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): February 4, 2009

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 fourth 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 fourth 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 December 31, 2008.

C. Investments in Residential and Commercial Mortgage-Backed Securities, Asset-Backed Securities, and Commercial Mortgage and Other Loans. In connection with its announcement of fourth quarter 2008 results, the Company furnishes herewith, as Exhibit 99.2, information about the Company's investments, as of December 31, 2008, in residential and commercial mortgage-backed securities, asset-backed securities, and commercial mortgage and other loans.

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 December 31, 2008, on an amortized cost basis, $1.506 billion, or 1%, of general account fixed maturity investments attributable to the Financial Services Businesses were supported by bond insurance. As of December 31, 2008, 35% of these investments had credit ratings of A or higher, which in some cases may reflect 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 62% of the $1.506 billion total (based upon amortized cost) would have investment grade credit ratings. Based on amortized cost, $812 million of the $1.506 billion of securities supported by bond insurance were asset-backed securities collateralized by sub-prime mortgages, $285 million were other asset-backed securities, and $409 million were municipal bonds. Management estimates that 40% of the asset-backed securities collateralized by sub-prime mortgages, 72% 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 December 31, 2008, the bond insurance is provided by five insurance companies, with no company representing more than 35% of the overall amortized cost of the securities supported by bond insurance attributable to the Financial Services Businesses.

As of December 31, 2008, on an amortized cost basis, $685 million, or 2%, of fixed maturity investments attributable to the Closed Block Business were supported by bond insurance. As of December 31, 2008, 30% of these investments had credit ratings of A or higher, which in some cases may reflect 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 75% of the $685 million total (based upon amortized cost) would have investment grade credit ratings. Based on amortized cost, $471 million of the $685 million of securities supported by bond insurance were asset-backed securities collateralized by sub-prime mortgages, $87 million were other asset-backed securities, and $127 million were municipal bonds. Management estimates that 65% of the asset-backed securities collateralized by sub-prime mortgages, 90% 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 December 31, 2008, the bond insurance is provided by five insurance companies, with no company representing more than 35% 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 December 31, 2008, the parent holding company, Prudential Financial, had cash and short-term investments of $4.434 billion, which included $537 million of subsidiary funds that were invested short-term with Prudential Financial as part of our intercompany liquidity program. The short-term investments comprise $707 million of this amount and consist primarily of government agency securities and money market funds.

As of December 31, 2008, parent company short-term borrowings amounted to $4.474 billion. This amount includes $1.243 billion of outstanding commercial paper, $2.151 billion principal amount of convertible debt securities, $816 million representing foreign currency denominated bridge loan facilities, and $264 million current portion of long-term debt. The vast majority of the parent company's outstanding commercial paper proceeds are invested in short-term financial instruments. The next date on which holders of the convertible notes may require Prudential Financial to repurchase the notes is June 15, 2009 with respect to $2.147 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, and it has received approval to participate in CPFF. 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 maximum amount of commercial paper that Prudential Financial is eligible to issue under the CPFF is $1.297 billion. Unsecured commercial paper purchased by the CPFF is 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. Access to the CPFF for new issuances of commercial paper is scheduled to terminate on October 30, 2009, unless such date is extended by the Federal Reserve. As of December 31, 2008, Prudential Financial's outstanding commercial paper borrowings with CPFF were $898 million, with a weighted average maturity of 40 days.

Excluding CPFF borrowings, Prudential Financial had outstanding commercial paper as of December 31, 2008 with a weighted average maturity of 22 days, and approximately 3% was overnight.

Prudential Funding, LLC Commercial Paper Program

As of December 31, 2008, Prudential Funding, LLC, a wholly-owned subsidiary of Prudential Insurance, had outstanding commercial paper and master note borrowings of $4.354 billion, of which $1.632 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.

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 it has received approval to participate in CPFF. The maximum amount of commercial paper that Prudential Funding is eligible to issue under the CPFF is $9.815 billion. As of December 31, 2008, Prudential Funding, LLC's outstanding commercial paper borrowings with CPFF were $450 million, with a weighted average maturity of 44 days.

Excluding CPFF borrowings, Prudential Funding, LLC had outstanding commercial paper as of December 31, 2008, with a weighted average maturity of 25 days, and approximately 27% was overnight.

Asset-based Financing

As of December 31, 2008, Prudential's Financial Services Businesses had liabilities totaling $7.455 billion under asset-based financing programs, including $4.288 billion representing securities sold under agreements to repurchase, $2.684 billion representing cash collateral for loaned securities and $483 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 $7.455 billion, $3.006 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 28 days. As of December 31, 2008, the asset-based financing programs represented approximately 4.1% of total investments of $183.3 billion for the Financial Services Businesses.

As of December 31, 2008, Prudential's Closed Block Business had liabilities totaling $5.096 billion under such programs, including $3.612 billion representing securities sold under agreements to repurchase and $1.484 billion representing cash collateral for loaned securities. Of the total $5.096 billion, $2.021 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 44 days. As of December 31, 2008, the asset-based financing programs represented approximately 8.7% of total investments of $58.7 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 $200 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 $1.6 billion that we estimate would result in annual cash outflows of approximately $130 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. As of December 31, 2008, when estimates of Prudential Financial's 10-year credit default swap spreads were 575 basis points, we posted $125 million of collateral under this agreement. We estimate that the collateral posting requirements could be $400 million at an effective 10-year credit default swap spread of 2,000 basis points, based on indications of forward LIBOR rates as of December 31, 2008.

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 qualifying mortgage-related assets and U.S. Treasury 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 on a statutory basis, 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 qualifying assets 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 was $6.3 billion, as of December 31, 2008. As of December 31, 2008, outstanding borrowings with FHLBNY amounted to $3.0 billion.

Lines of Credit and Other Credit Facilities

As of December 31, 2008, Prudential Financial, Prudential Insurance and Prudential Funding had unsecured committed lines of credit totaling $4.5 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 $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. In January of 2009, a consent was executed removing Lehman Commercial Paper Inc. and Lehman Brothers Bank, FSB, as participants in these facilities. Lehman Commercial Paper Inc., which filed for bankruptcy in October 2008, had been a participant in the $2 billion facility in the amount of $60 million. Lehman Brothers Bank, FSB had been a participant in the $2.5 billion facility in the amount of $100 million. The result of this action was a reduction in the overall facility total to $4.34 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 December 31, 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, which for this purpose is based on GAAP stockholders' equity, excluding net unrealized gains and losses on investments. 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 $7.4 billion and $11.0 billion as of September 30, 2008 and December 31, 2007, respectively, and we expect this amount to be well in excess of $5.5 billion as of December 31, 2008. Prudential Financial's consolidated GAAP stockholders' equity, excluding net unrealized gains and losses on investments, was $20.2 billion and $23.1 billion as of December 31, 2008 and December 31, 2007, respectively. We also use uncommitted lines of credit from financial institutions.

Credit Derivative Activities

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 December 31, 2008 and December 31, 2007, we had \$1.222 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 \$1.161 billion and \$1.290 billion of outstanding notional amounts, reported at fair value as a liability of \$146 million and \$99 million, as of December 31, 2008 and December 31, 2007, respectively. The Closed Block Business had \$61 million and \$328 million of outstanding notional amounts, reported at fair value as a liability of \$2 million and \$2 million, as of December 31, 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 December 31, 2008 and December 31, 2007, the Financial Services Businesses had \$1.069 billion and \$376 million of outstanding notional amounts, reported at fair value as an asset of \$189 million and \$25 million, respectively. As of December 31, 2008 and December 31, 2007, the Closed Block Business had \$309 million and \$205 million of outstanding notional amounts, reported at fair value as an asset of \$64 million and \$5 million, respectively.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

99.0 News release of Prudential Financial, Inc., dated February 4, 2009, announcing fourth 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 December 31, 2008 (furnished and not filed).

99.2 Information about Prudential Financial, Inc.'s investments, as of December 31, 2008, in residential and commercial mortgage-backed securities, asset-backed securities, and commercial mortgage and other 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: February 4, 2009

PRUDENTIAL FINANCIAL, INC.

By: /S/ PETER B. SAYRE

Name: Peter B. Sayre

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

Exhibit Index

Exhibit No.	Description
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99.2	Information about Prudential Financial, Inc.'s investments, as of December 31, 2008, in residential and commercial mortgage-backed securities, asset-backed securities, and commercial mortgage and other loans (furnished and not filed).

Exhibit 99.0

News Release

Prudential

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

For Immediate Release | **Contact: Gabrielle Shanin**
February 4, 2009 | (973) 802-7779

PRUDENTIAL FINANCIAL, INC.
ANNOUNCES 2008 RESULTS

NEWARK, N.J. – Prudential Financial, Inc. (NYSE:PRU) today reported a net loss for its Financial Services Businesses of $1.096 billion ($2.42 per Common share) for the year ended December 31, 2008, compared to net income of $3.512 billion ($7.61 per Common share) for 2007. After-tax adjusted operating income for the Financial Services Businesses was $1.117 billion ($2.69 per Common share) for 2008, compared to $3.322 billion ($7.21 per Common share) for 2007. Adjusted operating income is a non-GAAP measure as discussed below, which includes charges in the fourth quarter of 2008 for writeoffs of goodwill and declines in value of investments in certain operating joint ventures amounting to approximately $1.32 per Common share.

For the fourth quarter of 2008, the Financial Services Businesses reported a net loss of $1.640 billion ($3.85 per Common share), compared to net income of $792 million ($1.75 per Common share) for the fourth quarter of 2007. The Financial Services Businesses reported a loss, based on after-tax adjusted operating income, of $878 million ($2.04 per Common share) for the fourth quarter of 2008, compared to after-tax adjusted operating income of $787 million ($1.74 per Common share) for the fourth quarter of 2007.

"We are very disappointed in our current quarter results, reflecting recognition of unfavorable financial and economic conditions, which unfortunately overshadowed solid fundamentals in most of our businesses. Our employees worked hard to manage through unprecedented financial market and economic conditions; and in spite of the fourth quarter setbacks, we believe that we are well positioned to manage through this challenging environment. We have strengthened reserves for some of our policy guarantees and have recorded impairments in value related to several of our acquired businesses. Our balance sheet remains strong, our

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businesses are competitive in their markets, and our sources of earnings are diverse. We believe we can maintain RBC and solvency margins for our insurance companies at levels consistent with our “AA” ratings objectives, and we have ample liquidity to fulfill our commitments. We view the positive net flows registered by our U.S. retirement and annuities businesses, the solid sales of our U.S. insurance protection businesses, and the continued growth of our international insurance businesses as validation of our products and our commitment to stand behind them. While we address the challenges of these tough times, we are confident that Prudential will emerge from the current cycle in a strong position to achieve our long-term goals,” said Chairman and Chief Executive Officer John Strangfeld.

“Considering current financial market conditions, including equity market levels, interest rates and credit spreads, we continue to believe that Prudential Financial will achieve Common Stock earnings per share for 2009 in the range of $5.25 to $5.65 based on after-tax adjusted operating income of the Financial Services Businesses. This expectation assumes appreciation of 2% per quarter in the S&P 500 index, commencing with its close as of December 31, 2008,” Strangfeld said. The 2009 expectation is subject to change if this assumption is not realized and as discussed under “Forward-Looking Statements and Non-GAAP Measures” below.

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

Financial Services Businesses

Prudential Financial’s Common Stock (NYSE:PRU) reflects the performance of its Financial Services Businesses, which consist of its U.S. Retirement Solutions and Investment Management, U.S. Individual Life and Group Insurance, and International Insurance and Investments divisions and its Corporate and Other operations.

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The former Financial Advisory segment, which reflected the Company's retail securities brokerage joint venture with Wachovia, has been classified as a "divested business" and excluded from adjusted operating income for all periods presented, as a result of the Company's decision to exercise its "lookback put" option with respect to the joint venture which will result in its exit from this business.

The remaining segments of the Financial Services Businesses are structured in three divisions as indicated above, for all periods presented. The U.S. Retirement Solutions and Investment Management division includes the Individual Annuities, Retirement and Asset Management segments. The U.S. Individual Life and Group Insurance division includes the Individual Life and Group Insurance segments. The International Insurance and Investments division includes the International Insurance and International Investments segments. In the following business-level discussion, adjusted operating income refers to pre-tax results.

Fourth quarter 2008 results for the Financial Services Businesses, based on pre-tax adjusted operating income, include charges within our Individual Annuities and International Investments segments and for the Company's Real Estate and Relocation business included within Corporate and Other operations, for writeoffs of goodwill and declines in value of investments in certain operating joint ventures. These charges had an aggregate negative pre-tax impact of $653 million. The charges reflect valuation of the affected goodwill and joint ventures as of December 31, 2008 based on measures that consider current market values and market-based discount rates applicable to expected future cash flows.

The **U.S. Retirement Solutions and Investment Management division** reported a loss, on an adjusted operating income basis, of $975 million for the fourth quarter of 2008, compared to adjusted operating income of $500 million in the year-ago quarter.

The Individual Annuities segment reported a loss, on an adjusted operating income basis, of $1.039 billion in the current quarter, compared to adjusted operating income of $171 million in the year-ago quarter. Current quarter results include charges of $498 million representing a net increase in amortization of deferred policy acquisition and other costs reflecting an updated estimate of profitability for this business, and $409 million representing a net increase in costs associated with guaranteed minimum death and income benefits, in each case largely driven by declines in customer account values through December 31, 2008. Results for the year-ago quarter included a $16 million net benefit from adjustment of these items to recognize experience in that period. Mark-to-market of embedded derivatives and related hedge positions associated with living benefits, after related amortization of deferred policy acquisition costs, resulted in a net charge of $130 million to current quarter adjusted operating income, compared to a net benefit of $1 million in the year-ago quarter. In addition, the current quarter loss includes a charge of $97 million to write off the entire balance of goodwill associated with the Company's acquisition of Allstate's variable annuity business in 2006. Excluding the effect of the foregoing items, adjusted operating income for the Individual Annuities segment declined $58 million from the year-ago quarter, primarily reflecting lower fees driven by market value declines in customer account values.

The Retirement segment reported adjusted operating income of $133 million for the current quarter, compared to $131 million in the year-ago quarter. Current quarter results benefited $33 million from a refinement of reserves for traditional group annuity business based on an actuarial review of beneficiary census data. Excluding this item, adjusted operating income of the Retirement segment was $31 million below the level of the year-ago quarter, primarily reflecting lower fees associated with market value declines in customer account values.

The Asset Management segment reported a loss of $69 million for the current quarter, compared to adjusted operating income of $198 million for the year-ago quarter. The decrease came primarily from unfavorable results from the segment's proprietary investing activities, which included current quarter losses of approximately $150 million from investment results in fixed income and equity investments compared to income of approximately $30 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.

The **U.S. Individual Life and Group Insurance division** reported adjusted operating income of $78 million for the fourth quarter of 2008, compared to $195 million in the year-ago quarter.

The Individual Life segment reported adjusted operating income of $9 million for the current quarter, compared to $129 million in the year-ago quarter. The decrease came primarily from higher net amortization of deferred policy acquisition costs and other items relating to current quarter experience, together with related costs, driven by unfavorable separate account performance in the current quarter. In addition, current quarter results reflected lower fees associated with market value declines in customer account values.

The Group Insurance segment reported adjusted operating income of $69 million in the current quarter, compared to $66 million in the year-ago quarter. More favorable group life claims experience in the current quarter was partly offset by a lower contribution from investment results.

The **International Insurance and Investments division** reported a loss, on an adjusted operating income basis, of $13 million for the fourth quarter of 2008, compared to adjusted operating income of $393 million in the year-ago quarter.

The International Insurance segment reported adjusted operating income of $421 million for the current quarter, an increase of $68 million from the year-ago quarter. The segment’s Life Planner insurance operations reported adjusted operating income of $261 million for the current quarter, an increase of $29 million from the year-ago quarter, reflecting continued business growth together with an improved contribution from investment results reflecting portfolio strategies including duration lengthening. Results also benefited from more favorable mortality experience in the current quarter. The segment’s Gibraltar Life operations reported adjusted operating income of $160 million for the current quarter, an increase of $39 million from the year-ago quarter. Current quarter results included $9 million income from the sale of a former branch office property. Gibraltar Life’s 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. In addition, mortality experience was more favorable than that of the year-ago quarter. 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.

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The International Investments segment reported a loss of $434 million for the current quarter, compared to adjusted operating income of $40 million in the year-ago quarter. The current quarter loss includes charges totaling $316 million to record declines in value of several joint venture investments, and a charge of $123 million to write off the segment's entire balance of goodwill, relating to several acquired businesses. Excluding these charges, adjusted operating income from the International Investments segment decreased $35 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 $264 million in the fourth quarter of 2008, compared to a loss of $52 million in the year-ago quarter. The current quarter loss includes a charge of $117 million to write off the entire balance of goodwill for the Company's real estate and relocation business. Excluding that charge, the real estate and relocation business reported a loss of $42 million for the current quarter, compared to a loss of $8 million in the year-ago quarter, reflecting unfavorable residential real estate market conditions. The remainder of the increased loss from corporate and other operations came primarily from increased interest expense, net of investment income, reflecting the Company's issuance of $1.5 billion of junior subordinated long-term debt securities in 2008. The increase in net financing costs was partly offset by a $41 million benefit to current quarter results from the repurchase of $853 million original principal amount of Prudential Financial convertible debt securities due in 2037 which were offered to the Company by certain holders in individually negotiated transactions at a discount.

