortality experience was less favorable than that of a year ago. In addition, current quarter results included higher net amortization of deferred policy acquisition and other costs, reflecting less favorable separate account performance than that of the year-ago quarter. Our Individual Annuities segment reported adjusted operating income of $154 million in the current quarter, compared to $180 million in the year-ago quarter. Current quarter results reflected lower asset-based fees, primarily associated with market-related declines in variable annuity account values. In addition, less favorable results from mark-to-market of embedded derivatives and related hedge positions associated with living benefits, after related

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amortization of deferred policy acquisition and other costs, contributed $8 million to the decrease in adjusted operating income, reflecting net costs of $2 million in the current quarter compared to a net benefit of $6 million in the year-ago quarter. Our Group Insurance segment reported adjusted operating income of $80 million in the current quarter, an increase of $11 million from the year-ago quarter, as current quarter results benefited from more favorable group life claims experience than that of the year-ago quarter.

The **Investment division** reported adjusted operating income of $354 million for the second quarter of 2008, compared to $377 million in the year-ago quarter. The Retirement segment reported adjusted operating income of $141 million for the current quarter, compared to $138 million in the year-ago quarter, as current quarter results benefited from more favorable case experience than that of the year-ago quarter. The Asset Management segment reported adjusted operating income of $190 million for the current quarter, an increase of $23 million from the year-ago quarter. Current quarter results from the segment’s proprietary investing business included income of approximately $40 million from investment results in a fixed income investment fund compared to approximately $10 million from corresponding investment results in the year-ago quarter. A lower current quarter contribution from performance-based fees, primarily related to institutional real estate funds, was largely offset by increased asset management fees and more favorable results from securities lending activities. Our Financial Advisory segment reported adjusted operating income of $23 million for the current quarter, compared to $72 million for the year-ago quarter. The Financial Advisory segment reflects our retail securities brokerage joint venture with Wachovia. On January 1, 2008, Wachovia combined the acquired retail securities brokerage business of A.G. Edwards, Inc. with the joint venture. The Company’s initial share of the earnings of the joint venture and transition costs, subsequent to this combination, is based on a diluted ownership level which is currently being finalized. Based on our estimate of the level of ownership, our share of the venture resulted in adjusted operating income of $35 million, after absorption of $47 million of transition costs. For the year-ago quarter, our 38% share of the venture resulted in adjusted operating income of $93 million. In addition to our share of the venture’s results, the Financial Advisory segment’s results for the current quarter include expenses

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of $12 million related to obligations and costs we retained in connection with the contributed businesses primarily for litigation and regulatory matters, while results for the year-ago quarter include $21 million of such costs.

The **International Insurance and Investments division** reported adjusted operating income of $479 million for the second quarter of 2008, compared to $453 million in the year-ago quarter. The International Insurance segment reported adjusted operating income of $453 million for the current quarter, an increase of $43 million from the year-ago quarter. The segment's Life Planner insurance operations reported adjusted operating income of $286 million for the current quarter, an increase of $33 million from the year-ago quarter, reflecting continued business growth together with an improved contribution from investment results and a more favorable level of policy benefits. The segment's Gibraltar Life operations reported adjusted operating income of $167 million for the current quarter, an increase of $10 million from the year-ago quarter. Current quarter results benefited from an improved contribution from investment results, reflecting increased investing in U.S. dollar-based securities and investment duration lengthening which more than offset a $14 million benefit to year-ago quarter results from investment income associated with a single joint venture. In addition, current quarter results benefited from a more favorable level of policy benefits. Foreign currency exchange rates, including the impact of the Company's currency hedging programs, did not have a significant effect on the comparison of results for the segment's international insurance businesses. The International Investments segment reported adjusted operating income of $26 million for the current quarter, compared to $43 million in the year-ago quarter. Current quarter results reflected a lower contribution from the segment's asset management businesses, primarily due to less favorable results from operations in Korea, as well as a lower contribution from the segment's trading operations.

Corporate and Other operations resulted in a loss, on an adjusted operating income basis, of $5 million in the second quarter of 2008, compared to a loss of $8 million in the year-ago quarter. Lower employee benefit expenses in the current quarter essentially offset an unfavorable comparison of results from the Company's real estate and relocation business. The real estate and relocation business reported a loss of $3 million for the current quarter, compared to adjusted operating income of $18 million in the year-ago quarter.

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Assets under management amounted to $638 billion at June 30, 2008, compared to $648 billion a year earlier and $648 billion at December 31, 2007. Assets under management at June 30, 2007 included $28 billion related to investments in operating joint ventures that were sold by the company during the third quarter of 2007.

Net income of the Financial Services Businesses amounted to $575 million for the second quarter of 2008, compared to $835 million in the year-ago quarter. Current quarter net income includes $486 million of pre-tax net realized investment losses and related charges and adjustments. Net realized investment losses in the current quarter include $566 million of losses from impairments and sales of credit-impaired securities. The losses from impairments and sales of credit-impaired securities reflect $465 million on fixed maturity investments, including $375 million of impairments relating to asset-backed securities collateralized by sub-prime mortgages, and $95 million of impairments on equity securities. The Company estimates that approximately $23 million of the $375 million impairments recorded on asset-backed securities collateralized by sub-prime mortgages represent credit-related losses, based on lower expected collection of cash flows.

At June 30, 2008, gross unrealized losses on general account fixed maturity investments of the Financial Services Businesses amounted to $3.854 billion, including $3.471 billion on investment-grade securities. Gross unrealized losses include $908 million related to asset-backed securities collateralized by sub-prime mortgages. Gross unrealized losses on general account fixed maturity investments of the Financial Services Businesses at June 30, 2008 include $721 million of declines in value of 20% or more of amortized cost, of which $329 million represents such declines in value for three months or more. An additional $579 million of the gross unrealized losses at June 30, 2008 represent declines in value ranging from 15% to 20% of amortized cost, of which $301 million represents such declines in value for three months or more. Gross unrealized losses on general account fixed maturity investments of the Financial Services Businesses amounted to $1.970 billion at year-end 2007. Net unrealized losses on general account fixed maturity investments of the Financial Services Businesses amounted to $1.718 billion at June 30, 2008, compared to net unrealized gains of $1.332 billion at December 31, 2007.

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Net income for the current quarter also reflects pre-tax decreases of $123 million in recorded asset values and $94 million in recorded liabilities representing changes in value which will ultimately accrue to contractholders. These changes primarily represent interest rate related mark-to-market adjustments. Net income for the current quarter also includes $13 million of pre-tax losses from divested businesses.

Net income of the Financial Services Businesses for the year-ago quarter included $34 million of pre-tax net realized investment gains and related charges and adjustments, decreases of $108 million in recorded assets and $72 million in recorded liabilities for which changes in value will ultimately accrue to contractholders, and income of $18 million from divested businesses, in each case before income taxes. In addition, net income for the year-ago quarter included losses from discontinued operations of $29 million (net of related taxes).

Closed Block Business

Prudential’s Class B Stock, which is not traded on any exchange, reflects the performance of its Closed Block Business.

The Closed Block Business includes our in-force participating life insurance and annuity policies, and assets that are being used for the payment of benefits and policyholder dividends on these policies, as well as other assets and equity that support these policies. We have ceased offering these participating policies.

The Closed Block Business reported income from continuing operations before income taxes of $38 million for the second quarter of 2008, compared to $15 million for the year-ago quarter. The Closed Block Business reported net income for the second quarter of 2008 of $15 million, compared to $11 million for the year-ago quarter.

For the first half of 2008, the Closed Block Business reported income from continuing operations before income taxes of $12 million, compared to $152 million for the first half of 2007. The Closed Block Business reported net income of $7 million for the first half of 2008 and $106 million for the first half of 2007.

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Consolidated Results

There is no legal separation of the Financial Services Businesses and the Closed Block Business, and holders of the Common Stock and the Class B Stock are both common stockholders of Prudential Financial, Inc.

On a consolidated basis, which includes the results of both the Financial Services Businesses and the Closed Block Business, Prudential Financial, Inc. reported net income of $590 million for the second quarter of 2008, compared to $846 million for the year-ago quarter, and reported net income of $659 million for the first half of 2008 and $1.966 billion for the first half of 2007.

Share Repurchases and Issuance

During the second quarter of 2008, the company acquired 11.8 million shares of its Common Stock, at a total cost of $881 million. From the commencement of share repurchases in May 2002, through June 30, 2008, the company has acquired 207.6 million shares of its Common Stock at a total cost of $12.638 billion.

Forward-Looking Statements and Non-GAAP Measures

Certain of the statements included in this release, including (but not limited to) those in the fourth paragraph hereof, constitute forward-looking statements within the meaning of the U. S. Private Securities Litigation Reform Act of 1995. Words such as “expects,” “believes,” “anticipates,” “includes,” “plans,” “assumes,” “estimates,” “projects,” “intends,” “should,” “will,” “shall,” or variations of such words are generally part of forward-looking statements. Forward-looking statements are made based on management’s current expectations and beliefs concerning future developments and their potential effects upon Prudential Financial, Inc. and its subsidiaries. There can be no assurance that future developments affecting Prudential Financial, Inc. and its subsidiaries will be those anticipated by management. These forward-looking statements are not a guarantee of future performance and involve risks and uncertainties, and there are certain important factors that could cause actual results to differ, possibly materially, from expectations or estimates reflected in such forward-looking statements, including, among others: (1) general economic,

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market and political conditions, including the performance and fluctuations of fixed income, equity, real estate, and other financial markets; (2) interest rate fluctuations; (3) reestimates of our reserves for future policy benefits and claims; (4) differences between actual experience regarding mortality, morbidity, persistency, surrender experience, interest rates or market returns and the assumptions we use in pricing our products, establishing liabilities and reserves or for other purposes; (5) changes in our assumptions related to deferred policy acquisition costs, valuation of business acquired or goodwill; (6) changes in our claims-paying or credit ratings; (7) investment losses and defaults; (8) competition in our product lines and for personnel; (9) changes in tax law; (10) economic, political, currency and other risks relating to our international operations; (11) fluctuations in foreign currency exchange rates and foreign securities markets; (12) regulatory or legislative changes; (13) adverse determinations in litigation or regulatory matters and our exposure to contingent liabilities, including in connection with our divestiture or winding down of businesses; (14) domestic or international military actions, natural or man-made disasters including terrorist activities or pandemic disease, or other events resulting in catastrophic loss of life; (15) ineffectiveness of risk management policies and procedures in identifying, monitoring and managing risks; (16) effects of acquisitions, divestitures and restructurings, including possible difficulties in integrating and realizing the projected results of acquisitions; (17) changes in statutory or U.S. GAAP accounting principles, practices or policies; (18) changes in assumptions for retirement expense; (19) Prudential Financial, Inc.'s primary reliance, as a holding company, on dividends or distributions from its subsidiaries to meet debt payment obligations and continue share repurchases, and the applicable regulatory restrictions on the ability of the subsidiaries to pay such dividends or distributions; and (20) risks due to the lack of legal separation between our Financial Services Businesses and our Closed Block Business. Prudential Financial, Inc. does not intend, and is under no obligation, to update any particular forward-looking statement included in this document.

Adjusted operating income is a non-GAAP measure of performance of our Financial Services Businesses. Adjusted operating income excludes "Realized investment gains (losses), net," as adjusted, and related charges and adjustments. A significant element of realized investment gains and losses are impairments and credit-related and interest rate-related gains and losses. Impairments and losses from sales of credit-impaired securities, the timing of which depends largely on market credit cycles, can vary considerably across periods. The timing of other sales that would result in gains or losses, such as interest rate-related gains or losses, is largely subject to our discretion and influenced by market opportunities as well as our tax profile.

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. Adjusted operating income excludes gains and losses from changes in value of certain assets and liabilities related to foreign currency exchange movements that have been economically hedged.

Adjusted operating income also excludes investment gains and losses on trading account assets supporting insurance liabilities and changes in experience-rated contractholder liabilities due to asset value changes, because these recorded changes in asset and liability values will ultimately accrue to contractholders. Trends in the underlying profitability of our businesses can be more clearly identified without the fluctuating effects of these transactions. In addition, adjusted operating income excludes the results of divested businesses, which are not relevant to our ongoing operations. Discontinued operations, which is presented as a separate component of net income under GAAP, is also excluded from adjusted operating income.

We believe that the presentation of adjusted operating income as we measure it for management purposes enhances understanding of the results of operations of the Financial Services Businesses by highlighting the results from ongoing operations and the underlying profitability of our businesses. However, adjusted operating income is not a substitute for income determined in accordance with GAAP, and the excluded items are important to an understanding of our overall results of operations. The schedules accompanying this release provide a reconciliation of adjusted operating income for the Financial Services Businesses to income from continuing operations in accordance with GAAP.

Our expectation of Common Stock earnings per share is based on after-tax adjusted operating income. Because we do not predict future realized investment gains / losses or recorded

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changes in asset and liability values that will ultimately accrue to contractholders, we cannot provide a measure of our Common Stock earnings per share expectation based on income from continuing operations of the Financial Services Businesses, which is the GAAP measure most comparable to adjusted operating income.

The information referred to above, as well as the risks of our businesses described in our Annual Report on Form 10-K for the year ended December 31, 2007, should be considered by readers when reviewing forward-looking statements contained in this release. Additional historical information relating to our financial performance is located on our Web site at www.investor.prudential.com.

Earnings Conference Call

Members of Prudential’s senior management will host a conference call on Thursday, July 31, 2008 at 11 a.m. ET, to discuss with the investment community the company’s second quarter results. The conference call will be broadcast live over the company’s Investor Relations Web site at: www.investor.prudential.com. Please log on fifteen minutes early in the event necessary software needs to be downloaded. The call will remain on the Investor Relations Web site for replay through August 15. Institutional investors, analysts, and other members of the professional financial community are invited to listen to the call and participate in Q&A by dialing (877) 777-1971 (domestic callers) or (612) 332-0226 (international callers). All others are encouraged to dial into the conference call in listen-only mode, using the same numbers. To listen to a replay of the conference call starting at 2:00 p.m. on July 31, through August 7, dial (800) 475-6701 (domestic callers) or (320) 365-3844 (international callers). The access code for the replay is 904643.

Prudential Financial, Inc. (NYSE: PRU), a financial services leader with approximately $638 billion of assets under management as of June 30, 2008, has operations in the United States, Asia, Europe, and Latin America. Leveraging its heritage of life insurance and asset management expertise, Prudential is focused on helping approximately 50 million individual and institutional customers grow and protect their wealth. The company’s well-known Rock symbol is an icon of strength, stability, expertise and innovation that has stood the test of time. Prudential’s businesses offer a variety of products and services, including life insurance, annuities, retirement-related services, mutual funds, investment management, and real estate services. For more information, please visit www.news.prudential.com.

