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): October 29, 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 third 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 third 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 September 30, 2008.

C. Investments in Residential and Commercial Mortgage-Backed Securities, Asset-Backed Securities, and Commercial Loans. In connection with its announcement of third quarter 2008 results, the Company furnishes herewith, as Exhibit 99.2, information about the Company's investments, as of September 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 September 30, 2008 of asset-backed securities collateralized by sub-prime mortgages under stress scenarios and assuming no recoveries from monoline bond insurers is approximately $550 million after-tax over a five-year period. This estimate is based on holdings of the Financial Services Businesses as of September 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 September 30, 2008, on an amortized cost basis, $1.649 billion, or 1%, of general account fixed maturity investments attributable to the Financial Services Businesses were supported by bond insurance. As of September 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 70% of the $1.649 billion total (based upon amortized cost) would have investment grade credit ratings. Based on amortized cost, $903 million of the $1.649 billion of securities supported by bond insurance were asset-backed securities collateralized by sub-prime mortgages, $337 million were other asset-backed securities, and $409 million were municipal bonds. Management estimates that 54% of the asset-backed securities collateralized by sub-prime mortgages, 77% 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 September 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 Financial Services Businesses.

As of September 30, 2008, on an amortized cost basis, $774 million, or 2%, of fixed maturity investments attributable to the Closed Block Business were supported by bond insurance. As of September 30, 2008, 72% 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 $774 million total (based upon amortized cost) would have investment grade credit ratings. Based on amortized cost, $544 million of the $774 million of securities supported by bond insurance were asset-backed securities collateralized by sub-prime mortgages, $103 million were other asset-backed securities, and $127 million were municipal bonds. Management estimates that 85% of the asset-backed securities collateralized by sub-prime mortgages, 91% 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 September 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.

E. Liquidity and Capital Resources.

Parent Company Short-term Investments and Borrowings

As of September 30, 2008, the parent holding company, Prudential Financial, had cash and short-term investments of $3.821 billion, which included $671 million of subsidiary funds that were invested short-term with Prudential Financial as part of our intercompany liquidity program. The short-term investments comprise $1.059 billion of this amount and consist primarily of government agency securities and money market funds.

As of September 30, 2008, parent company short-term borrowings amounted to $6.619 billion. This amount includes $761 million under a commercial paper program, $4.883 billion principal amount of convertible debt securities, $697 million representing foreign currency denominated bridge loan facilities, and $278 million current portion of long-term debt. The majority of the parent company's outstanding commercial paper proceeds are invested in short-term financial instruments. As of September 30, 2008, this commercial paper had an average maturity of 16 days and approximately 29% was overnight. The next dates on which holders of the convertible notes may require Prudential Financial to repurchase the notes are December 12, 2008 with respect to $1.883 billion and June 15, 2009 with respect to $3.0 billion. The foreign currency denominated bridge loan facilities mature on February 13, 2009 and the majority of the current portion of long-term debt matures in the first quarter of 2009.

Prudential Financial's short-term debt, including commercial paper, is rated A-1, P-2, and F1 by Standard & Poor's, Moody's and Fitch, respectively. Based on these ratings, Prudential Financial is eligible to participate in the Commercial Paper Funding Facility (CPFF) sponsored by the Federal government. The Federal Reserve has announced that CPFF will purchase eligible three-month unsecured and asset-backed U.S. dollar denominated commercial paper from eligible issuers. The maximum amount of commercial paper an issuer can sell to CPFF is equivalent to the greatest amount of U.S. dollar denominated commercial paper the issuer had outstanding during any single day between January 1, 2008 and August 31, 2008. The greatest amount of commercial paper Prudential Financial had outstanding during this period was $1.3 billion on January 1, 2008. Unsecured commercial paper purchased by the CPFF will be discounted based on a rate equal to a spread (200 basis points) over the three-month overnight index swap rate on the day of purchase. As of October 28, 2008, Prudential Financial has been granted approval to participate in the CPFF. Access to the CPFF is scheduled to terminate on April 30, 2009, unless such date is extended by the Federal Reserve.

Prudential Funding, LLC Commercial Paper Program

As of September 30, 2008, Prudential Funding, LLC, a wholly-owned subsidiary of Prudential Insurance, had outstanding commercial paper and master note borrowings of $7.0 billion, of which $3.5 billion of the proceeds were invested in short-term financial instruments and the remainder was primarily utilized to fund short term cash flow timing mismatches, and fund working capital needs of our affiliates. As of September 30, 2008, Prudential Funding, LLC's outstanding commercial paper had a weighted average maturity of 15 days, and approximately 28% was overnight. Prudential Funding's commercial paper is rated A-1+, P-1, and F1+ by Standard & Poor's, Moody's and Fitch, respectively. Based on these ratings, Prudential Funding is also eligible to participate in the CPFF and would be eligible to sell up to $9.8 billion of commercial paper to CPFF, which is the amount Prudential Funding had outstanding on March 18, 2008. We are currently evaluating whether we will apply for participation in the CPFF on behalf of Prudential Funding.

Asset-based Financing

As of September 30, 2008, Prudential's Financial Services Businesses had liabilities totaling $6.938 billion under asset-based financing programs, including $4.209 billion representing securities sold under agreements to repurchase, $2.231 billion representing cash collateral for loaned securities and $498 million of securities sold but not yet purchased. Under these programs, the company loans securities in return for cash collateral which is primarily used to purchase securities for the short-term spread portfolios in our domestic insurance entities. These portfolios comprise cash and cash equivalents, short-term investments and fixed maturities with a weighted average life at the time of purchase of two years or less. Of the total $6.938 billion, $3.126 billion represents securities that may be returned to the company overnight requiring immediate return of the cash collateral, and the remainder has maturities ranging from 2 days to 3 months with a weighted average maturity of 12 days. As of September 30, 2008, the securities lending program represented approximately 3.9% of total investments of $180.0 billion for the Financial Services Businesses.

As of September 30, 2008, Prudential's Closed Block Business had liabilities totaling $5.466 billion under such programs, including $4.217 billion representing securities sold under agreements to repurchase and $1.249 billion representing cash collateral for loaned securities. Of the total $5.466 billion, $2.784 billion represents securities that may be returned to the company overnight requiring immediate return of the cash collateral, and the remainder has maturities ranging from 2 days to 3 months with a weighted average maturity of 13 days. As of September 30, 2008, the securities lending program represented approximately 9.0% of total investments of $60.9 billion for the Closed Block Business.

Ratings-Driven Contingencies

A downgrade in the credit or financial strength ratings of Prudential Financial or its rated subsidiaries could result in additional collateral requirements or other required payments under certain agreements, which are eligible to be satisfied in cash or by posting securities held by the subsidiaries subject to the agreements. A ratings downgrade of three ratings levels would result in estimated collateral posting requirements or payments under such agreements of approximately $175 million. In addition, a ratings downgrade by A.M. Best to A- for our domestic life insurance companies would require Prudential Insurance to post a letter of credit in the amount of $1.25 billion that we estimate would result in annual cash outflows of approximately $125 million, or collateral posting in the form of cash or securities to be held in a trust. We believe that the posting of such collateral would not be a material liquidity event for Prudential Insurance.

In addition, agreements in connection with capital management activities for our universal life insurance products would require us to post cash collateral based on tests that consider the level of 10-year credit default swap spreads on Prudential Financial's senior debt. We estimate that the collateral posting requirements would range from $100 million to $200 million at effective 10-year credit default swap spreads of 700 to 2,000 basis points.

Federal Home Loan Bank of New York Facility

In June 2008, Prudential Insurance became a member of the Federal Home Loan Bank of New York, or FHLBNY. Membership allows Prudential Insurance to participate in FHLBNY's product line of financial services, including funding agreements, general asset/liability management, and collateralized advances that can be used for liquidity management.

Under guidance of the New Jersey Department of Banking and Insurance, the total amount of securities that can be pledged as collateral by Prudential Insurance to FHLBNY is limited to 5% of the prior year's admitted assets of Prudential Insurance, exclusive of separate account assets, which equates to $7.7 billion based on admitted assets as of December 31, 2007. Based on this permitted amount, the eligible securities available at Prudential Insurance, and net of the 4.5% activity based stock we would be obligated to purchase from FHLBNY based on maximum borrowings, the estimated total borrowing capacity with the FHLBNY is $6.7 billion, as of September 30, 2008. As of September 30, 2008, outstanding borrowings with FHLBNY amounted to $100 million.

Lines of Credit and Other Credit Facilities

As of September 30, 2008, Prudential Financial, Prudential Insurance and Prudential Funding had unsecured committed lines of credit totaling $5.0 billion. These facilities are available to each of the borrowers, up to the aggregate committed credit, to be used for general corporate purposes. This amount includes a $500 million 364-day credit facility that expires in December 2008, which includes eight financial institutions, a $2.0 billion 5-year credit facility that expires in May 2012, which includes 22 financial institutions, and an additional $2.5 billion credit facility, of which $200 million expires in December 2011 and $2.3 billion expires in December 2012, which includes 20 financial institutions. Subsequent to September 30, 2008, Lehman Commercial Paper, Inc., a lender in the $2.0 billion facility for a total of $60 million, filed for bankruptcy bringing the current total of unsecured committed credit lines available to $4.94 billion. Within each facility, no single financial institution has more than 15% of the total committed credit. Borrowings under the outstanding facilities will mature no later than the respective expiration dates of the facilities and will bear interest at the rates set forth in each facility agreement. We maintain these facilities primarily as back-up liquidity lines for our commercial paper programs, and there were no outstanding borrowings under any of these facilities as of September 30, 2008.

Our ability to borrow under these facilities is conditioned on the continued satisfaction of customary conditions, including maintenance at all times by Prudential Insurance of total adjusted capital of at least $5.5 billion based on statutory accounting principles prescribed under New Jersey law and Prudential Financial's maintenance of consolidated net worth of at least $12.5 billion, calculated in accordance with GAAP. Our ability to borrow under these facilities is not contingent on our credit ratings or subject to material adverse change clauses. Prudential Insurance's total adjusted capital was $8.5 billion and $11.0 billion as of June 30, 2008 and December 31, 2007, respectively, and we expect this amount to be $7.3 billion as of September 30, 2008. Prudential Financial's net worth on a consolidated basis totaled $18.7 billion and $23.5 billion as of September 30, 2008 and December 31, 2007, respectively. We also use uncommitted lines of credit from banks and other financial institutions.

Credit Derivative Exposure to Public Fixed Maturities

The company has sold credit derivatives to enhance the return on our investment portfolio by creating credit exposure similar to an investment in public fixed maturity cash instruments.

In a credit derivative we sell credit protection on an identified name, or a basket of names in a first to default structure, and in return receive a quarterly premium. With single name credit default derivatives, this premium or credit spread generally corresponds to the difference between the yield on the referenced name's public fixed maturity cash instruments and swap rates, at the time the agreement is executed. With first-to-default baskets, because of the additional credit risk inherent in a basket of named credits, the premium generally corresponds to a high proportion of the sum of the credit spreads of the names in the basket. If there is an event of default by the referenced name or one of the referenced names in a basket, as defined by the agreement, then we are obligated to pay the counterparty the referenced amount of the contract and receive in return the referenced defaulted security or similar security. After the first default the contract is terminated and any subsequent defaults on the remaining names within such instruments require no further payment to counterparties.

The vast majority of referenced names in the credit derivatives where we have sold credit protection, as well as all the counterparties to these agreements, are investment grade credit quality and our credit derivatives generally have maturities of five years or less. As of September 30, 2008 and December 31, 2007, we had $1.439 billion and $1.618 billion, respectively, in outstanding notional amounts of credit derivative contracts where we have sold credit protection. The Financial Services Businesses had $1.353 billion and $1.290 billion of outstanding notional amounts, reported at fair value as a liability of $162 million and $99 million, as of September 30, 2008 and December 31, 2007, respectively. The Closed Block Business had $86 million and $328 million of outstanding notional amounts, reported at fair value as a liability of $2 million and $2 million, as of September 30, 2008 and December 31, 2007, respectively.

In addition to selling credit protection, we have purchased credit protection using credit derivatives in order to hedge specific credit exposures in our investment portfolio, including exposures relating to certain guarantees from monoline bond insurers. Substantially all of the counterparties from which the company has purchased credit protection are investment grade credit quality. As of September 30, 2008 and December 31, 2007, the Financial Services Businesses had $1.388 billion and $376 million of outstanding notional amounts, reported at fair value as an asset of $197 million and $25 million, respectively. As of September 30, 2008 and December 31, 2007, the Closed Block Business had $300 million and $205 million of outstanding notional amounts, reported at fair value as an asset of $61 million and $5 million, respectively.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

99.0 News release of Prudential Financial, Inc., dated October 29, 2008, announcing third 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 September 30, 2008 (furnished and not filed).

99.2 Information about Prudential Financial, Inc.'s investments, as of September 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: October 29, 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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Exhibit 99.0

News Release

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

For Immediate Release
October 29, 2008

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

PRUDENTIAL FINANCIAL, INC.
ANNOUNCES THIRD QUARTER 2008 RESULTS

NEWARK, N.J. – Prudential Financial, Inc. (NYSE:PRU) today reported a net loss for its Financial Services Businesses of $108 million (23 cents per Common share) for the third quarter of 2008, compared to net income of $860 million ($1.88 per Common share) for the year-ago quarter. After-tax adjusted operating income for the Financial Services Businesses was $308 million (74 cents per Common share) for the third quarter of 2008, compared to $976 million ($2.13 per Common share) for the third quarter of 2007. Adjusted operating income is a non-GAAP measure as discussed below.

For the first nine months of 2008, net income for the Financial Services Businesses amounted to $544 million ($1.32 per Common share) compared to $2.720 billion ($5.86 per Common share) for the first nine months of 2007. After-tax adjusted operating income for the Financial Services Businesses for the first nine months of 2008 amounted to $1.905 billion ($4.43 per Common share) compared to $2.693 billion ($5.80 per Common share) for the first nine months of 2007.

"Unfavorable financial market conditions are having a substantial negative effect on reported results of our domestic businesses and market values in our investment portfolio. We believe that our strong balance sheet, financial flexibility, and balanced mix of businesses and risks position us well to manage through the challenging current environment and to achieve long-term results consistent with our goals. Our risk management skills and innovative products, supported by a history of making and keeping promises for more than 130 years, form an attractive value proposition in a market with renewed focus on protecting wealth and retirement security," said Chairman and Chief Executive Officer John Strangfeld.

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In light of current market volatility and extraordinary events and developments affecting financial markets generally, the Company has determined to withdraw its earnings guidance for 2008.

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.

Third quarter 2008 pre-tax adjusted operating income for the Financial Services Businesses includes a net negative impact of $591 million from annual reviews of actuarial assumptions including the impact of market conditions, and other significant discrete items, as discussed below and enumerated in a schedule accompanying this release.

The **Insurance division** reported adjusted operating income of $32 million for the third quarter of 2008, compared to $556 million in the year-ago quarter.

Our Individual Life segment reported adjusted operating income of $238 million for the current quarter, compared to $251 million in the year-ago quarter. Current quarter results benefited from a $79 million net reduction in amortization of deferred policy acquisition and other costs reflecting updates of our actuarial assumptions based on an annual review, while results for the year-ago quarter included a net benefit from similar items totaling $78 million. Current quarter adjusted operating income also included $53 million from compensation received based on multi-year profitability of third party products we distribute, while results for the year-ago quarter included a similar benefit amounting to $57 million. Excluding these items, adjusted operating income of the Individual Life segment decreased $10 million from a year ago. Higher net

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amortization of deferred policy acquisition and other costs relating to current quarter experience, reflecting less favorable separate account performance than that of the year-ago quarter, was partially offset by more favorable mortality experience in the current quarter.