Assets under management amounted to $558 billion at December 31, 2008, compared to $648 billion a year earlier.

The **net loss** of the Financial Services Businesses amounted to $1.640 billion for the fourth quarter of 2008, compared to net income of $792 million in the year-ago quarter.

The current quarter net loss includes $511 million of pre-tax net realized investment losses and related charges and adjustments. Net realized investment losses in the current quarter include $1.192 billion of losses from impairments and sales of credit-impaired investments and $304 million representing decreases in market value of certain externally managed investments in the

European market. The losses from impairments and sales of credit-impaired securities reflect $570 million on fixed maturity investments, including $214 million relating to asset-backed securities collateralized by sub-prime mortgages, and $601 million of impairments on equity securities. The foregoing realized investment losses were partially offset by $894 million net increases in market value of derivatives used in the Company's hedging and investment duration management programs which were primarily driven by changes in interest rates, and by net realized gains from general account portfolio activities during the quarter.

At December 31, 2008, gross unrealized losses on general account fixed maturity investments of the Financial Services Businesses amounted to $11.251 billion, including $9.036 billion on investment-grade securities. Gross unrealized losses include $1.781 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 December 31, 2008 include $7.875 billion of declines in value of 20% or more of amortized cost, of which $5.270 billion represents such declines in value for three months or more. An additional $1.467 billion of the gross unrealized losses at December 31, 2008 represent declines in value ranging from 15% to 20% of amortized cost. 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 $6.567 billion at December 31, 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 $815 million in recorded asset values and $481 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 $230 million of pre-tax losses from divested businesses, primarily reflecting a $209 million pre-tax loss from the Company's retail securities brokerage joint venture with Wachovia and related costs. On January 1, 2008, Wachovia combined the acquired retail securities brokerage business of A.G. Edwards, Inc. with the joint venture. The Company's estimated share of the results of the joint venture and

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transition costs, subsequent to this combination, is based on a diluted ownership level which is currently being finalized. As previously announced, the Company intends to exercise its right under the “lookback” option to put its joint venture interests to Wells Fargo, which acquired Wachovia on December 31, 2008. Under the terms of the joint venture agreements, closing of the put transaction would occur on or about January 1, 2010. The current quarter loss reflects absorption, through our estimated share of joint venture results, of $120 million of costs associated with an earlier settlement with regulators of investigations concerning the underwriting, sale, and subsequent auction of certain auction rate securities by Wachovia Securities, as well as $44 million of transition costs related to Wachovia’s acquisition of A. G. Edwards.

In addition, net income for the current quarter includes income from discontinued operations of $28 million (net of related taxes).

Net income of the Financial Services Businesses for the year-ago quarter included $91 million of pre-tax net realized investment losses and related charges and adjustments, decreases of $10 million in recorded assets and $9 million in recorded liabilities for which changes in value will ultimately accrue to contractholders, and losses of $1 million from divested businesses, in each case before income taxes. In addition, net income for the year-ago quarter included income from discontinued operations of $11 million (net of related taxes).

Closed Block Business

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

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

The Closed Block Business reported income from continuing operations before income taxes of $117 million for the fourth quarter of 2008, compared to $130 million for the year-ago quarter. The Closed Block Business reported net income for the fourth quarter of 2008 of $74 million, compared to $79 million for the year-ago quarter.

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For the year ended December 31, 2008, the Closed Block Business reported income from continuing operations before income taxes of $16 million, compared to $290 million for 2007. The Closed Block Business reported net income of $23 million for 2008 compared to $192 million for 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 $1.566 billion for the fourth quarter of 2008, compared to net income of $871 million for the year-ago quarter, and reported a net loss of $1.073 billion for the year ended December 31, 2008 compared to net income of $3.704 billion for 2007.

Share Repurchases and Issuance

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. From the commencement of share repurchases in May 2002, through December 31, 2008, the Company acquired 214 million shares of its Common Stock at a total cost of $13.049 billion.

Forward-Looking Statements and Non-GAAP Measures

Certain of the statements included in this release including (but not limited to) those in the fourth paragraph hereof, constitute forward-looking statements within the meaning of the U. S. Private Securities Litigation Reform Act of 1995. Words such as “expects,” “believes,”

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"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 second half 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) adverse determinations in litigation or regulatory matters and our exposure to contingent liabilities, including in connection with our divestiture or winding down of businesses; (15) domestic or international military actions, natural or man-made disasters including terrorist activities or pandemic disease, or other events resulting in

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catastrophic loss of life; (16) ineffectiveness of risk management policies and procedures in identifying, monitoring and managing risks; (17) effects of acquisitions, divestitures and restructurings, including possible difficulties in integrating and realizing the projected results of acquisitions; (18) changes in statutory or U.S. GAAP accounting principles, practices or policies; (19) changes in assumptions for retirement expense; (20) 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 (21) risks due to the lack of legal separation between our Financial Services Businesses and our Closed Block Business. Prudential Financial, Inc. does not intend, and is under no obligation, to update any particular forward-looking statement included in this document.

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

Realized investment gains (losses) representing profit or loss of certain of our businesses which primarily originate investments for sale or syndication to unrelated investors, and those associated with terminating hedges of foreign currency earnings and current period yield adjustments are included in adjusted operating income. Realized investment gains and losses from products that are free standing derivatives or contain embedded derivatives, and from associated derivative portfolios that are part of an economic hedging program related to the risk of those products, are included in adjusted operating income. Adjusted operating income excludes gains and losses from changes in value of certain assets and liabilities related to foreign currency exchange movements that have been economically hedged, investment gains and losses on certain investments supporting insurance liabilities that are classified as other trading account assets, and 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.

Our expectation of Common Stock earnings per share is based on after-tax adjusted operating income. Because we do not predict future realized investment gains / losses or recorded changes in asset and liability values that will ultimately accrue to contractholders, we cannot provide a measure of our Common Stock earnings per share expectation based on income from continuing operations of the Financial Services Businesses, which is the GAAP measure most comparable to adjusted operating income.

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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 and our Quarterly Report on Form 10-Q for the period ended September 30, 2008, 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, February 5, 2009 at 11 a.m. ET, to discuss with the investment community the Company's fourth 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 February 20. Institutional investors, analysts, and other members of the professional financial community are invited to listen to the call and participate in Q&A by dialing (877) 777-1971 (domestic callers) or (612) 332-0226 (international callers). All others are encouraged to dial into the conference call in listen-only mode, using the same numbers. To listen to a replay of the conference call starting at 2:00 p.m. on February 5, through February 12, dial (800) 475-6701 (domestic callers) or (320) 365-3844 (international callers). The access code for the replay is 975677.

Prudential Financial, Inc. (NYSE: PRU), a financial services leader with approximately $558 billion of assets under management as of December 31, 2008, has operations in the United States, Asia, Europe, and Latin America. Leveraging its heritage of life insurance and asset management expertise, Prudential is focused on helping approximately 50 million individual and institutional customers grow and protect their wealth. The Company's well-known Rock symbol is an icon of strength, stability, expertise and innovation that has stood the test of time. Prudential's businesses offer a variety of products and services, including life insurance, annuities, retirement-related services, mutual funds, investment management, and real estate services. For more information, please visit www.news.prudential.com.

Prudential

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

	Three Months Ended December 31		Year Ended December 31	
	2008	2007	2008	2007
Financial Services Businesses Income Statement Data:				
Adjusted Operating Income (1):				
Revenues:				
Premiums	$ 2,997	$ 2,717	$11,858	$10,794
Policy charges and fee income	781	828	3,123	3,122
Net investment income	2,100	2,106	8,432	8,202
Asset management fees, commissions and other income	23	1,051	2,631	4,370
Total revenues	5,901	6,702	26,044	26,488
Benefits and expenses:				
Insurance and annuity benefits	3,472	2,725	12,538	10,829
Interest credited to policyholders' account balances	881	808	3,343	3,094
Interest expense	288	289	1,075	1,120
Other expenses	2,434	1,844	7,541	6,840
Total benefits and expenses	7,075	5,666	24,497	21,883
Adjusted operating income (loss) before income taxes	(1,174)	1,036	1,547	4,605
Income taxes, applicable to adjusted operating income	(296)	249	430	1,283
Financial Services Businesses after-tax adjusted operating income (loss) (1)	(878)	787	1,117	3,322
Reconciling Items:				
Realized investment losses, net, and related charges and adjustments	(511)	(91)	(2,222)	(96)
Investment gains (losses) on trading account assets supporting insurance liabilities, net	(815)	(10)	(1,734)	—
Change in experience-rated contractholder liabilities due to asset value changes	481	9	1,163	13
Divested businesses	(230)	(1)	(506)	274
Equity in earnings of operating joint ventures	510	(77)	618	(400)
Total reconciling items, before income taxes	(565)	(170)	(2,681)	(209)
Income taxes, not applicable to adjusted operating income	(160)	(118)	(884)	(138)
Total reconciling items, after income taxes	(405)	(52)	(1,797)	(71)
Income (loss) from continuing operations (after-tax) of Financial Services Businesses before equity in earnings of operating joint ventures	(1,283)	735	(680)	3,251
Equity in earnings of operating joint ventures, net of taxes	(385)	46	(447)	246
Income (loss) from continuing operations (after-tax) of Financial Services Businesses	(1,668)	781	(1,127)	3,497
Income from discontinued operations, net of taxes	28	11	31	15
Net income (loss) of Financial Services Businesses	$ (1,640)	$ 792	$ (1,096)	$ 3,512
Direct equity adjustment for earnings per share calculation (2)	19	11	55	53
Earnings available to holders of Common Stock after direct equity adjustment:				
Based on net income (loss)	$ (1,621)	$ 803	$ (1,041)	$ 3,565
Based on after-tax adjusted operating income (loss)	$ (859)	$ 798	$ 1,172	$ 3,375

See footnotes on last page.

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

	Three Months Ended December 31 2008	Three Months Ended December 31 2007	Year Ended December 31 2008	Year Ended December 31 2007
Earnings per share of Common Stock (diluted) (2) (3):				
Financial Services Businesses after-tax adjusted operating income (loss)	$ (2.04)	$ 1.74	$ 2.69	$ 7.21
Reconciling Items:				
Realized investment losses, net, and related charges and adjustments	(1.21)	(0.20)	(5.11)	(0.20)
Investment gains (losses) on trading account assets supporting insurance liabilities, net	(1.93)	(0.02)	(3.99)	—
Change in experience-rated contractholder liabilities due to asset value changes	1.14	0.02	2.67	0.03
Divested businesses	(0.55)	—	(1.16)	0.59
Equity in earnings of operating joint ventures	1.21	(0.17)	1.42	(0.85)
Total reconciling items, before income taxes	(1.34)	(0.37)	(6.17)	(0.43)
Income taxes, not applicable to adjusted operating income	(0.38)	(0.26)	(2.03)	(0.27)
Total reconciling items, after income taxes	(0.96)	(0.11)	(4.14)	(0.16)
Income (loss) from continuing operations (after-tax) of Financial Services Businesses before equity in earnings of operating joint ventures	(3.00)	1.63	(1.45)	7.05
Equity in earnings of operating joint ventures, net of taxes	(0.91)	0.10	(1.04)	0.53
Income (loss) from continuing operations (after-tax) of Financial Services Businesses	(3.91)	1.73	(2.49)	7.58
Income from discontinued operations, net of taxes	0.06	0.02	0.07	0.03
Net income (loss) of Financial Services Businesses	$ (3.85)	$ 1.75	$ (2.42)	$ 7.61
Weighted average number of outstanding Common shares (basic)	421.3	450.4	429.7	459.8
Weighted average number of outstanding Common shares (diluted)	424.3	458.5	435.0	468.3
Financial Services Businesses Attributed Equity (as of end of period):				
Total attributed equity	$14,279	$22,170		
Per share of Common Stock - diluted	33.66	48.73		
Attributed equity excluding accumulated other comprehensive income related to unrealized gains and losses on investments and pension/postretirement benefits	$19,886	$22,009		
Per share of Common Stock - diluted	46.88	48.37		
Number of diluted shares at end of period	424.2	455.0		
Adjusted operating income before income taxes, by Segment (1):				
Individual Annuities	$ (1,039)	$ 171	$(1,077)	$ 722
Retirement	133	131	531	482
Asset Management	(69)	198	232	701
Total U.S. Retirement Solutions and Investment Management Division	(975)	500	(314)	1,905
Individual Life	9	129	446	622
Group Insurance	69	66	340	286
Total U.S. Individual Life and Group Insurance Division	78	195	786	908
International Insurance	421	353	1,747	1,598
International Investments	(434)	40	(345)	259
Total International Insurance and Investments Division	(13)	393	1,402	1,857
Corporate and Other operations	(264)	(52)	(327)	(65)
Financial Services Businesses adjusted operating income (loss) before income taxes	(1,174)	1,036	1,547	4,605
Reconciling Items:				
Realized investment losses, net, and related charges and adjustments	(511)	(91)	(2,222)	(96)
Investment gains (losses) on trading account assets supporting insurance liabilities, net	(815)	(10)	(1,734)	—
Change in experience-rated contractholder liabilities due to asset value changes	481	9	1,163	13
Divested businesses	(230)	(1)	(506)	274
Equity in earnings of operating joint ventures	510	(77)	618	(400)
Total reconciling items, before income taxes	(565)	(170)	(2,681)	(209)
Income (loss) from continuing operations before income taxes and equity in earnings of operating joint ventures - Financial Services Businesses	$ (1,739)	$ 866	$(1,134)	$4,396

See footnotes on last page.

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

	Three Months Ended December 31		Year Ended December 31	
	2008	2007	2008	2007
U.S. Retirement Solutions and Investment Management Division:				
Fixed and Variable Annuity Sales and Account Values:				
Gross sales	$ 2,179	$ 3,057	$10,329	$11,751
Net sales	$ 434	$ 580	$ 2,053	$ 1,897
Total account value at end of period	$63,302	$ 83,818		
Retirement Segment:				
Full Service:				
Deposits and sales	$ 6,549	$ 4,258	$18,941	$14,692
Net additions	$ 2,680	$ 454	$ 3,890	$ 943
Total account value at end of period	$99,738	$112,192		
Institutional Investment Products:				
Gross additions	$ 1,270	$ 1,298	$ 5,738	$ 4,973
Net withdrawals	$ (362)	$ (565)	$ (1,654)	$ (893)
Total account value at end of period	$50,491	$ 51,591		
Asset Management Segment:				
Assets managed by Investment Management and Advisory Services (in billions, as of end of period):				
Institutional customers	$ 161.2	$ 176.4		
Retail customers	61.6	86.6		
General account	172.6	175.5		
Total Investment Management and Advisory Services	$ 395.4	$ 438.5		
Institutional Assets Under Management (in billions):				
Gross additions, other than money market	$ 6.1	$ 11.1	$ 29.6	$ 27.6
Net additions, other than money market	$ 0.2	$ 4.8	$ 10.1	$ 7.2
Retail Assets Under Management (in billions):				
Gross additions, other than money market	$ 3.4	$ 2.6	$ 15.1	$ 10.5
Net additions (withdrawals), other than money market	$ (1.6)	$ 0.2	$ 0.4	$ 0.1
U.S. Individual Life and Group Insurance Division:				
Individual Life Insurance Annualized New Business Premiums (4):				
Excluding corporate-owned life insurance				
Variable life	$ 10	$ 13	$ 39	$ 54
Universal life	23	21	83	87
Term life	53	55	209	212
Total excluding corporate-owned life insurance	86	89	331	353
Corporate-owned life insurance	—	—	—	—
Total	$ 86	$ 89	$ 331	$ 353
Group Insurance Annualized New Business Premiums (4):				
Group life	$ 76	$ 35	$ 288	$ 197
Group disability	26	16	204	155
Total	$ 102	$ 51	$ 492	$ 352
International Insurance and Investments Division:				
International Insurance Annualized New Business Premiums (4) (5):				
Actual exchange rate basis	$ 278	$ 302	$ 1,229	$ 1,130
Constant exchange rate basis:	$ 282	$ 306	$ 1,236	$ 1,185

See footnotes on last page.