Prudential

Financial Highlights
(in millions, except per share data, unaudited)

	Three Months Ended June 30		Six Months Ended June 30	
	2008	2007	2008	2007
Financial Services Businesses Income Statement Data:				
Adjusted Operating Income (1):				
Revenues:				
Premiums	$ 2,961	$ 2,684	$ 6,063	$ 5,404
Policy charges and fee income	809	783	1,633	1,567
Net investment income	2,146	2,033	4,257	4,028
Asset management fees, commissions and other income	978	1,169	1,917	2,318
Total revenues	6,894	6,669	13,870	13,317
Benefits and expenses:				
Insurance and annuity benefits	2,944	2,683	6,026	5,446
Interest credited to policyholders' account balances	803	762	1,609	1,507
Interest expense	234	276	517	550
Other expenses	1,748	1,736	3,561	3,381
Total benefits and expenses	5,729	5,457	11,713	10,884
Adjusted operating income before income taxes	1,165	1,212	2,157	2,433
Income taxes, applicable to adjusted operating income	297	355	560	716
Financial Services Businesses after-tax adjusted operating income (1)	868	857	1,597	1,717
Reconciling Items:				
Realized investment gains (losses), net, and related charges and adjustments	(486)	34	(1,164)	175
Investment gains (losses) on trading account assets supporting insurance liabilities, net	(123)	(108)	(385)	(26)
Change in experience-rated contractholder liabilities due to asset value changes	94	72	294	10
Divested businesses	(13)	18	(125)	46
Equity in earnings of operating joint ventures	(40)	(100)	(100)	(220)
Total reconciling items, before income taxes	(568)	(84)	(1,480)	(15)
Income taxes, not applicable to adjusted operating income	(254)	(35)	(470)	(17)
Total reconciling items, after income taxes	(314)	(49)	(1,010)	2
Income from continuing operations (after-tax) of Financial Services Businesses before equity in earnings of operating joint ventures	554	808	587	1,719
Equity in earnings of operating joint ventures, net of taxes	24	56	67	133
Income from continuing operations (after-tax) of Financial Services Businesses	578	864	654	1,852
Income (loss) from discontinued operations, net of taxes	(3)	(29)	(2)	8
Net income of Financial Services Businesses	$ 575	$ 835	$ 652	$ 1,860
Direct equity adjustment for earnings per share calculation (2)	14	14	26	29
Earnings available to holders of Common Stock after direct equity adjustment:				
Based on net income	$ 589	$ 849	$ 678	$ 1,889
Based on after-tax adjusted operating income	$ 882	$ 871	$ 1,623	$ 1,746

See footnotes on last page.

Financial Highlights
(in millions, except per share data, unaudited)

	Three Months Ended June 30 2008	Three Months Ended June 30 2007	Six Months Ended June 30 2008	Six Months Ended June 30 2007
Earnings per share of Common Stock (diluted) (2):				
Financial Services Businesses after-tax adjusted operating income	$ 2.02	$ 1.84	$ 3.66	$ 3.68
Reconciling Items:				
Realized investment gains (losses), net, and related charges and adjustments	(1.11)	0.07	(2.63)	0.37
Investment gains (losses) on trading account assets supporting insurance liabilities, net	(0.28)	(0.23)	(0.87)	(0.06)
Change in experience-rated contractholder liabilities due to asset value changes	0.21	0.15	0.66	0.02
Divested businesses	(0.03)	0.04	(0.28)	0.10
Equity in earnings of operating joint ventures	(0.09)	(0.21)	(0.22)	(0.46)
Total reconciling items, before income taxes	(1.30)	(0.18)	(3.34)	(0.03)
Income taxes, not applicable to adjusted operating income	(0.58)	(0.08)	(1.06)	(0.03)
Total reconciling items, after income taxes	(0.72)	(0.10)	(2.28)	—
Income from continuing operations (after-tax) of Financial Services Businesses before equity in earnings of operating joint ventures	1.30	1.74	1.38	3.68
Equity in earnings of operating joint ventures, net of taxes	0.05	0.12	0.15	0.28
Income from continuing operations (after-tax) of Financial Services Businesses	1.35	1.86	1.53	3.96
Income (loss) from discontinued operations, net of taxes	—	(0.06)	—	0.02
Net income of Financial Services Businesses	$ 1.35	$ 1.80	$ 1.53	$ 3.98
Weighted average number of outstanding Common shares (diluted basis)	437.7	472.8	443.1	474.9
Financial Services Businesses Attributed Equity (as of end of period):				
Total attributed equity	$20,502	$21,718		
Per share of Common Stock - diluted	47.58	46.27		
Attributed equity excluding accumulated other comprehensive income related to unrealized gains and losses on investments and pension/postretirement benefits	$22,282	$21,792		
Per share of Common Stock - diluted	51.71	46.43		
Number of diluted shares at end of period	430.9	469.4		
Adjusted operating income before income taxes, by Segment (1):				
Individual Life	$ 103	$ 141	$ 199	$ 242
Individual Annuities	154	180	269	346
Group Insurance	80	69	170	120
Total Insurance Division	337	390	638	708
Asset Management	190	167	309	342
Financial Advisory	23	72	67	169
Retirement	141	138	265	286
Total Investment Division	354	377	641	797
International Insurance	453	410	866	822
International Investments	26	43	52	105
Total International Insurance and Investments Division	479	453	918	927
Corporate and other operations	(5)	(8)	(40)	1
Financial Services Businesses adjusted operating income before income taxes	1,165	1,212	2,157	2,433
Reconciling Items:				
Realized investment gains (losses), net, and related charges and adjustments	(486)	34	(1,164)	175
Investment gains (losses) on trading account assets supporting insurance liabilities, net	(123)	(108)	(385)	(26)
Change in experience-rated contractholder liabilities due to asset value changes	94	72	294	10
Divested businesses	(13)	18	(125)	46
Equity in earnings of operating joint ventures	(40)	(100)	(100)	(220)
Total reconciling items, before income taxes	(568)	(84)	(1,480)	(15)
Income from continuing operations before income taxes and equity in earnings of operating joint ventures - Financial Services Businesses	$ 597	$ 1,128	$ 677	$2,418

See footnotes on last page.

Financial Highlights
(in millions, except per share data or as otherwise noted, unaudited)

	Three Months Ended June 30		Six Months Ended June 30	
	2008	2007	2008	2007
Insurance Division:				
Individual Life Insurance Sales (3):				
Excluding corporate-owned life insurance				
Variable life	$ 24	$ 19	$ 40	$ 67
Universal life	55	45	95	89
Term life	52	54	103	103
Total excluding corporate-owned life insurance	131	118	238	259
Corporate-owned life insurance	1	3	1	8
Total	$ 132	$ 121	$ 239	$ 267
Fixed and Variable Annuity Sales and Account Values:				
Gross sales	$ 2,764	$ 3,053	$5,610	$5,853
Net sales	$ 518	$ 464	$1,138	$ 873
Total account value at end of period	$ 78,101	$ 82,576		
Group Insurance New Annualized Premiums (4):				
Group life	$ 30	$ 26	$ 142	$ 129
Group disability	17	26	131	118
Total	$ 47	$ 52	$ 273	$ 247
Investment Division:				
Asset Management Segment:				
Assets managed by Investment Management and Advisory Services (in billions, as of end of period):				
Institutional customers	$ 179.3	$ 166.2		
Retail customers	84.6	87.1		
General account	175.0	167.0		
Total Investment Management and Advisory Services	$ 438.9	$ 420.3		
Institutional Assets Under Management (in billions):				
Gross additions, other than money market	$ 10.9	$ 6.3	$ 17.4	$ 11.4
Net additions, other than money market	$ 6.3	$ 1.7	$ 8.5	$ 2.9
Retail Assets Under Management (in billions):				
Gross additions, other than money market	$ 3.8	$ 2.3	$ 7.3	$ 5.2
Net additions (withdrawals), other than money market	$ 0.9	$ (0.7)	$ 1.9	$ (0.4)
Wrap-fee Product Assets Under Administration (in billions):				
Gross additions	$ 4.7	$ 5.7	$ 9.4	$ 11.5
Net additions (withdrawals)	$ —	$ 1.8	$ (0.7)	$ 3.8
Assets under administration at end of period	$ 76.5	$ 78.7		
Retirement Segment:				
Full Service:				
Deposits and sales	$ 4,530	$ 3,212	$9,116	$7,215
Net additions	$ 164	$ 9	$ 817	$ 579
Total account value at end of period	$106,917	$104,033		
Institutional Investment Products:				
Gross additions	$ 1,606	$ 1,597	$3,416	$3,130
Net additions (withdrawals)	$ (338)	$ 530	$ (230)	$ 320
Total account value at end of period	$ 51,513	$ 50,926		
International Insurance and Investments Division:				
International Insurance New Annualized Premiums (5):				
Actual exchange rate basis	$ 336	$ 268	$ 665	$ 564
Constant exchange rate basis:	$ 335	$ 285	$ 664	$ 600

See footnotes on last page.

Financial Highlights
(in millions, except per share data or as otherwise noted, unaudited)

	Three Months Ended June 30		Six Months Ended June 30	
	2008	2007	2008	2007
Closed Block Business Data:				
Income Statement Data:				
Revenues	$ 1,496	$ 1,893	$ 3,167	$ 3,884
Benefits and expenses	1,458	1,878	3,155	3,732
Income from continuing operations before income taxes	38	15	12	152
Income taxes	23	4	5	48
Closed Block Business income from continuing operations	15	11	7	104
Income from discontinued operations, net of taxes	—	—	—	2
Closed Block Business net income	$ 15	$ 11	$ 7	$ 106
Direct equity adjustment for earnings per share calculation (2)	(14)	(14)	(26)	(29)
Earnings available to holders of Class B Stock after direct equity adjustment - based on net income	$ 1	$ (3)	$ (19)	$ 77
Income (loss) from continuing operations per share of Class B Stock	$ 0.50	$ (1.50)	$ (9.50)	$ 37.50
Income from discontinued operations, net of taxes per share of Class B Stock	—	—	—	1.00
Net income (loss) per share of Class B Stock	$ 0.50	$ (1.50)	$ (9.50)	$ 38.50
Weighted average diluted shares outstanding during period	2.0	2.0	2.0	2.0
Closed Block Business Attributed Equity (as of end of period):				
Total attributed equity	$ 1,067	$ 1,225		
Per Share of Class B Stock	533.50	612.50		
Attributed equity excluding accumulated other comprehensive income related to unrealized gains and losses on investments and pension/postretirement benefits	$ 1,305	$ 1,270		
Per Share of Class B Stock	652.50	635.00		
Number of Class B Shares at end of period	2.0	2.0		
Consolidated Data:				
Consolidated Income Statement Data:				
Revenues	$ 7,709	$ 8,425	$15,273	$17,200
Benefits and expenses	7,074	7,282	14,584	14,630
Income from continuing operations before income taxes and equity in earnings of operating joint ventures	635	1,143	689	2,570
Income tax expense	66	324	95	747
Income from continuing operations before equity in earnings of operating joint ventures	569	819	594	1,823
Equity in earnings of operating joint ventures, net of taxes	24	56	67	133
Income from continuing operations	593	875	661	1,956
Income (loss) from discontinued operations, net of taxes	(3)	(29)	(2)	10
Consolidated net income	$ 590	$ 846	$ 659	$ 1,966
Net income:				
Financial Services Businesses	$ 575	$ 835	$ 652	$ 1,860
Closed Block Business	15	11	7	106
Consolidated net income	$ 590	$ 846	$ 659	$ 1,966
Assets and Asset Management Information (in billions, as of end of period)				
Total assets	$ 474.6	$ 461.8		
Assets under management (at fair market value):				
Managed by Investment Division:				
Asset Management Segment - Investment Management and Advisory Services	$ 438.9	$ 420.3		
Non-proprietary assets under management	60.1	56.1		
Total managed by Investment Division	499.0	476.4		
Managed by International Insurance and Investments Division (6)	69.4	94.3		
Managed by Insurance Division	69.5	77.7		
Total assets under management	637.9	648.4		
Client assets under administration	125.0	127.0		
Total assets under management and administration	$ 762.9	$ 775.4		

See footnotes on last page.

(1) 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. 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.

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. Adjusted operating income excludes gains and losses from changes in value of certain assets and liabilities relating to foreign currency exchange movements that have been economically hedged.

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) 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 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.

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

(4) Amounts exclude new premiums resulting from rate changes on existing policies, from additional coverage issued under our Servicemembers’ Group Life Insurance contract, and from excess premiums on group universal life insurance that build cash value but do not purchase face amounts. Group insurance new annualized premiums include premiums from the takeover of claim liabilities. Group disability amounts include long-term care products.

(5) Annualized new business premiums. Actual amounts reflect the impact of currency fluctuations. Constant exchange rate amounts are translated to U.S. dollars at uniform exchange rates for all periods presented, including Japanese yen, 106 per U.S. dollar; Korean won 950 per U.S. dollar. Single premium business for the Company’s international insurance operations is included in annualized new business premiums based on a 10% credit.

(6) Assets managed by the International Insurance and Investments Division 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.

Exhibit 99.1

Prudential Financial, Inc. (PRU)

Prudential

Quarterly Financial Supplement

FINANCIAL SERVICES BUSINESSES
SECOND QUARTER 2008

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.

July 30, 2008

CONTENTS

This Quarterly Financial Supplement reflects the following:

The calculation of International Insurance and Investment Division constant exchange rate information for “Net premiums, policy charges and fees” has been modified to provide a more meaningful presentation, and such data presented for earlier periods has been conformed to the current reporting practice.

FINANCIAL HIGHLIGHTS
(in millions, except per share data)

Year-to-date 2008	Year-to-date 2007	% Change		2007 2Q	2007 3Q	2007 4Q	2008 1Q	2008 2Q
			Financial Services Businesses:					
			Pre-tax adjusted operating income (loss) by division:					
638	708	-10%	Insurance Division	390	556	366	301	337
641	797	-20%	Investment Division	377	311	372	287	354
918	927	-1%	International Insurance and Investments Division	453	537	393	439	479
(40)	1	-4100%	Corporate and other operations	(8)	(12)	(51)	(35)	(5)
2,157	2,433	-11%	Total pre-tax adjusted operating income	1,212	1,392	1,080	992	1,165
560	716	-22%	Income taxes, applicable to adjusted operating income	355	416	268	263	297
1,597	1,717	-7%	**Financial Services Businesses after-tax adjusted operating income**	857	976	812	729	868
			Reconciling items:					
(1,164)	175	-765%	Realized investment gains (losses), net, and related charges and adjustments	34	(180)	(91)	(678)	(486)
(385)	(26)	-1381%	Investment gains (losses) on trading account assets supporting insurance liabilities, net	(108)	36	(10)	(262)	(123)
294	10	2840%	Change in experience-rated contractholder liabilities due to asset value changes	72	(6)	9	200	94
(125)	46	-372%	Divested businesses	18	(27)	(45)	(112)	(13)
(100)	(220)	55%	Equity in earnings of operating joint ventures	(100)	(103)	(77)	(60)	(40)
(1,480)	(15)	-9767%	Total reconciling items, before income taxes	(84)	(280)	(214)	(912)	(568)
(470)	(17)	-2665%	Income taxes, not applicable to adjusted operating income	(35)	(101)	(137)	(216)	(254)
(1,010)	2	-50600%	Total reconciling items, after income taxes	(49)	(179)	(77)	(696)	(314)
587	1,719	-66%	**Income from continuing operations (after-tax) of Financial Services Businesses before equity in earnings of operating joint ventures**	808	797	735	33	554
67	133	-50%	Equity in earnings of operating joint ventures, net of taxes	56	67	46	43	24
654	1,852	-65%	**Income from continuing operations (after-tax) of Financial Services Businesses**	864	864	781	76	578
(2)	8	-125%	Income (loss) from discontinued operations, net of taxes	(29)	(4)	11	1	(3)
652	1,860	-65%	**Net income of Financial Services Businesses**	835	860	792	77	575
			Earnings per share of Common Stock (diluted):					
3.66	3.68		Financial Services Businesses after-tax adjusted operating income	1.84	2.13	1.79	1.65	2.02
			Reconciling items:					
(2.63)	0.37		Realized investment gains (losses), net, and related charges and adjustments	0.07	(0.39)	(0.20)	(1.51)	(1.11)
(0.87)	(0.06)		Investment gains (losses) on trading account assets supporting insurance liabilities, net	(0.23)	0.08	(0.02)	(0.58)	(0.28)
0.66	0.02		Change in experience-rated contractholder liabilities due to asset value changes	0.15	(0.01)	0.02	0.44	0.21
(0.28)	0.10		Divested businesses	0.04	(0.06)	(0.10)	(0.25)	(0.03)
(0.22)	(0.46)		Equity in earnings of operating joint ventures	(0.21)	(0.22)	(0.17)	(0.13)	(0.09)
(3.34)	(0.03)		Total reconciling items, before income taxes	(0.18)	(0.60)	(0.47)	(2.03)	(1.30)
(1.06)	(0.03)		Income taxes, not applicable to adjusted operating income	(0.08)	(0.21)	(0.31)	(0.48)	(0.58)
(2.28)	0.00		Total reconciling items, after income taxes	(0.10)	(0.39)	(0.16)	(1.55)	(0.72)
1.38	3.68		**Income from continuing operations (after-tax) of Financial Services Businesses before equity in earnings of operating joint ventures**	1.74	1.74	1.63	0.10	1.30
0.15	0.28		Equity in earnings of operating joint ventures, net of taxes	0.12	0.15	0.10	0.10	0.05
1.53	3.96		**Income from continuing operations (after-tax) of Financial Services Businesses**	1.86	1.89	1.73	0.20	1.35
0.00	0.02		Income (loss) from discontinued operations, net of taxes	(0.06)	(0.01)	0.02	0.00	0.00
1.53	3.98		**Net income of Financial Services Businesses**	1.80	1.88	1.75	0.20	1.35
443.1	474.9		Weighted average number of outstanding Common shares (diluted basis)	472.8	464.9	458.5	448.6	437.7
14.37%	16.18%		Operating Return on Average Equity (based on adjusted operating income)	16.04%	17.97%	14.88%	13.03%	15.76%
			Reconciliation to Consolidated Net Income of Prudential Financial, Inc:					
652	1,860		Net income of Financial Services Businesses (above)	835	860	792	77	575
7	106		Net income (loss) of Closed Block Business	11	7	79	(8)	15
659	1,966		Consolidated net income	846	867	871	69	590
26	29		Direct equity adjustments for earnings per share calculations	14	13	11	12	14