Our Individual Annuities segment reported a loss, on an adjusted operating income basis, of $307 million in the current quarter, compared to adjusted operating income of $205 million in the year-ago quarter. Current quarter results include a charge of $380 million representing a net increase in costs associated with guaranteed minimum death benefits and amortization of deferred policy acquisition and other costs based on an annual review, reflecting an updated estimate of profitability for this business that was largely driven by declines in customer account values through September 30, 2008 and included revised assumptions as to costs associated with death benefit guarantees. Results for the year-ago quarter included a $30 million net benefit from a similar annual review. Less favorable results from mark-to-market of embedded derivatives and related hedge positions associated with living benefits, after related amortization of deferred policy acquisition costs, contributed $44 million to the decrease in adjusted operating income, reflecting net costs of $37 million in the current quarter compared to a benefit of $7 million in the year-ago quarter. The current quarter net costs reflected financial market conditions and changes in assumptions associated with the annual review. Excluding the items relating to the annual reviews and mark-to-market of embedded derivatives and related hedge positions, adjusted operating income for the Individual Annuities segment declined $58 million from the year-ago quarter. This decrease came largely from higher net amortization of deferred policy acquisition and other costs, and higher costs for guaranteed minimum death and other benefits, in each case relating to unfavorable current quarter experience driven by market value declines in customer account values.

Our Group Insurance segment reported adjusted operating income of $101 million in the current quarter, essentially unchanged from $100 million in the year-ago quarter. Results for the current quarter and the year-ago quarter each benefited $13 million from refinements of group disability reserves based on annual reviews.

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The **Investment division** reported a loss, on an adjusted operating income basis, of $92 million for the third quarter of 2008, compared to adjusted operating income of $311 million in the year-ago quarter.

The Retirement segment reported adjusted operating income of $133 million for the current quarter, compared to $65 million in the year-ago quarter. Current quarter results benefited $12 million from net refinements of amortization of deferred policy acquisition costs and related items, including the impact of an annual review of actuarial assumptions, while results for the year-ago quarter included an $81 million charge reflecting payments to clients who authorized us to proceed on their behalf to pursue remedies associated with losses attributable to certain investment funds managed by State Street Global Advisers, Inc. Excluding these items, adjusted operating income of the Retirement segment was $25 million below the level of the year-ago quarter, reflecting higher expenses including costs to enhance client service and distribution capabilities as well as lower fees associated with market value declines in customer account values.

The Asset Management segment reported a loss of $8 million for the current quarter, compared to adjusted operating income of $161 million for the year-ago quarter. The decrease came primarily from unfavorable results from the segment's proprietary investing business, which included current quarter losses of approximately $110 million from investment results in fixed income and equity investments compared to income of approximately $10 million from corresponding investment results in the year-ago quarter. In addition, current quarter results reflected a lower contribution from performance-based fees, primarily related to institutional real estate funds, than the year-ago quarter.

Our Financial Advisory segment reported a loss of $217 million for the current quarter, compared to adjusted operating income of $85 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 results 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 a loss of $215 million, after absorption of $235 million of costs associated with the

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settlement with regulators of investigations concerning the underwriting, sale, and subsequent auction of certain auction rate securities by Wachovia Securities, as well as $37 million of transition costs related to Wachovia's acquisition of A. G. Edwards. For the year-ago quarter, our 38% share of the venture resulted in adjusted operating income of $97 million. In addition to our share of the venture's results, the Financial Advisory segment's results for the current quarter include expenses of $2 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 $12 million of such costs.

The **International Insurance and Investments division** reported adjusted operating income of $497 million for the third quarter of 2008, compared to $537 million in the year-ago quarter.

The International Insurance segment reported adjusted operating income of $460 million for the current quarter, an increase of $37 million from the year-ago quarter. The segment's Life Planner insurance operations reported adjusted operating income of $293 million for the current quarter, an increase of $27 million from the year-ago quarter, reflecting continued business growth together with an improved contribution from investment results reflecting duration lengthening. 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, increased exposure to corporate securities, and investment duration lengthening. 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 $37 million for the current quarter, compared to $114 million in the year-ago quarter. Current quarter results include income of $14 million from market value changes in securities held relating to trading exchange memberships, while results for the year-ago quarter included income of $37 million from the sale of an interest in operating joint ventures; income of $22 million from market value changes

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in securities held relating to trading exchange memberships; and a benefit of $17 million from recoveries related to a former investment of our Korean asset management operations. Excluding these items, adjusted operating income from the International Investments segment decreased $15 million, primarily due to less favorable results from the segment's Korean asset management operations.

Corporate and Other operations resulted in a loss, on an adjusted operating income basis, of $21 million in the third quarter of 2008, compared to a loss of $12 million in the year-ago quarter. The real estate and relocation business reported a loss of $4 million for the current quarter, compared to adjusted operating income of $21 million in the year-ago quarter. Lower expenses for corporate and other operations in the current quarter were largely offset by increased interest expense, net of investment income, reflecting the company's issuance of $1.5 billion of junior subordinated long-term debt securities earlier this year.

Assets under management amounted to $602 billion at September 30, 2008, compared to $637 billion a year earlier and $648 billion at December 31, 2007.

The **net loss** of the Financial Services Businesses amounted to $108 million for the third quarter of 2008, compared to net income of $860 million in the year-ago quarter. The current quarter net loss includes $547 million of pre-tax net realized investment losses and related charges and adjustments. Considering current market conditions and in light of recent general guidance from the SEC and FASB regarding the application of existing accounting guidance for securities investments during periods of stressed financial market conditions, commencing in the third quarter of 2008 our determinations of whether declines in value are other-than-temporary, for securities which we have the intent and ability to hold until recovery of value, place greater emphasis on our analysis of underlying credit characteristics than on the extent and duration of declines in fair value. Net realized investment losses in the current quarter include $502 million of losses from impairments and sales of credit-impaired securities. The losses from impairments and sales of credit-impaired securities reflect $420 million on fixed maturity investments and derivatives, including $91 million of impairments relating to asset-backed securities collateralized by sub-prime mortgages, and $71 million of impairments on equity securities. The Company estimates that approximately $38 million of the $91 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 September 30, 2008, gross unrealized losses on general account fixed maturity investments of the Financial Services Businesses amounted to $5.850 billion, including $5.099 billion on investment-grade securities. Gross unrealized losses include $1.201 billion 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 September 30, 2008 include $1.970 billion of declines in value of 20% or more of amortized cost, of which $397 million represents such declines in value for three months or more. An additional $772 million of the gross unrealized losses at September 30, 2008 represent declines in value ranging from 15% to 20% of amortized cost, of which $184 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 $3.522 billion at September 30, 2008, compared to net unrealized gains of $1.332 billion at December 31, 2007.

The net loss for the current quarter also reflects pre-tax decreases of $534 million in recorded asset values and $388 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. The net loss for the current quarter also includes $3 million of pre-tax losses from divested businesses. In addition, net income for the current quarter includes income from discontinued operations of $5 million (net of related taxes).

Net income of the Financial Services Businesses for the year-ago quarter included $180 million of pre-tax net realized investment losses and related charges and adjustments, increases of $36 million in recorded assets and $6 million in recorded liabilities for which changes in value will ultimately accrue to contractholders, and losses of $27 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 $4 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 a loss from continuing operations before income taxes of $113 million for the third quarter of 2008, compared to income from continuing operations before income taxes of $8 million for the year-ago quarter, reflecting less favorable investment results in the current quarter. The Closed Block Business reported a net loss for the third quarter of 2008 of $58 million, compared to net income of $7 million for the year-ago quarter.

For the first nine months of 2008, the Closed Block Business reported a loss from continuing operations before income taxes of $101 million, compared to income from continuing operations before income taxes of $160 million for the first nine months of 2007. The Closed Block Business reported a net loss of $51 million for the first nine months of 2008 compared to net income of $113 million for the first nine months of 2007.

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 a net loss of $166 million for the third quarter of 2008, compared to net income of $867 million for the year-ago quarter, and reported net income of $493 million for the first nine months of 2008 and $2.833 billion for the first nine months of 2007.

Share Repurchases and Issuance

During the third quarter of 2008, the company acquired 5.4 million shares of its Common Stock, at a total cost of $375 million. From the commencement of share repurchases in May 2002, through September 30, 2008, the company has acquired 213 million shares of its Common Stock at a total cost of $13.013 billion. As previously announced, in light of recent market volatility and extraordinary events and developments affecting financial markets generally, including market conditions for issuance of certain capital instruments such as hybrid securities, the Company suspended all purchases of its Common Stock under its existing share repurchase program effective October 10, 2008.

Forward-Looking Statements and Non-GAAP Measures

Certain of the statements included in this release 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, market and political conditions, including the performance and fluctuations of fixed income, equity, real estate, and other financial markets, particularly in light of the stress experienced by the global financial markets that began in the second half of 2007 and substantially increased in the third quarter of 2008; (2) the availability and cost of external financing for our operations, which has been affected by the stress experienced by the global financial markets ; (3) interest rate fluctuations; (4) reestimates of our reserves for future policy benefits and claims; (5) 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; (6) changes in our assumptions related to deferred policy acquisition costs, valuation of business acquired or goodwill; (7) changes in our claims-paying or credit ratings; (8) investment losses and defaults; (9) competition in our product lines and for personnel; (10) changes in tax law; (11) economic, political, currency and other risks relating to our international operations; (12) fluctuations in foreign currency exchange rates and foreign securities markets; (13) regulatory or legislative changes , including government actions in response to the stress experienced by the global financial markets; (14) changes in our claims paying or financial strength ratings; (15) adverse determinations in litigation or regulatory matters and our exposure to contingent liabilities, including in connection with our divestiture or winding down of businesses; (16) 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; (17) ineffectiveness of risk management policies and procedures in identifying, monitoring and managing risks; (18) effects of acquisitions, divestitures and restructurings, including possible difficulties in integrating and realizing the projected results of acquisitions; (19) changes in statutory or U.S. GAAP accounting principles, practices or policies; (20) changes in assumptions for retirement expense; (21) Prudential Financial, Inc.'s primary reliance, as a holding company, on dividends or distributions from its subsidiaries to meet debt payment obligations and the ability of the subsidiaries to pay such dividends or distributions in light of our ratings objectives and/or applicable regulatory restrictions; and (22) 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.

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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, as well as counterparty credit losses on derivative positions experienced during the third quarter of 2008.

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.

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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, October 30, 2008 at 11 a.m. ET, to discuss with the investment community the company's third 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 November 14. 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 2:30 p.m. on October 30, through November 7, dial (800) 475-6701 (domestic callers) or (320) 365-3844 (international callers). The access code for the replay is 904644.

Prudential Financial, Inc. (NYSE: PRU), a financial services leader with approximately $602 billion of assets under management as of September 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.

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Prudential Financial, Inc.
Financial Services Businesses - Third Quarter 2008
Impact of Annual Actuarial Updates, Including the Impact of Market Conditions, and Other Significant Discrete Items
(in millions)

Business Segment	Item	Impact on Third Quarter 2008 Pre-tax Adjusted Operating Income (1)
Individual Life	Net reduction in amortization of deferred policy acquisition and other costs reflecting update of actuarial assumptions based on annual review	79
Individual Life	Compensation received based on multi-year profitability of third-party products we distribute	53
Individual Annuities	Net increase in costs associated with guaranteed minimum death benefits and amortization of deferred policy acquisition and other costs reflecting update of actuarial assumptions based on annual review	(380)
Individual Annuities	Mark-to-market of embedded derivatives and related hedge positions associated with living benefits, after related amortization of deferred policy acquisition costs	(37)
Group Insurance	Refinements of group disability reserves based on annual review	13
Retirement	Net refinements of amortization of deferred policy acquisition costs and related items, including impact of annual review of actuarial assumptions	12
Asset Management	Losses from investment results in fixed income and equity investments in proprietary investing business	(110)
Financial Advisory	Inclusion in Company's share of retail securities brokerage joint venture results of costs associated with settlement relating to auction rate securities	(235)
International Investments	Market value changes in securities held relating to exchange memberships	14
Total of above items		(591)

(1) Adjusted operating income is not calculated under generally accepted accounting principles (GAAP) and is described in further detail in this release. A reconciliation of adjusted operating income to the most comparable GAAP measure is provided in the tables that accompany this release.

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

	Three Months Ended September 30		Nine Months Ended September 30	
	2008	2007	2008	2007
Financial Services Businesses Income Statement Data:				
Adjusted Operating Income (1):				
Revenues:				
Premiums	$ 2,798	$ 2,673	$ 8,861	$ 8,077
Policy charges and fee income	709	727	2,342	2,294
Net investment income	2,076	2,070	6,333	6,098
Asset management fees, commissions and other income	563	1,301	2,480	3,619
Total revenues	6,146	6,771	20,016	20,088
Benefits and expenses:				
Insurance and annuity benefits	3,040	2,658	9,066	8,104
Interest credited to policyholders' account balances	853	779	2,462	2,286
Interest expense	271	281	788	831
Other expenses	1,566	1,661	5,127	5,042
Total benefits and expenses	5,730	5,379	17,443	16,263
Adjusted operating income before income taxes	416	1,392	2,573	3,825
Income taxes, applicable to adjusted operating income	108	416	668	1,132
Financial Services Businesses after-tax adjusted operating income (1)	308	976	1,905	2,693
Reconciling Items:				
Realized investment gains (losses), net, and related charges and adjustments	(547)	(180)	(1,711)	(5)
Investment gains (losses) on trading account assets supporting insurance liabilities, net	(534)	36	(919)	10
Change in experience-rated contractholder liabilities due to asset value changes	388	(6)	682	4
Divested businesses	(3)	(27)	(128)	19
Equity in earnings of operating joint ventures	208	(103)	108	(323)
Total reconciling items, before income taxes	(488)	(280)	(1,968)	(295)
Income taxes, not applicable to adjusted operating income	(196)	(101)	(666)	(118)
Total reconciling items, after income taxes	(292)	(179)	(1,302)	(177)
Income from continuing operations (after-tax) of Financial Services Businesses before equity in earnings of operating joint ventures	16	797	603	2,516
Equity in earnings of operating joint ventures, net of taxes	(129)	67	(62)	200
Income (loss) from continuing operations (after-tax) of Financial Services Businesses	(113)	864	541	2,716
Income (loss) from discontinued operations, net of taxes	5	(4)	3	4
Net income (loss) of Financial Services Businesses	$ (108)	$ 860	$ 544	$ 2,720
Direct equity adjustment for earnings per share calculation (2)	10	13	36	42
Earnings available to holders of Common Stock after direct equity adjustment:				
Based on net income (loss)	$ (98)	$ 873	$ 580	$ 2,762
Based on after-tax adjusted operating income	$ 318	$ 989	$ 1,941	$ 2,735

See footnotes on last page.