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

	Three Months Ended December 31		Year Ended December 31	
	2008	2007	2008	2007
Closed Block Business Data:				
Income Statement Data:				
Revenues	$ 2,114	$ 2,211	$ 7,059	$ 7,981
Benefits and expenses	1,997	2,081	7,043	7,691
Income from continuing operations before income taxes	117	130	16	290
Income taxes	43	51	(7)	100
Closed Block Business income from continuing operations	74	79	23	190
Income from discontinued operations, net of taxes	—	—	—	2
Closed Block Business net income	$ 74	$ 79	$ 23	$ 192
Direct equity adjustment for earnings per share calculation (2)	(19)	(11)	(55)	(53)
Earnings available to holders of Class B Stock after direct equity adjustment - based on net income (loss)	$ 55	$ 68	$ (32)	$ 139
Income (loss) from continuing operations per share of Class B Stock	$ 27.50	$ 34.00	$ (16.00)	$ 68.50
Income from discontinued operations, net of taxes per share of Class B Stock	—	—	—	1.00
Net income (loss) per share of Class B Stock	$ 27.50	$ 34.00	$ (16.00)	$ 69.50
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	$ (857)	$ 1,287		
Per Share of Class B Stock	(428.50)	643.50		
Attributed equity excluding accumulated other comprehensive income related to unrealized gains and losses on investments and pension/postretirement benefits	$ 1,255	$ 1,313		
Per Share of Class B Stock	627.50	656.50		
Number of Class B Shares at end of period	2.0	2.0		
Consolidated Data:				
Consolidated Income Statement Data:				
Revenues	$ 6,966	$ 8,808	$29,275	$34,401
Benefits and expenses	8,588	7,812	30,393	29,715
Income (loss) from continuing operations before income taxes and equity in earnings of operating joint ventures	(1,622)	996	(1,118)	4,686
Income tax expense (benefit)	(413)	182	(461)	1,245
Income (loss) from continuing operations before equity in earnings of operating joint ventures	(1,209)	814	(657)	3,441
Equity in earnings of operating joint ventures, net of taxes	(385)	46	(447)	246
Income (loss) from continuing operations	(1,594)	860	(1,104)	3,687
Income from discontinued operations, net of taxes	28	11	31	17
Consolidated net income (loss)	$ (1,566)	$ 871	$ (1,073)	$ 3,704
Net income (loss):				
Financial Services Businesses	$ (1,640)	$ 792	$ (1,096)	$ 3,512
Closed Block Business	74	79	23	192
Consolidated net income (loss)	$ (1,566)	$ 871	$ (1,073)	$ 3,704
Assets and Asset Management Information (in billions, as of end of period)				
Total assets	$ 445.0	$ 485.8		
Assets under management (at fair market value):				
Managed by U.S. Retirement Solutions and Investment Management Division:				
Asset Management Segment - Investment Management and Advisory Services	$ 395.4	$ 438.5		
Non-proprietary assets under management	80.5	124.9		
Total managed by U.S. Retirement Solutions and Investment Management Division	475.9	563.4		
Managed by U.S. Individual Life and Group Insurance Division	12.4	15.1		
Managed by International Insurance and Investments Division	69.9	69.2		
Total assets under management	558.2	647.7		
Client assets under administration	101.1	136.3		
Total assets under management and administration	$ 659.3	$ 784.0		

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, investment gains and losses on certain investments supporting insurance liabilities that are classified as other trading account assets, and 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 and twelve months ended December 31, 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. Diluted share count used in diluted earnings per share calculation for non-GAAP measures is equal to weighted average basic common shares for the three months ended December 31, 2008 as all potential common shares are anti-dilutive due to the adjusted operating loss available to holders of Common Stock after direct equity adjustment.

(4) Premiums from new sales that are expected to be collected over a one year period. Group insurance annualized new business 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 annualized new business premiums include premiums from the takeover of claim liabilities. Group disability amounts include long-term care products. Excess (unscheduled) and single premium business for the company’s domestic individual life and international insurance operations are included in annualized new business premiums based on a 10% credit.

(5) 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. denominated activity is included based on the amounts as transacted in U.S. dollars.

Exhibit 99.1

Prudential Financial, Inc. (PRU)

Prudential

Quarterly Financial Supplement

FINANCIAL SERVICES BUSINESSES
FOURTH 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.

February 4, 2009

CONTENTS

This Quarterly Financial Supplement reflects the following for all periods presented herein:

Results of the company's former Financial Advisory segment, primarily reflecting the company's investment in the Wachovia Securities retail securities brokerage joint venture, have been classified as a "divested business" and excluded from adjusted operating income as a result of the company's decision to exercise the lookback put option under the joint venture agreement.

In addition, the company has realigned certain of its remaining business segments into the following Division structure:

The U.S. Retirement Solutions and Investment Management Division consists of the following segments:

Individual Annuities segment

Retirement segment

Asset Management segment

The U.S. Individual Life and Group Insurance Division consists of the following segments:

Individual Life segment

Group Insurance segment

There were no changes to the International Insurance and Investments Division. Corporate and Other Operations reflect the impact of the reclassification of results of the former Financial Advisory segment as a divested business as discussed above.

The Individual Life Sales measure has been modified, for all periods presented, to reflect Annualized New Business Premiums which represent annualized scheduled premiums plus 10% of excess (unscheduled) and single premiums from new sales. The company believes this new measure provides a more meaningful presentation of sales results and trends than the former measure, which included 100% of excess (unscheduled) or single premiums.

Assets and liabilities, and certain statistical information reported herein reflect reclassifications to conform to current reporting practices.

FINANCIAL HIGHLIGHTS
(in millions, except per share data)

Year-to-date 2008	Year-to-date 2007	% Change		2007 4Q	2008 1Q	2008 2Q	2008 3Q	2008 4Q
			Financial Services Businesses:					
			Pre-tax adjusted operating income (loss) by division:					
(314)	1,905	-116%	U.S. Retirement Solutions and Investment Management Division	500	358	485	(182)	(975)
786	908	-13%	U.S. Individual Life and Group Insurance Division	195	186	183	339	78
1,402	1,857	-25%	International Insurance and Investments Division	393	439	479	497	(13)
(327)	(65)	-403%	Corporate and other operations	(52)	(36)	(5)	(22)	(264)
1,547	4,605	-66%	Total pre-tax adjusted operating income (loss)	1,036	947	1,142	632	(1,174)
430	1,283	-66%	Income taxes, applicable to adjusted operating income	249	246	288	192	(296)
1,117	3,322	-66%	**Financial Services Businesses after-tax adjusted operating income (loss)**	787	701	854	440	(878)
			Reconciling items:					
(2,222)	(96)	-2215%	Realized investment losses, net, and related charges and adjustments	(91)	(678)	(486)	(547)	(511)
(1,734)	—	—	Investment gains (losses) on trading account assets supporting insurance liabilities, net	(10)	(262)	(123)	(534)	(815)
1,163	13	8846%	Change in experience-rated contractholder liabilities due to asset value changes	9	200	94	388	481
(506)	274	-285%	Divested businesses	(1)	(67)	10	(219)	(230)
618	(400)	-255%	Equity in earnings of operating joint ventures	(77)	(60)	(40)	208	510
(2,681)	(209)	-1183%	Total reconciling items, before income taxes	(170)	(867)	(545)	(704)	(565)
(884)	(138)	-541%	Income taxes, not applicable to adjusted operating income	(118)	(199)	(245)	(280)	(160)
(1,797)	(71)	-2431%	Total reconciling items, after income taxes	(52)	(668)	(300)	(424)	(405)
(680)	3,251	-121%	**Income (loss) from continuing operations (after-tax) of Financial Services Businesses before equity in earnings of operating joint ventures**	735	33	554	16	(1,283)
(447)	246	-282%	Equity in earnings of operating joint ventures, net of taxes	46	43	24	(129)	(385)
(1,127)	3,497	-132%	**Income (loss) from continuing operations (after-tax) of Financial Services Businesses**	781	76	578	(113)	(1,668)
31	15	107%	Income (loss) from discontinued operations, net of taxes	11	1	(3)	5	28
(1,096)	3,512	-131%	**Net income (loss) of Financial Services Businesses**	792	77	575	(108)	(1,640)
			Earnings per share of Common Stock (diluted) (1):					
2.69	7.21		Financial Services Businesses after-tax adjusted operating income (loss)	1.74	1.59	1.98	1.05	(2.04)
			Reconciling items:					
(5.11)	(0.20)		Realized investment losses, net, and related charges and adjustments	(0.20)	(1.51)	(1.11)	(1.27)	(1.21)
(3.99)	—		Investment gains (losses) on trading account assets supporting insurance liabilities, net	(0.02)	(0.58)	(0.28)	(1.24)	(1.93)
2.67	0.03		Change in experience-rated contractholder liabilities due to asset value changes	0.02	0.44	0.21	0.90	1.14
(1.16)	0.59		Divested businesses	—	(0.15)	0.02	(0.51)	(0.55)
1.42	(0.85)		Equity in earnings of operating joint ventures	(0.17)	(0.13)	(0.09)	0.48	1.21
(6.17)	(0.43)		Total reconciling items, before income taxes	(0.37)	(1.93)	(1.25)	(1.64)	(1.34)
(2.03)	(0.27)		Income taxes, not applicable to adjusted operating income	(0.26)	(0.44)	(0.57)	(0.65)	(0.38)
(4.14)	(0.16)		Total reconciling items, after income taxes	(0.11)	(1.49)	(0.68)	(0.99)	(0.96)
(1.45)	7.05		**Income (loss) from continuing operations (after-tax) of Financial Services Businesses before equity in earnings of operating joint ventures**	1.63	0.10	1.30	0.06	(3.00)
(1.04)	0.53		Equity in earnings of operating joint ventures, net of taxes	0.10	0.10	0.05	(0.30)	(0.91)
(2.49)	7.58		**Income (loss) from continuing operations (after-tax) of Financial Services Businesses**	1.73	0.20	1.35	(0.24)	(3.91)
0.07	0.03		Income from discontinued operations, net of taxes	0.02	—	—	0.01	0.06
(2.42)	7.61		**Net income (loss) of Financial Services Businesses**	1.75	0.20	1.35	(0.23)	(3.85)
429.7	459.8		Weighted average number of outstanding Common shares (basic)	450.4	442.1	431.9	423.8	421.3
435.0	468.3		Weighted average number of outstanding Common shares (diluted)	458.5	448.6	437.7	429.5	424.3
5.37%	15.48%		Operating Return on Average Equity (based on adjusted operating income)	14.43%	12.54%	15.51%	8.22%	-16.60%
			Reconciliation to Consolidated Net Income of Prudential Financial, Inc:					
(1,096)	3,512		Net income (loss) of Financial Services Businesses (above)	792	77	575	(108)	(1,640)
23	192		Net income (loss) of Closed Block Business	79	(8)	15	(58)	74
(1,073)	3,704		Consolidated net income (loss)	871	69	590	(166)	(1,566)
55	53		Direct equity adjustments for earnings per share calculations	11	12	14	10	19

(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 and for the three and twelve months ended December 31, 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. Diluted share count used in diluted earnings per share calculation for non-GAAP measures is equal to weighted average basic common shares for the three months ended December 31, 2008 as all potential common shares are anti-dilutive due to the adjusted operating loss 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 4Q	2008 1Q	2008 2Q	2008 3Q	2008 4Q
		Financial Services Businesses Capitalization Data (1):					
		Senior Debt:					
		Short-term debt	14,514	13,788	12,955	13,788	10,112
		Long-term debt	12,351	13,302	13,856	14,602	17,022
		Junior Subordinated Long-Term Debt	—	—	1,398	1,518	1,518
		Attributed Equity:					
		Including accumulated other comprehensive income	22,170	21,484	20,502	18,751	14,279
		Excluding accumulated other comprehensive income related to unrealized gains and losses on investments and pension / postretirement benefits	22,009	22,499	22,282	21,524	19,886
		Excluding total accumulated other comprehensive income	21,711	21,957	21,733	21,314	19,516
		Total Capitalization:					
		Including accumulated other comprehensive income	34,521	34,786	35,756	34,871	32,819
		Excluding accumulated other comprehensive income related to unrealized gains and losses on investments and pension / postretirement benefits	34,360	35,801	37,536	37,644	38,426
		Excluding total accumulated other comprehensive income	34,062	35,259	36,987	37,434	38,056
		Book value per share of Common Stock:					
		Including accumulated other comprehensive income	48.73	48.45	47.58	43.85	33.66
		Excluding accumulated other comprehensive income related to unrealized gains and losses on investments and pension / postretirement benefits	48.37	50.74	51.71	50.34	46.88
		Excluding total accumulated other comprehensive income	47.72	49.52	50.44	49.85	46.01
		Number of diluted shares at end of period	455.0	443.4	430.9	427.6	424.2
		Common Stock Price Range (based on closing price):					
91.36	103.17	High	101.09	91.36	82.21	86.25	64.80
13.73	84.28	Low	89.46	67.36	59.74	56.07	13.73
30.26	93.04	Close	93.04	78.25	59.74	72.00	30.26
		Common Stock market capitalization (1)	41,623	34,230	25,465	30,362	12,749

(1) As of end of period.

OPERATIONS HIGHLIGHTS

Year-to-date 2008	Year-to-date 2007		2007 4Q	2008 1Q	2008 2Q	2008 3Q	2008 4Q
		Assets Under Management and Administration ($ billions) (1) (2):					
		Assets Under Management:					
		Managed by U.S. Retirement Solutions and Investment Management Division:					
		Asset Management Segment - Investment Management & Advisory Services					
		Institutional customers	176.4	174.2	179.3	170.9	161.2
		Retail customers	86.6	81.8	84.6	75.4	61.6
		General account	175.5	177.9	175.0	175.2	172.6
		Total Investment Management and Advisory Services	438.5	433.9	438.9	421.5	395.4
		Non-proprietary assets under management	124.9	111.5	115.3	97.6	80.5
		Total managed by U.S. Retirement Solutions and Investment Management Division	563.4	545.4	554.2	519.1	475.9
		Managed by U.S. Individual Life and Group Insurance Division	15.1	14.7	14.3	13.3	12.4
		Managed by International Insurance and Investments Division:	69.2	71.0	69.4	69.9	69.9
		Total assets under management	647.7	631.1	637.9	602.3	558.2
		Client assets under administration	136.3	129.4	125.0	112.1	101.1
		Total assets under management and administration	784.0	760.5	762.9	714.4	659.3
		Assets managed or administered for customers outside of the United States at end of period	116.1	120.3	120.0	115.6	112.6
		Distribution Representatives (1):					
		Prudential Agents	2,425	2,436	2,446	2,482	2,360
		International Life Planners	6,166	6,138	6,179	6,267	6,365
		Gibraltar Life Advisors	6,264	6,035	5,899	6,057	6,330
58	61	***Prudential Agent productivity ($ thousands)***	85	50	58	55	70

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

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

Year-to-date 2008	Year-to-date 2007	% Change		2007 4Q	2008 1Q	2008 2Q	2008 3Q	2008 4Q
			Revenues (1):					
11,858	10,794	10%	Premiums	2,717	3,102	2,961	2,798	2,997
3,123	3,122	0%	Policy charges and fee income	828	824	809	709	781
8,432	8,202	3%	Net investment income	2,106	2,111	2,145	2,076	2,100
2,631	4,370	-40%	Asset management fees, commissions and other income	1,051	887	945	776	23
26,044	26,488	-2%	Total revenues	6,702	6,924	6,860	6,359	5,901
			Benefits and Expenses (1):					
12,538	10,829	16%	Insurance and annuity benefits	2,725	3,082	2,944	3,040	3,472
3,343	3,094	8%	Interest credited to policyholders' account balances	808	806	803	853	881
1,075	1,120	-4%	Interest expense	289	283	233	271	288
(2,302)	(2,248)	-2%	Deferral of acquisition costs	(599)	(588)	(588)	(559)	(567)
1,403	935	50%	Amortization of acquisition costs	290	338	315	238	512
8,440	8,153	4%	General and administrative expenses	2,153	2,056	2,011	1,884	2,489
24,497	21,883	12%	Total benefits and expenses	5,666	5,977	5,718	5,727	7,075
1,547	4,605	-66%	Adjusted operating income (loss) before income taxes	1,036	947	1,142	632	(1,174)
			Reconciling items:					
(2,267)	(41)	-5429%	Realized investment losses, net, and related adjustments	(51)	(665)	(527)	(564)	(511)
45	(55)	182%	Related charges	(40)	(13)	41	17	—
(2,222)	(96)	-2215%	Total realized investment losses, net, and related charges and adjustments	(91)	(678)	(486)	(547)	(511)
(1,734)	—	—	Investment gains (losses) on trading account assets supporting insurance liabilities, net	(10)	(262)	(123)	(534)	(815)
1,163	13	8846%	Change in experience-rated contractholder liabilities due to asset value changes	9	200	94	388	481
(506)	274	-285%	Divested businesses	(1)	(67)	10	(219)	(230)
618	(400)	255%	Equity in earnings of operating joint ventures	(77)	(60)	(40)	208	510
(2,681)	(209)	-1183%	Total reconciling items, before income taxes	(170)	(867)	(545)	(704)	(565)
(1,134)	4,396	-126%	Income (loss) from continuing operations before income taxes and equity in earnings of operating joint ventures	866	80	597	(72)	(1,739)
(454)	1,145	-140%	Income tax expense (benefit)	131	47	43	(88)	(456)
(680)	3,251	-121%	Income (loss) from continuing operations before equity in earnings of operating joint ventures	735	33	554	16	(1,283)

(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 other than those classified as divested businesses. 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)