FINANCIAL HIGHLIGHTS
(in millions, except per share data)

Year-to-date 2008	Year-to-date 2007		2007 2Q	2007 3Q	2007 4Q	2008 1Q	2008 2Q
		Financial Services Businesses Capitalization Data (1):					
		Senior Debt:					
		Short-term debt	11,533	12,619	14,514	13,788	12,955
		Long-term debt	9,401	9,771	12,351	13,302	13,856
		Junior Subordinated Long-Term Debt	—	—	—	—	1,398
		Attributed Equity:					
		Including accumulated other comprehensive income	21,718	21,751	22,170	21,484	20,502
		Excluding accumulated other comprehensive income related to unrealized gains and losses on investments and pension / postretirement benefits	21,792	22,244	22,009	22,499	22,282
		Excluding total accumulated other comprehensive income	21,835	22,051	21,711	21,957	21,733
		Total Capitalization:					
		Including accumulated other comprehensive income	31,119	31,522	34,521	34,786	35,756
		Excluding accumulated other comprehensive income related to unrealized gains and losses on investments and pension / postretirement benefits	31,193	32,015	34,360	35,801	37,536
		Excluding total accumulated other comprehensive income	31,236	31,822	34,062	35,259	36,987
		Book value per share of Common Stock:					
		Including accumulated other comprehensive income	46.27	47.08	48.73	48.45	47.58
		Excluding accumulated other comprehensive income related to unrealized gains and losses on investments and pension / postretirement benefits	46.43	48.15	48.37	50.74	51.71
		Excluding total accumulated other comprehensive income	46.52	47.73	47.72	49.52	50.44
		Number of diluted shares at end of period	469.4	462.0	455.0	443.4	430.9
		Common Stock Price Range (based on closing price):					
91.36	103.17	High	103.17	98.71	101.09	91.36	82.21
59.74	85.69	Low	90.21	84.28	89.46	67.36	59.74
59.74	97.23	Close	97.23	97.58	93.04	78.25	59.74
		Common Stock market capitalization (1)	44,879	44,309	41,623	34,227	25,465

(1) As of end of period.

OPERATIONS HIGHLIGHTS

Year-to-date 2008	Year-to-date 2007		2007 2Q	2007 3Q	2007 4Q	2008 1Q	2008 2Q
		Assets Under Management and Administration ($ billions) (1) (2):					
		Assets Under Management:					
		Managed by Investment Division:					
		Asset Management Segment - Investment Management & Advisory Services					
		Institutional customers	166.2	170.1	176.4	174.2	179.3
		Retail customers	87.1	88.5	86.6	81.8	84.6
		General account	167.0	171.6	175.5	177.9	175.0
		Total Investment Management and Advisory Services	420.3	430.2	438.5	433.9	438.9
		Non-proprietary assets under management	56.1	57.0	59.7	54.7	60.1
		Total managed by Investment Division	476.4	487.2	498.2	488.6	499.0
		Managed by International Insurance and Investments Division (3):	94.3	71.5	69.2	71.0	69.4
		Managed by Insurance Division	77.7	78.2	80.3	71.5	69.5
		Total assets under management	648.4	636.9	647.7	631.1	637.9
		Client assets under administration	127.0	131.4	136.3	129.4	125.0
		Total assets under management and administration	775.4	768.3	784.0	760.5	762.9
		Assets managed or administered for customers outside of the United States at end of period (3)	137.3	119.6	117.0	117.4	116.0
		Distribution Representatives (1):					
		Prudential Agents	2,512	2,552	2,425	2,436	2,446
		International Life Planners	6,001	6,038	6,166	6,138	6,179
		Gibraltar Life Advisors	5,815	5,944	6,264	6,035	5,899
54	53	***Prudential Agent productivity ($ thousands)***	57	54	85	50	58

(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 2008	Year-to-date 2007	% Change		2007 2Q	2007 3Q	2007 4Q	2008 1Q	2008 2Q
			Revenues (1):					
6,063	5,404	12%	Premiums	2,684	2,673	2,717	3,102	2,961
1,633	1,567	4%	Policy charges and fee income	783	727	828	824	809
4,257	4,028	6%	Net investment income	2,033	2,070	2,106	2,111	2,146
1,917	2,318	-17%	Asset management fees, commissions and other income	1,169	1,301	1,121	939	978
13,870	13,317	4%	Total revenues	6,669	6,771	6,772	6,976	6,894
			Benefits and Expenses (1):					
6,026	5,446	11%	Insurance and annuity benefits	2,683	2,658	2,725	3,082	2,944
1,609	1,507	7%	Interest credited to policyholders' account balances	762	779	808	806	803
517	550	-6%	Interest expense	276	281	289	283	234
(1,176)	(1,095)	-7%	Deferral of acquisition costs	(556)	(554)	(599)	(588)	(588)
653	537	22%	Amortization of acquisition costs	265	108	290	338	315
4,084	3,939	4%	General and administrative expenses	2,027	2,107	2,179	2,063	2,021
11,713	10,884	8%	Total benefits and expenses	5,457	5,379	5,692	5,984	5,729
2,157	2,433	-11%	Adjusted operating income before income taxes	1,212	1,392	1,080	992	1,165
			Reconciling items:					
(1,192)	188	-734%	Realized investment gains (losses), net, and related adjustments	41	(178)	(51)	(665)	(527)
28	(13)	315%	Related charges	(7)	(2)	(40)	(13)	41
(1,164)	175	-765%	Total realized investment gains (losses), net, and related charges and adjustments	34	(180)	(91)	(678)	(486)
(385)	(26)	-1381%	Investment gains (losses) on trading account assets supporting insurance liabilities, net	(108)	36	(10)	(262)	(123)
294	10	2840%	Change in experience-rated contractholder liabilities due to asset value changes	72	(6)	9	200	94
(125)	46	-372%	Divested businesses	18	(27)	(45)	(112)	(13)
(100)	(220)	55%	Equity in earnings of operating joint ventures	(100)	(103)	(77)	(60)	(40)
(1,480)	(15)	-9767%	Total reconciling items, before income taxes	(84)	(280)	(214)	(912)	(568)
677	2,418	-72%	Income from continuing operations before income taxes and equity in earnings of operating joint ventures	1,128	1,112	866	80	597
90	699	-87%	Income tax expense	320	315	131	47	43
587	1,719	-66%	Income from continuing operations before equity in earnings of operating joint ventures	808	797	735	33	554

(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)

	6/30/2007	9/30/2007	12/31/2007	3/31/2008	6/30/2008
Assets:					
Investments:					
Fixed maturities, available for sale, at fair value (amortized cost $108,291; $111,668; $111,405; $117,893; $116,193)	109,665	112,956	112,748	117,914	114,541
Fixed maturities, held to maturity, at amortized cost (fair value $3,287; $3,411; $3,543; $3,741; $3,490)	3,370	3,473	3,548	3,735	3,572
Trading account assets supporting insurance liabilities, at fair value	14,069	14,612	14,473	14,644	14,624
Other trading account assets, at fair value	2,214	3,354	3,471	2,684	2,984
Equity securities, available for sale, at fair value (cost $3,928; $4,385; $4,497; $4,786; $4,686)	4,588	4,683	4,640	4,551	4,567
Commercial loans	19,852	20,756	22,093	23,444	23,837
Policy loans	3,642	3,815	3,942	4,147	4,207
Securities purchased under agreements to resell	198	111	129	178	184
Other long-term investments	4,430	4,449	5,163	5,266	5,683
Short-term investments	5,421	3,183	3,852	4,176	5,601
Total investments	167,449	171,392	174,059	180,739	179,800
Cash and cash equivalents	5,584	7,687	9,624	8,133	8,762
Accrued investment income	1,432	1,519	1,496	1,540	1,531
Reinsurance recoverables	2,127	2,149	2,119	1,975	1,961
Deferred policy acquisition costs	10,404	11,032	11,396	11,924	12,203
Other assets	15,489	16,143	17,754	20,357	23,021
Separate account assets	187,403	195,324	195,583	181,902	179,323
Total assets	389,888	405,246	412,031	406,570	406,601
Liabilities:					
Future policy benefits	55,692	58,117	60,259	63,590	62,503
Policyholders' account balances	75,606	77,105	78,599	84,812	86,199
Reinsurance payables	1,556	1,593	1,552	1,396	1,377
Securities sold under agreements to repurchase	5,146	5,683	5,281	3,727	4,307
Cash collateral for loaned securities	4,497	5,017	3,041	2,761	2,808
Income taxes	2,746	2,826	3,402	3,575	2,798
Senior short-term debt	11,533	12,619	14,514	13,788	12,955
Senior long-term debt	9,401	9,771	12,351	13,302	13,856
Junior subordinated long-term debt	—	—	—	—	1,398
Other liabilities	14,590	15,440	15,279	16,233	18,575
Separate account liabilities	187,403	195,324	195,583	181,902	179,323
Total liabilities	368,170	383,495	389,861	385,086	386,099
Attributed Equity:					
Accumulated other comprehensive income (loss)	(117)	(300)	459	(473)	(1,231)
Other attributed equity	21,835	22,051	21,711	21,957	21,733
Total attributed equity	21,718	21,751	22,170	21,484	20,502
Total liabilities and attributed equity	389,888	405,246	412,031	406,570	406,601

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

	Quarter Ended June 30, 2008				
	Total Financial Services Businesses	Insurance Division	Investment Division	International Insurance & Investments Division	Corporate and Other Operations
Revenues (1) :					
Premiums	2,961	1,089	138	1,736	(2)
Policy charges and fee income	809	687	46	82	(6)
Net investment income	2,146	517	982	504	143
Asset management fees, commissions and other income	978	223	641	161	(47)
Total revenues	6,894	2,516	1,807	2,483	88
Benefits and Expenses (1):					
Insurance and annuity benefits	2,944	1,226	340	1,360	18
Interest credited to policyholders’ account balances	803	225	523	101	(46)
Interest expense	234	65	37	4	128
Deferral of acquisition costs	(588)	(277)	(28)	(299)	16
Amortization of acquisition costs	315	163	8	152	(8)
General and administrative expenses	2,021	777	573	686	(15)
Total benefits and expenses	5,729	2,179	1,453	2,004	93
Adjusted operating income (loss) before income taxes	1,165	337	354	479	(5)

	Quarter Ended June 30, 2007				
	Total Financial Services Businesses	Insurance Division	Investment Division	International Insurance & Investments Division	Corporate and Other Operations
Revenues (1):					
Premiums	2,684	1,083	71	1,531	(1)
Policy charges and fee income	783	672	44	73	(6)
Net investment income	2,033	475	972	405	181
Asset management fees, commissions and other income	1,169	242	747	215	(35)
Total revenues	6,669	2,472	1,834	2,224	139
Benefits and Expenses (1):					
Insurance and annuity benefits	2,683	1,182	276	1,219	6
Interest credited to policyholders’ account balances	762	205	508	79	(30)
Interest expense	276	53	64	3	156
Deferral of acquisition costs	(556)	(287)	(25)	(259)	15
Amortization of acquisition costs	265	140	11	126	(12)
General and administrative expenses	2,027	789	623	603	12
Total benefits and expenses	5,457	2,082	1,457	1,771	147
Adjusted operating income (loss) before income taxes	1,212	390	377	453	(8)

(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.

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

	Six Months Ended June 30, 2008				
	Total Financial Services Businesses	Insurance Division	Investment Division	International Insurance & Investments Division	Corporate and Other Operations
Revenues (1) :					
Premiums	6,063	2,223	338	3,508	(6)
Policy charges and fee income	1,633	1,382	89	169	(7)
Net investment income	4,257	1,021	1,946	966	324
Asset management fees, commissions and other income	1,917	400	1,300	341	(124)
Total revenues	13,870	5,026	3,673	4,984	187
Benefits and Expenses (1):					
Insurance and annuity benefits	6,026	2,481	732	2,773	40
Interest credited to policyholders' account balances	1,609	441	1,056	201	(89)
Interest expense	517	131	89	6	291
Deferral of acquisition costs	(1,176)	(557)	(57)	(593)	31
Amortization of acquisition costs	653	341	18	312	(18)
General and administrative expenses	4,084	1,551	1,194	1,367	(28)
Total benefits and expenses	11,713	4,388	3,032	4,066	227
Adjusted operating income (loss) before income taxes	2,157	638	641	918	(40)

	Six Months Ended June 30, 2007				
	Total Financial Services Businesses	Insurance Division	Investment Division	International Insurance & Investments Division	Corporate and Other Operations
Revenues (1):					
Premiums	5,404	2,156	167	3,084	(3)
Policy charges and fee income	1,567	1,339	88	145	(5)
Net investment income	4,028	945	1,906	791	386
Asset management fees, commissions and other income	2,318	472	1,492	434	(80)
Total revenues	13,317	4,912	3,653	4,454	298
Benefits and Expenses (1):					
Insurance and annuity benefits	5,446	2,412	578	2,438	18
Interest credited to policyholders' account balances	1,507	407	1,000	156	(56)
Interest expense	550	106	123	5	316
Deferral of acquisition costs	(1,095)	(557)	(44)	(520)	26
Amortization of acquisition costs	537	293	20	254	(30)
General and administrative expenses	3,939	1,543	1,179	1,194	23
Total benefits and expenses	10,884	4,204	2,856	3,527	297
Adjusted operating income before income taxes	2,433	708	797	927	1

(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.