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

	Three Months Ended September 30 2008	Three Months Ended September 30 2007	Nine Months Ended September 30 2008	Nine Months Ended September 30 2007
Earnings per share of Common Stock (diluted) (2):				
Financial Services Businesses after-tax adjusted operating income	$ 0.74	$ 2.13	$ 4.43	$ 5.80
Reconciling Items:				
Realized investment gains (losses), net, and related charges and adjustments	(1.27)	(0.39)	(3.90)	(0.01)
Investment gains (losses) on trading account assets supporting insurance liabilities, net	(1.24)	0.08	(2.10)	0.02
Change in experience-rated contractholder liabilities due to asset value changes	0.90	(0.01)	1.55	0.01
Divested businesses	(0.01)	(0.06)	(0.29)	0.04
Equity in earnings of operating joint ventures	0.48	(0.22)	0.25	(0.69)
Total reconciling items, before income taxes	(1.14)	(0.60)	(4.49)	(0.63)
Income taxes, not applicable to adjusted operating income	(0.46)	(0.21)	(1.52)	(0.25)
Total reconciling items, after income taxes	(0.68)	(0.39)	(2.97)	(0.38)
Income from continuing operations (after-tax) of Financial Services Businesses before equity in earnings of operating joint ventures (3)	0.06	1.74	1.46	5.42
Equity in earnings of operating joint ventures, net of taxes	(0.30)	0.15	(0.14)	0.43
Income (loss) from continuing operations (after-tax) of Financial Services Businesses (3)	(0.24)	1.89	1.32	5.85
Income (loss) from discontinued operations, net of taxes	0.01	(0.01)	—	0.01
Net income (loss) of Financial Services Businesses (3)	$ (0.23)	$ 1.88	$ 1.32	$ 5.86
Weighted average number of outstanding Common shares (basic)	423.8	457.0	432.6	463.0
Weighted average number of outstanding Common shares (diluted)	429.5	464.9	438.6	471.6
Financial Services Businesses Attributed Equity (as of end of period):				
Total attributed equity	$18,751	$21,751		
Per share of Common Stock - diluted	43.85	47.08		
Attributed equity excluding accumulated other comprehensive income related to unrealized gains and losses on investments and pension/postretirement benefits	$21,524	$22,244		
Per share of Common Stock - diluted	50.34	48.15		
Number of diluted shares at end of period	427.6	462.0		
Adjusted operating income before income taxes, by Segment (1):				
Individual Life	$ 238	$ 251	$ 437	$ 493
Individual Annuities	(307)	205	(38)	551
Group Insurance	101	100	271	220
Total Insurance Division	32	556	670	1,264
Asset Management	(8)	161	301	503
Financial Advisory	(217)	85	(150)	254
Retirement	133	65	398	351
Total Investment Division	(92)	311	549	1,108
International Insurance	460	423	1,326	1,245
International Investments	37	114	89	219
Total International Insurance and Investments Division	497	537	1,415	1,464
Corporate and other operations	(21)	(12)	(61)	(11)
Financial Services Businesses adjusted operating income before income taxes	416	1,392	2,573	3,825
Reconciling Items:				
Realized investment gains (losses), net, and related charges and adjustments	(547)	(180)	(1,711)	(5)
Investment gains (losses) on trading account assets supporting insurance liabilities, net	(534)	36	(919)	10
Change in experience-rated contractholder liabilities due to asset value changes	388	(6)	682	4
Divested businesses	(3)	(27)	(128)	19
Equity in earnings of operating joint ventures	208	(103)	108	(323)
Total reconciling items, before income taxes	(488)	(280)	(1,968)	(295)
Income (loss) from continuing operations before income taxes and equity in earnings of operating joint ventures - Financial Services Businesses	$ (72)	$ 1,112	$ 605	$3,530

See footnotes on last page.

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

	Three Months Ended September 30		Nine Months Ended September 30	
	2008	2007	2008	2007
Insurance Division:				
Individual Life Insurance Sales (4):				
Excluding corporate-owned life insurance				
Variable life	$ 12	$ 19	$ 52	$ 86
Universal life	52	40	147	129
Term life	53	54	156	157
Total excluding corporate-owned life insurance	117	113	355	372
Corporate-owned life insurance	—	1	1	9
Total	$ 117	$ 114	$ 356	$ 381
Fixed and Variable Annuity Sales and Account Values:				
Gross sales	$ 2,540	$ 2,841	$ 8,150	$ 8,694
Net sales	$ 481	$ 444	$ 1,619	$ 1,317
Total account value at end of period	$ 71,317	$ 84,719		
Group Insurance New Annualized Premiums (5):				
Group life	$ 70	$ 33	$ 212	$ 162
Group disability	47	21	178	139
Total	$ 117	$ 54	$ 390	$ 301
Investment Division:				
Asset Management Segment:				
Assets managed by Investment Management and Advisory Services (in billions, as of end of period):				
Institutional customers	$ 170.9	$ 170.1		
Retail customers	75.4	88.5		
General account	175.2	171.6		
Total Investment Management and Advisory Services	$ 421.5	$ 430.2		
Institutional Assets Under Management (in billions):				
Gross additions, other than money market	$ 6.3	$ 5.4	$ 23.7	$ 16.8
Net additions (withdrawals), other than money market	$ 1.5	$ (0.6)	$ 10.0	$ 2.3
Retail Assets Under Management (in billions):				
Gross additions, other than money market	$ 4.4	$ 2.7	$ 11.7	$ 7.9
Net additions (withdrawals), other than money market	$ 0.1	$ 0.3	$ 2.0	$ (0.1)
Retirement Segment:				
Full Service:				
Deposits and sales	$ 3,276	$ 3,219	$ 12,392	$ 10,434
Net additions (withdrawals)	$ 393	$ (90)	$ 1,210	$ 489
Total account value at end of period	$ 100,463	$ 105,601		
Institutional Investment Products:				
Gross additions	$ 1,052	$ 545	$ 4,468	$ 3,675
Net withdrawals	$ (1,062)	$ (648)	$ (1,292)	$ (328)
Total account value at end of period	$ 50,041	$ 51,627		
International Insurance and Investments Division:				
International Insurance New Annualized Premiums (6):				
Actual exchange rate basis	$ 286	$ 264	$ 951	$ 828
Constant exchange rate basis:	$ 292	$ 279	$ 956	$ 879

See footnotes on last page.

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

	Three Months Ended September 30		Nine Months Ended September 30	
	2008	2007	2008	2007
Closed Block Business Data:				
Income Statement Data:				
Revenues	$ 1,778	$ 1,886	$ 4,945	$ 5,770
Benefits and expenses	1,891	1,878	5,046	5,610
Income (loss) from continuing operations before income taxes	(113)	8	(101)	160
Income taxes	(55)	1	(50)	49
Closed Block Business income (loss) from continuing operations	(58)	7	(51)	111
Income from discontinued operations, net of taxes	—	—	—	2
Closed Block Business net income (loss)	$ (58)	$ 7	$ (51)	$ 113
Direct equity adjustment for earnings per share calculation (2)	(10)	(13)	(36)	(42)
Earnings available to holders of Class B Stock after direct equity adjustment - based on net income (loss)	$ (68)	$ (6)	$ (87)	$ 71
Income (loss) from continuing operations per share of Class B Stock	$ (34.00)	$ (3.00)	$ (43.50)	$ 34.50
Income from discontinued operations, net of taxes per share of Class B Stock	—	—	—	1.00
Net income (loss) per share of Class B Stock	$ (34.00)	$ (3.00)	$ (43.50)	$ 35.50
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	$ (52)	$ 1,226		
Per Share of Class B Stock	(26.00)	613.00		
Attributed equity excluding accumulated other comprehensive income related to unrealized gains and losses on investments and pension/postretirement benefits	$ 1,222	$ 1,264		
Per Share of Class B Stock	611.00	632.00		
Number of Class B Shares at end of period	2.0	2.0		
Consolidated Data:				
Consolidated Income Statement Data:				
Revenues	$ 7,036	$ 8,393	$22,309	$25,593
Benefits and expenses	7,221	7,273	21,805	21,903
Income (loss) from continuing operations before income taxes and equity in earnings of operating joint ventures	(185)	1,120	504	3,690
Income tax expense (benefit)	(143)	316	(48)	1,063
Income (loss) from continuing operations before equity in earnings of operating joint ventures	(42)	804	552	2,627
Equity in earnings of operating joint ventures, net of taxes	(129)	67	(62)	200
Income (loss) from continuing operations	(171)	871	490	2,827
Income (loss) from discontinued operations, net of taxes	5	(4)	3	6
Consolidated net income (loss)	$ (166)	$ 867	$ 493	$ 2,833
Net income (loss):				
Financial Services Businesses	$ (108)	$ 860	$ 544	$ 2,720
Closed Block Business	(58)	7	(51)	113
Consolidated net income (loss)	$ (166)	$ 867	$ 493	$ 2,833
Assets and Asset Management Information (in billions, as of end of period)				
Total assets	$ 460.4	$ 480.4		
Assets under management (at fair market value):				
Managed by Investment Division:				
Asset Management Segment - Investment Management and Advisory Services	$ 421.5	$ 430.2		
Non-proprietary assets under management	54.4	57.0		
Total managed by Investment Division	475.9	487.2		
Managed by International Insurance and Investments Division	69.9	71.5		
Managed by Insurance Division	56.5	78.2		
Total assets under management	602.3	636.9		
Client assets under administration	112.1	131.4		
Total assets under management and administration	$ 714.4	$ 768.3		

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, as well as counterparty credit losses on derivative positions experienced during the third quarter of 2008.

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) Diluted share count used in the diluted earnings per share calculation for GAAP measures is equal to weighted average basic common shares for the three months ended September 30, 2008 as all potential common shares are anti-dilutive due to the loss from continuing operations available to holders of Common Stock after direct equity adjustment.

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

(5) 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.

(6) Annualized new business premiums. Actual amounts reflect the impact of currency fluctuations. 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. Single premium business for the Company’s international insurance operations is included in annualized new business premiums based on a 10% credit.

Prudential Financial, Inc. (PRU)

Prudential

Quarterly Financial Supplement

FINANCIAL SERVICES BUSINESSES
THIRD 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.

October 29, 2008

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Prudential

FINANCIAL HIGHLIGHTS
(in millions, except per share data)

Year-to-date 2008	Year-to-date 2007	% Change		2007 3Q	2007 4Q	2008 1Q	2008 2Q	2008 3Q
			Financial Services Businesses:					
			Pre-tax adjusted operating income (loss) by division:					
670	1,264	-47%	Insurance Division	556	366	301	337	32
549	1,108	-50%	Investment Division	311	372	287	354	(92)
1,415	1,464	-3%	International Insurance and Investments Division	537	393	439	479	497
(61)	(11)	-455%	Corporate and other operations	(12)	(51)	(35)	(5)	(21)
2,573	3,825	-33%	Total pre-tax adjusted operating income	1,392	1,080	992	1,165	416
668	1,132	-41%	Income taxes, applicable to adjusted operating income	416	268	263	297	108
1,905	2,693	-29%	**Financial Services Businesses after-tax adjusted operating income**	976	812	729	868	308
			Reconciling items:					
(1,711)	(5)	-34120%	Realized investment losses, net, and related charges and adjustments	(180)	(91)	(678)	(486)	(547)
(919)	10	-9290%	Investment gains (losses) on trading account assets supporting insurance liabilities, net	36	(10)	(262)	(123)	(534)
682	4	16950%	Change in experience-rated contractholder liabilities due to asset value changes	(6)	9	200	94	388
(128)	19	-774%	Divested businesses	(27)	(45)	(112)	(13)	(3)
108	(323)	133%	Equity in earnings of operating joint ventures	(103)	(77)	(60)	(40)	208
(1,968)	(295)	-567%	Total reconciling items, before income taxes	(280)	(214)	(912)	(568)	(488)
(666)	(118)	-464%	Income taxes, not applicable to adjusted operating income	(101)	(137)	(216)	(254)	(196)
(1,302)	(177)	-636%	Total reconciling items, after income taxes	(179)	(77)	(696)	(314)	(292)
603	2,516	-76%	**Income from continuing operations (after-tax) of Financial Services Businesses before equity in earnings of operating joint ventures**	797	735	33	554	16
(62)	200	-131%	Equity in earnings of operating joint ventures, net of taxes	67	46	43	24	(129)
541	2,716	-80%	**Income (loss) from continuing operations (after-tax) of Financial Services Businesses**	864	781	76	578	(113)
3	4	-25%	Income (loss) from discontinued operations, net of taxes	(4)	11	1	(3)	5
544	2,720	-80%	**Net income (loss) of Financial Services Businesses**	860	792	77	575	(108)
			Earnings per share of Common Stock (diluted):					
4.43	5.80		Financial Services Businesses after-tax adjusted operating income	2.13	1.79	1.65	2.02	0.74
			Reconciling items:					
(3.90)	(0.01)		Realized investment losses, net, and related charges and adjustments	(0.39)	(0.20)	(1.51)	(1.11)	(1.27)
(2.10)	0.02		Investment gains (losses) on trading account assets supporting insurance liabilities, net	0.08	(0.02)	(0.58)	(0.28)	(1.24)
1.55	0.01		Change in experience-rated contractholder liabilities due to asset value changes	(0.01)	0.02	0.44	0.21	0.90
(0.29)	0.04		Divested businesses	(0.06)	(0.10)	(0.25)	(0.03)	(0.01)
0.25	(0.69)		Equity in earnings of operating joint ventures	(0.22)	(0.17)	(0.13)	(0.09)	0.48
(4.49)	(0.63)		Total reconciling items, before income taxes	(0.60)	(0.47)	(2.03)	(1.30)	(1.14)
(1.52)	(0.25)		Income taxes, not applicable to adjusted operating income	(0.21)	(0.31)	(0.48)	(0.58)	(0.46)
(2.97)	(0.38)		Total reconciling items, after income taxes	(0.39)	(0.16)	(1.55)	(0.72)	(0.68)
1.46	5.42		**Income from continuing operations (after-tax) of Financial Services Businesses before equity in earnings of operating joint ventures (1)**	1.74	1.63	0.10	1.30	0.06
(0.14)	0.43		Equity in earnings of operating joint ventures, net of taxes	0.15	0.10	0.10	0.05	(0.30)
1.32	5.85		**Income (loss) from continuing operations (after-tax) of Financial Services Businesses (1)**	1.89	1.73	0.20	1.35	(0.24)
0.00	0.01		Income (loss) from discontinued operations, net of taxes	(0.01)	0.02	0.00	0.00	0.01
1.32	5.86		**Net income (loss) of Financial Services Businesses (1)**	1.88	1.75	0.20	1.35	(0.23)
432.6	463.0		Weighted average number of outstanding Common shares (basic)	457.0	450.4	442.1	431.9	423.8
438.6	471.6		Weighted average number of outstanding Common shares (diluted)	464.9	458.5	448.6	437.7	429.5
11.59%	16.77%		Operating Return on Average Equity (based on adjusted operating income)	17.97%	14.88%	13.03%	15.76%	5.81%
			Reconciliation to Consolidated Net Income of Prudential Financial, Inc:					
544	2,720		Net income (loss) of Financial Services Businesses (above)	860	792	77	575	(108)
(51)	113		Net income (loss) of Closed Block Business	7	79	(8)	15	(58)
493	2,833		Consolidated net income (loss)	867	871	69	590	(166)
36	42		Direct equity adjustments for earnings per share calculations	13	11	12	14	10

(1) Diluted share count used in the diluted earnings per share calculation for GAAP measures is equal to weighted average basic common shares for the three months ended September 30, 2008 as all potential common shares are anti-dilutive due to the loss from continuing operations available to holders of Common Stock after direct equity adjustment.