	12/31/2007	3/31/2008	6/30/2008	9/30/2008	12/31/2008
Assets:					
Investments:					
Fixed maturities, available for sale, at fair value (amortized cost $111,405; $117,893; $116,193; $118,111; $125,753)	112,748	117,914	114,541	114,626	119,153
Fixed maturities, held to maturity, at amortized cost (fair value $3,543; $3,741; $3,490; $3,410; $3,832)	3,548	3,735	3,572	3,481	3,808
Trading account assets supporting insurance liabilities, at fair value	14,473	14,644	14,624	14,392	13,875
Other trading account assets, at fair value	3,471	2,684	2,984	3,240	4,216
Equity securities, available for sale, at fair value (cost $4,497; $4,786; $4,686; $4,634; $4,273)	4,640	4,551	4,567	4,258	3,665
Commercial mortgage and other loans	22,093	23,444	23,837	24,173	24,366
Policy loans	3,942	4,147	4,207	3,822	4,280
Securities purchased under agreements to resell	129	178	184	171	480
Other long-term investments	5,163	5,266	5,683	5,255	5,383
Short-term investments	3,852	4,176	5,601	6,621	4,092
Total investments	174,059	180,739	179,800	180,039	183,318
Cash and cash equivalents	9,624	8,133	8,762	9,907	13,054
Accrued investment income	1,496	1,540	1,531	1,551	1,603
Deferred policy acquisition costs	11,396	11,924	12,203	12,472	13,127
Other assets	19,873	22,332	24,982	24,446	21,429
Separate account assets	195,583	181,902	179,323	165,148	147,095
Total assets	412,031	406,570	406,601	393,563	379,626
Liabilities:					
Future policy benefits	60,200	63,536	62,449	62,027	70,221
Policyholders' account balances	78,767	84,949	86,337	90,871	93,991
Securities sold under agreements to repurchase	5,281	3,727	4,307	4,209	4,288
Cash collateral for loaned securities	3,041	2,761	2,808	2,231	2,684
Income taxes	3,402	3,575	2,798	1,300	357
Senior short-term debt	14,514	13,788	12,955	13,788	10,112
Senior long-term debt	12,351	13,302	13,856	14,602	17,022
Junior subordinated long-term debt	—	—	1,398	1,518	1,518
Other liabilities	16,722	17,546	19,868	19,118	18,059
Separate account liabilities	195,583	181,902	179,323	165,148	147,095
Total liabilities	389,861	385,086	386,099	374,812	365,347
Attributed Equity:					
Accumulated other comprehensive income (loss)	459	(473)	(1,231)	(2,563)	(5,237)
Other attributed equity	21,711	21,957	21,733	21,314	19,516
Total attributed equity	22,170	21,484	20,502	18,751	14,279
Total liabilities and attributed equity	412,031	406,570	406,601	393,563	379,626

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

	Quarter Ended December 31, 2008				
	Total Financial Services Businesses	U.S Retirement Solutions & Investment Management Division	U.S. Individual Life & Group Insurance Division	International Insurance & Investments Division	Corporate and Other Operations
Revenues (1):					
Premiums	2,997	209	1,091	1,698	(1)
Policy charges and fee income	781	256	441	90	(6)
Net investment income	2,100	1,101	357	528	114
Asset management fees, commissions and other income	23	191	80	(213)	(35)
Total revenues	5,901	1,757	1,969	2,103	72
Benefits and Expenses (1):					
Insurance and annuity benefits	3,472	814	1,210	1,325	123
Interest credited to policyholders' account balances	881	707	117	109	(52)
Interest expense	288	54	62	2	170
Deferral of acquisition costs	(567)	(148)	(126)	(299)	6
Amortization of acquisition costs	512	126	222	182	(18)
General and administrative expenses	2,489	1,179	406	797	107
Total benefits and expenses	7,075	2,732	1,891	2,116	336
Adjusted operating income (loss) before income taxes	(1,174)	(975)	78	(13)	(264)

	Quarter Ended December 31, 2007				
	Total Financial Services Businesses	U.S Retirement Solutions & Investment Management Division	U.S. Individual Life & Group Insurance Division	International Insurance & Investments Division	Corporate and Other Operations
Revenues (1):					
Premiums	2,717	91	1,036	1,590	—
Policy charges and fee income	828	383	376	76	(7)
Net investment income	2,106	1,146	346	434	180
Asset management fees, commissions and other income	1,051	840	92	182	(63)
Total revenues	6,702	2,460	1,850	2,282	110
Benefits and Expenses (1):					
Insurance and annuity benefits	2,725	339	1,103	1,275	8
Interest credited to policyholders' account balances	808	635	119	90	(36)
Interest expense	289	91	51	6	141
Deferral of acquisition costs	(599)	(201)	(131)	(284)	17
Amortization of acquisition costs	290	77	94	129	(10)
General and administrative expenses	2,153	1,019	419	673	42
Total benefits and expenses	5,666	1,960	1,655	1,889	162
Adjusted operating income (loss) before income taxes	1,036	500	195	393	(52)

(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 other than those classified as divested businesses. 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)

	Twelve Months Ended December 31, 2008				
	Total Financial Services Businesses	U.S Retirement Solutions & Investment Management Division	U.S. Individual Life & Group Insurance Division	International Insurance & Investments Division	Corporate and Other Operations
Revenues (1):					
Premiums	11,858	654	4,381	6,833	(10)
Policy charges and fee income	3,123	1,287	1,525	342	(31)
Net investment income	8,432	4,449	1,396	2,008	579
Asset management fees, commissions and other income	2,631	2,139	412	287	(207)
Total revenues	26,044	8,529	7,714	9,470	331
Benefits and Expenses (1):					
Insurance and annuity benefits	12,538	2,268	4,698	5,377	195
Interest credited to policyholders' account balances	3,343	2,656	463	416	(192)
Interest expense	1,075	225	215	9	626
Deferral of acquisition costs	(2,302)	(689)	(486)	(1,173)	46
Amortization of acquisition costs	1,403	423	387	638	(45)
General and administrative expenses	8,440	3,960	1,651	2,801	28
Total benefits and expenses	24,497	8,843	6,928	8,068	658
Adjusted operating income (loss) before income taxes	1,547	(314)	786	1,402	(327)

	Twelve Months Ended December 31, 2007				
	Total Financial Services Businesses	U.S Retirement Solutions & Investment Management Division	U.S. Individual Life & Group Insurance Division	International Insurance & Investments Division	Corporate and Other Operations
Revenues (1):					
Premiums	10,794	399	4,212	6,192	(9)
Policy charges and fee income	3,122	1,452	1,406	293	(29)
Net investment income	8,202	4,472	1,327	1,644	759
Asset management fees, commissions and other income	4,370	3,207	456	898	(191)
Total revenues	26,488	9,530	7,401	9,027	530
Benefits and Expenses (1):					
Insurance and annuity benefits	10,829	1,356	4,527	4,907	39
Interest credited to policyholders' account balances	3,094	2,432	458	330	(126)
Interest expense	1,120	333	173	19	595
Deferral of acquisition costs	(2,248)	(744)	(498)	(1,057)	51
Amortization of acquisition costs	935	323	173	486	(47)
General and administrative expenses	8,153	3,925	1,660	2,485	83
Total benefits and expenses	21,883	7,625	6,493	7,170	595
Adjusted operating income (loss) before income taxes	4,605	1,905	908	1,857	(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 revenues of divested businesses, and include revenues representing equity in earnings of operating joint ventures other than those classified as divested businesses. 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 December 31, 2008				
	Total Financial Services Businesses	U.S. Retirement Solutions & Investment Management Division	U.S. Individual Life & Group Insurance Division	International Insurance & Investments Division	Corporate and Other Operations
Assets:					
Total investments	183,318	87,244	23,560	65,891	6,623
Deferred policy acquisition costs	13,127	2,683	4,573	6,051	(180)
Other assets	36,086	9,924	3,028	12,866	10,268
Separate account assets	147,095	115,791	32,277	270	(1,243)
Total assets	379,626	215,642	63,438	85,078	15,468
Liabilities:					
Future policy benefits	70,221	18,251	8,213	43,317	440
Policyholders' account balances	93,991	62,285	13,527	21,674	(3,495)
Debt	28,652	4,137	5,448	620	18,447
Other liabilities	25,388	8,345	1,904	12,951	2,188
Separate account liabilities	147,095	115,791	32,277	270	(1,243)
Total liabilities	365,347	208,809	61,369	78,832	16,337
Attributed Equity:					
Accumulated other comprehensive loss	(5,237)	(2,422)	(1,278)	(562)	(975)
Other attributed equity	19,516	9,255	3,347	6,808	106
Total attributed equity	14,279	6,833	2,069	6,246	(869)
Total liabilities and attributed equity	379,626	215,642	63,438	85,078	15,468

	As of December 31, 2007				
	Total Financial Services Businesses	U.S. Retirement Solutions & Investment Management Division	U.S. Individual Life & Group Insurance Division	International Insurance & Investments Division	Corporate and Other Operations
Assets:					
Total investments	174,059	80,161	23,325	58,324	12,249
Deferred policy acquisition costs	11,396	2,209	4,176	5,187	(176)
Other assets	30,993	9,355	2,959	9,319	9,360
Separate account assets	195,583	158,166	38,577	268	(1,428)
Total assets	412,031	249,891	69,037	73,098	20,005
Liabilities:					
Future policy benefits	60,200	15,464	7,505	36,773	458
Policyholders' account balances	78,767	51,281	12,633	17,704	(2,851)
Debt	26,865	4,874	3,856	1,218	16,917
Other liabilities	28,446	12,228	2,891	10,037	3,290
Separate account liabilities	195,583	158,166	38,577	268	(1,428)
Total liabilities	389,861	242,013	65,462	66,000	16,386
Attributed Equity:					
Accumulated other comprehensive income (loss)	459	(151)	16	702	(108)
Other attributed equity	21,711	8,029	3,559	6,396	3,727
Total attributed equity	22,170	7,878	3,575	7,098	3,619
Total liabilities and attributed equity	412,031	249,891	69,037	73,098	20,005

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

	As of December 31, 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	925	5,092	1,518	7,535	1,506	3,275	—	4,781
Investment related	6,265	9,792	—	16,057	8,116	7,120	—	15,236
Securities business related	1,806	1,550	—	3,356	3,405	1,371	—	4,776
Specified other businesses	778	264	—	1,042	1,179	381	—	1,560
Limited recourse and non-recourse borrowing	338	324	—	662	308	204	—	512
Total debt - Financial Services Businesses	10,112	17,022	1,518	28,652	14,514	12,351	—	26,865
Ratio of long-term and short-term capital debt to capitalization (1)				23.3%				17.8%
Closed Block Business								
Investment related	443	—	—	443	1,143	—	—	1,143
Limited recourse and non-recourse borrowing	—	1,750	—	1,750	—	1,750	—	1,750
Total debt	443	1,750	—	2,193	1,143	1,750	—	2,893

	As of December 31, 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	6,837	462	236	7,535	3,661	1,120	—	4,781
Investment related	8,839	3,991	3,227	16,057	9,423	3,863	1,950	15,236
Securities business related	694	2,430	232	3,356	3,235	1,445	96	4,776
Specified other businesses	290	752	—	1,042	393	1,167	—	1,560
Limited recourse and non-recourse borrowing	—	—	662	662	—	—	512	512
Total debt - Financial Services Businesses	16,660	7,635	4,357	28,652	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 December 31, 2008 and December 31, 2007.

COMBINED STATEMENTS OF OPERATIONS - U.S. RETIREMENT SOLUTIONS AND INVESTMENT MANAGEMENT DIVISION
(in millions)

Year-to-date 2008	Year-to-date 2007	% Change		2007 4Q	2008 1Q	2008 2Q	2008 3Q	2008 4Q
			Revenues (1):					
654	399	64%	Premiums	91	219	151	75	209
1,287	1,452	-11%	Policy charges and fee income	383	347	353	331	256
4,449	4,472	-1%	Net investment income	1,146	1,125	1,155	1,068	1,101
2,139	3,207	-33%	Asset management fees, commissions and other income	840	697	734	517	191
8,529	9,530	-11%	Total revenues	2,460	2,388	2,393	1,991	1,757
			Benefits and Expenses (1):					
2,268	1,356	67%	Insurance and annuity benefits	339	463	398	593	814
2,656	2,432	9%	Interest credited to policyholders' account balances	635	635	635	679	707
225	333	-32%	Interest expense	91	66	51	54	54
(689)	(744)	7%	Deferral of acquisition costs	(201)	(192)	(183)	(166)	(148)
423	323	31%	Amortization of acquisition costs	77	73	84	140	126
3,960	3,925	1%	General and administrative expenses	1,019	985	923	873	1,179
8,843	7,625	16%	Total benefits and expenses	1,960	2,030	1,908	2,173	2,732
(314)	1,905	-116%	Adjusted operating income (loss) before income taxes	500	358	485	(182)	(975)

(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. 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 - U.S. RETIREMENT SOLUTIONS AND INVESTMENT MANAGEMENT DIVISION
(in millions)

	Twelve Months Ended December 31, 2008				Quarter Ended December 31, 2008			
	Total U.S. Retirement Solutions & Investment Management Division	Individual Annuities	Retirement	Asset Management	Total U.S. Retirement Solutions & Investment Management Division	Individual Annuities	Retirement	Asset Management
Revenues (1):								
Premiums	654	64	590	—	209	14	195	—
Policy charges and fee income	1,287	1,107	180	—	256	210	46	—
Net investment income	4,449	800	3,564	85	1,101	265	903	(67)
Asset management fees, commissions and other income	2,139	28	510	1,601	191	(213)	108	296
Total revenues	8,529	1,999	4,844	1,686	1,757	276	1,252	229
Benefits and Expenses (1):								
Insurance and annuity benefits	2,268	947	1,321	—	814	474	340	—
Interest credited to policyholders' account balances	2,656	512	2,144	—	707	157	550	—
Interest expense	225	58	89	78	54	14	21	19
Deferral of acquisition costs	(689)	(597)	(78)	(14)	(148)	(130)	(16)	(2)
Amortization of acquisition costs	423	379	24	20	126	119	2	5
General and administrative expenses (2)	3,960	1,777	813	1,370	1,179	681	222	276
Total benefits and expenses	8,843	3,076	4,313	1,454	2,732	1,315	1,119	298
Adjusted operating income (loss) before income taxes	(314)	(1,077)	531	232	(975)	(1,039)	133	(69)

	Twelve Months Ended December 31, 2007				Quarter Ended December 31, 2007			
	Total U.S. Retirement Solutions & Investment Management Division	Individual Annuities	Retirement	Asset Management	Total U.S. Retirement Solutions & Investment Management Division	Individual Annuities	Retirement	Asset Management
Revenues (1):								
Premiums	399	70	329	—	91	17	74	—
Policy charges and fee income	1,452	1,280	172	—	383	339	44	—
Net investment income	4,472	580	3,676	216	1,146	137	939	70
Asset management fees, commissions and other income	3,207	573	531	2,103	840	141	143	556
Total revenues	9,530	2,503	4,708	2,319	2,460	634	1,200	626
Benefits and Expenses (1):								
Insurance and annuity benefits	1,356	211	1,145	—	339	62	277	—
Interest credited to policyholders' account balances	2,432	359	2,073	—	635	90	545	—
Interest expense	333	59	212	62	91	16	56	19
Deferral of acquisition costs	(744)	(653)	(75)	(16)	(201)	(173)	(24)	(4)
Amortization of acquisition costs	323	285	18	20	77	70	2	5
General and administrative expenses (2)	3,925	1,520	853	1,552	1,019	398	213	408
Total benefits and expenses	7,625	1,781	4,226	1,618	1,960	463	1,069	428
Adjusted operating income before income taxes	1,905	722	482	701	500	171	131	198

(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. 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) General and administrative expenses for Individual Annuities include $395 million for the twelve months ended December 31, 2008 and $143 million for the twelve months ended December 31, 2007, $296 million for the quarter ended December 31, 2008 and $34 million for the quarter ended December 31, 2007 for the amortization, net of interest, of value of business acquired (VOBA).