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

	As of June 30, 2008				
	Total Financial Services Businesses	Insurance Division	Investment Division	International Insurance & Investments Division	Corporate and Other Operations
Assets:					
Total investments	179,800	39,611	70,408	60,590	9,191
Deferred policy acquisition costs	12,203	6,493	279	5,617	(186)
Other assets	35,275	5,320	9,375	13,212	7,368
Separate account assets	179,323	89,520	90,965	286	(1,448)
Total assets	406,601	140,944	171,027	79,705	14,925
Liabilities:					
Future policy benefits	62,503	9,128	13,823	39,118	434
Policyholders' account balances	86,199	24,673	45,572	19,343	(3,389)
Debt	28,209	5,686	4,450	1,367	16,706
Other liabilities	29,865	5,432	9,275	12,883	2,275
Separate account liabilities	179,323	89,520	90,965	286	(1,448)
Total liabilities	386,099	134,439	164,085	72,997	14,578
Attributed Equity:					
Accumulated other comprehensive loss	(1,231)	(296)	(562)	(168)	(205)
Other attributed equity	21,733	6,801	7,504	6,876	552
Total attributed equity	20,502	6,505	6,942	6,708	347
Total liabilities and attributed equity	406,601	140,944	171,027	79,705	14,925

	As of December 31, 2007				
	Total Financial Services Businesses	Insurance Division	Investment Division	International Insurance & Investments Division	Corporate and Other Operations
Assets:					
Total investments	174,059	34,355	69,185	58,324	12,195
Deferred policy acquisition costs	11,396	6,152	233	5,187	(176)
Other assets	30,993	5,502	8,052	9,319	8,120
Separate account assets	195,583	99,713	97,030	268	(1,428)
Total assets	412,031	145,722	174,500	73,098	18,711
Liabilities:					
Future policy benefits	60,259	8,730	14,298	36,773	458
Policyholders' account balances	78,599	20,375	43,371	17,704	(2,851)
Debt	26,865	4,916	3,814	1,218	16,917
Other liabilities	28,555	5,320	9,962	10,037	3,236
Separate account liabilities	195,583	99,713	97,030	268	(1,428)
Total liabilities	389,861	139,054	168,475	66,000	16,332
Attributed Equity:					
Accumulated other comprehensive income (loss)	459	59	(194)	702	(108)
Other attributed equity	21,711	6,609	6,219	6,396	2,487
Total attributed equity	22,170	6,668	6,025	7,098	2,379
Total liabilities and attributed equity	412,031	145,722	174,500	73,098	18,711

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

	As of June 30, 2008				As of December 31, 2007			
	Senior debt				Senior debt			
	Short-term Debt	Long-term Debt	Junior Subordinated Long-term Debt	Total Debt	Short-term Debt	Long-term Debt	Junior Subordinated Long-term Debt	Total Debt
Financial Services Businesses								
Borrowings by use of proceeds:								
Capital Debt	845	4,229	1,398	6,472	1,506	3,275	—	4,781
Investment related	6,194	8,166	—	14,360	8,116	7,120	—	15,236
Securities business related	4,903	219	—	5,122	3,405	1,371	—	4,776
Specified other businesses	706	981	—	1,687	1,179	381	—	1,560
Limited recourse and non-recourse borrowing	307	261	—	568	308	204	—	512
Total debt - Financial Services Businesses	12,955	13,856	1,398	28,209	14,514	12,351	—	26,865
Ratio of long-term and short-term capital debt to capitalization (1)				18.9%				17.8%
Closed Block Business								
Investment related	821	—	—	821	1,143	—	—	1,143
Limited recourse and non-recourse borrowing	—	1,750	—	1,750	—	1,750	—	1,750
Total debt	821	1,750	—	2,571	1,143	1,750	—	2,893

	As of June 30, 2008				As of December 31, 2007			
	Prudential Financial, Inc.	The Prudential Insurance Co. of America (2)(3)	Other Affiliates	Total	Prudential Financial, Inc.	The Prudential Insurance Co. of America (2)(3)	Other Affiliates	Total
Financial Services Businesses								
Borrowings by sources:								
Capital Debt	5,883	589	—	6,472	3,661	1,120	—	4,781
Investment related	8,117	3,787	2,456	14,360	9,423	3,863	1,950	15,236
Securities business related	3,421	1,448	253	5,122	3,235	1,445	96	4,776
Specified other businesses	1,002	685	—	1,687	393	1,167	—	1,560
Limited recourse and non-recourse borrowing	—	—	568	568	—	—	512	512
Total debt - Financial Services Businesses	18,423	6,509	3,277	28,209	16,712	7,595	2,558	26,865

(1) For the purposes of calculating the ratio of capital debt to capitalization, Junior Subordinated Notes are considered 25% debt and 75% equity.
(2) Includes Prudential Funding, LLC.
(3) Capital debt at Prudential Insurance Co. of America includes $444 million of Surplus Notes for June 30, 2008 and December 31, 2007.

COMBINED STATEMENTS OF OPERATIONS - INSURANCE DIVISION
(in millions)

Year-to-date 2008	Year-to-date 2007	% Change		2007 2Q	2007 3Q	2007 4Q	2008 1Q	2008 2Q
			Revenues (1):					
2,223	2,156	3%	Premiums	1,083	1,073	1,053	1,134	1,089
1,382	1,339	3%	Policy charges and fee income	672	632	715	695	687
1,021	945	8%	Net investment income	475	479	483	504	517
400	472	-15%	Asset management fees, commissions and other income	242	324	233	177	223
5,026	4,912	2%	Total revenues	2,472	2,508	2,484	2,510	2,516
			Benefits and Expenses (1):					
2,481	2,412	3%	Insurance and annuity benefits	1,182	1,161	1,165	1,255	1,226
441	407	8%	Interest credited to policyholders' account balances	205	201	209	216	225
131	106	24%	Interest expense	53	59	67	66	65
(557)	(557)	0%	Deferral of acquisition costs	(287)	(290)	(304)	(280)	(277)
341	293	16%	Amortization of acquisition costs	140	1	164	178	163
1,551	1,543	1%	General and administrative expenses	789	820	817	774	777
4,388	4,204	4%	Total benefits and expenses	2,082	1,952	2,118	2,209	2,179
638	708	-10%	Adjusted operating income before income taxes	390	556	366	301	337

(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)

	Six Months Ended June 30, 2008				Quarter Ended June 30, 2008			
	Total Insurance Division	Individual Life	Individual Annuities	Group Insurance	Total Insurance Division	Individual Life	Individual Annuities	Group Insurance
Revenues (1):								
Premiums	2,223	296	32	1,895	1,089	148	13	928
Policy charges and fee income	1,382	558	611	213	687	273	307	107
Net investment income	1,021	362	335	324	517	182	174	161
Asset management fees, commissions and other income	400	140	217	43	223	73	128	22
Total revenues	5,026	1,356	1,195	2,475	2,516	676	622	1,218
Benefits and Expenses (1):								
Insurance and annuity benefits	2,481	488	129	1,864	1,226	249	58	919
Interest credited to policyholders' account balances	441	112	214	115	225	57	112	56
Interest expense	131	101	29	1	65	49	15	1
Deferral of acquisition costs	(557)	(221)	(318)	(18)	(277)	(113)	(155)	(9)
Amortization of acquisition costs	341	194	139	8	163	83	76	4
General and administrative expenses (2)	1,551	483	733	335	777	248	362	167
Total benefits and expenses	4,388	1,157	926	2,305	2,179	573	468	1,138
Adjusted operating income before income taxes	638	199	269	170	337	103	154	80

	Six Months Ended June 30, 2007				Quarter Ended June 30, 2007			
	Total Insurance Division	Individual Life	Individual Annuities	Group Insurance	Total Insurance Division	Individual Life	Individual Annuities	Group Insurance
Revenues (1):								
Premiums	2,156	252	40	1,864	1,083	126	19	938
Policy charges and fee income	1,339	536	619	184	672	264	320	88
Net investment income	945	316	299	330	475	161	148	166
Asset management fees, commissions and other income	472	156	278	38	242	78	145	19
Total revenues	4,912	1,260	1,236	2,416	2,472	629	632	1,211
Benefits and Expenses (1):								
Insurance and annuity benefits	2,412	439	118	1,855	1,182	203	59	920
Interest credited to policyholders' account balances	407	108	182	117	205	54	93	58
Interest expense	106	75	27	4	53	37	14	2
Deferral of acquisition costs	(557)	(218)	(322)	(17)	(287)	(115)	(168)	(4)
Amortization of acquisition costs	293	142	149	2	140	64	75	1
General and administrative expenses (2)	1,543	472	736	335	789	245	379	165
Total benefits and expenses	4,204	1,018	890	2,296	2,082	488	452	1,142
Adjusted operating income before income taxes	708	242	346	120	390	141	180	69

(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 $54 million for the six months ended June 30, 2008 and $66 million for the six months ended June 30, 2007, $24 million for the quarter ended June 30, 2008 and $34 million for the quarter ended June 30, 2007 for the amortization, net of interest, of value of business acquired (VOBA).

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

Year-to-date 2008	Year-to-date 2007		2007 2Q	2007 3Q	2007 4Q	2008 1Q	2008 2Q
		SALES:					
		Excluding corporate-owned life insurance:					
40	67	Variable life	19	19	20	16	24
95	89	Universal life	45	40	47	40	55
103	103	Term life	54	54	55	51	52
238	259	Total excluding corporate-owned life insurance	118	113	122	107	131
1	8	Corporate-owned life insurance	3	1	2	—	1
239	267	Total	121	114	124	107	132
		SALES BY DISTRIBUTION CHANNEL:					
		Excluding corporate-owned life insurance:					
78	84	Prudential Agents	42	44	46	40	38
160	175	Third party distribution	76	69	76	67	93
1	8	Corporate-owned life insurance	3	1	2	—	1
239	267	Total	121	114	124	107	132
		ACCOUNT VALUE ACTIVITY:					
		Policyholders' Account Balances (1):					
6,582	6,165	Beginning balance	6,253	6,385	6,489	6,582	6,676
779	670	Premiums and deposits	345	299	329	370	409
(449)	(499)	Surrenders and withdrawals	(263)	(257)	(239)	(238)	(211)
330	171	Net sales	82	42	90	132	198
(77)	(86)	Benefit payments	(40)	(29)	(37)	(39)	(38)
253	85	Net flows	42	13	53	93	160
139	138	Interest credited and other	92	93	38	9	130
122	130	Net transfers from separate account	65	70	70	63	59
(148)	(133)	Policy charges	(67)	(72)	(68)	(71)	(77)
6,948	6,385	Ending balance	6,385	6,489	6,582	6,676	6,948
		Separate Account Liabilities:					
18,585	17,586	Beginning balance	17,748	18,517	18,876	18,585	17,276
615	630	Premiums and deposits	314	360	292	304	311
(377)	(322)	Surrenders and withdrawals	(156)	(184)	(174)	(162)	(215)
238	308	Net sales	158	176	118	142	96
(32)	(33)	Benefit payments	(5)	(13)	(16)	(10)	(22)
206	275	Net flows	153	163	102	132	74
(895)	1,183	Change in market value, interest credited and other	880	461	(121)	(1,183)	288
(122)	(130)	Net transfers to general account	(65)	(70)	(70)	(63)	(59)
(387)	(397)	Policy charges	(199)	(195)	(202)	(195)	(192)
17,387	18,517	Ending balance	18,517	18,876	18,585	17,276	17,387
		FACE AMOUNT IN FORCE (2):					
		Variable life	139,280	138,872	137,889	135,519	134,691
		Universal life	23,696	24,424	25,416	26,201	27,091
		Term life	282,434	300,056	316,969	331,139	345,467
		Total	445,410	463,352	480,274	492,859	507,249

(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 2008	Year-to-date 2007		2007 2Q	2007 3Q	2007 4Q	2008 1Q	2008 2Q
		Individual Life Insurance:					
		Policy Surrender Experience:					
374	342	Cash value of surrenders	175	223	187	178	196
3.2%	3.0%	Cash value of surrenders as a percentage of mean future policy benefits, policyholders' account balances, and separate account balances	3.1%	3.8%	3.2%	3.1%	3.5%
		Death benefits per $1,000 of in force (1):					
3.83	3.36	Variable and universal life	3.04	4.00	3.13	3.62	4.14
1.56	2.34	Term life	1.62	1.99	0.91	1.59	1.53
2.98	3.14	Total, Individual Life Insurance	2.68	3.38	2.36	2.92	3.08

(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 2008	Year-to-date 2007		2007 2Q	2007 3Q	2007 4Q	2008 1Q	2008 2Q
		SALES AND ACCOUNT VALUES:					
		Variable Annuities:					
80,330	74,555	Beginning total account value	75,591	78,968	81,173	80,330	74,977
5,569	5,812	Sales	3,033	2,825	3,041	2,829	2,740
(4,358)	(4,825)	Surrenders and withdrawals	(2,515)	(2,328)	(2,415)	(2,173)	(2,185)
1,211	987	Net sales	518	497	626	656	555
(556)	(605)	Benefit payments	(299)	(265)	(261)	(294)	(262)
655	382	Net flows	219	232	365	362	293
(5,655)	4,646	Change in market value, interest credited, and other	3,478	2,295	(865)	(5,409)	(246)
(623)	(615)	Policy charges	(320)	(322)	(343)	(306)	(317)
74,707	78,968	Ending total account value	78,968	81,173	80,330	74,977	74,707
		Fixed Annuities:					
3,488	3,748	Beginning total account value	3,679	3,608	3,546	3,488	3,440
41	41	Sales	20	16	16	17	24
(114)	(155)	Surrenders and withdrawals	(74)	(69)	(62)	(53)	(61)
(73)	(114)	Net redemptions	(54)	(53)	(46)	(36)	(37)
(83)	(88)	Benefit payments	(45)	(41)	(38)	(43)	(40)
(156)	(202)	Net flows	(99)	(94)	(84)	(79)	(77)
63	64	Interest credited and other	29	33	27	32	31
(1)	(2)	Policy charges	(1)	(1)	(1)	(1)	—
3,394	3,608	Ending total account value	3,608	3,546	3,488	3,440	3,394
		SALES BY DISTRIBUTION CHANNEL:					
		Variable and Fixed Annuities (1):					
1,319	1,249	Insurance Agents	660	607	713	646	673
681	753	Wirehouses	407	385	428	344	337
3,610	3,851	Independent Financial Planners (2)	1,986	1,849	1,916	1,856	1,754
5,610	5,853	Total	3,053	2,841	3,057	2,846	2,764
		VARIABLE ANNUITY MINIMUM DEATH BENEFIT GUARANTEES (3):					
		Return of net deposits:					
		Account value	40,762	42,708	42,995	40,817	41,272
		Net amount at risk	1,268	1,171	1,204	1,631	1,750
		Minimum return, anniversary contract value, or maximum contract value:					
		Account value	32,925	33,184	32,194	29,401	28,717
		Net amount at risk	2,108	1,978	2,255	3,823	4,032
		Variable Annuity Account Values with Living Benefit Features (3):					
		Guaranteed minimum accumulation benefits	11,335	11,757	11,724	10,933	10,867
		Guaranteed minimum withdrawal benefits	2,229	2,274	2,234	2,006	1,902
		Guaranteed minimum income benefits	7,386	7,320	6,948	6,233	5,958
		Guaranteed minimum withdrawal & income benefits	12,448	14,659	16,260	16,863	18,372
		Total	33,398	36,010	37,166	36,035	37,099