FINANCIAL HIGHLIGHTS
(in millions, except per share data)

Year-to-date 2008	Year-to-date 2007		2007 3Q	2007 4Q	2008 1Q	2008 2Q	2008 3Q
		Financial Services Businesses Capitalization Data (1):					
		Senior Debt:					
		Short-term debt	12,619	14,514	13,788	12,955	13,788
		Long-term debt	9,771	12,351	13,302	13,856	14,602
		Junior Subordinated Long-Term Debt	—	—	—	1,398	1,518
		Attributed Equity:					
		Including accumulated other comprehensive income	21,751	22,170	21,484	20,502	18,751
		Excluding accumulated other comprehensive income related to unrealized gains and losses on investments and pension / postretirement benefits	22,244	22,009	22,499	22,282	21,524
		Excluding total accumulated other comprehensive income	22,051	21,711	21,957	21,733	21,314
		Total Capitalization:					
		Including accumulated other comprehensive income	31,522	34,521	34,786	35,756	34,871
		Excluding accumulated other comprehensive income related to unrealized gains and losses on investments and pension / postretirement benefits	32,015	34,360	35,801	37,536	37,644
		Excluding total accumulated other comprehensive income	31,822	34,062	35,259	36,987	37,434
		Book value per share of Common Stock:					
		Including accumulated other comprehensive income	47.08	48.73	48.45	47.58	43.85
		Excluding accumulated other comprehensive income related to unrealized gains and losses on investments and pension / postretirement benefits	48.15	48.37	50.74	51.71	50.34
		Excluding total accumulated other comprehensive income	47.73	47.72	49.52	50.44	49.85
		Number of diluted shares at end of period	462.0	455.0	443.4	430.9	427.6
		Common Stock Price Range (based on closing price):					
91.36	103.17	High	98.71	101.09	91.36	82.21	86.25
56.07	84.28	Low	84.28	89.46	67.36	59.74	56.07
72.00	97.58	Close	97.58	93.04	78.25	59.74	72.00
		Common Stock market capitalization (1)	44,309	41,623	34,230	25,465	30,362

(1) As of end of period.

OPERATIONS HIGHLIGHTS

Year-to-date 2008	Year-to-date 2007		2007 3Q	2007 4Q	2008 1Q	2008 2Q	2008 3Q
		Assets Under Management and Administration ($ billions) (1) (2):					
		Assets Under Management:					
		Managed by Investment Division:					
		Asset Management Segment - Investment Management & Advisory Services					
		Institutional customers	170.1	176.4	174.2	179.3	170.9
		Retail customers	88.5	86.6	81.8	84.6	75.4
		General account	171.6	175.5	177.9	175.0	175.2
		Total Investment Management and Advisory Services	430.2	438.5	433.9	438.9	421.5
		Non-proprietary assets under management	57.0	59.7	54.7	60.1	54.4
		Total managed by Investment Division	487.2	498.2	488.6	499.0	475.9
		Managed by International Insurance and Investments Division (3):	71.5	69.2	71.0	69.4	69.9
		Managed by Insurance Division	78.2	80.3	71.5	69.5	56.5
		Total assets under management	636.9	647.7	631.1	637.9	602.3
		Client assets under administration	131.4	136.3	129.4	125.0	112.1
		Total assets under management and administration	768.3	784.0	760.5	762.9	714.4
		Assets managed or administered for customers outside of the United States at end of period	119.6	117.0	117.4	116.0	115.6
		Distribution Representatives (1):					
		Prudential Agents	2,552	2,425	2,436	2,446	2,482
		International Life Planners	6,038	6,166	6,138	6,179	6,267
		Gibraltar Life Advisors	5,944	6,264	6,035	5,899	6,057
54	53	***Prudential Agent productivity ($ thousands)***	54	85	50	58	55

(1) As of end of period.
(2) At fair market value.

Prudential

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

Year-to-date 2008	Year-to-date 2007	% Change		2007 3Q	2007 4Q	2008 1Q	2008 2Q	2008 3Q
			Revenues (1):					
8,861	8,077	10%	Premiums	2,673	2,717	3,102	2,961	2,798
2,342	2,294	2%	Policy charges and fee income	727	828	824	809	709
6,333	6,098	4%	Net investment income	2,070	2,106	2,111	2,146	2,076
2,480	3,619	-31%	Asset management fees, commissions and other income	1,301	1,121	939	978	563
20,016	20,088	0%	Total revenues	6,771	6,772	6,976	6,894	6,146
			Benefits and Expenses (1):					
9,066	8,104	12%	Insurance and annuity benefits	2,658	2,725	3,082	2,944	3,040
2,462	2,286	8%	Interest credited to policyholders' account balances	779	808	806	803	853
788	831	-5%	Interest expense	281	289	283	234	271
(1,735)	(1,649)	-5%	Deferral of acquisition costs	(554)	(599)	(588)	(588)	(559)
891	645	38%	Amortization of acquisition costs	108	290	338	315	238
5,971	6,046	-1%	General and administrative expenses	2,107	2,179	2,063	2,021	1,887
17,443	16,263	7%	Total benefits and expenses	5,379	5,692	5,984	5,729	5,730
2,573	3,825	-33%	Adjusted operating income before income taxes	1,392	1,080	992	1,165	416
			Reconciling items:					
(1,756)	10	-17660%	Realized investment gains (losses), net, and related adjustments	(178)	(51)	(665)	(527)	(564)
45	(15)	400%	Related charges	(2)	(40)	(13)	41	17
(1,711)	(5)	-34120%	Total realized investment losses, net, and related charges and adjustments	(180)	(91)	(678)	(486)	(547)
(919)	10	-9290%	Investment gains (losses) on trading account assets supporting insurance liabilities, net	36	(10)	(262)	(123)	(534)
682	4	16950%	Change in experience-rated contractholder liabilities due to asset value changes	(6)	9	200	94	388
(128)	19	-774%	Divested businesses	(27)	(45)	(112)	(13)	(3)
108	(323)	133%	Equity in earnings of operating joint ventures	(103)	(77)	(60)	(40)	208
(1,968)	(295)	-567%	Total reconciling items, before income taxes	(280)	(214)	(912)	(568)	(488)
605	3,530	-83%	Income (loss) from continuing operations before income taxes and equity in earnings of operating joint ventures	1,112	866	80	597	(72)
2	1,014	-100%	Income tax expense (benefit)	315	131	47	43	(88)
603	2,516	-76%	Income from continuing operations before equity in earnings of operating joint ventures	797	735	33	554	16

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

COMBINED BALANCE SHEETS - FINANCIAL SERVICES BUSINESSES
(in millions)

	9/30/2007	12/31/2007	3/31/2008	6/30/2008	9/30/2008
Assets:					
Investments:					
Fixed maturities, available for sale, at fair value (amortized cost $111,668; $111,405; $117,893; $116,193; $118,111)	112,956	112,748	117,914	114,541	114,626
Fixed maturities, held to maturity, at amortized cost (fair value $3,411; $3,543; $3,741; $3,490; $3,410)	3,473	3,548	3,735	3,572	3,481
Trading account assets supporting insurance liabilities, at fair value	14,612	14,473	14,644	14,624	14,392
Other trading account assets, at fair value	3,354	3,471	2,684	2,984	3,240
Equity securities, available for sale, at fair value (cost $4,385; $4,497; $4,786; $4,686; $4,634)	4,683	4,640	4,551	4,567	4,258
Commercial loans	20,756	22,093	23,444	23,837	24,173
Policy loans	3,815	3,942	4,147	4,207	3,822
Securities purchased under agreements to resell	111	129	178	184	171
Other long-term investments	4,449	5,163	5,266	5,683	5,255
Short-term investments	3,183	3,852	4,176	5,601	6,621
Total investments	171,392	174,059	180,739	179,800	180,039
Cash and cash equivalents	7,687	9,624	8,133	8,762	9,907
Accrued investment income	1,519	1,496	1,540	1,531	1,551
Reinsurance recoverables	2,149	2,119	1,975	1,961	1,838
Deferred policy acquisition costs	11,032	11,396	11,924	12,203	12,472
Other assets	16,143	17,754	20,357	23,021	22,608
Separate account assets	195,324	195,583	181,902	179,323	165,148
Total assets	405,246	412,031	406,570	406,601	393,563
Liabilities:					
Future policy benefits	58,117	60,259	63,590	62,503	62,080
Policyholders' account balances	77,105	78,599	84,812	86,199	90,727
Reinsurance payables	1,593	1,552	1,396	1,377	1,228
Securities sold under agreements to repurchase	5,683	5,281	3,727	4,307	4,209
Cash collateral for loaned securities	5,017	3,041	2,761	2,808	2,231
Income taxes	2,826	3,402	3,575	2,798	1,300
Senior short-term debt	12,619	14,514	13,788	12,955	13,788
Senior long-term debt	9,771	12,351	13,302	13,856	14,602
Junior subordinated long-term debt	—	—	—	1,398	1,518
Other liabilities	15,440	15,279	16,233	18,575	17,981
Separate account liabilities	195,324	195,583	181,902	179,323	165,148
Total liabilities	383,495	389,861	385,086	386,099	374,812
Attributed Equity:					
Accumulated other comprehensive income (loss)	(300)	459	(473)	(1,231)	(2,563)
Other attributed equity	22,051	21,711	21,957	21,733	21,314
Total attributed equity	21,751	22,170	21,484	20,502	18,751
Total liabilities and attributed equity	405,246	412,031	406,570	406,601	393,563

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

	Quarter Ended September 30, 2008				
	Total Financial Services Businesses	Insurance Division	Investment Division	International Insurance & Investments Division	Corporate and Other Operations
Revenues (1):					
Premiums	2,798	1,117	57	1,627	(3)
Policy charges and fee income	709	599	45	83	(18)
Net investment income	2,076	553	868	514	141
Asset management fees, commissions and other income	563	173	279	159	(48)
Total revenues	6,146	2,442	1,249	2,383	72
Benefits and Expenses (1):					
Insurance and annuity benefits	3,040	1,480	249	1,279	32
Interest credited to policyholders' account balances	853	260	538	106	(51)
Interest expense	271	66	39	1	165
Deferral of acquisition costs	(559)	(270)	(17)	(281)	9
Amortization of acquisition costs	238	84	19	144	(9)
General and administrative expenses	1,887	790	513	637	(53)
Total benefits and expenses	5,730	2,410	1,341	1,886	93
Adjusted operating income (loss) before income taxes	416	32	(92)	497	(21)

	Quarter Ended September 30, 2007				
	Total Financial Services Businesses	Insurance Division	Investment Division	International Insurance & Investments Division	Corporate and Other Operations
Revenues (1):					
Premiums	2,673	1,073	88	1,518	(6)
Policy charges and fee income	727	632	40	72	(17)
Net investment income	2,070	479	979	419	193
Asset management fees, commissions and other income	1,301	324	744	282	(49)
Total revenues	6,771	2,508	1,851	2,291	121
Benefits and Expenses (1):					
Insurance and annuity benefits	2,658	1,161	290	1,194	13
Interest credited to policyholders' account balances	779	201	528	84	(34)
Interest expense	281	59	76	8	138
Deferral of acquisition costs	(554)	(290)	(19)	(253)	8
Amortization of acquisition costs	108	1	11	103	(7)
General and administrative expenses	2,107	820	654	618	15
Total benefits and expenses	5,379	1,952	1,540	1,754	133
Adjusted operating income (loss) before income taxes	1,392	556	311	537	(12)

(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)

	Nine Months Ended September 30, 2008				
	Total Financial Services Businesses	Insurance Division	Investment Division	International Insurance & Investments Division	Corporate and Other Operations
Revenues (1):					
Premiums	8,861	3,340	395	5,135	(9)
Policy charges and fee income	2,342	1,981	134	252	(25)
Net investment income	6,333	1,574	2,814	1,480	465
Asset management fees, commissions and other income	2,480	573	1,579	500	(172)
Total revenues	20,016	7,468	4,922	7,367	259
Benefits and Expenses (1):					
Insurance and annuity benefits	9,066	3,961	981	4,052	72
Interest credited to policyholders' account balances	2,462	701	1,594	307	(140)
Interest expense	788	197	128	7	456
Deferral of acquisition costs	(1,735)	(827)	(74)	(874)	40
Amortization of acquisition costs	891	425	37	456	(27)
General and administrative expenses	5,971	2,341	1,707	2,004	(81)
Total benefits and expenses	17,443	6,798	4,373	5,952	320
Adjusted operating income (loss) before income taxes	2,573	670	549	1,415	(61)

	Nine Months Ended September 30, 2007				
	Total Financial Services Businesses	Insurance Division	Investment Division	International Insurance & Investments Division	Corporate and Other Operations
Revenues (1):					
Premiums	8,077	3,229	255	4,602	(9)
Policy charges and fee income	2,294	1,971	128	217	(22)
Net investment income	6,098	1,424	2,885	1,210	579
Asset management fees, commissions and other income	3,619	796	2,236	716	(129)
Total revenues	20,088	7,420	5,504	6,745	419
Benefits and Expenses (1):					
Insurance and annuity benefits	8,104	3,573	868	3,632	31
Interest credited to policyholders' account balances	2,286	608	1,528	240	(90)
Interest expense	831	165	199	13	454
Deferral of acquisition costs	(1,649)	(847)	(63)	(773)	34
Amortization of acquisition costs	645	294	31	357	(37)
General and administrative expenses	6,046	2,363	1,833	1,812	38
Total benefits and expenses	16,263	6,156	4,396	5,281	430
Adjusted operating income (loss) before income taxes	3,825	1,264	1,108	1,464	(11)

(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 September 30, 2008				
	Total Financial Services Businesses	Insurance Division	Investment Division	International Insurance & Investments Division	Corporate and Other Operations
Assets:					
Total investments	180,039	42,049	68,928	59,698	9,364
Deferred policy acquisition costs	12,472	6,839	309	5,513	(189)
Other assets	35,904	7,405	9,217	12,672	6,610
Separate account assets	165,148	79,781	86,540	271	(1,444)
Total assets	393,563	136,074	164,994	78,154	14,341
Liabilities:					
Future policy benefits	62,080	9,953	13,283	38,421	423
Policyholders' account balances	90,727	29,354	45,568	19,337	(3,532)
Debt	29,908	6,356	4,827	1,023	17,702
Other liabilities	26,949	4,822	8,307	12,119	1,701
Separate account liabilities	165,148	79,781	86,540	271	(1,444)
Total liabilities	374,812	130,266	158,525	71,171	14,850
Attributed Equity:					
Accumulated other comprehensive loss	(2,563)	(935)	(1,215)	(212)	(201)
Other attributed equity	21,314	6,743	7,684	7,195	(308)
Total attributed equity	18,751	5,808	6,469	6,983	(509)
Total liabilities and attributed equity	393,563	136,074	164,994	78,154	14,341

	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 September 30, 2008				As of December 31, 2007			
	Senior debt		Junior Subordinated		Senior debt		Junior Subordinated	
	Short-term Debt	Long-term Debt	Long-term Debt	Total Debt	Short-term Debt	Long-term Debt	Long-term Debt	Total Debt
Financial Services Businesses								
Borrowings by use of proceeds:								
Capital Debt	1,062	4,251	1,518	6,831	1,506	3,275	—	4,781
Investment related	6,936	8,870	—	15,806	8,116	7,120	—	15,236
Securities business related	4,533	220	—	4,753	3,405	1,371	—	4,776
Specified other businesses	746	981	—	1,727	1,179	381	—	1,560
Limited recourse and non-recourse borrowing	511	280	—	791	308	204	—	512
Total debt - Financial Services Businesses	13,788	14,602	1,518	29,908	14,514	12,351	—	26,865
Ratio of long-term and short-term capital debt to capitalization (1)				20.1%				17.8%
Closed Block Business								
Investment related	751	—	—	751	1,143	—	—	1,143
Limited recourse and non-recourse borrowing	—	1,750	—	1,750	—	1,750	—	1,750
Total debt	751	1,750	—	2,501	1,143	1,750	—	2,893

	As of September 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	6,202	629	—	6,831	3,661	1,120	—	4,781
Investment related	8,411	4,339	3,056	15,806	9,423	3,863	1,950	15,236
Securities business related	3,197	1,353	203	4,753	3,235	1,445	96	4,776
Specified other businesses	1,012	715	—	1,727	393	1,167	—	1,560
Limited recourse and non-recourse borrowing	—	100	691	791	—	—	512	512
Total debt - Financial Services Businesses	18,822	7,136	3,950	29,908	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 September 30, 2008 and December 31, 2007.