U.S. RETIREMENT SOLUTIONS AND INVESTMENT MANAGEMENT DIVISION - INDIVIDUAL ANNUITIES SALES RESULTS, ACCOUNT VALUES AND MINIMUM GUARANTEES
(in millions)

Year-to-date 2008	Year-to-date 2007		2007 4Q	2008 1Q	2008 2Q	2008 3Q	2008 4Q
		SALES AND ACCOUNT VALUES:					
		Variable Annuities:					
80,330	74,555	Beginning total account value	81,173	80,330	74,977	74,707	67,968
10,208	11,678	Sales	3,041	2,829	2,740	2,507	2,132
(8,000)	(9,568)	Surrenders and withdrawals	(2,415)	(2,173)	(2,185)	(1,988)	(1,654)
2,208	2,110	Net sales	626	656	555	519	478
(1,057)	(1,131)	Benefit payments	(261)	(294)	(262)	(259)	(242)
1,151	979	Net flows	365	362	293	260	236
(20,353)	6,076	Change in market value, interest credited, and other	(865)	(5,409)	(246)	(6,712)	(7,986)
(1,121)	(1,280)	Policy charges	(343)	(306)	(317)	(287)	(211)
60,007	80,330	Ending total account value	80,330	74,977	74,707	67,968	60,007
		Fixed Annuities:					
3,488	3,748	Beginning total account value	3,546	3,488	3,440	3,394	3,349
121	73	Sales	16	17	24	33	47
(276)	(286)	Surrenders and withdrawals	(62)	(53)	(61)	(71)	(91)
(155)	(213)	Net redemptions	(46)	(36)	(37)	(38)	(44)
(160)	(167)	Benefit payments	(38)	(43)	(40)	(37)	(40)
(315)	(380)	Net flows	(84)	(79)	(77)	(75)	(84)
127	124	Interest credited and other	27	32	31	32	32
(5)	(4)	Policy charges	(1)	(1)	—	(2)	(2)
3,295	3,488	Ending total account value	3,488	3,440	3,394	3,349	3,295
		SALES BY DISTRIBUTION CHANNEL:					
		Variable and Fixed Annuities (1):					
2,448	2,569	Insurance Agents	713	646	673	589	540
1,304	1,566	Wirehouses	428	344	337	350	273
6,577	7,616	Independent Financial Planners (2)	1,916	1,856	1,754	1,601	1,366
10,329	11,751	Total	3,057	2,846	2,764	2,540	2,179
		VARIABLE ANNUITY MINIMUM DEATH BENEFIT GUARANTEES (3):					
		Return of net deposits:					
		Account value	42,995	40,817	41,272	38,285	34,892
		Net amount at risk	1,204	1,631	1,750	3,572	6,462
		Minimum return, anniversary contract value, or maximum contract value:					
		Account value	32,194	29,401	28,717	25,469	21,494
		Net amount at risk	2,255	3,823	4,032	6,431	9,640
		Variable Annuity Account Values with Living Benefit Features (3):					
		Guaranteed minimum accumulation benefits	11,724	10,933	10,867	10,221	9,891
		Guaranteed minimum withdrawal benefits	2,234	2,006	1,902	1,646	1,326
		Guaranteed minimum income benefits	6,948	6,233	5,958	5,149	4,114
		Guaranteed minimum withdrawal & income benefits	16,260	16,863	18,372	18,153	17,723
		Total	37,166	36,035	37,099	35,169	33,054

(1) Amounts represent gross sales.
(2) Including bank distribution.
(3) At end of period.

U.S. RETIREMENT SOLUTIONS AND INVESTMENT MANAGEMENT DIVISION - INDIVIDUAL ANNUITIES ACCOUNT VALUE ACTIVITY
(in millions)

Year-to-date 2008	Year-to-date 2007		2007 4Q	2008 1Q	2008 2Q	2008 3Q	2008 4Q
		INDIVIDUAL ANNUITIES:					
		Account Values in General Account (1):					
8,644	9,527	Beginning balance	8,647	8,644	12,013	12,282	17,051
275	292	Premiums and deposits	68	73	51	70	81
(1,234)	(1,156)	Surrenders and withdrawals	(253)	(251)	(254)	(296)	(433)
(959)	(864)	Net redemptions	(185)	(178)	(203)	(226)	(352)
(362)	(392)	Benefit payments	(89)	(103)	(80)	(87)	(92)
(1,321)	(1,256)	Net flows	(274)	(281)	(283)	(313)	(444)
484	342	Interest credited and other	84	99	105	121	159
10,308	35	Net transfers from separate account	188	3,552	447	4,963	1,346
(5)	(4)	Policy charges	(1)	(1)	—	(2)	(2)
18,110	8,644	Ending balance	8,644	12,013	12,282	17,051	18,110
		Account Values in Separate Account:					
75,174	68,776	Beginning balance	76,072	75,174	66,404	65,819	54,266
10,054	11,459	Premiums and deposits	2,989	2,773	2,713	2,470	2,098
(7,042)	(8,698)	Surrenders and withdrawals	(2,224)	(1,975)	(1,992)	(1,763)	(1,312)
3,012	2,761	Net sales	765	798	721	707	786
(855)	(906)	Benefit payments	(210)	(234)	(222)	(209)	(190)
2,157	1,855	Net flows	555	564	499	498	596
(20,710)	5,858	Change in market value, interest credited and other	(922)	(5,476)	(320)	(6,801)	(8,113)
(10,308)	(35)	Net transfers to general account	(188)	(3,552)	(447)	(4,963)	(1,346)
(1,121)	(1,280)	Policy charges	(343)	(306)	(317)	(287)	(211)
45,192	75,174	Ending balance	75,174	66,404	65,819	54,266	45,192

(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.

U.S. RETIREMENT SOLUTIONS AND INVESTMENT MANAGEMENT DIVISION - RETIREMENT SEGMENT SALES RESULTS AND ACCOUNT VALUES
(in millions)

Year-to-date 2008	Year-to-date 2007		2007 4Q	2008 1Q	2008 2Q	2008 3Q	2008 4Q
		RETIREMENT SEGMENT SALES AND ACCOUNT VALUES					
		Full Service:					
112,192	97,430	Beginning total account value	105,601	112,192	107,060	106,917	100,463
18,941	14,692	Deposits and sales	4,258	4,586	4,530	3,276	6,549
(15,051)	(13,749)	Withdrawals and benefits	(3,804)	(3,933)	(4,366)	(2,883)	(3,869)
(25,259)	6,563	Change in market value, interest credited and interest income (1)	(1,119)	(5,785)	(307)	(6,847)	(12,320)
8,915	7,256	Acquisition (2)	7,256	—	—	—	8,915
99,738	112,192	Ending total account value	112,192	107,060	106,917	100,463	99,738
3,890	943	Net additions	454	653	164	393	2,680
		Stable value account values included above	32,314	33,279	33,883	34,570	35,346
		Institutional Investment Products:					
51,591	50,269	Beginning total account value	51,627	51,591	51,667	51,513	50,041
5,738	4,973	Additions (3)	1,298	1,810	1,606	1,052	1,270
(7,392)	(5,866)	Withdrawals and benefits	(1,863)	(1,702)	(1,944)	(2,114)	(1,632)
2,198	2,765	Change in market value, interest credited and interest income	900	561	241	153	1,243
(1,644)	(550)	Other (4)	(371)	(593)	(57)	(563)	(431)
50,491	51,591	Ending total account value	51,591	51,667	51,513	50,041	50,491
(1,654)	(893)	Net additions (withdrawals)	(565)	108	(338)	(1,062)	(362)

(1) Includes $511 million for twelve months ended December 31, 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. On October 10, 2008, the company acquired MullinTBG Insurance Agency Services, LLC and related entities.

(3) Includes $700 million for the three and twelve months ended December 31, 2008 representing transfers of externally managed client balances to accounts managed by the company. This addition is offset within the other category as there is no net impact on ending account values for this transfer.

(4) “Other” activity includes transfers from (to) the Asset Management segment of $(206) million, $115 million, $(20) million, $543 million and $110 million for the first, second, third and fourth quarters of 2008 and the fourth quarter of 2007, respectively; and $432 million and $185 million for the twelve months ended December 31, 2008 and 2007, respectively. “Other” activity also includes $(511) million for the twelve months ended December 31, 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 as well as $(700) million for the three and twelve months ended December 31, 2008 related to transfers discussed above in note 3. The remainder of “other” activity primarily represents changes in asset balances for externally managed accounts.

U.S. RETIREMENT SOLUTIONS AND INVESTMENT MANAGEMENT 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 4Q	2008 1Q	2008 2Q	2008 3Q	2008 4Q
			Analysis of revenues by type:					
1,115	1,081	3%	Asset management fees	283	281	288	289	257
50	560	-91%	Incentive, transaction, principal investing and commercial mortgage revenues	137	88	152	(49)	(141)
521	678	-23%	Service, distribution and other revenues	206	179	124	105	113
1,686	2,319	-27%	Total Asset Management segment revenues	626	548	564	345	229
			Analysis of asset management fees by source:					
540	488	11%	Institutional customers	130	133	136	138	133
307	347	-12%	Retail customers	89	81	85	83	58
268	246	9%	General account	64	67	67	68	66
1,115	1,081	3%	Total asset management fees	283	281	288	289	257

Supplementary Assets Under Management Information (in billions):

December 31, 2008	Equity	Fixed Income	Real Estate	Total
Institutional customers	38.6	96.8	25.8	161.2
Retail customers	38.3	21.5	1.8	61.6
General account	3.2	168.6	0.8	172.6
Total	80.1	286.9	28.4	395.4

December 31, 2007	Equity	Fixed Income	Real Estate	Total
Institutional customers	56.7	92.0	27.7	176.4
Retail customers	65.9	19.5	1.2	86.6
General account	4.5	170.0	1.0	175.5
Total	127.1	281.5	29.9	438.5

U.S. RETIREMENT SOLUTIONS AND INVESTMENT MANAGEMENT DIVISION - SUPPLEMENTARY ASSETS UNDER MANAGEMENT AND ADMINISTRATION INFORMATION FOR ASSET MANAGEMENT SEGMENT
(in billions)

Year-to-date 2008	Year-to-date 2007		2007 4Q	2008 1Q	2008 2Q	2008 3Q	2008 4Q
		Institutional Assets Under Management:					
		Assets gathered by Investment Management & Advisory Services sales force:					
141.7	122.9	Beginning assets under management	135.0	141.7	140.1	145.8	138.6
29.6	27.6	Additions	11.1	6.3	10.9	6.3	6.1
(19.5)	(20.4)	Withdrawals	(6.3)	(4.3)	(4.5)	(4.8)	(5.9)
(22.4)	10.9	Change in market value	1.2	(2.8)	(0.5)	(8.4)	(10.7)
(0.5)	0.9	Net money market flows	0.8	(1.0)	(0.1)	(0.3)	0.9
(0.4)	(0.2)	Other (1)	(0.1)	0.2	(0.1)	—	(0.5)
128.5	141.7	Ending assets under management	141.7	140.1	145.8	138.6	128.5
32.7	34.7	Affiliated institutional assets under management	34.7	34.1	33.5	32.3	32.7
161.2	176.4	Total assets managed for institutional customers at end of period	176.4	174.2	179.3	170.9	161.2
10.1	7.2	Net institutional additions, excluding money market and other activity (1)	4.8	2.0	6.4	1.5	0.2
		Retail Assets Under Management:					
		Assets gathered by Investment Management & Advisory Services sales force:					
50.9	43.4	Beginning assets under management	51.3	50.9	48.2	50.7	43.4
15.1	10.5	Additions	2.6	3.5	3.8	4.4	3.4
(14.7)	(10.4)	Withdrawals	(2.4)	(2.5)	(2.9)	(4.3)	(5.0)
(18.0)	4.9	Change in market value	(0.2)	(4.0)	1.9	(7.5)	(8.4)
0.1	(0.5)	Net money market flows	(0.6)	0.3	(0.3)	0.1	—
—	3.0	Other (2)	0.2	—	—	—	—
33.4	50.9	Ending assets under management	50.9	48.2	50.7	43.4	33.4
28.2	35.7	Affiliated retail assets under management	35.7	33.6	33.9	32.0	28.2
61.6	86.6	Total assets managed for retail customers at end of period	86.6	81.8	84.6	75.4	61.6
0.4	0.1	Net retail additions (withdrawals), excluding money market activity	0.2	1.0	0.9	0.1	(1.6)

(1) Other activity represents transfers from (to) the Retirement Segment as a result of a change in client contract form. These assets continue to be managed by the segment and are included in Affiliated institutional assets under management above.
(2) Represents transfer of retail assets from an externally managed fund family to the Jennison Dryden Fund Family (internally managed).

COMBINED STATEMENTS OF OPERATIONS - U.S. INDIVIDUAL LIFE AND GROUP INSURANCE DIVISION
(in millions)

Year-to-date 2008	Year-to-date 2007	% Change		2007 4Q	2008 1Q	2008 2Q	2008 3Q	2008 4Q
			Revenues (1):					
4,381	4,212	4%	Premiums	1,036	1,115	1,076	1,099	1,091
1,525	1,406	8%	Policy charges and fee income	376	391	380	313	441
1,396	1,327	5%	Net investment income	346	343	343	353	357
412	456	-10%	Asset management fees, commissions and other income	92	88	95	149	80
7,714	7,401	4%	Total revenues	1,850	1,937	1,894	1,914	1,969
			Benefits and Expenses (1):					
4,698	4,527	4%	Insurance and annuity benefits	1,103	1,184	1,168	1,136	1,210
463	458	1%	Interest credited to policyholders' account balances	119	114	113	119	117
215	173	24%	Interest expense	51	52	50	51	62
(486)	(498)	2%	Deferral of acquisition costs	(131)	(117)	(122)	(121)	(126)
387	173	124%	Amortization of acquisition costs	94	115	87	(37)	222
1,651	1,660	-1%	General and administrative expenses	419	403	415	427	406
6,928	6,493	7%	Total benefits and expenses	1,655	1,751	1,711	1,575	1,891
786	908	-13%	Adjusted operating income before income taxes	195	186	183	339	78

(1) Revenues exclude realized investment gains, net of losses and related charges and adjustments. Benefits and expenses exclude charges related to realized investment gains, net of losses.

COMBINING STATEMENTS OF OPERATIONS - U.S. INDIVIDUAL LIFE AND GROUP INSURANCE DIVISION
(in millions)

	Twelve Months Ended December 31, 2008			Quarter Ended December 31, 2008		
	Total U.S. Individual Life & Group Insurance Division	Individual Life	Group Insurance	Total U.S. Individual Life & Group Insurance Division	Individual Life	Group Insurance
Revenues (1):						
Premiums	4,381	613	3,768	1,091	162	929
Policy charges and fee income	1,525	1,066	459	441	299	142
Net investment income	1,396	749	647	357	196	161
Asset management fees, commissions and other income	412	326	86	80	59	21
Total revenues	7,714	2,754	4,960	1,969	716	1,253
Benefits and Expenses (1):						
Insurance and annuity benefits	4,698	965	3,733	1,210	247	963
Interest credited to policyholders’ account balances	463	231	232	117	60	57
Interest expense	215	214	1	62	62	—
Deferral of acquisition costs	(486)	(445)	(41)	(126)	(113)	(13)
Amortization of acquisition costs	387	372	15	222	218	4
General and administrative expenses (2)	1,651	971	680	406	233	173
Total benefits and expenses	6,928	2,308	4,620	1,891	707	1,184
Adjusted operating income before income taxes	786	446	340	78	9	69

	Twelve Months Ended December 31, 2007			Quarter Ended December 31, 2007		
	Total U.S. Individual Life & Group Insurance Division	Individual Life	Group Insurance	Total U.S. Individual Life & Group Insurance Division	Individual Life	Group Insurance
Revenues (1):						
Premiums	4,212	533	3,679	1,036	144	892
Policy charges and fee income	1,406	1,040	366	376	278	98
Net investment income	1,327	656	671	346	175	171
Asset management fees, commissions and other income	456	373	83	92	73	19
Total revenues	7,401	2,602	4,799	1,850	670	1,180
Benefits and Expenses (1):						
Insurance and annuity benefits	4,527	904	3,623	1,103	211	892
Interest credited to policyholders’ account balances	458	218	240	119	56	63
Interest expense	173	165	8	51	49	2
Deferral of acquisition costs	(498)	(452)	(46)	(131)	(119)	(12)
Amortization of acquisition costs	173	164	9	94	90	4
General and administrative expenses (2)	1,660	981	679	419	254	165
Total benefits and expenses	6,493	1,980	4,513	1,655	541	1,114
Adjusted operating income before income taxes	908	622	286	195	129	66

(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.