(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 2008	Year-to-date 2007		2007 2Q	2007 3Q	2007 4Q	2008 1Q	2008 2Q
		INDIVIDUAL ANNUITIES:					
		Account Values in General Account (1):					
8,644	9,527	Beginning balance	9,246	8,784	8,647	8,644	12,013
124	162	Premiums and deposits	79	62	68	73	51
(505)	(640)	Surrenders and withdrawals	(307)	(263)	(253)	(251)	(254)
(381)	(478)	Net redemptions	(228)	(201)	(185)	(178)	(203)
(183)	(207)	Benefit payments	(105)	(96)	(89)	(103)	(80)
(564)	(685)	Net flows	(333)	(297)	(274)	(281)	(283)
204	169	Interest credited and other	84	89	84	99	105
3,999	(225)	Net transfers (to) from separate account	(212)	72	188	3,552	447
(1)	(2)	Policy charges	(1)	(1)	(1)	(1)	—
12,282	8,784	Ending balance	8,784	8,647	8,644	12,013	12,282
		Account Values in Separate Account:					
75,174	68,776	Beginning balance	70,024	73,792	76,072	75,174	66,404
5,486	5,691	Premiums and deposits	2,974	2,779	2,989	2,773	2,713
(3,967)	(4,340)	Surrenders and withdrawals	(2,282)	(2,134)	(2,224)	(1,975)	(1,992)
1,519	1,351	Net sales	692	645	765	798	721
(456)	(486)	Benefit payments	(239)	(210)	(210)	(234)	(222)
1,063	865	Net flows	453	435	555	564	499
(5,796)	4,541	Change in market value, interest credited and other	3,423	2,239	(922)	(5,476)	(320)
(3,999)	225	Net transfers (to) from general account	212	(72)	(188)	(3,552)	(447)
(623)	(615)	Policy charges	(320)	(322)	(343)	(306)	(317)
65,819	73,792	Ending balance	73,792	76,072	75,174	66,404	65,819

(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 2008	Year-to-date 2007		2007 2Q	2007 3Q	2007 4Q	2008 1Q	2008 2Q
		GROUP INSURANCE NEW ANNUALIZED PREMIUMS:					
142	129	Group life	26	33	35	112	30
131	118	Group disability (1)	26	21	16	114	17
273	247	Total	52	54	51	226	47
		Future Policy Benefits (2):					
		Group life	2,105	2,032	2,240	2,099	2,100
		Group disability (1)	614	640	662	774	810
		Total	2,719	2,672	2,902	2,873	2,910
		Policyholders' Account Balances (2):					
		Group life	5,521	5,610	5,734	5,824	6,005
		Group disability (1)	124	132	148	137	149
		Total	5,645	5,742	5,882	5,961	6,154
		Separate Account Liabilities (2):					
		Group life	17,293	19,462	19,992	19,363	17,941
		Group disability (1)	—	—	—	—	—
		Total	17,293	19,462	19,992	19,363	17,941
		Group Life Insurance:					
1,861	1,692	Gross premiums, policy charges and fee income (3)	860	841	889	949	912
1,603	1,621	Earned premiums, policy charges and fee income	810	784	773	793	810
88.3%	91.3%	Benefits ratio	91.1%	88.4%	90.4%	87.1%	89.4%
8.2%	9.5%	Administrative operating expense ratio	9.3%	9.8%	8.4%	8.2%	8.2%
		Persistency ratio	95.3%	94.2%	93.6%	94.7%	94.0%
		Group Disability Insurance (1):					
526	442	Gross premiums, policy charges and fee income (3)	225	233	227	288	238
505	427	Earned premiums, policy charges and fee income	216	223	217	280	225
88.9%	87.8%	Benefits ratio	84.7%	82.1%	88.9%	91.1%	86.2%
19.6%	21.0%	Administrative operating expense ratio	20.0%	20.6%	21.2%	17.4%	22.3%
		Persistency ratio	91.1%	88.9%	88.0%	91.4%	90.4%

(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.

INSURANCE DIVISION - DEFERRED POLICY ACQUISITION COSTS
(in millions)

Year-to-date 2008	Year-to-date 2007		2007 2Q	2007 3Q	2007 4Q	2008 1Q	2008 2Q
		INDIVIDUAL LIFE INSURANCE:					
3,855	3,550	Beginning balance	3,570	3,678	3,841	3,855	3,805
221	218	Capitalization	115	115	119	108	113
(194)	(142)	Amortization - operating results	(64)	68	(90)	(111)	(83)
—	—	Amortization - realized investment gains and losses	—	—	—	—	—
81	52	Impact of unrealized (gains) or losses on AFS securities	57	(20)	(15)	(47)	128
3,963	3,678	Ending balance	3,678	3,841	3,855	3,805	3,963
		INDIVIDUAL ANNUITIES:					
1,976	1,613	Beginning balance	1,671	1,791	1,876	1,976	2,093
318	322	Capitalization	168	158	173	163	155
(139)	(149)	Amortization - operating results	(75)	(66)	(70)	(63)	(76)
10	—	Amortization - realized investment gains and losses	(1)	5	2	15	(5)
34	18	Impact of unrealized (gains) or losses on AFS securities	28	(12)	(5)	2	32
—	(13)	Other (1)	—	—	—	—	—
2,199	1,791	Ending balance	1,791	1,876	1,976	2,093	2,199
		GROUP INSURANCE:					
321	284	Beginning balance	296	299	313	321	326
18	17	Capitalization	4	17	12	9	9
(8)	(2)	Amortization - operating results	(1)	(3)	(4)	(4)	(4)
—	—	Amortization - realized investment gains and losses	—	—	—	—	—
—	—	Impact of unrealized losses on AFS securities	—	—	—	—	—
331	299	Ending balance	299	313	321	326	331
		TOTAL INSURANCE DIVISION:					
6,152	5,447	Beginning balance	5,537	5,768	6,030	6,152	6,224
557	557	Capitalization	287	290	304	280	277
(341)	(293)	Amortization - operating results	(140)	(1)	(164)	(178)	(163)
10	—	Amortization - realized investment gains and losses	(1)	5	2	15	(5)
115	70	Impact of unrealized (gains) or losses on AFS securities	85	(32)	(20)	(45)	160
—	(13)	Other (1)	—	—	—	—	—
6,493	5,768	Ending balance	5,768	6,030	6,152	6,224	6,493

(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 2008	Year-to-date 2007	% Change		2007 2Q	2007 3Q	2007 4Q	2008 1Q	2008 2Q
			Revenues (1):					
338	167	102%	Premiums	71	88	74	200	138
89	88	1%	Policy charges and fee income	44	40	44	43	46
1,946	1,906	2%	Net investment income	972	979	1,010	964	982
1,300	1,492	-13%	Asset management fees, commissions and other income	747	744	768	659	641
3,673	3,653	1%	Total revenues	1,834	1,851	1,896	1,866	1,807
			Benefits and Expenses (1):					
732	578	27%	Insurance and annuity benefits	276	290	277	392	340
1,056	1,000	6%	Interest credited to policyholders' account balances	508	528	545	533	523
89	123	-28%	Interest expense	64	76	75	52	37
(57)	(44)	-30%	Deferral of acquisition costs	(25)	(19)	(28)	(29)	(28)
18	20	-10%	Amortization of acquisition costs	11	11	7	10	8
1,194	1,179	1%	General and administrative expenses	623	654	648	621	573
3,032	2,856	6%	Total benefits and expenses	1,457	1,540	1,524	1,579	1,453
641	797	-20%	Adjusted operating income before income taxes	377	311	372	287	354

(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)

	Six Months Ended June 30, 2008				Quarter Ended June 30, 2008			
	Total Investment Division	Asset Management	Financial Advisory	Retirement	Total Investment Division	Asset Management	Financial Advisory	Retirement
Revenues (1):								
Premiums	338	—	—	338	138	—	—	138
Policy charges and fee income	89	—	—	89	46	—	—	46
Net investment income	1,946	167	1	1,778	982	96	1	885
Asset management fees, commissions and other income	1,300	945	86	269	641	468	35	138
Total revenues	3,673	1,112	87	2,474	1,807	564	36	1,207
Benefits and Expenses (1):								
Insurance and annuity benefits	732	—	—	732	340	—	—	340
Interest credited to policyholders' account balances	1,056	—	—	1,056	523	—	—	523
Interest expense	89	39	1	49	37	17	1	19
Deferral of acquisition costs	(57)	(9)	—	(48)	(28)	(5)	—	(23)
Amortization of acquisition costs	18	9	—	9	8	4	—	4
General and administrative expenses	1,194	764	19	411	573	358	12	203
Total benefits and expenses	3,032	803	20	2,209	1,453	374	13	1,066
Adjusted operating income before income taxes	641	309	67	265	354	190	23	141

	Six Months Ended June 30, 2007				Quarter Ended June 30, 2007			
	Total Investment Division	Asset Management	Financial Advisory	Retirement	Total Investment Division	Asset Management	Financial Advisory	Retirement
Revenues (1):								
Premiums	167	—	—	167	71	—	—	71
Policy charges and fee income	88	—	—	88	44	—	—	44
Net investment income	1,906	102	1	1,803	972	62	1	909
Asset management fees, commissions and other income	1,492	1,033	204	255	747	528	93	126
Total revenues	3,653	1,135	205	2,313	1,834	590	94	1,150
Benefits and Expenses (1):								
Insurance and annuity benefits	578	—	—	578	276	—	—	276
Interest credited to policyholders' account balances	1,000	—	—	1,000	508	—	—	508
Interest expense	123	24	—	99	64	14	—	50
Deferral of acquisition costs	(44)	(8)	—	(36)	(25)	(4)	—	(21)
Amortization of acquisition costs	20	11	—	9	11	5	—	6
General and administrative expenses	1,179	766	36	377	623	408	22	193
Total benefits and expenses	2,856	793	36	2,027	1,457	423	22	1,012
Adjusted operating income before income taxes	797	342	169	286	377	167	72	138

(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 2008	Year-to-date 2007	% Change		2007 2Q	2007 3Q	2007 4Q	2008 1Q	2008 2Q
			Analysis of revenues by type:					
569	533	7%	Asset management fees	271	265	283	281	288
240	290	-17%	Incentive, transaction, principal investing and capital markets revenues (1)	159	133	137	88	152
303	312	-3%	Service, distribution and other revenues	160	160	206	179	124
1,112	1,135	-2%	Total Asset Management segment revenues	590	558	626	548	564
			Analysis of asset management fees by source:					
269	240	12%	Institutional customers	123	118	130	133	136
166	171	-3%	Retail customers	87	87	89	81	85
134	122	10%	General account	61	60	64	67	67
569	533	7%	Total asset management fees	271	265	283	281	288

Supplementary Assets Under Management Information (in billions):

June 30, 2008	Equity	Fixed Income	Real Estate	Total
Institutional customers	55.0	95.3	29.0	179.3
Retail customers	62.8	19.6	2.2	84.6
General account	4.3	169.8	0.9	175.0
Total	122.1	284.7	32.1	438.9

June 30, 2007	Equity	Fixed Income	Real Estate	Total
Institutional customers	56.6	84.4	25.2	166.2
Retail customers	64.4	21.1	1.6	87.1
General account	4.3	161.9	0.8	167.0
Total	125.3	267.4	27.6	420.3

(1) For the three months ended March 31, 2008, $13 million has been reclassified from “Incentive, transaction, principal investing and capital markets revenues” to “Service, distribution and other revenues” to conform to current reporting practices.

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

Year-to-date 2008	Year-to-date 2007		2007 2Q	2007 3Q	2007 4Q	2008 1Q	2008 2Q
		Institutional Assets Under Management:					
		Assets gathered by Investment Management & Advisory Services sales force:					
141.7	122.9	Beginning assets under management	127.0	132.0	135.0	141.7	140.1
17.4	11.4	Additions (1)	6.3	5.4	11.1	6.5	10.9
(8.9)	(8.5)	Withdrawals (2)	(4.6)	(6.0)	(6.4)	(4.3)	(4.6)
(3.3)	6.0	Change in market value	3.5	3.7	1.2	(2.8)	(0.5)
(1.1)	0.2	Net money market flows	(0.2)	(0.1)	0.8	(1.0)	(0.1)
145.8	132.0	Ending assets under management	132.0	135.0	141.7	140.1	145.8
33.5	34.2	Affiliated institutional assets under management	34.2	35.1	34.7	34.1	33.5
179.3	166.2	Total assets managed for institutional customers at end of period	166.2	170.1	176.4	174.2	179.3
8.5	2.9	Net institutional additions (withdrawals) other than money market	1.7	(0.6)	4.7	2.2	6.3
		Retail Assets Under Management:					
		Assets gathered by Investment Management & Advisory Services sales force:					
50.9	43.4	Beginning assets under management	47.7	49.3	51.3	50.9	48.2
7.3	5.2	Additions	2.3	2.7	2.6	3.5	3.8
(5.4)	(5.6)	Withdrawals	(3.0)	(2.4)	(2.4)	(2.5)	(2.9)
(2.1)	3.4	Change in market value	2.3	1.7	(0.2)	(4.0)	1.9
—	0.1	Net money market flows	—	—	(0.6)	0.3	(0.3)
—	2.8	Other (3)	—	—	0.2	—	—
50.7	49.3	Ending assets under management	49.3	51.3	50.9	48.2	50.7
33.9	37.8	Affiliated retail assets under management	37.8	37.2	35.7	33.6	33.9
84.6	87.1	Total assets managed for retail customers at end of period	87.1	88.5	86.6	81.8	84.6
1.9	(0.4)	Net retail additions (withdrawals) other than money market	(0.7)	0.3	0.2	1.0	0.9
		Wrap-fee Product Assets Under Administration:					
81.7	69.1	Beginning total wrap-fee product assets	72.3	78.7	82.1	81.7	75.9
9.4	11.5	Additions (4)	5.7	3.6	4.0	4.7	4.7
(10.1)	(7.7)	Withdrawals	(3.9)	(3.6)	(4.2)	(5.4)	(4.7)
(4.5)	5.8	Change in market value	4.6	3.4	(0.2)	(5.1)	0.6
76.5	78.7	Ending total wrap-fee product assets	78.7	82.1	81.7	75.9	76.5
(0.7)	3.8	Net wrap-fee product additions (withdrawals)	1.8	—	(0.2)	(0.7)	—

(1) Additions include \$0.2 billion for the three months ended March 31, 2008, \$0.2 billion for the six months ended June 30, 2008 and \$0.3 billion for the three and six months ended June 30, 2007 for assets transferred from the Retirement segment.

(2) Withdrawals include \$(0.1) billion for the three months ended June 30, 2008, \$(0.1) billion for the three months ended December 31, 2007, \$(0.4) billion for the three months ended September 30, 2007 and \$(0.1) billion for the six months ended June 30, 2008 for assets transferred to the Retirement segment.

(3) Represents transfer of retail assets from an externally managed fund family to the Jennison Dryden Fund Family (internally managed).

(4) Substantially all relates to a contractual arrangement with Wachovia which provided for a substantially fixed annual fee. This arrangement expired with respect to most services provided, as of July 1, 2008.