COMBINED STATEMENTS OF OPERATIONS - INSURANCE DIVISION
(in millions)

Year-to-date 2008	Year-to-date 2007	% Change		2007 3Q	2007 4Q	2008 1Q	2008 2Q	2008 3Q
			Revenues (1):					
3,340	3,229	3%	Premiums	1,073	1,053	1,134	1,089	1,117
1,981	1,971	1%	Policy charges and fee income	632	715	695	687	599
1,574	1,424	11%	Net investment income	479	483	504	517	553
573	796	-28%	Asset management fees, commissions and other income	324	233	177	223	173
7,468	7,420	1%	Total revenues	2,508	2,484	2,510	2,516	2,442
			Benefits and Expenses (1):					
3,961	3,573	11%	Insurance and annuity benefits	1,161	1,165	1,255	1,226	1,480
701	608	15%	Interest credited to policyholders' account balances	201	209	216	225	260
197	165	19%	Interest expense	59	67	66	65	66
(827)	(847)	2%	Deferral of acquisition costs	(290)	(304)	(280)	(277)	(270)
425	294	45%	Amortization of acquisition costs	1	164	178	163	84
2,341	2,363	-1%	General and administrative expenses	820	817	774	777	790
6,798	6,156	10%	Total benefits and expenses	1,952	2,118	2,209	2,179	2,410
670	1,264	-47%	Adjusted operating income before income taxes	556	366	301	337	32

(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)

	Nine Months Ended September 30, 2008				Quarter Ended September 30, 2008			
	Total Insurance Division	Individual Life	Individual Annuities	Group Insurance	Total Insurance Division	Individual Life	Individual Annuities	Group Insurance
Revenues (1):								
Premiums	3,340	451	50	2,839	1,117	155	18	944
Policy charges and fee income	1,981	767	897	317	599	209	286	104
Net investment income	1,574	553	535	486	553	191	200	162
Asset management fees, commissions and other income	573	267	241	65	173	127	24	22
Total revenues	7,468	2,038	1,723	3,707	2,442	682	528	1,232
Benefits and Expenses (1):								
Insurance and annuity benefits	3,961	718	473	2,770	1,480	230	344	906
Interest credited to policyholders' account balances	701	171	355	175	260	59	141	60
Interest expense	197	152	44	1	66	51	15	—
Deferral of acquisition costs	(827)	(332)	(467)	(28)	(270)	(111)	(149)	(10)
Amortization of acquisition costs	425	154	260	11	84	(40)	121	3
General and administrative expenses (2)	2,341	738	1,096	507	790	255	363	172
Total benefits and expenses	6,798	1,601	1,761	3,436	2,410	444	835	1,131
Adjusted operating income (loss) before income taxes	670	437	(38)	271	32	238	(307)	101

	Nine Months Ended September 30, 2007				Quarter Ended September 30, 2007			
	Total Insurance Division	Individual Life	Individual Annuities	Group Insurance	Total Insurance Division	Individual Life	Individual Annuities	Group Insurance
Revenues (1):								
Premiums	3,229	389	53	2,787	1,073	137	13	923
Policy charges and fee income	1,971	762	941	268	632	226	322	84
Net investment income	1,424	481	443	500	479	165	144	170
Asset management fees, commissions and other income	796	300	432	64	324	144	154	26
Total revenues	7,420	1,932	1,869	3,619	2,508	672	633	1,203
Benefits and Expenses (1):								
Insurance and annuity benefits	3,573	693	149	2,731	1,161	254	31	876
Interest credited to policyholders' account balances	608	162	269	177	201	54	87	60
Interest expense	165	116	43	6	59	41	16	2
Deferral of acquisition costs	(847)	(333)	(480)	(34)	(290)	(115)	(158)	(17)
Amortization of acquisition costs	294	74	215	5	1	(68)	66	3
General and administrative expenses (2)	2,363	727	1,122	514	820	255	386	179
Total benefits and expenses	6,156	1,439	1,318	3,399	1,952	421	428	1,103
Adjusted operating income before income taxes	1,264	493	551	220	556	251	205	100

(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 $99 million for the nine months ended September 30, 2008 and $109 million for the nine months ended September 30, 2007, $45 million for the quarter ended September 30, 2008 and $43 million for the quarter ended September 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 3Q	2007 4Q	2008 1Q	2008 2Q	2008 3Q
		SALES:					
		Excluding corporate-owned life insurance:					
52	86	Variable life	19	20	16	24	12
147	129	Universal life	40	47	40	55	52
156	157	Term life	54	55	51	52	53
355	372	Total excluding corporate-owned life insurance	113	122	107	131	117
1	9	Corporate-owned life insurance	1	2	—	1	—
356	381	Total	114	124	107	132	117
		SALES BY DISTRIBUTION CHANNEL:					
		Excluding corporate-owned life insurance:					
113	128	Prudential Agents	44	46	40	38	35
242	244	Third party distribution	69	76	67	93	82
1	9	Corporate-owned life insurance	1	2	—	1	—
356	381	Total	114	124	107	132	117
		ACCOUNT VALUE ACTIVITY:					
		Policyholders' Account Balances (1):					
6,582	6,165	Beginning balance	6,385	6,489	6,582	6,676	6,948
1,151	969	Premiums and deposits	299	329	370	409	372
(697)	(756)	Surrenders and withdrawals	(257)	(239)	(238)	(211)	(248)
454	213	Net sales	42	90	132	198	124
(118)	(115)	Benefit payments	(29)	(37)	(39)	(38)	(41)
336	98	Net flows	13	53	93	160	83
319	231	Interest credited and other	93	38	9	130	180
197	200	Net transfers from separate account	70	70	63	59	75
(222)	(205)	Policy charges	(72)	(68)	(71)	(77)	(74)
7,212	6,489	Ending balance	6,489	6,582	6,676	6,948	7,212
		Separate Account Liabilities:					
18,585	17,586	Beginning balance	18,517	18,876	18,585	17,276	17,387
1,001	990	Premiums and deposits	360	292	304	311	386
(550)	(506)	Surrenders and withdrawals	(184)	(174)	(162)	(215)	(173)
451	484	Net sales	176	118	142	96	213
(38)	(46)	Benefit payments	(13)	(16)	(10)	(22)	(6)
413	438	Net flows	163	102	132	74	207
(2,744)	1,644	Change in market value, interest credited and other	461	(121)	(1,183)	288	(1,849)
(197)	(200)	Net transfers to general account	(70)	(70)	(63)	(59)	(75)
(581)	(592)	Policy charges	(195)	(202)	(195)	(192)	(194)
15,476	18,876	Ending balance	18,876	18,585	17,276	17,387	15,476
		FACE AMOUNT IN FORCE (2):					
		Variable life	138,872	137,889	135,519	134,691	131,608
		Universal life	24,424	25,416	26,201	27,091	27,999
		Term life	300,056	316,969	331,139	345,467	359,887
		Total	463,352	480,274	492,859	507,249	519,494

(1) Includes fixed rate funds, alliance deposits, supplementary contracts and deferred revenues on variable products.
(2) At end of period; before reinsurance ceded.

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

Year-to-date 2008	Year-to-date 2007		2007 3Q	2007 4Q	2008 1Q	2008 2Q	2008 3Q
		Individual Life Insurance:					
		Policy Surrender Experience:					
562	565	Cash value of surrenders	223	187	178	196	188
3.4%	3.3%	Cash value of surrenders as a percentage of mean future policy benefits, policyholders' account balances, and separate account balances	3.8%	3.2%	3.1%	3.5%	3.5%
		Death benefits per $1,000 of in force (1):					
3.67	3.58	Variable and universal life	4.00	3.13	3.62	4.14	3.23
1.52	2.17	Term life	1.99	0.91	1.59	1.53	1.46
2.84	3.20	Total, Individual Life Insurance	3.38	2.36	2.92	3.08	2.51

(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 3Q	2007 4Q	2008 1Q	2008 2Q	2008 3Q
		SALES AND ACCOUNT VALUES:					
		Variable Annuities:					
80,330	74,555	Beginning total account value	78,968	81,173	80,330	74,977	74,707
8,076	8,637	Sales	2,825	3,041	2,829	2,740	2,507
(6,346)	(7,153)	Surrenders and withdrawals	(2,328)	(2,415)	(2,173)	(2,185)	(1,988)
1,730	1,484	Net sales	497	626	656	555	519
(815)	(870)	Benefit payments	(265)	(261)	(294)	(262)	(259)
915	614	Net flows	232	365	362	293	260
(12,367)	6,941	Change in market value, interest credited, and other	2,295	(865)	(5,409)	(246)	(6,712)
(910)	(937)	Policy charges	(322)	(343)	(306)	(317)	(287)
67,968	81,173	Ending total account value	81,173	80,330	74,977	74,707	67,968
		Fixed Annuities:					
3,488	3,748	Beginning total account value	3,608	3,546	3,488	3,440	3,394
74	57	Sales	16	16	17	24	33
(185)	(224)	Surrenders and withdrawals	(69)	(62)	(53)	(61)	(71)
(111)	(167)	Net redemptions	(53)	(46)	(36)	(37)	(38)
(120)	(129)	Benefit payments	(41)	(38)	(43)	(40)	(37)
(231)	(296)	Net flows	(94)	(84)	(79)	(77)	(75)
95	97	Interest credited and other	33	27	32	31	32
(3)	(3)	Policy charges	(1)	(1)	(1)	—	(2)
3,349	3,546	Ending total account value	3,546	3,488	3,440	3,394	3,349
		SALES BY DISTRIBUTION CHANNEL:					
		Variable and Fixed Annuities (1):					
1,908	1,856	Insurance Agents	607	713	646	673	589
1,031	1,138	Wirehouses	385	428	344	337	350
5,211	5,700	Independent Financial Planners (2)	1,849	1,916	1,856	1,754	1,601
8,150	8,694	Total	2,841	3,057	2,846	2,764	2,540
		VARIABLE ANNUITY MINIMUM DEATH BENEFIT GUARANTEES (3):					
		Return of net deposits:					
		Account value	42,708	42,995	40,817	41,272	38,285
		Net amount at risk	1,171	1,204	1,631	1,750	3,572
		Minimum return, anniversary contract value, or maximum contract value:					
		Account value	33,184	32,194	29,401	28,717	25,469
		Net amount at risk	1,978	2,255	3,823	4,032	6,431
		Variable Annuity Account Values with Living Benefit Features (3):					
		Guaranteed minimum accumulation benefits	11,757	11,724	10,933	10,867	10,221
		Guaranteed minimum withdrawal benefits	2,274	2,234	2,006	1,902	1,646
		Guaranteed minimum income benefits	7,320	6,948	6,233	5,958	5,149
		Guaranteed minimum withdrawal & income benefits	14,659	16,260	16,863	18,372	18,153
		Total	36,010	37,166	36,035	37,099	35,169

(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 3Q	2007 4Q	2008 1Q	2008 2Q	2008 3Q
		INDIVIDUAL ANNUITIES:					
		Account Values in General Account (1):					
8,644	9,527	Beginning balance	8,784	8,647	8,644	12,013	12,282
194	224	Premiums and deposits	62	68	73	51	70
(801)	(903)	Surrenders and withdrawals	(263)	(253)	(251)	(254)	(296)
(607)	(679)	Net redemptions	(201)	(185)	(178)	(203)	(226)
(270)	(303)	Benefit payments	(96)	(89)	(103)	(80)	(87)
(877)	(982)	Net flows	(297)	(274)	(281)	(283)	(313)
325	258	Interest credited and other	89	84	99	105	121
8,962	(153)	Net transfers (to) from separate account	72	188	3,552	447	4,963
(3)	(3)	Policy charges	(1)	(1)	(1)	—	(2)
17,051	8,647	Ending balance	8,647	8,644	12,013	12,282	17,051
		Account Values in Separate Account:					
75,174	68,776	Beginning balance	73,792	76,072	75,174	66,404	65,819
7,956	8,470	Premiums and deposits	2,779	2,989	2,773	2,713	2,470
(5,730)	(6,474)	Surrenders and withdrawals	(2,134)	(2,224)	(1,975)	(1,992)	(1,763)
2,226	1,996	Net sales	645	765	798	721	707
(665)	(696)	Benefit payments	(210)	(210)	(234)	(222)	(209)
1,561	1,300	Net flows	435	555	564	499	498
(12,597)	6,780	Change in market value, interest credited and other	2,239	(922)	(5,476)	(320)	(6,801)
(8,962)	153	Net transfers (to) from general account	(72)	(188)	(3,552)	(447)	(4,963)
(910)	(937)	Policy charges	(322)	(343)	(306)	(317)	(287)
54,266	76,072	Ending balance	76,072	75,174	66,404	65,819	54,266

(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 3Q	2007 4Q	2008 1Q	2008 2Q	2008 3Q
		GROUP INSURANCE NEW ANNUALIZED PREMIUMS:					
212	162	Group life	33	35	112	30	70
178	139	Group disability (1)	21	16	114	17	47
390	301	Total	54	51	226	47	117
		Future Policy Benefits (2):					
		Group life	2,032	2,240	2,099	2,100	2,068
		Group disability (1)	640	662	774	810	865
		Total	2,672	2,902	2,873	2,910	2,933
		Policyholders' Account Balances (2):					
		Group life	5,610	5,734	5,824	6,005	5,641
		Group disability (1)	132	148	137	149	152
		Total	5,742	5,882	5,961	6,154	5,793
		Separate Account Liabilities (2):					
		Group life	19,462	19,992	19,363	17,941	19,943
		Group disability (1)	—	—	—	—	—
		Total	19,462	19,992	19,363	17,941	19,943
		Group Life Insurance:					
2,701	2,533	Gross premiums, policy charges and fee income (3)	841	889	949	912	840
2,392	2,405	Earned premiums, policy charges and fee income	784	773	793	810	789
88.2%	90.4%	Benefits ratio	88.4%	90.4%	87.1%	89.4%	88.1%
8.6%	9.6%	Administrative operating expense ratio	9.8%	8.4%	8.2%	8.2%	9.4%
		Persistency ratio	94.2%	93.6%	94.7%	94.0%	93.6%
		Group Disability Insurance (1):					
791	675	Gross premiums, policy charges and fee income (3)	233	227	288	238	265
764	650	Earned premiums, policy charges and fee income	223	217	280	225	259
86.4%	85.9%	Benefits ratio	82.1%	88.9%	91.1%	86.2%	81.5%
19.5%	20.9%	Administrative operating expense ratio	20.6%	21.2%	17.4%	22.3%	19.3%
		Persistency ratio	88.9%	88.0%	91.4%	90.4%	86.7%