U.S. INDIVIDUAL LIFE AND GROUP INSURANCE DIVISION - INDIVIDUAL LIFE ANNUALIZED NEW BUSINESS PREMIUMS, ACCOUNT VALUE ACTIVITY, AND FACE AMOUNT IN FORCE
(in millions)

Year-to-date 2008	Year-to-date 2007		2007 4Q	2008 1Q	2008 2Q	2008 3Q	2008 4Q
		ANNUALIZED NEW BUSINESS PREMIUMS:					
		Excluding corporate-owned life insurance:					
39	54	Variable life	13	11	10	8	10
83	87	Universal life	21	17	22	21	23
209	212	Term life	55	51	52	53	53
331	353	Total excluding corporate-owned life insurance	89	79	84	82	86
—	—	Corporate-owned life insurance	—	—	—	—	—
331	353	Total	89	79	84	82	86
		ANNUALIZED NEW BUSINESS PREMIUMS BY DISTRIBUTION CHANNEL:					
		Excluding corporate-owned life insurance:					
109	126	Prudential Agents	33	28	29	26	26
222	227	Third party distribution	56	51	55	56	60
—	—	Corporate-owned life insurance	—	—	—	—	—
331	353	Total	89	79	84	82	86
		ACCOUNT VALUE ACTIVITY:					
		Policyholders' Account Balances (1):					
6,582	6,165	Beginning balance	6,489	6,582	6,676	6,948	7,212
1,613	1,298	Premiums and deposits	329	370	409	372	462
(1,000)	(995)	Surrenders and withdrawals	(239)	(238)	(211)	(248)	(303)
613	303	Net sales	90	132	198	124	159
(159)	(152)	Benefit payments	(37)	(39)	(38)	(41)	(41)
454	151	Net flows	53	93	160	83	118
397	269	Interest credited and other	38	9	130	180	78
267	270	Net transfers from separate account	70	63	59	75	70
(303)	(273)	Policy charges	(68)	(71)	(77)	(74)	(81)
7,397	6,582	Ending balance	6,582	6,676	6,948	7,212	7,397
		Separate Account Liabilities:					
18,585	17,586	Beginning balance	18,876	18,585	17,276	17,387	15,476
1,410	1,282	Premiums and deposits	292	304	311	386	409
(827)	(680)	Surrenders and withdrawals	(174)	(162)	(215)	(173)	(277)
583	602	Net sales	118	142	96	213	132
(21)	(62)	Benefit payments	(16)	(10)	(22)	(6)	17
562	540	Net flows	102	132	74	207	149
(5,268)	1,523	Change in market value, interest credited and other	(121)	(1,183)	288	(1,849)	(2,524)
(267)	(270)	Net transfers to general account	(70)	(63)	(59)	(75)	(70)
(764)	(794)	Policy charges	(202)	(195)	(192)	(194)	(183)
12,848	18,585	Ending balance	18,585	17,276	17,387	15,476	12,848
		FACE AMOUNT IN FORCE (2):					
		Variable life	137,889	135,519	134,691	131,608	127,503
		Universal life	25,416	26,201	27,091	27,999	29,070
		Term life	316,969	331,139	345,467	359,887	373,927
		Total	480,274	492,859	507,249	519,494	530,500

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

U.S. INDIVIDUAL LIFE AND GROUP INSURANCE DIVISION - SUPPLEMENTARY INFORMATION FOR INDIVIDUAL LIFE INSURANCE
(dollar amounts in millions)

Year-to-date 2008	Year-to-date 2007		2007 4Q	2008 1Q	2008 2Q	2008 3Q	2008 4Q
		Individual Life Insurance:					
		Policy Surrender Experience:					
802	752	Cash value of surrenders	187	178	196	188	240
3.8%	3.3%	Cash value of surrenders as a percentage of mean future policy benefits, policyholders' account balances, and separate account balances	3.2%	3.1%	3.5%	3.5%	4.8%
		Death benefits per $1,000 of in force (1):					
3.68	3.46	Variable and universal life	3.13	3.62	4.14	3.23	3.58
1.37	1.79	Term life	0.91	1.59	1.53	1.46	0.97
2.74	2.97	Total, Individual Life Insurance	2.36	2.92	3.08	2.51	2.43

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

U.S. INDIVIDUAL LIFE AND GROUP INSURANCE DIVISION - SUPPLEMENTARY INFORMATION FOR GROUP INSURANCE
(dollar amounts in millions)

Year-to-date 2008	Year-to-date 2007		2007 4Q	2008 1Q	2008 2Q	2008 3Q	2008 4Q
		GROUP INSURANCE ANNUALIZED NEW BUSINESS PREMIUMS:					
288	197	Group life	35	112	30	70	76
204	155	Group disability (1)	16	114	17	47	26
492	352	Total	51	226	47	117	102
		Future Policy Benefits (2):					
		Group life (3)	2,181	2,044	2,046	2,015	2,227
		Group disability (1)	662	774	810	865	898
		Total	2,843	2,818	2,856	2,880	3,125
		Policyholders' Account Balances (2):					
		Group life (3)	5,902	5,961	6,143	5,785	5,958
		Group disability (1)	148	137	149	152	172
		Total	6,050	6,098	6,292	5,937	6,130
		Separate Account Liabilities (2):					
		Group life	19,992	19,363	17,941	19,943	19,429
		Group disability (1)	—	—	—	—	—
		Total	19,992	19,363	17,941	19,943	19,429
		Group Life Insurance:					
3,623	3,422	Gross premiums, policy charges and fee income (4)	889	949	912	840	922
3,232	3,178	Earned premiums, policy charges and fee income	773	793	810	789	840
88.6%	90.4%	Benefits ratio	90.4%	87.1%	89.4%	88.1%	89.9%
8.6%	9.3%	Administrative operating expense ratio	8.4%	8.2%	8.2%	9.4%	8.7%
		Persistency ratio	93.6%	94.7%	94.0%	93.6%	93.3%
		Group Disability Insurance (1):					
1,032	902	Gross premiums, policy charges and fee income (4)	227	288	238	265	241
995	867	Earned premiums, policy charges and fee income	217	280	225	259	231
87.2%	86.6%	Benefits ratio	88.9%	91.1%	86.2%	81.5%	90.0%
19.8%	21.0%	Administrative operating expense ratio	21.2%	17.4%	22.3%	19.3%	20.8%
		Persistency ratio	88.0%	91.4%	90.4%	86.7%	85.6%

(1) Group disability amounts include long-term care products.
(2) As of end of period.
(3) Amounts as reported herein reflect certain reclassifications to conform to current reporting practices.
(4) Before returns of premiums to participating policyholders for favorable claims experience.

DEFERRED POLICY ACQUISITION COSTS - INDIVIDUAL ANNUITIES, INDIVIDUAL LIFE AND GROUP INSURANCE
(in millions)

Year-to-date 2008	Year-to-date 2007		2007 4Q	2008 1Q	2008 2Q	2008 3Q	2008 4Q
		INDIVIDUAL ANNUITIES:					
1,976	1,613	Beginning balance	1,876	1,976	2,093	2,199	2,294
597	653	Capitalization	173	163	155	149	130
(379)	(285)	Amortization - operating results	(70)	(63)	(76)	(121)	(119)
10	7	Amortization - realized investment gains and losses	2	15	(5)	10	(10)
125	1	Impact of unrealized (gains) or losses on AFS securities	(5)	2	32	57	34
2,329	1,976	Ending balance	1,976	2,093	2,199	2,294	2,329
		INDIVIDUAL LIFE INSURANCE:					
3,855	3,550	Beginning balance	3,841	3,855	3,805	3,963	4,207
445	452	Capitalization	119	108	113	111	113
(372)	(164)	Amortization - operating results	(90)	(111)	(83)	40	(218)
—	—	Amortization - realized investment gains and losses	—	—	—	—	—
298	17	Impact of unrealized (gains) or losses on AFS securities	(15)	(47)	128	93	124
—	—	Other (1)	—	—	—	—	—
4,226	3,855	Ending balance	3,855	3,805	3,963	4,207	4,226
		GROUP INSURANCE:					
321	284	Beginning balance	313	321	326	331	338
41	46	Capitalization	12	9	9	10	13
(15)	(9)	Amortization - operating results	(4)	(4)	(4)	(3)	(4)
—	—	Amortization - realized investment gains and losses	—	—	—	—	—
—	—	Impact of unrealized losses on AFS securities	—	—	—	—	—
347	321	Ending balance	321	326	331	338	347

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

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

Year-to-date 2008	Year-to-date 2007	% Change		2007 4Q	2008 1Q	2008 2Q	2008 3Q	2008 4Q
			Revenues (1):					
6,833	6,192	10%	Premiums	1,590	1,772	1,736	1,627	1,698
342	293	17%	Policy charges and fee income	76	87	82	83	90
2,008	1,644	22%	Net investment income	434	462	504	514	528
287	898	-68%	Asset management fees, commissions and other income	182	180	161	159	(213)
9,470	9,027	5%	Total revenues	2,282	2,501	2,483	2,383	2,103
			Benefits and Expenses (1):					
5,377	4,907	10%	Insurance and annuity benefits	1,275	1,413	1,360	1,279	1,325
416	330	26%	Interest credited to policyholders' account balances	90	100	101	106	109
9	19	-53%	Interest expense	6	2	4	1	2
(1,173)	(1,057)	-11%	Deferral of acquisition costs	(284)	(294)	(299)	(281)	(299)
638	486	31%	Amortization of acquisition costs	129	160	152	144	182
2,801	2,485	13%	General and administrative expenses	673	681	686	637	797
8,068	7,170	13%	Total benefits and expenses	1,889	2,062	2,004	1,886	2,116
1,402	1,857	-25%	Adjusted operating income (loss) before income taxes	393	439	479	497	(13)

(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)

	Twelve Months Ended December 31, 2008				Quarter Ended December 31, 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	6,833	4,710	2,123	—	1,698	1,158	540	—
Policy charges and fee income	342	271	71	—	90	71	19	—
Net investment income	2,008	962	995	51	528	249	266	13
Asset management fees, commissions and other income	287	79	(26)	234	(213)	16	(14)	(215)
Total revenues	9,470	6,022	3,163	285	2,103	1,494	811	(202)
Benefits and Expenses (1):								
Insurance and annuity benefits	5,377	3,738	1,639	—	1,325	921	404	—
Interest credited to policyholders' account balances	416	167	249	—	109	42	67	—
Interest expense	9	13	(8)	4	2	4	(2)	—
Deferral of acquisition costs	(1,173)	(837)	(336)	—	(299)	(213)	(86)	—
Amortization of acquisition costs	638	455	183	—	182	129	53	—
General and administrative expenses	2,801	1,361	814	626	797	350	215	232
Total benefits and expenses	8,068	4,897	2,541	630	2,116	1,233	651	232
Adjusted operating income (loss) before income taxes	1,402	1,125	622	(345)	(13)	261	160	(434)

	Twelve Months Ended December 31, 2007				Quarter Ended December 31, 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	6,192	4,276	1,916	—	1,590	1,106	484	—
Policy charges and fee income	293	230	63	—	76	59	17	—
Net investment income	1,644	799	809	36	434	217	209	8
Asset management fees, commissions and other income	898	109	56	733	182	21	(3)	164
Total revenues	9,027	5,414	2,844	769	2,282	1,403	707	172
Benefits and Expenses (1):								
Insurance and annuity benefits	4,907	3,386	1,521	—	1,275	894	381	—
Interest credited to policyholders' account balances	330	137	193	—	90	36	54	—
Interest expense	19	12	1	6	6	4	1	1
Deferral of acquisition costs	(1,057)	(782)	(275)	—	(284)	(211)	(73)	—
Amortization of acquisition costs	486	361	125	—	129	96	33	—
General and administrative expenses	2,485	1,280	701	504	673	352	190	131
Total benefits and expenses	7,170	4,394	2,266	510	1,889	1,171	586	132
Adjusted operating income before income taxes	1,857	1,020	578	259	393	232	121	40

(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 4Q	2008 1Q	2008 2Q	2008 3Q	2008 4Q
		Japanese Yen Basis Results:					
		Revenues (1):					
¥445,941	¥420,553	Japanese insurance operations excluding Gibraltar Life	¥103,043	¥117,421	¥107,786	¥110,522	¥110,212
335,854	328,580	Gibraltar Life	79,042	82,122	86,092	84,570	83,070
781,795	749,133	Total revenues, Japan, yen basis	182,085	199,543	193,878	195,092	193,282
		Benefits and Expenses (1):					
345,982	329,924	Japanese insurance operations excluding Gibraltar Life	83,597	92,701	83,323	83,006	86,952
268,927	266,472	Gibraltar Life	64,992	68,126	68,623	65,640	66,538
614,909	596,396	Total benefits and expenses, Japan, yen basis	148,589	160,827	151,946	148,646	153,490
		Adjusted operating income (2):					
99,959	90,629	Japanese insurance operations excluding Gibraltar Life	19,446	24,720	24,463	27,516	23,260
66,927	62,108	Gibraltar Life	14,050	13,996	17,469	18,930	16,532
¥166,886	¥152,737	Total adjusted operating income, Japan, yen basis	¥ 33,496	¥ 38,716	¥ 41,932	¥ 46,446	¥ 39,792
		U.S. Dollar adjusted operating income (3):					
$ 943	$ 840	Japanese insurance operations excluding Gibraltar Life	$ 186	$ 231	$ 236	$ 252	$ 224
622	578	Gibraltar Life	121	128	167	167	160
1,565	1,418	Total adjusted operating income, Japan, U.S. dollar basis	307	359	403	419	384
182	180	All other countries (4)	46	54	50	41	37
$ 1,747	$ 1,598	Total adjusted operating income, International Insurance segment, U.S. dollar basis	$ 353	$ 413	$ 453	$ 460	$ 421

(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 4Q	2008 1Q	2008 2Q	2008 3Q	2008 4Q
		INTERNATIONAL INSURANCE OPERATING DATA:					
		Actual exchange rate basis (1):					
		Net premiums, policy charges and fee income:					
3,575	3,002	Japan, excluding Gibraltar Life	765	953	859	839	924
2,194	1,979	Gibraltar Life	501	527	593	515	559
1,406	1,504	All other countries	400	379	366	356	305
7,175	6,485	Total	1,666	1,859	1,818	1,710	1,788
		Annualized new business premiums:					
531	491	Japan, excluding Gibraltar Life	126	163	125	120	123
454	342	Gibraltar Life	93	94	148	111	101
244	297	All other countries	83	72	63	55	54
1,229	1,130	Total	302	329	336	286	278
		Annualized new business premiums by distribution channel:					
775	788	Life Planners	209	235	188	175	177
400	320	Gibraltar Life Advisors	86	88	127	96	89
54	22	Banks	7	6	21	15	12
1,229	1,130	Total	302	329	336	286	278
		Constant exchange rate basis (2):					
		Net premiums, policy charges and fee income:					
3,504	3,241	Japan, excluding Gibraltar Life	801	944	850	850	860
2,173	2,206	Gibraltar Life	538	542	575	522	534
1,529	1,478	All other countries	388	375	374	380	400
7,206	6,925	Total	1,727	1,861	1,799	1,752	1,794
		Annualized new business premiums:					
522	525	Japan, excluding Gibraltar Life	131	161	124	122	115
454	365	Gibraltar Life	96	96	147	112	99
260	295	All other countries	79	72	64	56	68
1,236	1,185	Total	306	329	335	290	282
		Annualized new business premiums by distribution channel:					
782	820	Life Planners	210	233	188	178	183
399	344	Gibraltar Life Advisors	90	90	125	97	87
55	21	Banks	6	6	22	15	12
1,236	1,185	Total	306	329	335	290	282

(1) Translated based on applicable average exchange rates for the period shown.
(2) 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 4Q	2008 1Q	2008 2Q	2008 3Q	2008 4Q
Face amount of individual policies in force at end of period (in billions) (1)(2):					
(Constant exchange rate basis)					
Japan, excluding Gibraltar Life	238	242	244	246	248
Gibraltar Life	186	185	184	184	183
All other countries	106	107	108	108	108
Total	530	534	536	538	539
Number of individual policies in force at end of period (in thousands) (2):					
Japan, excluding Gibraltar Life	2,194	2,232	2,258	2,288	2,313
Gibraltar Life	3,817	3,804	3,782	3,788	3,796
All other countries	1,296	1,311	1,323	1,333	1,348
Total	7,307	7,347	7,363	7,409	7,457
International life insurance policy persistency:					
Excluding Gibraltar Life:					
13 months	92.4%	92.4%	92.0%	92.1%	92.6%
25 months	85.9%	85.9%	85.3%	85.5%	86.2%
Gibraltar Life:					
13 months	91.7%	91.2%	90.8%	91.1%	91.1%
25 months	87.9%	87.2%	86.4%	85.3%	84.0%
Number of Life Planners at end of period:					
Japan	3,068	3,108	3,079	3,084	3,071
All other countries	3,098	3,030	3,100	3,183	3,294
Total life planners	6,166	6,138	6,179	6,267	6,365
Gibraltar Life Advisors	6,264	6,035	5,899	6,057	6,330

(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. denominated activity is included based on the amounts as transacted in U.S. dollars.