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

Year-to-date 2008	Year-to-date 2007		2007 2Q	2007 3Q	2007 4Q	2008 1Q	2008 2Q
		Information pertaining to Wachovia Securities Financial Holdings, LLC:					
		Revenues:					
174	156	Net investment income	77	75	75	95	79
1,690	1,048	Commissions	519	484	511	844	846
1,919	1,196	Fees	608	644	668	981	938
240	159	Other non-interest revenues (1)	84	62	194	123	117
4,023	2,559	Total revenues	1,288	1,265	1,448	2,043	1,980
3,706	2,021	Expenses (1)	1,043	1,009	1,265	1,863	1,843
3,331	2,021	Expenses before transition costs	1,043	1,009	1,238	1,677	1,654
375	—	Transition costs	—	—	27	186	189
3,706	2,021	Total expenses	1,043	1,009	1,265	1,863	1,843
317	538	Income before income taxes	245	256	183	180	137
79	205	Prudential Financial, Inc's. share of Wachovia Securities Financial Holdings, LLC (2)	94	97	69	44	35
7	(1)	Purchase accounting and related adjustments	(1)	—	—	7	—
86	204	Prudential Financial, Inc., equity income from Wachovia Securities Financial Holdings, LLC	93	97	69	51	35
		Recurring revenue as a percentage of total revenue (3)	55.2%	56.6%	58.6%	59.1%	58.5%
		Total client assets ($ in billions) (4)	791.4	802.4	799.2	1,149.2	1,147.2
		Distribution representatives (4):					
		Series 7 Financial Advisors	8,193	8,272	8,343	14,456	14,484
		Series 6 Financial Representatives	2,531	2,996	3,296	4,059	4,308
		Customer debit balances ($ in billions) (4)	4.6	4.6	5.1	6.4	6.6
67	169	**Prudential Financial, Inc. income from investment in Wachovia Securities Financial Holdings, LLC, including share of results, costs incurred at Prudential level, and purchase accounting adjustments (2)**	72	85	43	44	23

(1) In the fourth quarter of 2007, Wachovia Securities changed its presentation of certain revenues that were received from customers and subsequently remitted to third parties, formerly reported on a net basis, to report the activity on a gross basis as Other non-interest revenues and Expenses. This reclassification had no impact on income before taxes. Wachovia Securities did not restate prior periods, but rather reflected the reclassification of amounts for the first nine months of 2007 together with 4Q 2007 activity.

(2) On January 1, 2008, Wachovia Corporation combined the retail securities brokerage business of Wachovia Securities with the acquired A.G. Edwards business. The Company has elected the "lookback" option under the terms of the agreements relating to the joint venture. The "lookback" option permits the Company to delay for two years following the combination of the A.G. Edwards business with Wachovia Securities the Company's decision to make or not to make an additional capital contribution to the joint venture or other payments to avoid or limit dilution of its ownership interest in the joint venture. During this "lookback" period, the Company's share in the earnings of the joint venture and transition costs associated with the combination of the A.G. Edwards business with Wachovia Securities is based on a diluted ownership level. The ownership level applied is based on the Company's estimate for purposes of reporting results. The ownership level, and consequently the Company's share in earnings and transition costs, may be subsequently adjusted as a result of completion of definitive valuation of the business and possible modification of existing agreements relating to the joint venture. The company does not anticipate any such adjustment to have a material effect on its reported results of operations.

(3) Calculated on a YTD annualized basis.

(4) As of end of period.

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

Year-to-date 2008	Year-to-date 2007		2007 2Q	2007 3Q	2007 4Q	2008 1Q	2008 2Q
		RETIREMENT SALES AND ACCOUNT VALUES					
		Full Service:					
112,192	97,430	Beginning total account value	99,558	104,033	105,601	112,192	107,060
9,116	7,215	Deposits and sales	3,212	3,219	4,258	4,586	4,530
(8,299)	(6,636)	Withdrawals and benefits	(3,203)	(3,309)	(3,804)	(3,933)	(4,366)
(6,092)	6,024	Change in market value, interest credited and interest income (1)	4,466	1,658	(1,119)	(5,785)	(307)
—	—	Acquisition (2)	—	—	7,256	—	—
106,917	104,033	Ending total account value	104,033	105,601	112,192	107,060	106,917
817	579	Net additions (withdrawals)	9	(90)	454	653	164
		Stable value account values included above	31,274	31,578	32,314	33,279	33,883
		Institutional Investment Products:					
51,591	50,269	Beginning total account value	50,661	50,926	51,627	51,591	51,667
3,416	3,130	Additions	1,597	545	1,298	1,810	1,606
(3,646)	(2,810)	Withdrawals and benefits	(1,067)	(1,193)	(1,863)	(1,702)	(1,944)
802	932	Change in market value, interest credited and interest income	325	933	900	561	241
(650)	(595)	Other (3)	(590)	416	(371)	(593)	(57)
51,513	50,926	Ending total account value	50,926	51,627	51,591	51,667	51,513
(230)	320	Net additions (withdrawals)	530	(648)	(565)	108	(338)

(1) Includes $511 million for the quarter and six months ended June 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) On December 31, 2007, the company acquired a portion of the Union Bank of California, N.A.'s retirement business.

(3) "Other" activity includes transfers from (to) the Asset Management segment of $(206) million, $115 million, $(332) million, $407 million and $110 million for the first and second quarters of 2008 and the second, third and fourth quarters of 2007, respectively; and $(91) million and $(332) million for the six months ended June 30, 2008 and 2007, respectively. "Other" activity also includes $(511) million for the quarter and six months ended June 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 2008	Year-to-date 2007	% Change		2007 2Q	2007 3Q	2007 4Q	2008 1Q	2008 2Q
			Revenues (1):					
3,508	3,084	14%	Premiums	1,531	1,518	1,590	1,772	1,736
169	145	17%	Policy charges and fee income	73	72	76	87	82
966	791	22%	Net investment income	405	419	434	462	504
341	434	-21%	Asset management fees, commissions and other income	215	282	182	180	161
4,984	4,454	12%	Total revenues	2,224	2,291	2,282	2,501	2,483
			Benefits and Expenses (1):					
2,773	2,438	14%	Insurance and annuity benefits	1,219	1,194	1,275	1,413	1,360
201	156	29%	Interest credited to policyholders' account balances	79	84	90	100	101
6	5	20%	Interest expense	3	8	6	2	4
(593)	(520)	-14%	Deferral of acquisition costs	(259)	(253)	(284)	(294)	(299)
312	254	23%	Amortization of acquisition costs	126	103	129	160	152
1,367	1,194	14%	General and administrative expenses	603	618	673	681	686
4,066	3,527	15%	Total benefits and expenses	1,771	1,754	1,889	2,062	2,004
918	927	-1%	Adjusted operating income before income taxes	453	537	393	439	479

(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)

	Six Months Ended June 30, 2008				Quarter Ended June 30, 2008			
	Total International Insurance & Investments Division	International Insurance - Life Planner Operations	International Insurance - Gibraltar Life	International Investments	Total International Insurance & Investments Division	International Insurance - Life Planner Operations	International Insurance - Gibraltar Life	International Investments
Revenues (1):								
Premiums	3,508	2,423	1,085	—	1,736	1,161	575	—
Policy charges and fee income	169	134	35	—	82	64	18	—
Net investment income	966	466	474	26	504	234	258	12
Asset management fees, commissions and other income	341	43	(6)	304	161	30	(11)	142
Total revenues	4,984	3,066	1,588	330	2,483	1,489	840	154
Benefits and Expenses (1):								
Insurance and annuity benefits	2,773	1,917	856	—	1,360	916	444	—
Interest credited to policyholders' account balances	201	83	118	—	101	40	61	—
Interest expense	6	7	(4)	3	4	4	(2)	2
Deferral of acquisition costs	(593)	(424)	(169)	—	(299)	(203)	(96)	—
Amortization of acquisition costs	312	226	86	—	152	105	47	—
General and administrative expenses	1,367	686	406	275	686	341	219	126
Total benefits and expenses	4,066	2,495	1,293	278	2,004	1,203	673	128
Adjusted operating income before income taxes	918	571	295	52	479	286	167	26

	Six Months Ended June 30, 2007				Quarter Ended June 30, 2007			
	Total International Insurance & Investments Division	International Insurance - Life Planner Operations	International Insurance - Gibraltar Life	International Investments	Total International Insurance & Investments Division	International Insurance - Life Planner Operations	International Insurance - Gibraltar Life	International Investments
Revenues (1):								
Premiums	3,084	2,110	974	—	1,531	1,024	507	—
Policy charges and fee income	145	113	32	—	73	57	16	—
Net investment income	791	375	399	17	405	188	208	9
Asset management fees, commissions and other income	434	69	36	329	215	39	16	160
Total revenues	4,454	2,667	1,441	346	2,224	1,308	747	169
Benefits and Expenses (1):								
Insurance and annuity benefits	2,438	1,655	783	—	1,219	807	412	—
Interest credited to policyholders' account balances	156	65	91	—	79	31	48	—
Interest expense	5	6	(4)	3	3	3	(2)	2
Deferral of acquisition costs	(520)	(384)	(136)	—	(259)	(188)	(71)	—
Amortization of acquisition costs	254	191	63	—	126	94	32	—
General and administrative expenses	1,194	612	344	238	603	308	171	124
Total benefits and expenses	3,527	2,145	1,141	241	1,771	1,055	590	126
Adjusted operating income before income taxes	927	522	300	105	453	253	157	43

(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 2008	Year-to-date 2007		2007 2Q	2007 3Q	2007 4Q	2008 1Q	2008 2Q
		Japanese Yen Basis Results:					
		Revenues (1):					
¥225,207	¥213,877	Japanese insurance operations excluding Gibraltar Life	¥103,721	¥103,633	¥103,043	¥117,421	¥107,786
168,214	166,893	Gibraltar Life	86,405	82,645	79,042	82,122	86,092
393,421	380,770	Total revenues, Japan, yen basis	190,126	186,278	182,085	199,543	193,878
		Benefits and Expenses (1):					
176,024	167,202	Japanese insurance operations excluding Gibraltar Life	80,649	79,125	83,597	92,701	83,323
136,749	135,332	Gibraltar Life	70,199	66,148	64,992	68,126	68,623
312,773	302,534	Total benefits and expenses, Japan, yen basis	150,848	145,273	148,589	160,827	151,946
		Adjusted operating income (2):					
49,183	46,675	Japanese insurance operations excluding Gibraltar Life	23,072	24,508	19,446	24,720	24,463
31,465	31,561	Gibraltar Life	16,206	16,497	14,050	13,996	17,469
¥ 80,648	¥ 78,236	Total adjusted operating income, Japan, yen basis	¥ 39,278	¥ 41,005	¥ 33,496	¥ 38,716	¥ 41,932
		U.S. Dollar adjusted operating income (3):					
$ 467	$ 430	Japanese insurance operations excluding Gibraltar Life	$ 212	$ 224	$ 186	$ 231	$ 236
295	300	Gibraltar Life	157	157	121	128	167
762	730	Total adjusted operating income, Japan, U.S. dollar basis	369	381	307	359	403
104	92	All other countries (4)	41	42	46	54	50
$ 866	$ 822	Total adjusted operating income, International Insurance segment, U.S. dollar basis	$ 410	$ 423	$ 353	$ 413	$ 453

(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.
(4) Results include corporate management and development expenses incurred in the U.S. related to Japanese Insurance operations excluding Gibraltar Life.

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

Year-to-date 2008	Year-to-date 2007		2007 2Q	2007 3Q	2007 4Q	2008 1Q	2008 2Q
		INTERNATIONAL INSURANCE OPERATING DATA:					
		Actual exchange rate basis (1):					
		Net premiums, policy charges and fee income:					
1,812	1,506	Japan, excluding Gibraltar Life	719	731	765	953	859
1,120	1,006	Gibraltar Life	523	472	501	527	593
745	717	All other countries	362	387	400	379	366
3,677	3,229	Total	1,604	1,590	1,666	1,859	1,818
		Annualized new business premiums:					
288	262	Japan, excluding Gibraltar Life	109	103	126	163	125
242	163	Gibraltar Life	90	86	93	94	148
135	139	All other countries	69	75	83	72	63
665	564	Total	268	264	302	329	336
		Annualized new business premiums by distribution channel:					
423	401	Life Planners	178	178	209	235	188
215	152	Gibraltar Life Advisors	85	82	86	88	127
27	11	Banks (2)	5	4	7	6	21
665	564	Total	268	264	302	329	336
		Constant exchange rate basis (3):					
		Net premiums, policy charges and fee income:					
1,794	1,648	Japan, excluding Gibraltar Life	790	792	801	944	850
1,117	1,131	Gibraltar Life	587	537	538	542	575
756	717	All other countries	360	382	390	379	377
3,667	3,496	Total	1,737	1,711	1,729	1,865	1,802
		Annualized new business premiums:					
285	283	Japan, excluding Gibraltar Life	118	111	131	161	124
243	176	Gibraltar Life	97	93	96	96	147
136	141	All other countries	70	75	80	72	64
664	600	Total	285	279	307	329	335
		Annualized new business premiums by distribution channel:					
421	424	Life Planners	188	186	211	233	188
215	165	Gibraltar Life Advisors	92	89	90	90	125
28	11	Banks (2)	5	4	6	6	22
664	600	Total	285	279	307	329	335

(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 denominated activity translated to U.S. dollars at uniform exchange rates for all periods presented, including Japanese yen 106 per U.S. dollar: Korean won 950 per U.S. dollar. U.S. dominated activity is included based on the amounts as transacted in U.S. dollars.

INTERNATIONAL INSURANCE AND INVESTMENTS DIVISION - SALES RESULTS AND SUPPLEMENTARY INFORMATION

	2007 2Q	2007 3Q	2007 4Q	2008 1Q	2008 2Q
Face amount of individual policies in force at end of period (in billions) (1)(2):					
(Constant exchange rate basis)					
Japan, excluding Gibraltar Life	233	236	238	242	244
Gibraltar Life	186	186	186	185	184
All other countries	104	105	106	108	108
Total	523	527	530	535	536
Number of individual policies in force at end of period (in thousands) (2):					
Japan, excluding Gibraltar Life	2,144	2,167	2,194	2,232	2,258
Gibraltar Life	3,816	3,815	3,817	3,804	3,782
All other countries	1,246	1,270	1,296	1,311	1,323
Total	7,206	7,252	7,307	7,347	7,363
International life insurance policy persistency:					
Excluding Gibraltar Life:					
13 months	92.7%	92.6%	92.4%	92.4%	92.0%
25 months	86.9%	86.5%	85.9%	85.9%	85.3%
Gibraltar Life:					
13 months	93.5%	92.6%	91.7%	91.2%	90.8%
25 months	87.9%	88.0%	87.9%	87.2%	86.4%
Number of Life Planners at end of period:					
Japan	3,012	3,030	3,068	3,108	3,079
All other countries	2,989	3,008	3,098	3,030	3,100
Total life planners	6,001	6,038	6,166	6,138	6,179
Gibraltar Life Advisors	5,815	5,944	6,264	6,035	5,899

(1) Foreign denominated activity translated to U.S. dollars at uniform exchange rates for all periods presented, including Japanese yen 106 per U.S. dollar: Korean won 950 per U.S. dollar. U.S. dominated activity is included based on the amounts as transacted in U.S. dollars.
(2) Direct business only; policy count includes annuities.