(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 3Q	2007 4Q	2008 1Q	2008 2Q	2008 3Q
		INDIVIDUAL LIFE INSURANCE:					
3,855	3,550	Beginning balance	3,678	3,841	3,855	3,805	3,963
332	333	Capitalization	115	119	108	113	111
(154)	(74)	Amortization - operating results	68	(90)	(111)	(83)	40
—	—	Amortization - realized investment gains and losses	—	—	—	—	—
174	32	Impact of unrealized (gains) or losses on AFS securities	(20)	(15)	(47)	128	93
4,207	3,841	Ending balance	3,841	3,855	3,805	3,963	4,207
		INDIVIDUAL ANNUITIES:					
1,976	1,613	Beginning balance	1,791	1,876	1,976	2,093	2,199
467	480	Capitalization	158	173	163	155	149
(260)	(215)	Amortization - operating results	(66)	(70)	(63)	(76)	(121)
20	5	Amortization - realized investment gains and losses	5	2	15	(5)	10
91	6	Impact of unrealized (gains) or losses on AFS securities	(12)	(5)	2	32	57
—	(13)	Other (1)	—	—	—	—	—
2,294	1,876	Ending balance	1,876	1,976	2,093	2,199	2,294
		GROUP INSURANCE:					
321	284	Beginning balance	299	313	321	326	331
28	34	Capitalization	17	12	9	9	10
(11)	(5)	Amortization - operating results	(3)	(4)	(4)	(4)	(3)
—	—	Amortization - realized investment gains and losses	—	—	—	—	—
—	—	Impact of unrealized losses on AFS securities	—	—	—	—	—
338	313	Ending balance	313	321	326	331	338
		TOTAL INSURANCE DIVISION:					
6,152	5,447	Beginning balance	5,768	6,030	6,152	6,224	6,493
827	847	Capitalization	290	304	280	277	270
(425)	(294)	Amortization - operating results	(1)	(164)	(178)	(163)	(84)
20	5	Amortization - realized investment gains and losses	5	2	15	(5)	10
265	38	Impact of unrealized (gains) or losses on AFS securities	(32)	(20)	(45)	160	150
—	(13)	Other (1)	—	—	—	—	—
6,839	6,030	Ending balance	6,030	6,152	6,224	6,493	6,839

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

Prudential

COMBINED STATEMENTS OF OPERATIONS - INVESTMENT DIVISION
(in millions)

Year-to-date 2008	Year-to-date 2007	% Change		2007 3Q	2007 4Q	2008 1Q	2008 2Q	2008 3Q
			Revenues (1):					
395	255	55%	Premiums	88	74	200	138	57
134	128	5%	Policy charges and fee income	40	44	43	46	45
2,814	2,885	-2%	Net investment income	979	1,010	964	982	868
1,579	2,236	-29%	Asset management fees, commissions and other income	744	768	659	641	279
4,922	5,504	-11%	Total revenues	1,851	1,896	1,866	1,807	1,249
			Benefits and Expenses (1):					
981	868	13%	Insurance and annuity benefits	290	277	392	340	249
1,594	1,528	4%	Interest credited to policyholders' account balances	528	545	533	523	538
128	199	-36%	Interest expense	76	75	52	37	39
(74)	(63)	-17%	Deferral of acquisition costs	(19)	(28)	(29)	(28)	(17)
37	31	19%	Amortization of acquisition costs	11	7	10	8	19
1,707	1,833	-7%	General and administrative expenses	654	648	621	573	513
4,373	4,396	-1%	Total benefits and expenses	1,540	1,524	1,579	1,453	1,341
549	1,108	-50%	Adjusted operating income (loss) before income taxes	311	372	287	354	(92)

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

COMBINING STATEMENTS OF OPERATIONS - INVESTMENT DIVISION
(in millions)

	Nine Months Ended September 30, 2008				Quarter Ended September 30, 2008			
	Total Investment Division	Asset Management	Financial Advisory	Retirement	Total Investment Division	Asset Management	Financial Advisory	Retirement
Revenues (1):								
Premiums	395	—	—	395	57	—	—	57
Policy charges and fee income	134	—	—	134	45	—	—	45
Net investment income	2,814	152	1	2,661	868	(15)	—	883
Asset management fees, commissions and other income	1,579	1,305	(128)	402	279	360	(214)	133
Total revenues	4,922	1,457	(127)	3,592	1,249	345	(214)	1,118
Benefits and Expenses (1):								
Insurance and annuity benefits	981	—	—	981	249	—	—	249
Interest credited to policyholders' account balances	1,594	—	—	1,594	538	—	—	538
Interest expense	128	59	1	68	39	20	—	19
Deferral of acquisition costs	(74)	(12)	—	(62)	(17)	(3)	—	(14)
Amortization of acquisition costs	37	15	—	22	19	6	—	13
General and administrative expenses	1,707	1,094	22	591	513	330	3	180
Total benefits and expenses	4,373	1,156	23	3,194	1,341	353	3	985
Adjusted operating income (loss) before income taxes	549	301	(150)	398	(92)	(8)	(217)	133

	Nine Months Ended September 30, 2007				Quarter Ended September 30, 2007			
	Total Investment Division	Asset Management	Financial Advisory	Retirement	Total Investment Division	Asset Management	Financial Advisory	Retirement
Revenues (1):								
Premiums	255	—	—	255	88	—	—	88
Policy charges and fee income	128	—	—	128	40	—	—	40
Net investment income	2,885	146	2	2,737	979	44	1	934
Asset management fees, commissions and other income	2,236	1,547	301	388	744	514	97	133
Total revenues	5,504	1,693	303	3,508	1,851	558	98	1,195
Benefits and Expenses (1):								
Insurance and annuity benefits	868	—	—	868	290	—	—	290
Interest credited to policyholders' account balances	1,528	—	—	1,528	528	—	—	528
Interest expense	199	43	—	156	76	19	—	57
Deferral of acquisition costs	(63)	(12)	—	(51)	(19)	(4)	—	(15)
Amortization of acquisition costs	31	15	—	16	11	4	—	7
General and administrative expenses	1,833	1,144	49	640	654	378	13	263
Total benefits and expenses	4,396	1,190	49	3,157	1,540	397	13	1,130
Adjusted operating income before income taxes	1,108	503	254	351	311	161	85	65

(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 3Q	2007 4Q	2008 1Q	2008 2Q	2008 3Q
			Analysis of revenues by type:					
858	798	8%	Asset management fees	265	283	281	288	289
191	423	-55%	Incentive, transaction, principal investing and capital markets revenues	133	137	88	152	(49)
408	472	-14%	Service, distribution and other revenues	160	206	179	124	105
1,457	1,693	-14%	Total Asset Management segment revenues	558	626	548	564	345
			Analysis of asset management fees by source:					
407	358	14%	Institutional customers	118	130	133	136	138
249	258	-3%	Retail customers	87	89	81	85	83
202	182	11%	General account	60	64	67	67	68
858	798	8%	Total asset management fees	265	283	281	288	289

Supplementary Assets Under Management Information (in billions):

September 30, 2008	Equity	Fixed Income	Real Estate	Total
Institutional customers	49.3	92.6	29.0	170.9
Retail customers	51.6	21.6	2.2	75.4
General account	3.9	170.4	0.9	175.2
Total	104.8	284.6	32.1	421.5

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

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

Year-to-date 2008	Year-to-date 2007		2007 3Q	2007 4Q	2008 1Q	2008 2Q	2008 3Q
		Institutional Assets Under Management:					
		Assets gathered by Investment Management & Advisory Services sales force:					
141.7	122.9	Beginning assets under management	132.0	135.0	141.7	140.1	145.8
23.7	16.8	Additions (1)	5.4	11.1	6.5	10.9	6.3
(13.7)	(14.5)	Withdrawals (2)	(6.0)	(6.4)	(4.3)	(4.6)	(4.8)
(11.7)	9.7	Change in market value	3.7	1.2	(2.8)	(0.5)	(8.4)
(1.4)	0.1	Net money market flows	(0.1)	0.8	(1.0)	(0.1)	(0.3)
138.6	135.0	Ending assets under management	135.0	141.7	140.1	145.8	138.6
32.3	35.1	Affiliated institutional assets under management	35.1	34.7	34.1	33.5	32.3
170.9	170.1	Total assets managed for institutional customers at end of period	170.1	176.4	174.2	179.3	170.9
10.0	2.3	Net institutional additions (withdrawals) other than money market	(0.6)	4.7	2.2	6.3	1.5
		Retail Assets Under Management:					
		Assets gathered by Investment Management & Advisory Services sales force:					
50.9	43.4	Beginning assets under management	49.3	51.3	50.9	48.2	50.7
11.7	7.9	Additions	2.7	2.6	3.5	3.8	4.4
(9.7)	(8.0)	Withdrawals	(2.4)	(2.4)	(2.5)	(2.9)	(4.3)
(9.6)	5.1	Change in market value	1.7	(0.2)	(4.0)	1.9	(7.5)
0.1	0.1	Net money market flows	—	(0.6)	0.3	(0.3)	0.1
—	2.8	Other (3)	—	0.2	—	—	—
43.4	51.3	Ending assets under management	51.3	50.9	48.2	50.7	43.4
32.0	37.2	Affiliated retail assets under management	37.2	35.7	33.6	33.9	32.0
75.4	88.5	Total assets managed for retail customers at end of period	88.5	86.6	81.8	84.6	75.4
2.0	(0.1)	Net retail additions (withdrawals) other than money market	0.3	0.2	1.0	0.9	0.1

(1) Additions include \$0.2 billion for the three months ended March 31, 2008, \$0.2 billion for the nine months ended September 30, 2008 and \$0.3 billion for the nine months ended September 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, 2008, \$(0.1) billion for the nine months ended September 30, 2008 and \$(0.4) billion for the nine months ended September 30, 2007 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).

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

Year-to-date 2008	Year-to-date 2007		2007 3Q	2007 4Q	2008 1Q	2008 2Q	2008 3Q
		Information pertaining to Wachovia Securities Financial Holdings, LLC:					
		Revenues:					
252	231	Net investment income	75	75	95	79	78
2,405	1,532	Commissions	484	511	844	846	715
2,860	1,840	Fees	644	668	981	938	941
272	221	Other non-interest revenues (1)	62	194	123	117	32
5,789	3,824	Total revenues	1,265	1,448	2,043	1,980	1,766
		Expenses (1)					
5,814	3,030	Expenses before transition costs	1,009	1,238	1,677	1,654	2,481
524	—	Transition costs	—	27	186	189	150
6,338	3,030	Total expenses	1,009	1,265	1,863	1,843	2,631
(548)	794	Income (loss) before income taxes	256	183	180	137	(865)
(136)	302	Prudential Financial, Inc's. share of Wachovia Securities Financial Holdings, LLC (2)	97	69	44	35	(215)
7	(1)	Purchase accounting and related adjustments	—	—	7	—	—
(129)	301	Prudential Financial, Inc., equity income from Wachovia Securities Financial Holdings, LLC	97	69	51	35	(215)
		Recurring revenue as a percentage of total revenue (3)	56.6%	58.6%	59.1%	58.5%	59.4%
		Total client assets ($ in billions) (4)	802.4	799.2	1,149.2	1,147.2	1,037.6
		Distribution representatives (4):					
		Series 7 Financial Advisors	8,272	8,343	14,456	14,484	14,481
		Series 6 Financial Representatives	2,996	3,296	4,059	3,927	4,038
		Customer debit balances ($ in billions) (4)	4.6	5.1	6.4	6.6	6.5
(150)	254	**Prudential Financial, Inc. income (loss) from investment in Wachovia Securities Financial Holdings, LLC, including share of results, costs incurred at Prudential level, and purchase accounting adjustments (2)**	85	43	44	23	(217)

(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 a period of two years ending on January 1, 2010, whether or not to make 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 one-time costs associated with the combination of the A.G. Edwards business with Wachovia Securities is based on a diluted ownership level, which is in the process of being determined. 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 one-time costs, may be subsequently adjusted as a result of completion of definitive valuation of the business and possible modifications to the terms 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 3Q	2007 4Q	2008 1Q	2008 2Q	2008 3Q
		RETIREMENT SALES AND ACCOUNT VALUES					
		Full Service:					
112,192	97,430	Beginning total account value	104,033	105,601	112,192	107,060	106,917
12,392	10,434	Deposits and sales	3,219	4,258	4,586	4,530	3,276
(11,182)	(9,945)	Withdrawals and benefits	(3,309)	(3,804)	(3,933)	(4,366)	(2,883)
(12,939)	7,682	Change in market value, interest credited and interest income (1)	1,658	(1,119)	(5,785)	(307)	(6,847)
—	—	Acquisition (2)	—	7,256	—	—	—
100,463	105,601	Ending total account value	105,601	112,192	107,060	106,917	100,463
1,210	489	Net additions (withdrawals)	(90)	454	653	164	393
		Stable value account values included above	31,578	32,314	33,279	33,883	34,570
		Institutional Investment Products:					
51,591	50,269	Beginning total account value	50,926	51,627	51,591	51,667	51,513
4,468	3,675	Additions	545	1,298	1,810	1,606	1,052
(5,760)	(4,003)	Withdrawals and benefits	(1,193)	(1,863)	(1,702)	(1,944)	(2,114)
955	1,865	Change in market value, interest credited and interest income	933	900	561	241	153
(1,213)	(179)	Other (3)	416	(371)	(593)	(57)	(563)
50,041	51,627	Ending total account value	51,627	51,591	51,667	51,513	50,041
(1,292)	(328)	Net additions (withdrawals)	(648)	(565)	108	(338)	(1,062)

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

(2) 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, $(20) million, $407 million and $110 million for the first, second and third quarters of 2008 and the third and fourth quarters of 2007, respectively; and $(111) million and $75 million for the nine months ended September 30, 2008 and 2007, respectively. "Other" activity also includes $(511) million for the nine months ended September 30, 2007 representing a transfer within the Retirement segment from Institutional Investment Products to Full Service as a result of one client's change in contract form. The remainder of "Other" activity primarily represents changes in asset balances for externally managed accounts.