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

Prudential

INVESTMENT PORTFOLIO COMPOSITION
(in millions)

	December 31, 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	126,149	27,424	98,725	57.5%	128,130	37,168	90,962	55.8%
Public, held to maturity, at amortized cost	3,002	—	3,002	1.7%	2,879	—	2,879	1.8%
Private, available for sale, at fair value	30,047	11,479	18,568	10.8%	32,559	12,246	20,313	12.5%
Private, held to maturity, at amortized cost	806	—	806	0.5%	669	—	669	0.4%
Trading account assets supporting insurance liabilities, at fair value	13,875	—	13,875	8.1%	14,473	—	14,473	8.9%
Other trading account assets, at fair value	848	120	728	0.4%	346	142	204	0.1%
Equity securities, available for sale, at fair value	6,059	2,400	3,659	2.1%	8,569	3,940	4,629	2.8%
Commercial loans	30,840	8,748	22,092	12.9%	27,557	7,954	19,603	12.0%
Policy loans	9,703	5,423	4,280	2.5%	9,337	5,395	3,942	2.4%
Other long-term investments (1)	4,664	1,629	3,035	1.8%	3,992	1,268	2,724	1.7%
Short-term investments (2)	4,358	1,484	2,874	1.7%	3,983	1,385	2,598	1.6%
Subtotal (3)	230,351	58,707	171,644	100.0%	232,494	69,498	162,996	100.0%
Invested assets of other entities and operations (4)	11,674	—	11,674		11,063	—	11,063	
Total investments	242,025	58,707	183,318		243,557	69,498	174,059	

Fixed Maturities by Credit Quality (3):

		December 31, 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	85,474	4,228	4,425	85,277	83.8%	74,678	2,036	1,184	75,530	80.5%
2	Baa	15,573	163	2,893	12,843	12.6%	13,573	490	351	13,712	14.6%
Subtotal Investment Grade		101,047	4,391	7,318	98,120	96.4%	88,251	2,526	1,535	89,242	95.1%
3	Ba	3,009	16	800	2,225	2.2%	2,830	68	102	2,796	3.1%
4	B	1,639	2	565	1,076	1.1%	1,681	38	82	1,637	1.7%
5	C and lower	379	14	123	270	0.3%	115	5	6	114	0.1%
6	In or near default	36	4	4	36	0.0%	34	5	1	38	0.0%
Subtotal Below Investment Grade		5,063	36	1,492	3,607	3.6%	4,660	116	191	4,585	4.9%
Total		106,110	4,427	8,810	101,727	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	6,284	112	408	5,988	30.9%	7,139	230	84	7,285	34.7%
2	Baa	11,341	92	1,310	10,123	52.2%	10,595	344	118	10,821	51.6%
Subtotal Investment Grade		17,625	204	1,718	16,111	83.1%	17,734	574	202	18,106	86.3%
3	Ba	2,405	24	381	2,048	10.5%	1,637	49	26	1,660	7.9%
4	B	1,037	14	244	807	4.2%	738	6	12	732	3.5%
5	C and lower	283	7	59	231	1.2%	319	8	4	323	1.5%
6	In or near default	232	8	39	201	1.0%	147	23	—	170	0.8%
Subtotal Below Investment Grade		3,957	53	723	3,287	16.9%	2,841	86	42	2,885	13.7%
Total		21,582	257	2,441	19,398	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 December 31, 2008 and December 31, 2007, respectively, 142 securities with amortized cost of $1,214 million (fair value $1,054 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)

	December 31, 2008		December 31, 2007	
	Amount	% of Total	Amount	% of Total
Japanese Insurance Operations:				
Fixed maturities:				
Public, available for sale, at fair value	42,223	70.6%	34,752	68.5%
Public, held to maturity, at amortized cost	3,002	5.0%	2,879	5.7%
Private, available for sale, at fair value	2,803	4.7%	3,467	6.8%
Private, held to maturity, at amortized cost	806	1.3%	668	1.3%
Trading account assets supporting insurance liabilities, at fair value	1,077	1.8%	1,132	2.2%
Other trading account assets, at fair value	519	0.9%	48	0.1%
Equity securities, available for sale, at fair value	2,071	3.5%	2,550	5.0%
Commercial loans	3,373	5.6%	2,881	5.7%
Policy loans	1,547	2.6%	1,133	2.2%
Other long-term investments (1)	2,143	3.6%	993	2.0%
Short-term investments	266	0.4%	239	0.5%
Total	59,830	100.0%	50,742	100.0%

	December 31, 2008		December 31, 2007	
	Amount	% of Total	Amount	% of Total
Financial Services Businesses excluding Japanese Insurance Operations (2):				
Fixed maturities:				
Public, available for sale, at fair value	56,502	50.5%	56,210	50.1%
Public, held to maturity, at amortized cost	—	0.0%	—	0.0%
Private, available for sale, at fair value	15,765	14.1%	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	12,798	11.5%	13,341	11.9%
Other trading account assets, at fair value	209	0.2%	156	0.1%
Equity securities, available for sale, at fair value	1,588	1.4%	2,079	1.9%
Commercial loans	18,719	16.7%	16,722	14.9%
Policy loans	2,733	2.5%	2,809	2.5%
Other long-term investments (1)	892	0.8%	1,731	1.5%
Short-term investments	2,608	2.3%	2,359	2.1%
Total	111,814	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 December 31					
	2008			2007		
	Investment Income		Realized Gains / (Losses)	Investment Income		Realized Gains / (Losses)
	Yield (3)	Amount		Yield (3)	Amount	
Financial Services Businesses (1):						
Fixed maturities	4.96%	1,511	(353)	5.04%	1,436	(15)
Equity securities	4.81%	53	(685)	4.48%	49	(27)
Commercial loans	5.83%	250	(34)	5.99%	221	3
Policy loans	5.05%	51	—	5.35%	52	—
Short-term investments and cash equivalents	2.32%	66	4	4.08%	103	—
Other investments	0.58%	5	245	2.33%	18	(60)
Gross investment income before investment expenses	4.78%	1,936	(823)	5.03%	1,879	(99)
Investment expenses	-0.16%	(54)	—	-0.15%	(119)	—
Subtotal	4.62%	1,882	(823)	4.88%	1,760	(99)
Investment results of other entities and operations (2)		221	177		352	(18)
Less, investment income relating to divested businesses		(3)			(6)	
Total		2,100	(646)		2,106	(117)

	Twelve Months Ended December 31					
	2008			2007		
	Investment Income		Realized Gains / (Losses)	Investment Income		Realized Gains / (Losses)
	Yield (3)	Amount		Yield (3)	Amount	
Financial Services Businesses (1):						
Fixed maturities	4.90%	5,702	(1,597)	5.10%	5,700	(48)
Equity securities	5.00%	223	(941)	4.95%	198	296
Commercial loans	6.01%	974	(37)	6.24%	850	6
Policy loans	5.24%	208	—	5.23%	188	—
Short-term investments and cash equivalents	2.82%	304	4	4.58%	378	(7)
Other investments	3.01%	100	(39)	4.80%	136	(230)
Gross investment income before investment expenses	4.87%	7,511	(2,610)	5.19%	7,450	17
Investment expenses	-0.16%	(295)	—	-0.16%	(521)	—
Subtotal	4.71%	7,216	(2,610)	5.03%	6,929	17
Investment results of other entities and operations (2)		1,246	220		1,299	7
Less, investment income relating to divested businesses		(30)			(26)	
Total		8,432	(2,390)		8,202	24

(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.

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

	Quarter Ended December 31					
	2008			2007		
	Investment Income		Realized Gains / (Losses)	Investment Income		Realized Gains / (Losses)
	Yield (1)	Amount		Yield (1)	Amount	
Japanese Insurance Operations:						
Fixed maturities	3.20%	374	(23)	2.75%	281	(19)
Equity securities	2.68%	16	(285)	2.46%	15	(44)
Commercial loans	4.74%	38	1	4.22%	30	—
Policy loans	4.15%	14	—	4.15%	11	—
Short-term investments and cash equivalents	2.08%	6	—	5.27%	14	—
Other investments	4.04%	23	997	9.37%	22	47
Gross investment income before investment expenses	3.30%	471	690	3.03%	373	(16)
Investment expenses	-0.19%	(28)	—	-0.19%	(26)	—
Total	3.11%	443	690	2.84%	347	(16)

	Twelve Months Ended December 31					
	2008			2007		
	Investment Income		Realized Gains / (Losses)	Investment Income		Realized Gains / (Losses)
	Yield (1)	Amount		Yield (1)	Amount	
Japanese Insurance Operations:						
Fixed maturities	3.04%	1,354	(130)	2.72%	1,058	34
Equity securities	2.90%	73	(522)	2.74%	59	239
Commercial loans	4.76%	144	17	4.45%	122	12
Policy loans	3.92%	50	—	3.91%	40	—
Short-term investments and cash equivalents	2.26%	21	—	3.96%	32	(1)
Other investments	6.14%	99	994	11.95%	105	(62)
Gross investment income before investment expenses	3.23%	1,741	359	3.05%	1,416	222
Investment expenses	-0.19%	(107)	—	-0.18%	(96)	—
Total	3.04%	1,634	359	2.87%	1,320	222

(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.

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

	Quarter Ended December 31					
	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	6.05%	1,137	(330)	6.39%	1,155	4
Equity securities	7.62%	37	(400)	6.94%	34	17
Commercial loans	6.08%	212	(35)	6.41%	191	3
Policy loans	5.53%	37	—	5.84%	41	—
Short-term investments and cash equivalents	2.34%	60	4	3.87%	89	—
Other investments	-5.30%	(18)	(752)	-1.11%	(4)	(107)
Gross investment income before investment expenses	5.60%	1,465	(1,513)	6.07%	1,506	(83)
Investment expenses	-0.15%	(26)	—	-0.14%	(93)	—
Total	5.45%	1,439	(1,513)	5.93%	1,413	(83)

	Twelve Months Ended December 31					
	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	6.06%	4,348	(1,467)	6.47%	4,642	(82)
Equity securities	7.73%	150	(419)	7.51%	139	57
Commercial loans	6.30%	830	(54)	6.68%	728	(6)
Policy loans	5.87%	158	—	5.76%	148	—
Short-term investments and cash equivalents	2.89%	283	4	4.68%	346	(6)
Other investments	0.03%	1	(1,033)	1.55%	31	(168)
Gross investment income before investment expenses	5.75%	5,770	(2,969)	6.29%	6,034	(205)
Investment expenses	-0.15%	(188)	—	-0.15%	(425)	—
Total	5.60%	5,582	(2,969)	6.14%	5,609	(205)

(1) Excludes assets of our securities brokerage, securities trading, and banking operations, real estate and relocation services, commercial loans and trading account assets supporting insurance liabilities where the investment results generally accrue to contractholders, assets of our asset management operations, including assets managed for third parties, and those assets classified as "separate account assets" on our balance sheet.

(2) Yields are annualized, for interim periods, and based on quarterly average carrying values except for fixed maturities, equity securities and securities lending activity. Yields for fixed maturities are based on amortized cost. Yields for equity securities are based on cost. Yields for securities lending activity are calculated net of corresponding liabilities and rebate expenses. Yields exclude investment income and assets related to commercial loans and trading account assets supporting insurance liabilities where the investment results generally accrue to contractholders and investment income on assets other than those included in invested assets of the Financial Services Businesses. Prior periods yields are presented on a basis consistent with the current presentation.

RECLASSIFIED FINANCIAL HIGHLIGHTS
(in millions, except per share data)

Years ended December 31 2006	2005		2007 1Q	2007 2Q	2007 3Q	2007 4Q	2008 1Q	2008 2Q	2008 3Q
		Financial Services Businesses:							
		Pre-tax adjusted operating income (loss) by division:							
1,646	1,431	U.S. Retirement Solutions and Investment Management Division	489	485	431	500	358	485	(182)
774	722	U.S. Individual Life and Group Insurance Division	152	210	351	195	186	183	339
1,571	1,427	International Insurance and Investments Division	474	453	537	393	439	479	497
42	186	Corporate and other operations	7	(8)	(12)	(52)	(36)	(5)	(22)
4,033	3,766	Total pre-tax adjusted operating income	1,122	1,140	1,307	1,036	947	1,142	632
1,099	1,141	Income taxes, applicable to adjusted operating income	323	328	383	249	246	288	192
2,934	2,625	**Financial Services Businesses after-tax adjusted operating income**	799	812	924	787	701	854	440
		Reconciling items:							
83	549	Realized investment gains (losses), net, and related charges and adjustments	141	34	(180)	(91)	(678)	(486)	(547)
35	(33)	Investment gains (losses) on trading account assets supporting insurance liabilities, net	82	(108)	36	(10)	(262)	(123)	(534)
11	(44)	Change in experience-rated contractholder liabilities due to asset value changes	(62)	72	(6)	9	200	94	388
151	(232)	Divested businesses	127	90	58	(1)	(67)	10	(219)
(322)	(214)	Equity in earnings of operating joint ventures	(120)	(100)	(103)	(77)	(60)	(40)	208
(42)	26	Total reconciling items, before income taxes	168	(12)	(195)	(170)	(867)	(545)	(704)
27	(499)	Income taxes, not applicable to adjusted operating income	56	(8)	(68)	(118)	(199)	(245)	(280)
(69)	525	Total reconciling items, after income taxes	112	(4)	(127)	(52)	(668)	(300)	(424)
2,865	3,150	**Income from continuing operations (after-tax) of Financial Services Businesses before equity in earnings of operating joint ventures**	911	808	797	735	33	554	16
208	142	Equity in earnings of operating joint ventures, net of taxes	77	56	67	46	43	24	(129)
3,073	3,292	**Income from continuing operations (after-tax) of Financial Services Businesses**	988	864	864	781	76	578	(113)
71	(73)	Income (loss) from discontinued operations, net of taxes	37	(29)	(4)	11	1	(3)	5
3,144	3,219	**Net income (loss) of Financial Services Businesses**	1,025	835	860	792	77	575	(108)
		Earnings per share of Common Stock (diluted):							
6.08	5.20	Financial Services Businesses after-tax adjusted operating income	1.71	1.75	2.02	1.74	1.59	1.98	1.05
		Reconciling items:							
0.17	1.05	Realized investment gains (losses), net, and related charges and adjustments	0.30	0.07	(0.39)	(0.20)	(1.51)	(1.11)	(1.27)
0.07	(0.06)	Investment gains (losses) on trading account assets supporting insurance liabilities, net	0.17	(0.23)	0.08	(0.02)	(0.58)	(0.28)	(1.24)
0.02	(0.08)	Change in experience-rated contractholder liabilities due to asset value changes	(0.13)	0.15	(0.01)	0.02	0.44	0.21	0.90
0.30	(0.45)	Divested businesses	0.26	0.19	0.12	0.00	(0.15)	0.02	(0.51)
(0.65)	(0.41)	Equity in earnings of operating joint ventures	(0.25)	(0.21)	(0.22)	(0.17)	(0.13)	(0.09)	0.48
(0.09)	0.05	Total reconciling items, before income taxes	0.35	(0.03)	(0.42)	(0.37)	(1.93)	(1.25)	(1.64)
0.05	(0.96)	Income taxes, not applicable to adjusted operating income	0.12	(0.02)	(0.14)	(0.26)	(0.44)	(0.57)	(0.65)
(0.14)	1.01	Total reconciling items, after income taxes	0.23	(0.01)	(0.28)	(0.11)	(1.49)	(0.68)	(0.99)
5.94	6.21	**Income from continuing operations (after-tax) of Financial Services Businesses before equity in earnings of operating joint ventures**	1.94	1.74	1.74	1.63	0.10	1.30	0.06
0.42	0.27	Equity in earnings of operating joint ventures, net of taxes	0.16	0.12	0.15	0.10	0.10	0.05	(0.30)
6.36	6.48	**Income (loss) from continuing operations (after-tax) of Financial Services Businesses**	2.10	1.86	1.89	1.73	0.20	1.35	(0.24)
0.14	(0.14)	Income (loss) from discontinued operations, net of taxes	0.08	(0.06)	(0.01)	0.02	0.00	0.00	0.01
6.50	6.34	**Net income (loss) of Financial Services Businesses**	2.18	1.80	1.88	1.75	0.20	1.35	(0.23)
484.2	512.0	Weighted average number of outstanding Common shares (basic)	468.4	463.7	457.0	450.4	442.1	431.9	423.8
494.0	520.9	Weighted average number of outstanding Common shares (diluted)	477.2	472.8	464.9	458.5	448.6	437.7	429.5
14.37%	13.27%	Operating Return on Average Equity (based on adjusted operating income)	15.16%	15.21%	17.02%	14.43%	12.54%	15.51%	8.22%
68	82	Direct equity adjustments for earnings per share calculations	15	14	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.

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

Years ended December 31 2006	2005		2007 1Q	2007 2Q	2007 3Q	2007 4Q	2008 1Q	2008 2Q	2008 3Q
		Revenues (1):							
10,287	10,128	Premiums	2,720	2,684	2,673	2,717	3,102	2,961	2,798
2,649	2,529	Policy charges and fee income	784	783	727	828	824	809	709
7,597	6,845	Net investment income	1,994	2,033	2,069	2,106	2,111	2,145	2,076
3,666	3,141	Asset management fees, commissions and other income	1,037	1,078	1,204	1,051	887	945	776
24,199	22,643	Total revenues	6,535	6,578	6,673	6,702	6,924	6,860	6,359
		Benefits and Expenses (1):							
10,423	9,990	Insurance and annuity benefits	2,763	2,683	2,658	2,725	3,082	2,944	3,040
2,790	2,516	Interest credited to policyholders' account balances	745	762	779	808	806	803	853
949	615	Interest expense	274	276	281	289	283	233	271
(2,037)	(1,801)	Deferral of acquisition costs	(539)	(556)	(554)	(599)	(588)	(588)	(559)
670	910	Amortization of acquisition costs	272	265	108	290	338	315	238
7,371	6,647	General and administrative expenses	1,898	2,008	2,094	2,153	2,056	2,011	1,884
20,166	18,877	Total benefits and expenses	5,413	5,438	5,366	5,666	5,977	5,718	5,727
4,033	3,766	Adjusted operating income before income taxes	1,122	1,140	1,307	1,036	947	1,142	632
		Reconciling items:							
66	657	Realized investment gains (losses), net, and related adjustments	147	41	(178)	(51)	(665)	(527)	(564)
17	(108)	Related charges	(6)	(7)	(2)	(40)	(13)	41	17
83	549	Total realized investment gains (losses), net, and related charges and adjustments	141	34	(180)	(91)	(678)	(486)	(547)
35	(33)	Investment gains (losses) on trading account assets supporting insurance liabilities, net	82	(108)	36	(10)	(262)	(123)	(534)
11	(44)	Change in experience-rated contractholder liabilities due to asset value changes	(62)	72	(6)	9	200	94	388
151	(232)	Divested businesses	127	90	58	(1)	(67)	10	(219)
(322)	(214)	Equity in earnings of operating joint ventures	(120)	(100)	(103)	(77)	(60)	(40)	208
(42)	26	Total reconciling items, before income taxes	168	(12)	(195)	(170)	(867)	(545)	(704)
3,991	3,792	Income (loss) from continuing operations before income taxes and equity in earnings of operating joint ventures	1,290	1,128	1,112	866	80	597	(72)
1,126	642	Income tax expense (benefit)	379	320	315	131	47	43	(88)
2,865	3,150	Income from continuing operations before equity in earnings of operating joint ventures	911	808	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 other than those classified as divested businesses. 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.