INVESTMENT PORTFOLIO COMPOSITION
(in millions)

	June 30, 2008				December 31, 2007			
	Consolidated Portfolio	Closed Block Business	Financial Services Businesses Amount	Financial Services Businesses % of Total	Consolidated Portfolio	Closed Block Business	Financial Services Businesses Amount	Financial Services Businesses % of Total
Fixed maturities:								
Public, available for sale, at fair value	124,681	31,791	92,890	54.9%	128,130	37,168	90,962	55.8%
Public, held to maturity, at amortized cost	2,862	—	2,862	1.7%	2,879	—	2,879	1.8%
Private, available for sale, at fair value	31,967	11,915	20,052	11.8%	32,559	12,246	20,313	12.5%
Private, held to maturity, at amortized cost	710	—	710	0.4%	669	—	669	0.4%
Trading account assets supporting insurance liabilities, at fair value	14,624	—	14,624	8.6%	14,473	—	14,473	8.9%
Other trading account assets, at fair value	1,038	145	893	0.5%	346	142	204	0.1%
Equity securities, available for sale, at fair value	8,087	3,528	4,559	2.7%	8,569	3,940	4,629	2.8%
Commercial loans	30,303	8,627	21,676	12.8%	27,557	7,954	19,603	12.0%
Policy loans	9,587	5,380	4,207	2.5%	9,337	5,395	3,942	2.4%
Other long-term investments (1)	4,109	1,248	2,861	1.7%	3,992	1,268	2,724	1.7%
Short-term investments (2)	5,186	1,217	3,969	2.4%	3,983	1,385	2,598	1.6%
Subtotal (3)	233,154	63,851	169,303	100.0%	232,494	69,498	162,996	100.0%
Invested assets of other entities and operations (4)	10,497	—	10,497		11,063	—	11,063	
Total investments	243,651	63,851	179,800		243,557	69,498	174,059	

Fixed Maturities by Credit Quality (3):

		June 30, 2008 Financial Services Businesses					December 31, 2007 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	77,600	1,299	2,129	76,770	80.3%	74,678	2,036	1,184	75,530	80.5%
2	Baa	15,108	321	788	14,641	15.3%	13,573	490	351	13,712	14.6%
Subtotal Investment Grade		92,708	1,620	2,917	91,411	95.6%	88,251	2,526	1,535	89,242	95.1%
3	Ba	2,823	38	164	2,697	2.8%	2,830	68	102	2,796	3.1%
4	B	1,519	20	109	1,430	1.5%	1,681	38	82	1,637	1.7%
5	C and lower	114	5	11	108	0.1%	115	5	6	114	0.1%
6	In or near default	31	3	4	30	0.0%	34	5	1	38	0.0%
Subtotal Below Investment Grade		4,487	66	288	4,265	4.4%	4,660	116	191	4,585	4.9%
Total		97,195	1,686	3,205	95,676	100.0%	92,911	2,642	1,726	93,827	100.0%
Private Fixed Maturities:											
NAIC Rating (5)	Rating Agency Equivalent										
1	Aaa, Aa, A	6,628	137	184	6,581	31.7%	7,139	230	84	7,285	34.7%
2	Baa	11,210	233	370	11,073	53.3%	10,595	344	118	10,821	51.6%
Subtotal Investment Grade		17,838	370	554	17,654	85.0%	17,734	574	202	18,106	86.3%
3	Ba	1,951	46	53	1,944	9.4%	1,637	49	26	1,660	7.9%
4	B	797	15	24	788	3.8%	738	6	12	732	3.5%
5	C and lower	200	4	5	199	1.0%	319	8	4	323	1.5%
6	In or near default	170	15	13	172	0.8%	147	23	—	170	0.8%
Subtotal Below Investment Grade		3,118	80	95	3,103	15.0%	2,841	86	42	2,885	13.7%
Total		20,956	450	649	20,757	100.0%	20,575	660	244	20,991	100.0%

(1) Other long-term investments consist of real estate and non-real estate related investments in joint ventures (other than our investment in operating joint ventures, which includes our investment in Wachovia Securities) and partnerships, investment real estate held through direct ownership, and other miscellaneous investments.
(2) Short-term investments consist primarily of money market funds with virtually no sub-prime exposure.
(3) 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.
(4) Includes invested assets of securities brokerage, securities trading, banking operations, real estate and relocation services, and asset management operations. Excludes assets of our asset management operations managed for third parties and those assets classified as "separate account assets" on our balance sheet.
(5) Reflects equivalent ratings for investments of international insurance operations that are not rated by United States insurance regulatory authorities. Includes, as of June 30, 2008 and December 31, 2007, respectively, 245 securities with amortized cost of $3,140 million (fair value $3,062 million) and 196 securities with amortized cost of $2,306 million (fair value, $2,319 million) that have been categorized based on expected NAIC designations pending receipt of SVO ratings.

FINANCIAL SERVICES BUSINESSES INVESTMENT PORTFOLIO COMPOSITION
(in millions)

	June 30, 2008		December 31, 2007	
	Amount	% of Total	Amount	% of Total
Japanese Insurance Operations:				
Fixed maturities:				
Public, available for sale, at fair value	36,613	68.6%	34,752	68.5%
Public, held to maturity, at amortized cost	2,862	5.4%	2,879	5.7%
Private, available for sale, at fair value	3,150	5.9%	3,467	6.8%
Private, held to maturity, at amortized cost	710	1.3%	668	1.3%
Trading account assets supporting insurance liabilities, at fair value	1,142	2.1%	1,132	2.2%
Other trading account assets, at fair value	740	1.4%	48	0.1%
Equity securities, available for sale, at fair value	2,518	4.7%	2,550	5.0%
Commercial loans	3,113	5.8%	2,881	5.7%
Policy loans	1,267	2.4%	1,133	2.2%
Other long-term investments (1)	1,022	1.9%	993	2.0%
Short-term investments	246	0.5%	239	0.5%
Total	53,383	100.0%	50,742	100.0%

	June 30, 2008		December 31, 2007	
	Amount	% of Total	Amount	% of Total
Financial Services Businesses excluding Japanese Insurance Operations (2):				
Fixed maturities:				
Public, available for sale, at fair value	56,277	48.5%	56,210	50.1%
Public, held to maturity, at amortized cost	—	0.0%	—	0.0%
Private, available for sale, at fair value	16,902	14.6%	16,846	15.0%
Private, held to maturity, at amortized cost	—	0.0%	1	0.0%
Trading account assets supporting insurance liabilities, at fair value	13,482	11.6%	13,341	11.9%
Other trading account assets, at fair value	153	0.1%	156	0.1%
Equity securities, available for sale, at fair value	2,041	1.8%	2,079	1.9%
Commercial loans	18,563	16.0%	16,722	14.9%
Policy loans	2,940	2.6%	2,809	2.5%
Other long-term investments (1)	1,839	1.6%	1,731	1.5%
Short-term investments	3,723	3.2%	2,359	2.1%
Total	115,920	100.0%	112,254	100.0%

(1) Other long-term investments consist of real estate and non-real estate related investments in joint ventures and partnerships, investment real estate held through direct ownership, 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.

FINANCIAL SERVICES BUSINESSES INVESTMENT RESULTS
(in millions)

	Quarter Ended June 30					
	2008			2007		
	Investment Income		Realized Gains / (Losses)	Investment Income		Realized Gains / (Losses)
	Yield (3)	Amount		Yield (3)	Amount	
Financial Services Businesses (1):						
Fixed maturities	4.74%	1,398	(483)	5.05%	1,423	14
Equity securities	5.09%	60	(97)	4.56%	44	74
Commercial loans	5.93%	247	(5)	6.10%	205	(4)
Policy loans	5.02%	52	—	5.10%	46	—
Short-term investments and cash equivalents	2.52%	67	—	4.46%	87	—
Other investments	3.21%	26	80	6.59%	46	7
Gross investment income before investment expenses	4.74%	1,850	(505)	5.15%	1,851	91
Investment expenses	-0.16%	(80)	—	-0.17%	(135)	—
Subtotal	4.58%	1,770	(505)	4.98%	1,716	91
Investment results of other entities and operations (2)		385	(45)		325	34
Less, investment income relating to divested businesses		(9)			(8)	
Total		2,146	(550)		2,033	125

	Six Months Ended June 30					
	2008			2007		
	Investment Income		Realized Gains / (Losses)	Investment Income		Realized Gains / (Losses)
	Yield (3)	Amount		Yield (3)	Amount	
Financial Services Businesses (1):						
Fixed maturities	4.82%	2,778	(868)	5.05%	2,837	41
Equity securities	4.62%	106	(152)	4.63%	89	205
Commercial loans	5.95%	478	(4)	6.16%	409	(7)
Policy loans	5.08%	103	—	5.08%	89	—
Short-term investments and cash equivalents	3.24%	166	—	4.92%	183	(7)
Other investments	3.95%	62	(266)	6.62%	92	42
Gross investment income before investment expenses	4.83%	3,693	(1,290)	5.17%	3,699	274
Investment expenses	-0.15%	(160)	—	-0.17%	(274)	—
Subtotal	4.68%	3,533	(1,290)	5.00%	3,425	274
Investment results of other entities and operations (2)		743	(62)		618	64
Less, investment income relating to divested businesses		(19)			(15)	
Total		4,257	(1,352)		4,028	338

(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) Includes 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. Prior periods yields are presented on a basis consistent with the current presentation.

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

	Quarter Ended June 30					
	2008			2007		
	Investment Income		Realized Gains /	Investment Income		Realized Gains /
	Yield (1)	Amount	(Losses)	Yield (1)	Amount	(Losses)
Japanese Insurance Operations:						
Fixed maturities	3.00%	341	(59)	2.75%	262	16
Equity securities	2.75%	18	(104)	2.15%	11	56
Commercial loans	4.81%	37	(1)	4.50%	31	4
Policy loans	3.71%	12	—	3.79%	10	—
Short-term investments and cash equivalents	4.22%	9	—	3.37%	5	—
Other investments	8.30%	28	(120)	17.25%	36	(66)
Gross investment income before investment expenses	3.26%	445	(284)	3.13%	355	10
Investment expenses	-0.20%	(32)	—	-0.19%	(24)	—
Total	3.06%	413	(284)	2.94%	331	10

	Six Months Ended June 30					
	2008			2007		
	Investment Income		Realized Gains /	Investment Income		Realized Gains /
	Yield (1)	Amount	(Losses)	Yield (1)	Amount	(Losses)
Japanese Insurance Operations:						
Fixed maturities	2.93%	641	(108)	2.69%	515	41
Equity securities	2.52%	32	(155)	2.42%	24	176
Commercial loans	4.72%	70	2	4.43%	61	7
Policy loans	3.84%	24	—	3.78%	19	—
Short-term investments and cash equivalents	2.94%	12	—	2.91%	10	(1)
Other investments	8.20%	51	(142)	14.08%	61	(77)
Gross investment income before investment expenses	3.16%	830	(403)	3.03%	690	146
Investment expenses	-0.19%	(55)	—	-0.18%	(48)	—
Total	2.97%	775	(403)	2.85%	642	146

(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. Prior periods yields are presented on a basis consistent with the current presentation.

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

	Quarter Ended June 30					
	2008			2007		
	Investment Income		Realized Gains / (Losses)	Investment Income		Realized Gains / (Losses)
	Yield (2)	Amount		Yield (2)	Amount	
Financial Services Businesses excluding Japanese Insurance Operations (1):						
Fixed maturities	5.83%	1,057	(424)	6.31%	1,161	(2)
Equity securities	8.08%	42	7	7.19%	33	18
Commercial loans	6.19%	210	(4)	6.51%	174	(8)
Policy loans	5.59%	40	—	5.61%	36	—
Short-term investments and cash equivalents	2.32%	58	—	4.60%	82	—
Other investments	-0.29%	(2)	200	2.00%	10	73
Gross investment income before investment expenses	5.53%	1,405	(221)	6.16%	1,496	81
Investment expenses	-0.13%	(48)	—	-0.17%	(111)	—
Total	5.40%	1,357	(221)	5.99%	1,385	81

	Six Months Ended June 30					
	2008			2007		
	Investment Income		Realized Gains / (Losses)	Investment Income		Realized Gains / (Losses)
	Yield (2)	Amount		Yield (2)	Amount	
Financial Services Businesses excluding Japanese Insurance Operations (1):						
Fixed maturities	5.98%	2,137	(760)	6.34%	2,322	—
Equity securities	7.29%	74	3	7.05%	65	29
Commercial loans	6.23%	408	(6)	6.61%	348	(14)
Policy loans	5.62%	79	—	5.60%	70	—
Short-term investments and cash equivalents	3.27%	154	—	5.23%	173	(6)
Other investments	1.24%	11	(124)	3.23%	31	119
Gross investment income before investment expenses	5.73%	2,863	(887)	6.25%	3,009	128
Investment expenses	-0.13%	(105)	—	-0.16%	(226)	—
Total	5.60%	2,758	(887)	6.09%	2,783	128

(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. Prior periods yields are presented on a basis consistent with the current presentation.

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

	2006				2007				2008
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
INTERNATIONAL INSURANCE OPERATING DATA:									
Constant exchange rate basis (1):									
Net premiums, policy charges and fee income:									
Japan, excluding Gibraltar Life	790	734	736	737	858	790	792	801	944
Gibraltar Life	618	609	533	536	544	587	537	538	542
All other countries	328	340	340	366	357	360	382	390	379
Total	1,736	1,683	1,609	1,639	1,759	1,737	1,711	1,729	1,865

(1) Foreign denominated activity translated to U.S. dollars at uniform exchange rates for all periods presented, including Japanese yen 106 per U.S. dollar: Korean won 950 per U.S. dollar. U.S. dominated activity is included based on the amounts as transacted in U.S. dollars.

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. 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. 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. Adjusted operating income excludes gains and losses from changes in value of certain assets and liabilities relating to foreign currency exchange movements that have been economically hedged. 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 including our discontinued commercial mortgage conduit related activities.

9. Borrowings - Specified Other Businesses:

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

10. Client Assets:

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

KEY DEFINITIONS AND FORMULAS

11. Earned Premiums:

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

12. Earnings Per Share of Common Stock:

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

13. Full Service:

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

14. Full Service Stable Value:

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

15. General Account:

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

16. Gibraltar Life Advisors:

Insurance representatives for Gibraltar Life.

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

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

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

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

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

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

20. Individual Life Insurance Sales:

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

21. Insurance and Annuity Benefits:

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

KEY DEFINITIONS AND FORMULAS

22. International Life Planners:

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

23. New annualized premiums:

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

24. Non-recourse and Limited-recourse Debt:

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

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

Adjusted operating income after-tax (giving effect to the direct equity adjustment for earnings per share calculation), annualized for interim periods, divided by average attributed equity for the Financial Services Businesses excluding 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 6.26% for the six months ended June 30, 2008, 17.19% for the six months ended June 30, 2007, 11.28% for the three months ended June 30, 2008, 15.97% for the three months ended June 30, 2007, 1.58% for the three months ended March 31, 2008, 14.43% for the three months ended December 31, 2007 and 16.14% for the three months ended September 30, 2007.

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 the sum of borrowings for general corporate purposes, and 25% of the amount corresponding to Junior Subordinated Notes, and we measure "total capitalization" as the sum of equity excluding unrealized gains and losses on investments and pension / postretirement benefits, and corporate debt, including Junior Subordinated Notes.

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 July 30, 2008

	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
Prudential Annuities Life Assurance Corporation (1)	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 July 30, 2008				
Prudential Financial, Inc.:				
Short-Term Borrowings	AMB-1	A-1	P-2	F1
Long-Term Senior Debt (2)	a-	A+	A3	A
Junior Subordinated Long-Term Debt	bbb	A-	Baa1	NR
The Prudential Insurance Company of America :				
Capital and surplus notes	a	A+	A2	A+
Prudential Funding, LLC:				
Short-Term Debt	AMB-1	A-1+	P-1	F1+
Long-Term Senior Debt	a+	AA	A1	AA-
PRICOA Global Funding I				
Long-Term Senior Debt	aa-	AA	Aa3	AA

* NR indicates not rated.
(1) Formerly known as American Skandia Life Assurance Corporation
(2) Includes the retail medium-term notes program.