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

Year-to-date 2008	Year-to-date 2007	% Change		2007 3Q	2007 4Q	2008 1Q	2008 2Q	2008 3Q
			Revenues (1):					
5,135	4,602	12%	Premiums	1,518	1,590	1,772	1,736	1,627
252	217	16%	Policy charges and fee income	72	76	87	82	83
1,480	1,210	22%	Net investment income	419	434	462	504	514
500	716	-30%	Asset management fees, commissions and other income	282	182	180	161	159
7,367	6,745	9%	Total revenues	2,291	2,282	2,501	2,483	2,383
			Benefits and Expenses (1):					
4,052	3,632	12%	Insurance and annuity benefits	1,194	1,275	1,413	1,360	1,279
307	240	28%	Interest credited to policyholders' account balances	84	90	100	101	106
7	13	-46%	Interest expense	8	6	2	4	1
(874)	(773)	-13%	Deferral of acquisition costs	(253)	(284)	(294)	(299)	(281)
456	357	28%	Amortization of acquisition costs	103	129	160	152	144
2,004	1,812	11%	General and administrative expenses	618	673	681	686	637
5,952	5,281	13%	Total benefits and expenses	1,754	1,889	2,062	2,004	1,886
1,415	1,464	-3%	Adjusted operating income before income taxes	537	393	439	479	497

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

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

	Nine Months Ended September 30, 2008				Quarter Ended September 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	5,135	3,552	1,583	—	1,627	1,129	498	—
Policy charges and fee income	252	200	52	—	83	66	17	—
Net investment income	1,480	713	729	38	514	247	255	12
Asset management fees, commissions and other income	500	63	(12)	449	159	20	(6)	145
Total revenues	7,367	4,528	2,352	487	2,383	1,462	764	157
Benefits and Expenses (1):								
Insurance and annuity benefits	4,052	2,817	1,235	—	1,279	900	379	—
Interest credited to policyholders' account balances	307	125	182	—	106	42	64	—
Interest expense	7	9	(6)	4	1	2	(2)	1
Deferral of acquisition costs	(874)	(624)	(250)	—	(281)	(200)	(81)	—
Amortization of acquisition costs	456	326	130	—	144	100	44	—
General and administrative expenses	2,004	1,011	599	394	637	325	193	119
Total benefits and expenses	5,952	3,664	1,890	398	1,886	1,169	597	120
Adjusted operating income before income taxes	1,415	864	462	89	497	293	167	37

	Nine Months Ended September 30, 2007				Quarter Ended September 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	4,602	3,170	1,432	—	1,518	1,060	458	—
Policy charges and fee income	217	171	46	—	72	58	14	—
Net investment income	1,210	582	600	28	419	207	201	11
Asset management fees, commissions and other income	716	88	59	569	282	19	23	240
Total revenues	6,745	4,011	2,137	597	2,291	1,344	696	251
Benefits and Expenses (1):								
Insurance and annuity benefits	3,632	2,492	1,140	—	1,194	837	357	—
Interest credited to policyholders' account balances	240	101	139	—	84	36	48	—
Interest expense	13	8	—	5	8	2	4	2
Deferral of acquisition costs	(773)	(571)	(202)	—	(253)	(187)	(66)	—
Amortization of acquisition costs	357	265	92	—	103	74	29	—
General and administrative expenses	1,812	928	511	373	618	316	167	135
Total benefits and expenses	5,281	3,223	1,680	378	1,754	1,078	539	137
Adjusted operating income before income taxes	1,464	788	457	219	537	266	157	114

(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 3Q	2007 4Q	2008 1Q	2008 2Q	2008 3Q
		Japanese Yen Basis Results:					
		Revenues (1):					
¥335,729	¥317,510	Japanese insurance operations excluding Gibraltar Life	¥103,633	¥103,043	¥117,421	¥107,786	¥110,522
252,784	249,538	Gibraltar Life	82,645	79,042	82,122	86,092	84,570
588,513	567,048	Total revenues, Japan, yen basis	186,278	182,085	199,543	193,878	195,092
		Benefits and Expenses (1):					
259,030	246,327	Japanese insurance operations excluding Gibraltar Life	79,125	83,597	92,701	83,323	83,006
202,389	201,480	Gibraltar Life	66,148	64,992	68,126	68,623	65,640
461,419	447,807	Total benefits and expenses, Japan, yen basis	145,273	148,589	160,827	151,946	148,646
		Adjusted operating income (2):					
76,699	71,183	Japanese insurance operations excluding Gibraltar Life	24,508	19,446	24,720	24,463	27,516
50,395	48,058	Gibraltar Life	16,497	14,050	13,996	17,469	18,930
¥127,094	¥119,241	Total adjusted operating income, Japan, yen basis	¥ 41,005	¥ 33,496	¥ 38,716	¥ 41,932	¥ 46,446
		U.S. Dollar adjusted operating income (3):					
$ 719	$ 654	Japanese insurance operations excluding Gibraltar Life	$ 224	$ 186	$ 231	$ 236	$ 252
462	457	Gibraltar Life	157	121	128	167	167
1,181	1,111	Total adjusted operating income, Japan, U.S. dollar basis	381	307	359	403	419
145	134	All other countries (4)	42	46	54	50	41
$ 1,326	$ 1,245	Total adjusted operating income, International Insurance segment, U.S. dollar basis	$ 423	$ 353	$ 413	$ 453	$ 460

(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 3Q	2007 4Q	2008 1Q	2008 2Q	2008 3Q
		INTERNATIONAL INSURANCE OPERATING DATA:					
		Actual exchange rate basis (1):					
		Net premiums, policy charges and fee income:					
2,651	2,237	Japan, excluding Gibraltar Life	731	765	953	859	839
1,635	1,478	Gibraltar Life	472	501	527	593	515
1,101	1,104	All other countries	387	400	379	366	356
5,387	4,819	Total	1,590	1,666	1,859	1,818	1,710
		Annualized new business premiums:					
408	365	Japan, excluding Gibraltar Life	103	126	163	125	120
353	249	Gibraltar Life	86	93	94	148	111
190	214	All other countries	75	83	72	63	55
951	828	Total	264	302	329	336	286
		Annualized new business premiums by distribution channel:					
598	579	Life Planners	178	209	235	188	175
311	234	Gibraltar Life Advisors	82	86	88	127	96
42	15	Banks (2)	4	7	6	21	15
951	828	Total	264	302	329	336	286
		Constant exchange rate basis (3):					
		Net premiums, policy charges and fee income:					
2,644	2,440	Japan, excluding Gibraltar Life	792	801	944	850	850
1,639	1,668	Gibraltar Life	537	538	542	575	522
1,140	1,099	All other countries	382	390	379	377	384
5,423	5,207	Total	1,711	1,729	1,865	1,802	1,756
		Annualized new business premiums:					
407	394	Japan, excluding Gibraltar Life	111	131	161	124	122
355	269	Gibraltar Life	93	96	96	147	112
194	216	All other countries	75	80	72	64	58
956	879	Total	279	307	329	335	292
		Annualized new business premiums by distribution channel:					
601	610	Life Planners	186	211	233	188	180
312	254	Gibraltar Life Advisors	89	90	90	125	97
43	15	Banks (2)	4	6	6	22	15
956	879	Total	279	307	329	335	292

(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 3Q	2007 4Q	2008 1Q	2008 2Q	2008 3Q
Face amount of individual policies in force at end of period (in billions) (1)(2):					
(Constant exchange rate basis)					
Japan, excluding Gibraltar Life	236	238	242	244	246
Gibraltar Life	186	186	185	184	184
All other countries	105	106	108	108	108
Total	527	530	535	536	538
Number of individual policies in force at end of period (in thousands) (2):					
Japan, excluding Gibraltar Life	2,167	2,194	2,232	2,258	2,288
Gibraltar Life	3,815	3,817	3,804	3,782	3,788
All other countries	1,270	1,296	1,311	1,323	1,333
Total	7,252	7,307	7,347	7,363	7,409
International life insurance policy persistency:					
Excluding Gibraltar Life:					
13 months	92.6%	92.4%	92.4%	92.0%	92.1%
25 months	86.5%	85.9%	85.9%	85.3%	85.5%
Gibraltar Life:					
13 months	92.6%	91.7%	91.2%	90.8%	91.1%
25 months	88.0%	87.9%	87.2%	86.4%	85.3%
Number of Life Planners at end of period:					
Japan	3,030	3,068	3,108	3,079	3,084
All other countries	3,008	3,098	3,030	3,100	3,183
Total life planners	6,038	6,166	6,138	6,179	6,267
Gibraltar Life Advisors	5,944	6,264	6,035	5,899	6,057

(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)

	September 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	121,816	29,283	92,533	54.8%	128,130	37,168	90,962	55.8%
Public, held to maturity, at amortized cost	2,774	—	2,774	1.6%	2,879	—	2,879	1.8%
Private, available for sale, at fair value	31,866	11,695	20,171	11.9%	32,559	12,246	20,313	12.5%
Private, held to maturity, at amortized cost	707	—	707	0.4%	669	—	669	0.4%
Trading account assets supporting insurance liabilities, at fair value	14,392	—	14,392	8.5%	14,473	—	14,473	8.9%
Other trading account assets, at fair value	984	128	856	0.5%	346	142	204	0.1%
Equity securities, available for sale, at fair value	7,375	3,131	4,244	2.5%	8,569	3,940	4,629	2.8%
Commercial loans	30,392	8,563	21,829	12.9%	27,557	7,954	19,603	12.0%
Policy loans	9,211	5,389	3,822	2.3%	9,337	5,395	3,942	2.4%
Other long-term investments (1)	3,924	1,416	2,508	1.5%	3,992	1,268	2,724	1.7%
Short-term investments (2)	6,447	1,263	5,184	3.1%	3,983	1,385	2,598	1.6%
Subtotal (3)	229,888	60,868	169,020	100.0%	232,494	69,498	162,996	100.0%
Invested assets of other entities and operations (4)	11,019	—	11,019		11,063	—	11,063	
Total investments	240,907	60,868	180,039		243,557	69,498	174,059	

Fixed Maturities by Credit Quality (3):

		September 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	79,416	1,789	3,046	78,159	82.1%	74,678	2,036	1,184	75,530	80.5%
2	Baa	14,139	187	1,184	13,142	13.8%	13,573	490	351	13,712	14.6%
Subtotal Investment Grade		93,555	1,976	4,230	91,301	95.9%	88,251	2,526	1,535	89,242	95.1%
3	Ba	2,844	30	332	2,542	2.7%	2,830	68	102	2,796	3.1%
4	B	1,392	3	178	1,217	1.3%	1,681	38	82	1,637	1.7%
5	C and lower	150	14	30	134	0.1%	115	5	6	114	0.1%
6	In or near default	32	3	5	30	0.0%	34	5	1	38	0.0%
Subtotal Below Investment Grade		4,418	50	545	3,923	4.1%	4,660	116	191	4,585	4.9%
Total		97,973	2,026	4,775	95,224	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	6,709	121	283	6,547	31.3%	7,139	230	84	7,285	34.7%
2	Baa	11,165	128	586	10,707	51.3%	10,595	344	118	10,821	51.6%
Subtotal Investment Grade		17,874	249	869	17,254	82.6%	17,734	574	202	18,106	86.3%
3	Ba	2,512	32	134	2,410	11.5%	1,637	49	26	1,660	7.9%
4	B	847	4	60	791	3.8%	738	6	12	732	3.5%
5	C and lower	235	4	10	229	1.1%	319	8	4	323	1.5%
6	In or near default	195	13	2	206	1.0%	147	23	—	170	0.8%
Subtotal Below Investment Grade		3,789	53	206	3,636	17.4%	2,841	86	42	2,885	13.7%
Total		21,663	302	1,075	20,890	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 September 30, 2008 and December 31, 2007, respectively, 213 securities with amortized cost of $2,692 million (fair value $2,530 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)

	September 30, 2008		December 31, 2007	
	Amount	% of Total	Amount	% of Total
Japanese Insurance Operations:				
Fixed maturities:				
Public, available for sale, at fair value	36,886	69.2%	34,752	68.5%
Public, held to maturity, at amortized cost	2,774	5.2%	2,879	5.7%
Private, available for sale, at fair value	3,144	5.9%	3,467	6.8%
Private, held to maturity, at amortized cost	707	1.3%	668	1.3%
Trading account assets supporting insurance liabilities, at fair value	1,042	2.0%	1,132	2.2%
Other trading account assets, at fair value	669	1.3%	48	0.1%
Equity securities, available for sale, at fair value	2,355	4.4%	2,550	5.0%
Commercial loans	3,108	5.8%	2,881	5.7%
Policy loans	1,293	2.4%	1,133	2.2%
Other long-term investments (1)	1,171	2.2%	993	2.0%
Short-term investments	147	0.3%	239	0.5%
Total	53,296	100.0%	50,742	100.0%

	September 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	55,647	48.1%	56,210	50.1%
Public, held to maturity, at amortized cost	—	0.0%	—	0.0%
Private, available for sale, at fair value	17,027	14.7%	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	13,350	11.5%	13,341	11.9%
Other trading account assets, at fair value	187	0.2%	156	0.1%
Equity securities, available for sale, at fair value	1,889	1.6%	2,079	1.9%
Commercial loans	18,721	16.2%	16,722	14.9%
Policy loans	2,529	2.2%	2,809	2.5%
Other long-term investments (1)	1,337	1.2%	1,731	1.5%
Short-term investments	5,037	4.3%	2,359	2.1%
Total	115,724	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 September 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	4.80%	1,413	(376)	5.01%	1,426	(74)
Equity securities	5.51%	64	(104)	5.82%	60	118
Commercial loans	5.83%	246	1	6.26%	219	10
Policy loans	5.48%	54	—	5.08%	47	—
Short-term investments and cash equivalents	2.39%	72	—	5.11%	93	—
Other investments	3.49%	33	(18)	3.55%	26	(211)
Gross investment income before investment expenses	4.77%	1,882	(497)	5.14%	1,871	(157)
Investment expenses	-0.15%	(81)	—	-0.15%	(128)	—
Subtotal	4.62%	1,801	(497)	4.99%	1,743	(157)
Investment results of other entities and operations (2)		282	105		330	(40)
Less, investment income relating to divested businesses		(7)			(3)	
Total		2,076	(392)		2,070	(197)

	Nine Months Ended September 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	4.85%	4,191	(1,244)	5.06%	4,264	(33)
Equity securities	4.96%	170	(256)	5.04%	149	323
Commercial loans	5.98%	724	(3)	6.24%	629	3
Policy loans	5.31%	157	—	5.11%	136	—
Short-term investments and cash equivalents	2.96%	238	—	4.99%	275	(7)
Other investments	3.92%	95	(284)	5.60%	118	(170)
Gross investment income before investment expenses	4.85%	5,575	(1,787)	5.19%	5,571	116
Investment expenses	-0.15%	(241)	—	-0.16%	(402)	—
Subtotal	4.70%	5,334	(1,787)	5.03%	5,169	116
Investment results of other entities and operations (2)		1,025	43		947	25
Less, investment income relating to divested businesses		(26)			(18)	
Total		6,333	(1,744)		6,098	141

(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 September 30					
	2008			2007		
	Investment Income		Realized Gains /	Investment Income		Realized Gains /
	Yield (1)	Amount	(Losses)	Yield (1)	Amount	(Losses)
Japanese Insurance Operations:						
Fixed maturities	3.11%	339	2	2.72%	263	12
Equity securities	3.82%	25	(78)	3.66%	20	107
Commercial loans	4.66%	36	14	4.53%	31	5
Policy loans	3.82%	12	—	3.81%	10	—
Short-term investments and cash equivalents	1.39%	3	—	3.45%	9	—
Other investments	5.58%	25	139	10.17%	21	(32)
Gross investment income before investment expenses	3.30%	440	77	3.04%	354	92
Investment expenses	-0.18%	(24)	—	-0.18%	(22)	—
Total	3.12%	416	77	2.86%	332	92

	Nine Months Ended September 30					
	2008			2007		
	Investment Income		Realized Gains /	Investment Income		Realized Gains /
	Yield (1)	Amount	(Losses)	Yield (1)	Amount	(Losses)
Japanese Insurance Operations:						
Fixed maturities	3.01%	980	(106)	2.70%	777	53
Equity securities	2.96%	57	(233)	2.82%	44	283
Commercial loans	4.75%	106	16	4.49%	92	12
Policy loans	3.86%	36	—	3.78%	29	—
Short-term investments and cash equivalents	2.46%	15	—	2.91%	18	(1)
Other investments	7.42%	76	(3)	12.76%	83	(110)
Gross investment income before investment expenses	3.23%	1,270	(326)	3.03%	1,043	237
Investment expenses	-0.19%	(79)	—	-0.18%	(70)	—
Total	3.04%	1,191	(326)	2.85%	973	237

(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 September 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	5.82%	1,074	(378)	6.30%	1,163	(86)
Equity securities	7.53%	39	(26)	8.25%	40	11
Commercial loans	6.10%	210	(13)	6.68%	188	5
Policy loans	6.26%	42	—	5.58%	37	—
Short-term investments and cash equivalents	2.49%	69	—	5.49%	84	—
Other investments	1.37%	8	(157)	0.86%	5	(179)
Gross investment income before investment expenses	5.54%	1,442	(574)	6.20%	1,517	(249)
Investment expenses	-0.13%	(57)	—	-0.13%	(106)	—
Total	5.41%	1,385	(574)	6.07%	1,411	(249)

	Nine Months Ended September 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	5.97%	3,211	(1,138)	6.39%	3,487	(86)
Equity securities	7.49%	113	(23)	7.55%	105	40
Commercial loans	6.26%	618	(19)	6.69%	537	(9)
Policy loans	5.97%	121	—	5.65%	107	—
Short-term investments and cash equivalents	3.01%	223	—	5.39%	257	(6)
Other investments	1.31%	19	(281)	2.43%	35	(60)
Gross investment income before investment expenses	5.71%	4,305	(1,461)	6.29%	4,528	(121)
Investment expenses	-0.14%	(162)	—	-0.15%	(332)	—
Total	5.57%	4,143	(1,461)	6.14%	4,196	(121)

(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.