INVESTOR INFORMATION:

Corporate Offices:

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

Investor Information Hotline:

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

Web Site:
www.prudential.com

Common Stock:

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

Exhibit 99.2

Prudential Financial, Inc.
Financial Services Businesses
Information Regarding Certain General Account Investments
Residential Mortgage-Backed, Commercial Mortgage-Backed, and Asset-Backed Securities, and Commercial Loans
June 30, 2008
($ millions)

General Account Investments - Available for Sale	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Asset-backed securities (a)	12,389	69	1,060	11,398
Residential mortgage-backed securities (b)	9,966	64	109	9,921
Commercial mortgage-backed securities (c)	7,352	28	212	7,168

	Gross Carrying Value	Allowance For Losses	Net Book Value
Commercial loans (d)	21,779	(103)	21,676

(a) Supplemental information for asset-backed securities:

	Vintage	LOWEST RATING AGENCY RATING AAA	AA	A	BBB	BB and below	Total Amortized Cost	Total Fair Value
Collateralized by sub-prime mortgages:								
Enhanced short-term portfolio								
	2008	—	—	—	—	—	—	—
	2007	346	165	95	46	—	652	581
	2006	1,182	447	217	190	—	2,036	1,894
	2005	51	6	—	8	4	69	66
	2004	—	—	—	—	—	—	—
	2003 and prior	—	—	—	—	—	—	—
Total enhanced short-term portfolio (1)		1,579	618	312	244	4	2,757	2,541
All other portfolios								
	2008	—	—	—	—	—	—	—
	2007	83	122	58	55	—	318	225
	2006	491	493	301	147	3	1,435	1,183
	2005	18	379	159	28	14	598	487
	2004	42	362	286	20	3	713	583
	2003 and prior	38	199	190	52	39	518	440
Total all other portfolios		672	1,555	994	302	59	3,582	2,918
Total collateralized by sub-prime mortgages (2) (3)		2,251	2,173	1,306	546	63	6,339	5,459
Other asset-backed securities:								
Externally managed investments in the European market (4)		282	—	689	566	14	1,551	1,566
Collateralized by auto loans		1,412	77	100	92	3	1,684	1,676
Collateralized by credit cards		56	—	7	750	—	813	753
Collateralized by non-sub-prime mortgages		816	52	7	35	16	926	918
Other (5)		142	240	432	66	196	1,076	1,026
Total asset-backed securities		4,959	2,542	2,541	2,055	292	12,389	11,398

(1) Our Enhanced Short-term portfolio is used primarily to invest cash proceeds of securities lending and repurchase activities, and cash generated from certain trading and operating activities. The investment policy statement of this portfolio requires that securities purchased for this portfolio have a remaining expected average life of 2 years or less when acquired.

(2) Included within the $6.339 billion of asset-backed securities collateralized by sub-prime mortgages attributable to the Financial Services Businesses as of June 30, 2008 were $2.261 billion of securities, on an amortized cost basis, that represent front pay or second pay positions, depending on the overall structure of the securities. As such, these securities have priority to principal cash flows over other securities in the structure, including longer senior securities in most instances.

(3) The weighted average estimated subordination percentage of our general account available for sale asset-backed securities collateralized by sub-prime mortgages attributable to the Financial Services Businesses, excluding those supported by guarantees from monoline bond insurers, was 35% as of June 30, 2008. The subordination percentage represents the current weighted average estimated percentage of the capital structure subordinated to our investment holding that is available to absorb losses before the security incurs the first dollar loss of principal. As of June 30, 2008, based on amortized cost, approximately 91% of these asset-backed securities collateralized by sub-prime mortgages have estimated credit subordination percentages of 20% or more, and 53% have estimated credit subordination percentages of 30% or more.

(4) Externally managed investments in the European markets reflects our investment in medium term notes that are collateralized by portfolios of assets primarily consisting of European fixed income securities and derivatives, including 47% European corporate and bank bonds, 23% bank capital, 18% European asset-backed securities, and 12% other. As of June 30, 2008, fair value excludes the $(278) million impact of a bifurcated embedded derivative.

(5) Includes collateralized debt obligations with amortized cost of $201 million and fair value of $170 million, with less than 1% secured by sub-prime mortgages. Also includes asset backed-securities collateralized by education loans, equipment leases, timeshares, aircraft, and franchises.

Excluded from the table above are available for sale asset-backed securities held outside the general account in other entities and operations with amortized cost of $247 million and fair value of $238 million. Based on amortized cost, 72% of these securities have credit ratings of AAA, 5% have A credit ratings, and the remaining 23% have credit ratings of BBB or below. As of June 30, 2008, included within these asset-backed securities are securities collateralized by sub-prime mortgages with amortized cost and fair value of $7 million, all of which have AAA credit ratings, with $6 million in the 2006 vintage and $1 million in the 2003 vintage. Also included are collateralized debt obligations with amortized cost of $49 million and fair value of $41 million, with none secured by sub-prime mortgages. Also excluded from the table above are asset-backed securities classified as trading and carried at fair value, including $1.0 billion of trading account assets supporting insurance liabilities, the investment results of which ultimately accrue to contract holders. An additional $302 million of asset-backed securities as of June 30, 2008 are classified as other trading, including $18 million held outside the general account, 84% of which have credit ratings of AAA and 16% of which have credit ratings of BB, and $284 million included in our general account, 75% of which have credit ratings of A or above and the remaining 25% have BBB credit ratings.

(b) Supplemental information for residential mortgage-backed securities:

As of June 30, 2008, based on amortized cost, 98% of the general account available for sale residential mortgage-backed securities attributable to the Financial Services Businesses were publicly traded agency pass-through securities, which are supported by implicit or explicit government guarantees and have credit ratings of AA or above. Collateralized mortgage obligations, including approximately $52 million secured by "ALT-A" mortgages, represented the remaining 2% of residential mortgage-backed securities; and virtually all have credit ratings of A or above.

Excluded from the table above are available for sale residential mortgage-backed securities held outside the general account in other entities and operations with amortized cost of $600 million ($600 million fair value), all of which have AAA credit ratings. Also excluded from the table above are $612 million of residential mortgage-backed securities classified as trading account assets supporting insurance liabilities and carried at fair value, the investment results of which ultimately accrue to contract holders.

Prudential Financial, Inc.
Financial Services Businesses
Information Regarding Certain General Account Investments
Residential Mortgage-Backed, Commercial Mortgage-Backed, and Asset-Backed Securities, and Commercial Loans
June 30, 2008
($ millions)

(c) Supplemental information for commercial mortgage-backed securities:

	LOWEST RATING AGENCY RATING						
Vintage	AAA	AA	A	BBB	BB and below	Total Amortized Cost	Total Fair Value
2008	176	—	10	32	8	226	225
2007	1,183	—	3	66	73	1,325	1,311
2006	2,812	6	—	7	11	2,836	2,741
2005	1,400	—	—	11	38	1,449	1,401
2004	429	—	—	—	4	433	414
2003 and prior	890	118	50	15	10	1,083	1,076
Total (1)	6,890	124	63	131	144	7,352	7,168

(1) As of June 30, 2008, based on amortized cost, the weighted average loan to value and debt service coverage ratios of general account available for sale commercial mortgage-backed securities attributable to the Financial Services Businesses is 69% and 1.53 times, respectively. The weighted average estimated subordination percentage of our general account available for sale investments in commercial mortgage-backed securities attributable to the Financial Services Businesses was 35% as of June 30, 2008. The subordination percentage represents the current weighted average estimated percentage of the capital structure subordinated to our investment holding that is available to absorb losses before the security incurs the first dollar loss of principal. The estimated subordination percentage includes an adjustment for that portion of the capital structure which has been effectively defeased by US Treasury securities. As of June 30, 2008, based on amortized cost, approximately 92% of these commercial mortgage-backed securities have estimated credit subordination percentages of 20% or more, and 75% have estimated credit subordination percentages of 30% or more.

Excluded from the table above are available for sale commercial mortgage-backed securities held outside the general account in other entities and operations with amortized cost of $12 million and fair value of $11 million, 41% of which have credit ratings of AAA and the remaining 59% have credit ratings of BB and below. Also excluded from the table above are commercial mortgage-backed securities classified as trading and carried at fair value, including $2.5 billion of trading account assets supporting insurance liabilities, the investment results of which ultimately accrue to contract holders. An additional $141 million of commercial mortgage-backed securities held outside the general account as of June 30, 2008 are classified as other trading, of which 70% have AAA credit ratings, 21% have A credit ratings, and the remaining 9% have BBB credit ratings.

(d) Supplemental information for commercial loans:

Commercial loans by property type:	Gross Carrying Value	% of Total
Industrial buildings	4,560	20.9%
Office buildings	3,952	18.2%
Apartment complexes	3,523	16.2%
Retail stores	3,392	15.6%
Other	2,723	12.5%
Agricultural properties	1,250	5.7%
Residential properties	932	4.3%
Subtotal of collateralized loans	20,332	93.4%
Uncollateralized loans	1,447	6.6%
Total commercial loans	21,779	100.0%

Commercial loans by status:	Gross Carrying Value
Performing	21,719
Delinquent, not in foreclosure	48
Delinquent, in foreclosure	7
Restructured	5
Total commercial loans	21,779

As of June 30, 2008, based on amortized cost, the weighted average loan to value and debt service coverage ratios of general account investments in commercial loans attributable to the Financial Services Businesses was 52% and 1.86 times, respectively.

Prudential Financial, Inc.
Closed Block Business
Information Regarding Certain General Account Investments
Residential Mortgage-Backed, Commercial Mortgage-Backed, and Asset-Backed Securities, and Commercial Loans
June 30, 2008
($ millions)

General Account Investments - Available for Sale	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Asset-backed securities (a)	6,889	18	778	6,129
Residential mortgage-backed securities (b)	3,326	26	40	3,312
Commercial mortgage-backed securities (c)	3,948	15	105	3,858

	Gross Carrying Value	Allowance For Losses	Net Book Value
Commercial loans (d)	8,657	(30)	8,627

(a) Supplemental information for asset-backed securities:

		LOWEST RATING AGENCY RATING						
	Vintage	AAA	AA	A	BBB	BB and below	Total Amortized Cost	Total Fair Value
Collateralized by sub-prime mortgages:								
Enhanced short-term portfolio								
	2008	—	—	—	—	—	—	—
	2007	357	170	98	10	—	635	565
	2006	1,219	461	224	61	—	1,965	1,833
	2005	52	6	—	—	—	58	57
	2004	—	—	—	—	—	—	—
	2003 and prior	—	—	—	—	—	—	—
Total enhanced short-term portfolio (1)		1,628	637	322	71	—	2,658	2,455
All other portfolios								
	2008	10	7	11	9	—	37	29
	2007	46	74	41	40	—	201	162
	2006	491	232	233	143	—	1,099	859
	2005	29	356	51	14	4	454	368
	2004	8	302	47	—	—	357	292
	2003 and prior	29	249	135	17	24	454	382
Total all other portfolios		613	1,220	518	223	28	2,602	2,092
Total collateralized by sub-prime mortgages (2) (3)		2,241	1,857	840	294	28	5,260	4,547
Other asset-backed securities:								
Collateralized by credit cards		—	—	21	465	—	486	446
Collateralized by auto loans		309	15	27	39	—	390	387
Externally managed investments in the European market (4)		—	—	281	—	—	281	283
Collateralized by education loans		212	20	—	—	—	232	231
Other (5)		93	48	51	18	30	240	235
Total asset-backed securities		2,855	1,940	1,220	816	58	6,889	6,129

(1) Our Enhanced Short-term portfolio is used primarily to invest cash proceeds of securities lending and repurchase activities, and cash generated from certain trading and operating activities. The investment policy statement of this portfolio requires that securities purchased for this portfolio have a remaining expected average life of 2 years or less when acquired.

(2) Included within the $5.260 billion of asset-backed securities collateralized by sub-prime mortgages attributable to the Closed Block Business as of June 30, 2008 were $2.165 billion of securities, on an amortized cost basis, that represent front pay or second pay positions, depending on the overall structure of the securities. As such, these securities have priority to principal cash flows over other securities in the structure, including longer senior securities in most instances.

(3) The weighted average estimated subordination percentage of our general account available for sale asset-backed securities collateralized by sub-prime mortgages attributable to the Closed Block Business, excluding those supported by guarantees from monoline bond insurers, was 36% as of June 30, 2008. The subordination percentage represents the current weighted average estimated percentage of the capital structure subordinated to our investment holding that is available to absorb losses before the security incurs the first dollar loss of principal. As of June 30, 2008, based on amortized cost, approximately 96% of these asset-backed securities collateralized by sub-prime mortgages have credit estimated subordination percentages of 20% or more, and 59% have estimated credit subordination percentages of 30% or more.

(4) Externally managed investments in the European markets reflects our investment in medium term notes that are collateralized by portfolios of assets primarily consisting of European fixed income securities and derivatives, including 47% European corporate and bank bonds, 23% bank capital, 18% European asset-backed securities, and 12% other. As of June 30, 2008, fair value excludes the $(50) million impact of a bifurcated embedded derivative.

(5) Includes collateralized debt obligations with amortized cost of $21 million and fair value of $24 million, with none secured by sub-prime mortgages. Also includes asset backed-securities collateralized by equipment leases, timeshares, aircraft, and franchises.

Excluded from the table above are $17 million of asset-backed securities classified as trading and carried at fair value, all of which have BBB credit ratings as of June 30, 2008.

(b) Supplemental information for residential mortgage-backed securities:

As of June 30, 2008, based on amortized cost, 82% of the general account available for sale residential mortgage-backed securities attributable to the Closed Block Business were publicly traded agency pass-through securities, which are supported by implicit or explicit government guarantees and have credit ratings of AAA. Collateralized mortgage obligations, including approximately $153 million secured by "ALT-A" mortgages, represented the remaining 18% of residential mortgage-backed securities and all have credit ratings of AAA.

Prudential Financial, Inc.
Closed Block Business
Information Regarding Certain General Account Investments
Residential Mortgage-Backed, Commercial Mortgage-Backed, and Asset-Backed Securities, and Commercial Loans
June 30, 2008
($ millions)

(c) Supplemental information for commercial mortgage-backed securities:

	LOWEST RATING AGENCY RATING						
Vintage	AAA	AA	A	BBB	BB and below	Total Amortized Cost	Total Fair Value
2008	10	—	—	—	—	10	10
2007	403	—	12	—	—	415	409
2006	836	—	—	—	—	836	808
2005	1,385	—	—	—	—	1,385	1,345
2004	395	—	—	—	—	395	380
2003 and prior	816	39	47	5	—	907	906
Total (1)	3,845	39	59	5	—	3,948	3,858

(1) As of June 30, 2008, based on amortized cost, the weighted average loan to value and debt service coverage ratios of general account available for sale commercial mortgage-backed securities attributable to the Closed Block Business is 69% and 1.58 times, respectively. The weighted average estimated subordination percentage of our general account available for sale investments in commercial mortgage-backed securities attributable to the Closed Block Business was 32% as of June 30, 2008. The subordination percentage represents the current weighted average estimated percentage of the capital structure subordinated to our investment holding that is available to absorb losses before the security incurs the first dollar loss of principal. The estimated subordination percentage includes an adjustment for that portion of the capital structure which has been effectively defeased by US Treasury securities. As of June 30, 2008, based on amortized cost, approximately 91% of these commercial mortgage-backed securities have estimated credit subordination percentages of 20% or more, and 58% have estimated credit subordination percentages of 30% or more.

(d) Supplemental information for commercial loans:

Commercial loans by property type:	Gross Carrying Value	% of Total
Industrial buildings	1,892	21.9%
Office buildings	1,699	19.6%
Apartment complexes	1,705	19.7%
Retail stores	1,500	17.3%
Other	888	10.2%
Agricultural properties	820	9.5%
Residential properties	1	—
Subtotal of collateralized loans	8,505	98.2%
Uncollateralized loans	152	1.8%
Total commercial loans	8,657	100.0%

Commercial loans by status:	Gross Carrying Value
Performing	8,656
Delinquent, not in foreclosure	—
Delinquent, in foreclosure	—
Restructured	1
Total commercial loans	8,657

As of June 30, 2008, based on amortized cost, the weighted average loan to value and debt service coverage ratios of general account investments in commercial loans attributable to the Closed Block Business was 43% and 1.84 times, respectively.