INDIVIDUAL LIFE - LINE ITEM IMPACT OF THIRD QUARTER 2007 AND 2008 ACTUARIAL UPDATES
(in millions)

	Policy Charges and Fee Income (1)		Insurance and Annuity Benefits (2)		Amortization of Deferred Policy Acquisition Costs		Pre-Tax Adjusted Operating Income	
	Third Quarter 2007	Third Quarter 2008	Third Quarter 2007	Third Quarter 2008	Third Quarter 2007	Third Quarter 2008	Third Quarter 2007	Third Quarter 2008
Actuarial Item:								
Annual review of assumptions for mortality, persistency, premium payment pattern, and other elements of expected gross profits, and guaranteed minimum death benefits	(45)	(81)	12	(8)	(135)	(152)	78	79
Reported amount	226	209	254	230	(68)	(40)		
Amount excluding impact of items indicated above	271	290	242	238	67	112		

(1) Includes unearned revenue reserve, subject to amortization based on gross profits.
(2) Includes terminal dividend reserve, accumulated over estimated contract period.

INDIVIDUAL ANNUITIES - LINE ITEM IMPACT OF THIRD QUARTER 2007 AND 2008 ACTUARIAL UPDATES
(in millions)

	Insurance and Annuity Benefits		Interest Credited to Policyholders' Account Balances		Amortization of Deferred Policy Acquisition Costs		General and Administrative Expenses		Pre-Tax Adjusted Operating Income	
	Third Quarter 2007	Third Quarter 2008	Third Quarter 2007	Third Quarter 2008	Third Quarter 2007	Third Quarter 2008	Third Quarter 2007	Third Quarter 2008	Third Quarter 2007	Third Quarter 2008
Actuarial Item:										
Annual review of assumptions including: actual and expected fund performance, persistency, investment margins, costs associated with guaranteed benefits, and other elements of gross profits.	(24)	265	(3)	22	(13)	68	10	25	30	(380)
Reported amount	31	344	87	141	66	121	386	363		
Amount excluding impact of items indicated above	55	79	90	119	79	53	376	338		

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, as well as counterparty credit losses on derivative positions experienced during the third quarter of 2008.

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 3.67% for the nine months ended September 30, 2008, 16.82% for the nine months ended September 30, 2007, -2.10% for the three months ended September 30, 2008, 16.14% for the three months ended September 30, 2007, 11.28% for the three months ended June 30, 2008, 1.58% for the three months ended March 31, 2008 and 14.43% for the three months ended December 31, 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 the purposes of this ratio, we measure "debt" as the sum of senior debt supporting capital needs and 25% of Junior Subordinated Notes supporting capital needs, and we measure "total capitalization" as the sum of senior debt supporting capital needs, 100% of Junior Subordinated Notes supporting capital needs, and attributed equity of the Financial Services Businesses excluding accumulated other comprehensive income related to unrealized gains and losses on investments and pension / postretirement benefits.

31. Separate Accounts:

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

32. Wrap-Fee Products:

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

RATINGS AND INVESTOR INFORMATION

INSURANCE CLAIMS PAYING RATINGS
as of October 29, 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 October 29, 2008

	A.M. Best	Standard & Poor's	Moody's	Fitch Ratings
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.

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General Account Investments	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Asset-backed securities (a)	12,091	78	1,430	10,739
Residential mortgage-backed securities (b)	10,991	131	78	11,044
Commercial mortgage-backed securities (c)	8,420	8	584	7,844

	Gross Carrying Value	Allowance For Losses	Net Book Value
Commercial loans (d)	21,941	(112)	21,829

(a) Supplemental information for asset-backed securities:

	Vintage	LOWEST RATING AGENCY RATING (5) AAA	AA	A	BBB	BB and below	Total Amortized Cost	Total Fair Value
Collateralized by sub-prime mortgages:								
Enhanced short-term portfolio								
	2008	—	—	—	—	—	—	—
	2007	311	176	69	55	—	611	510
	2006	1,007	408	182	163	7	1,767	1,609
	2005	38	3	—	6	1	48	47
	2004	—	—	—	—	—	—	—
	2003 and prior	—	—	—	—	—	—	—
Total enhanced short-term portfolio (1)		1,356	587	251	224	8	2,426	2,166
All other portfolios								
	2008	—	—	—	—	—	—	—
	2007	73	93	53	32	62	313	208
	2006	385	486	97	153	259	1,380	975
	2005	17	370	92	61	35	575	432
	2004	41	359	249	38	3	690	530
	2003 and prior	28	191	145	82	42	488	385
Total all other portfolios		544	1,499	636	366	401	3,446	2,530
Total collateralized by sub-prime mortgages (2)		1,900	2,086	887	590	409	5,872	4,696
Other asset-backed securities:								
Externally managed investments in the European market (3)		—	—	964	489	14	1,467	1,496
Collateralized by auto loans		1,471	74	60	82	3	1,690	1,650
Collateralized by credit cards		69	—	2	722	—	793	693
Collateralized by non-sub-prime mortgages		826	42	7	33	15	923	934
Other (4)		686	241	147	100	172	1,346	1,270
Total asset-backed securities		4,952	2,443	2,067	2,016	613	12,091	10,739

(1) Our Enhanced Short-term portfolio is used primarily to invest cash proceeds of securities lending and repurchase activities, commercial paper issuances 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) The weighted average estimated subordination percentage of our general account asset-backed securities collateralized by sub-prime mortgages attributable to the Financial Services Businesses, excluding those supported by guarantees from monoline bond insurers, was 34% as of September 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 September 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 50% have estimated credit subordination percentages of 30% or more.

In addition to subordination, certain securities, referred to as front pay or second pay securities, benefit from the prioritization of principal cash flows within the senior tranches of the structure. In most instances, these shorter duration senior securities have priority to principal cash flows over other securities in the structure, including longer duration senior securities. Included within the $5.872 billion of asset-backed securities collateralized by sub-prime mortgages attributable to the Financial Services Businesses as of September 30, 2008 were $1.967 billion of securities, on an amortized cost basis, that represent front pay or second pay securities, depending on the overall structure of the securities.

(3) 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 46% European corporate and bank bonds, 22% bank capital, 17% European asset-backed securities, and 15% other. As of September 30, 2008, fair value excludes the $(338) million impact of a bifurcated embedded derivative.

(4) Includes collateralized debt obligations with amortized cost of $507 million and fair value of $474 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 asset-backed securities held outside the general account in other entities and operations with amortized cost of $275 million and fair value of $257 million. Based on amortized cost, 74% of these securities have credit ratings of AAA, 6% have A credit ratings, and the remaining 20% have credit ratings of BBB or below. As of September 30, 2008, included within these asset-backed securities are securities collateralized by sub-prime mortgages with amortized cost and fair value of $5 million, all of which have AAA credit ratings, with $4 million in the 2006 vintage and $1 million in the 2003 vintage. Also included are collateralized debt obligations with amortized cost of $39 million and fair value of $33 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 billion of trading account assets supporting insurance liabilities, the investment results of which ultimately accrue to contract holders. An additional $283 million of asset-backed securities as of September 30, 2008 are classified as other trading, including $28 million held outside the general account, 90% of which have credit ratings of AAA and 10% of which have credit ratings of BB, and $255 million included in our general account, 79% of which have credit ratings of A or above and the remaining 21% virtually all have BBB credit ratings.

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

As of September 30, 2008, based on amortized cost, 98% of the general account 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 $51 million secured by "ALT-A" mortgages, represented the remaining 2% of residential mortgage-backed securities; and all have credit ratings of A or above.

Excluded from the above are residential mortgage-backed securities held outside the general account in other entities and operations with amortized cost and fair value of $676 million, all of which have AAA credit ratings. Also excluded from the above are $637 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.

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

	LOWEST RATING AGENCY RATING (2)						
Vintage	AAA	AA	A	BBB	BB and below	Total Amortized Cost	Total Fair Value
2008	176	4	22	88	21	311	296
2007	1,606	—	3	64	69	1,742	1,644
2006	3,367	5	—	6	12	3,390	3,106
2005	1,513	—	—	10	37	1,560	1,442
2004	431	—	—	—	4	435	398
2003 and prior	828	98	31	15	10	982	958
Total (1)(2)	7,921	107	56	183	153	8,420	7,844

(1) As of September 30, 2008, based on amortized cost, the weighted average loan to value and debt service coverage ratios of general account commercial mortgage-backed securities attributable to the Financial Services Businesses was 69% and 1.55 times, respectively. The weighted average estimated subordination percentage of our general account investments in commercial mortgage-backed securities attributable to the Financial Services Businesses was 35% as of September 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 weighted average estimated subordination percentage includes an adjustment for that portion of the capital structure which has been effectively defeased by US Treasury securities. As of September 30, 2008, based on amortized cost, approximately 91% 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.

(2) Included in the table above are commercial mortgage-backed securities supported by Japan based mortgage loans of $9 million in AAA, $4 million in AA, $25 million in A, $168 million in BBB, and $148 million in BB and below.

Excluded from the table above are commercial mortgage-backed securities held outside the general account in other entities and operations with amortized cost of $28 million and fair value of $27 million, 74% of which have credit ratings of AA or better and the remaining 26% 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 $2.4 billion of trading account assets supporting insurance liabilities, the investment results of which ultimately accrue to contract holders. An additional $1 million of commercial mortgage-backed securities held outside the general account as of September 30, 2008 are classified as other trading, all of which have AAA credit ratings.

(d) Supplemental information for commercial loans:

Commercial loans by property type:	Gross Carrying Value	% of Total
Industrial buildings	4,769	21.8%
Office buildings	4,024	18.3%
Apartment complexes	3,594	16.4%
Retail stores	3,591	16.4%
Other	1,454	6.6%
Agricultural properties	1,249	5.7%
Hospitality	1,163	5.3%
Residential properties	879	4.0%
Subtotal of collateralized loans	20,723	94.5%
Uncollateralized loans	1,218	5.5%
Total commercial loans	21,941	100.0%

Commercial loans by status:	Gross Carrying Value
Performing	21,879
Delinquent, not in foreclosure	51
Delinquent, in foreclosure	6
Restructured	5
Total commercial loans	21,941

As of September 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 57% and 1.91 times, respectively.

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Closed Block Business
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	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Asset-backed securities (a)	6,429	21	1,053	5,397
Residential mortgage-backed securities (b)	3,688	38	60	3,666
Commercial mortgage-backed securities (c)	3,869	4	269	3,604

	Gross Carrying Value	Allowance For Losses	Net Book Value
Commercial loans (d)	8,600	(37)	8,563

(a) Supplemental information for asset-backed securities:

		LOWEST RATING AGENCY RATING (5)						
	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	313	181	71	30	—	595	498
	2006	1,031	420	188	13	8	1,660	1,515
	2005	39	3	—	—	—	42	41
	2004	—	—	—	—	—	—	—
	2003 and prior	—	—	—	—	—	—	—
Total enhanced short-term portfolio (1)		1,383	604	259	43	8	2,297	2,054
All other portfolios								
	2008	—	—	—	—	—	—	—
	2007	54	36	23	41	45	199	147
	2006	408	253	124	178	160	1,123	772
	2005	28	334	31	38	15	446	332
	2004	8	300	39	3	—	350	265
	2003 and prior	38	241	80	71	36	466	375
Total all other portfolios		536	1,164	297	331	256	2,584	1,891
Total collateralized by sub-prime mortgages (2)		1,919	1,768	556	374	264	4,881	3,945
Other asset-backed securities:								
Collateralized by credit cards		—	—	—	457	—	457	387
Collateralized by auto loans		283	11	10	31	—	335	325
Externally managed investments in the European market (3)		—	—	281	—	—	281	289
Collateralized by education loans		190	20	—	—	6	216	208
Other (4)		122	44	47	11	35	259	243
Total asset-backed securities		2,514	1,843	894	873	305	6,429	5,397

(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) The weighted average estimated subordination percentage of our asset-backed securities collateralized by sub-prime mortgages attributable to the Closed Block Business, excluding those supported by guarantees from monoline bond insurers, was 35% as of September 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 September 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 58% have estimated credit subordination percentages of 30% or more.

In addition to subordination, certain securities, referred to as front pay or second pay securities, benefit from the prioritization of principal cash flows within the senior tranches of the structure. In most instances, these shorter duration senior securities have priority to principal cash flows over other securities in the structure, including longer duration senior securities. Included within the $4.881 billion of asset-backed securities collateralized by sub-prime mortgages attributable to the Closed Block Business as of September 30, 2008 were $1.947 billion of securities, on an amortized cost basis, that represent front pay or second pay securities, depending on the overall structure of the securities.

(3) 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 46% European corporate and bank bonds, 22% bank capital, 17% European asset-backed securities, and 15% other. As of September 30, 2008, fair value excludes the $(74) million impact of a bifurcated embedded derivative.

(4) Includes collateralized debt obligations with amortized cost of $61 million and fair value of $62 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 September 30, 2008.

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

As of September 30, 2008, based on amortized cost, 85% of the 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 $150 million secured by "ALT-A" mortgages, represented the remaining 15% of residential mortgage-backed securities and all have credit ratings of AAA.

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

	LOWEST RATING AGENCY RATING (2)						
Vintage	AAA	AA	A	BBB	BB and below	Total Amortized Cost	Total Fair Value
2008	10	—	—	—	—	10	9
2007	418	—	12	—	—	430	396
2006	880	—	—	—	—	880	798
2005	1,285	—	—	—	—	1,285	1,187
2004	395	—	—	—	—	395	365
2003 and prior	783	42	43	1	—	869	849
Total (1)	3,771	42	55	1	—	3,869	3,604

(1) As of September 30, 2008, based on amortized cost, the weighted average loan to value and debt service coverage ratios of general account commercial mortgage-backed securities attributable to the Closed Block Business was 69% and 1.58 times, respectively. The weighted average estimated subordination percentage of our general account investments in commercial mortgage-backed securities attributable to the Closed Block Business was 32% as of September 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 weighted average estimated subordination percentage includes an adjustment for that portion of the capital structure which has been effectively defeased by US Treasury securities. As of September 30, 2008, based on amortized cost, approximately 92% of these commercial mortgage-backed securities have estimated credit subordination percentages of 20% or more, and 59% 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	1,889	22.0%
Office buildings	1,768	20.5%
Apartment complexes	1,719	20.0%
Retail stores	1,484	17.2%
Agricultural properties	797	9.3%
Other properties	496	5.8%
Hospitality	406	4.7%
Residential properties	1	—
Subtotal of collateralized loans	8,560	99.5%
Uncollateralized loans	40	0.5%
Total commercial loans	8,600	100.0%

Commercial loans by status:	Gross Carrying Value
Performing	8,599
Delinquent, not in foreclosure	—
Delinquent, in foreclosure	—
Restructured	1
Total commercial loans	8,600

As of September 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 50% and 1.96 times, respectively.