Prudential

RECLASSIFIED COMBINED STATEMENTS OF OPERATIONS - U.S. RETIREMENT SOLUTIONS AND INVESTMENT MANAGEMENT DIVISION
(in millions)

Years ended December 31 2006	2005		2007 1Q	2007 2Q	2007 3Q	2007 4Q	2008 1Q	2008 2Q	2008 3Q
		Revenues (1):							
375	387	Premiums	117	90	101	91	219	151	75
1,165	900	Policy charges and fee income	343	364	362	383	347	353	331
4,213	3,745	Net investment income	1,085	1,119	1,122	1,146	1,125	1,155	1,068
2,718	2,356	Asset management fees, commissions and other income	767	799	801	840	697	734	517
8,471	7,388	Total revenues	2,312	2,372	2,386	2,460	2,388	2,393	1,991
		Benefits and Expenses (1):							
1,337	1,217	Insurance and annuity benefits	361	335	321	339	463	398	593
2,209	1,970	Interest credited to policyholders' account balances	581	601	615	635	635	635	679
288	145	Interest expense	72	78	92	91	66	51	54
(627)	(482)	Deferral of acquisition costs	(173)	(193)	(177)	(201)	(192)	(183)	(166)
255	227	Amortization of acquisition costs	83	86	77	77	73	84	140
3,363	2,880	General and administrative expenses	899	980	1,027	1,019	985	923	873
6,825	5,957	Total benefits and expenses	1,823	1,887	1,955	1,960	2,030	1,908	2,173
1,646	1,431	Adjusted operating income (loss) before income taxes	489	485	431	500	358	485	(182)

(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. Benefits and expenses exclude charges related to realized investment gains, net of losses and change in experience-rated contractholder liabilities due to asset value changes.

RECLASSIFIED COMBINED STATEMENTS OF OPERATIONS - U.S. INDIVIDUAL LIFE AND GROUP INSURANCE DIVISION
(in millions)

Years ended December 31			2007				2008		
2006	2005		1Q	2Q	3Q	4Q	1Q	2Q	3Q
		Revenues (1):							
3,985	3,661	Premiums	1,052	1,064	1,060	1,036	1,115	1,076	1,099
1,227	1,386	Policy charges and fee income	368	352	310	376	391	380	313
1,169	1,087	Net investment income	319	327	335	346	343	343	353
391	328	Asset management fees, commissions and other income	97	97	170	92	88	95	149
6,772	6,462	Total revenues	1,836	1,840	1,875	1,850	1,937	1,894	1,914
		Benefits and Expenses (1):							
4,360	3,845	Insurance and annuity benefits	1,171	1,123	1,130	1,103	1,184	1,168	1,136
407	378	Interest credited to policyholders' account balances	113	112	114	119	114	113	119
89	81	Interest expense	40	39	43	51	52	50	51
(467)	(376)	Deferral of acquisition costs	(116)	(119)	(132)	(131)	(117)	(122)	(121)
4	372	Amortization of acquisition costs	79	65	(65)	94	115	87	(37)
1,605	1,440	General and administrative expenses	397	410	434	419	403	415	427
5,998	5,740	Total benefits and expenses	1,684	1,630	1,524	1,655	1,751	1,711	1,575
774	722	Adjusted operating income before income taxes	152	210	351	195	186	183	339

(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.

RECLASSIFIED COMBINED STATEMENTS OF OPERATIONS - CORPORATE AND OTHER OPERATIONS
(in millions)

Years ended December 31 2006	2005		2007 1Q	2007 2Q	2007 3Q	2007 4Q	2008 1Q	2008 2Q	2008 3Q
		Revenues (1):							
(19)	(18)	Premiums	(2)	(1)	(6)	—	(4)	(2)	(3)
(29)	(21)	Policy charges and fee income	1	(6)	(17)	(7)	(1)	(6)	(18)
790	689	Net investment income	204	182	193	180	181	143	141
(111)	(26)	Asset management fees, commissions and other income	(46)	(33)	(49)	(63)	(78)	(45)	(49)
631	624	Total revenues	157	142	121	110	98	90	71
		Benefits and Expenses (1):							
44	63	Insurance and annuity benefits	12	6	13	8	22	18	32
(77)	(39)	Interest credited to policyholders' account balances	(26)	(30)	(34)	(36)	(43)	(46)	(51)
562	367	Interest expense	160	156	138	141	163	128	165
64	60	Deferral of acquisition costs	11	15	8	17	15	16	9
(43)	(79)	Amortization of acquisition costs	(18)	(12)	(7)	(10)	(10)	(8)	(9)
39	66	General and administrative expenses	11	15	15	42	(13)	(13)	(53)
589	438	Total benefits and expenses	150	150	133	162	134	95	93
42	186	Adjusted operating income (loss) before income taxes	7	(8)	(12)	(52)	(36)	(5)	(22)

(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 other than those classified as divested businesses. 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.

U.S. INDIVIDUAL LIFE AND GROUP INSURANCE DIVISION - INDIVIDUAL LIFE ANNUALIZED NEW BUSINESS PREMIUMS
(in millions)

Year ended December 31 2006		2007 1Q	2007 2Q	2007 3Q	2007 4Q	2008 1Q	2008 2Q	2008 3Q
	ANNUALIZED NEW BUSINESS PREMIUMS:							
	Excluding corporate-owned life insurance:							
53	Variable life	18	11	12	13	11	10	8
81	Universal life	21	23	22	21	17	22	21
147	Term life	49	54	54	55	51	52	53
281	Total excluding corporate-owned life insurance	88	88	88	89	79	84	82
1	Corporate-owned life insurance	—	—	—	—	—	—	—
282	Total	88	88	88	89	79	84	82
	ANNUALIZED NEW BUSINESS PREMIUMS BY DISTRIBUTION CHANNEL:							
	Excluding corporate-owned life insurance:							
125	Prudential Agents	31	31	31	33	28	29	26
156	Third party distribution	57	57	57	56	51	55	56
—	Corporate-owned life insurance	—	—	—	—	—	—	—
281	Total	88	88	88	89	79	84	82

RECLASSIFIED SUPPLEMENTAL INFORMATION - INTERNATIONAL INSURANCE SEGMENT
(dollar amounts in millions, unless otherwise noted)

Year ended December 31 2006		2007 1Q	2007 2Q	2007 3Q	2007 4Q	2008 1Q	2008 2Q	2008 3Q
	Constant exchange rate basis (1):							
	Net premiums, policy charges and fee income:							
2,997	Japan, excluding Gibraltar Life	858	790	792	801	944	850	850
2,296	Gibraltar Life	544	587	537	538	542	575	522
1,366	All other countries	354	358	378	388	375	374	380
6,659	Total	1,756	1,735	1,707	1,727	1,861	1,799	1,752
	Annualized new business premiums:							
515	Japan, excluding Gibraltar Life	165	118	111	131	161	124	122
377	Gibraltar Life	79	97	93	96	96	147	112
291	All other countries	71	70	75	79	72	64	56
1,183	Total	315	285	279	306	329	335	290
	Annualized new business premiums by distribution channel:							
806	Life Planners	236	188	186	210	233	188	178
328	Gibraltar Life Advisors	73	92	89	90	90	125	97
49	Banks	6	5	4	6	6	22	15
1,183	Total	315	285	279	306	329	335	290
	Face amount of individual policies in force at end of period (in billions) (2):							
227	Japan, excluding Gibraltar Life	231	233	236	238	242	244	246
189	Gibraltar Life	188	186	186	186	185	184	184
100	All other countries	102	104	104	106	107	108	108
516	Total	521	523	526	530	534	536	538

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

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, investment gains and losses on certain investments supporting insurance liabilities that are classified as other trading account assets, and 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. Annualized New Business Premiums:

Premiums from new sales that are expected to be collected over a one year period. Group insurance annualized new business 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 annualized new business premiums include premiums from the takeover of claim liabilities. Group disability amounts include long-term care products. Excess (unscheduled) and single premium business for the company's domestic individual life and international insurance operations are included in annualized new business premiums based on a 10% credit.

4. 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).

5. 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.

6. 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.

7. 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.

8. 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.

9. 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.

10. Borrowings - Specified Other Businesses:

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

KEY DEFINITIONS AND FORMULAS

11. 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.

12. 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.

13. Earnings Per Share of Common Stock:

Net income (loss) 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 (loss) of the Financial Services Businesses reflects these adjustments as well. In the periods where there are losses after taxes on either an adjusted operating or continuing operations basis, the diluted share count used in the diluted earnings per share calculation is equal to the weighted average basic common shares as all potential common shares are anti-dilutive.

14. 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.

15. 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.

16. 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.

17. Gibraltar Life Advisors:

Insurance representatives for Gibraltar Life.

18. 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.

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

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

20. 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.

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. 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.

24. 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 -5.46% for the twelve months ended December 31, 2008, 16.20% for the twelve months ended December 31, 2007, -39.94% for the three months ended December 31, 2008, -2.10% for the three months ended September 30, 2008, 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.

25. 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).

26. 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.

27. Prudential Agents:

Insurance agents in our insurance operations in the United States.

28. 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.

29. 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.

30. 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.

31. 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 February 4, 2009

	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	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 February 4, 2009

	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 (1)	a-	A+	A3	A-
Junior Subordinated Long-Term Debt	bbb	A-	Baa1	BBB+
The Prudential Insurance Company of America:				
Capital and surplus notes	a	A+	A2	A
Prudential Funding, LLC:				
Short-Term Debt	AMB-1	A-1+	P-1	F1+
Long-Term Senior Debt	a+	AA	A1	A+
PRICOA Global Funding I				
Long-Term Senior Debt	aa-	AA	Aa3	AA-

* NR indicates not rated.
(1) 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.

Prudential Financial, Inc.
Financial Services Businesses
Information Regarding Certain General Account Investments
Residential Mortgage-Backed, Commercial Mortgage-Backed, and Asset-Backed Securities, and Commercial Mortgage and Other Loans
December 31, 2008
($ millions)

General Account Investments	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Asset-backed securities (a)	10,863	90	2,467	8,486
Residential mortgage-backed securities (b)	10,688	336	114	10,910
Commercial mortgage-backed securities (c)	8,506	3	1,657	6,852

	Gross Carrying Value	Allowance For Losses	Net Book Value
Commercial mortgage and other loans (d)	22,245	(153)	22,092

(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	148	30	74	141	155	548	405
	2006	678	218	116	371	155	1,538	1,284
	2005	21	—	—	9	5	35	31
	2004	—	—	—	—	—	—	—
	2003 and prior	—	—	—	—	—	—	—
Total enhanced short-term portfolio (1)		847	248	190	521	315	2,121	1,720
All other portfolios								
	2008	—	—	—	—	—	—	—
	2007	5	10	27	64	162	268	158
	2006	222	169	70	403	401	1,265	709
	2005	16	253	80	126	90	565	324
	2004	40	356	224	50	3	673	381
	2003 and prior	27	172	125	91	49	464	292
Total all other portfolios		310	960	526	734	705	3,235	1,864
Total collateralized by sub-prime mortgages (2)		1,157	1,208	716	1,255	1,020	5,356	3,584
Other asset-backed securities:								
Externally managed investments in the European market (3)		—	—	260	655	19	934	941
Collateralized by auto loans		1,248	108	5	129	2	1,492	1,421
Collateralized by credit cards		72	—	2	686	—	760	454
Collateralized by non-sub-prime mortgages		940	48	8	37	18	1,051	1,073
Other (4)		642	128	96	242	162	1,270	1,013
Total asset-backed securities		4,059	1,492	1,087	3,004	1,221	10,863	8,486

(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 December 31, 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 December 31, 2008, based on amortized cost, approximately 87% 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 $5.356 billion of asset-backed securities collateralized by sub-prime mortgages attributable to the Financial Services Businesses as of December 31, 2008 were $1.718 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 45% European corporate and bank bonds, 21% bank capital, 14% European asset-backed securities, and 20% other. As of December 31, 2008, the amortized cost and fair value shown in the table above includes the $(625) million impact of a bifurcated embedded derivative.

(4) Includes collateralized debt obligations with amortized cost of $495 million and fair value of $329 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 $240 million and fair value of $222 million. Based on amortized cost, 84% of these securities have credit ratings of AAA, 2% have A credit ratings, and the remaining 14% have credit ratings of BBB or below. As of December 31, 2008, included within these asset-backed securities are securities collateralized by sub-prime mortgages with amortized cost and fair value of $4 million, all of which have AAA credit ratings, with $3 million in the 2006 vintage and $1 million in the 2003 vintage. Also included are collateralized debt obligations with amortized cost and fair value of $10 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 $0.9 billion of trading account assets supporting insurance liabilities, the investment results of which ultimately accrue to contract holders. An additional $398 million of asset-backed securities as of December 31, 2008 are classified as other trading, including $27 million held outside the general account, 89% of which have credit ratings of AAA and 11% of which have credit ratings of BB, and $371 million included in our general account, 77% of which have credit ratings of A or above and the remaining 23% virtually all have BBB credit ratings.

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

As of December 31, 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 $49 million secured by "ALT-A" mortgages, represented the remaining $192 million of residential mortgage-backed securities; and 92% have credit ratings of A or above, and the remaining 8% with BB credit ratings or higher.

Excluded from the above are residential mortgage-backed securities held outside the general account in other entities and operations with amortized cost of $770 million and fair value of $778 million, all of which have AAA credit ratings. Also excluded from the above are $708 million of residential mortgage-backed securities classified as trading account assets supporting insurance liabilities and carried at fair value, the investment results of which ultimately accrue to contract holders.

Prudential Financial, Inc.
Financial Services Businesses
Information Regarding Certain General Account Investments
Residential Mortgage-Backed, Commercial Mortgage-Backed, and Asset-Backed Securities, and Commercial Mortgage and Other Loans
December 31, 2008
($ millions)

(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	181	4	31	101	24	341	293
2007	1,689	—	3	72	78	1,842	1,393
2006	3,367	6	—	7	9	3,389	2,695
2005	1,541	—	—	12	32	1,585	1,288
2004	432	—	—	—	4	436	359
2003 and prior	794	73	31	15	—	913	824
Total (1) (2)	8,004	83	65	207	147	8,506	6,852

(1) As of December 31, 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 is 69% and 1.54 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 33% as of December 31, 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 December 31, 2008, based on amortized cost, approximately 93% of these commercial mortgage-backed securities have estimated credit subordination percentages of 20% or more, and 77% have estimated credit subordination percentages of 30% or more.

(2) Included in the table above are non-us commercial mortgage-backed securities of $11 million in AAA, $4 million in AA, $34 million in A, $192 million in BBB and $142 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 $22 million, 75% of which have credit ratings of AA or better and the remaining 25% 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 $2.3 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 December 31, 2008 are classified as other trading, all of which have AAA credit ratings.

(d) Supplemental information for commercial mortgage and other loans:

Commercial mortgages by property type:	Gross Carrying Value	% of Total
Industrial buildings	4,544	20.4%
Office buildings	4,024	18.1%
Retail stores	3,742	16.8%
Apartment complexes	3,549	16.0%
Other	1,719	7.7%
Agricultural properties	1,224	5.5%
Hospitality	1,134	5.1%
Subtotal of commercial mortgages	19,936	89.6%
Uncollateralized loans	1,204	5.4%
Collateralized by residential properties	976	4.4%
Other collateralized loans	129	0.6%
Total commercial mortgage and other loans	22,245	100.0%

Commercial mortgage and other loans by status:	Gross Carrying Value
Performing	22,162
Delinquent, not in foreclosure	57
Delinquent, in foreclosure	—
Restructured	26
Total commercial mortgage and other loans	22,245

As of December 31, 2008, based on amortized cost, the weighted average loan to value and debt service coverage ratios of general account investments in commercial mortgages attributable to the Financial Services Businesses was 58% and 1.89 times, respectively.

Prudential Financial, Inc.
Closed Block Business
Information Regarding Certain General Account Investments
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	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Asset-backed securities (a)	5,737	44	1,690	4,091
Residential mortgage-backed securities (b)	3,110	100	109	3,101
Commercial mortgage-backed securities (c)	3,858	2	672	3,188

	Gross Carrying Value	Allowance For Losses	Net Book Value
Commercial mortgage and other loans (d)	8,806	(58)	8,748

(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	146	31	76	133	—	386	290
	2006	694	221	120	311	8	1,354	1,143
	2005	22	—	—	9	—	31	27
	2004	—	—	—	—	—	—	—
	2003 and prior	—	—	—	—	—	—	—
Total enhanced short-term portfolio (1)		862	252	196	453	8	1,771	1,460
All other portfolios								
	2008	—	—	—	—	—	—	—
	2007	24	7	—	31	256	318	206
	2006	190	45	109	247	525	1,116	623
	2005	24	310	25	55	28	442	267
	2004	9	297	36	2	—	344	199
	2003 and prior	36	220	75	79	37	447	279
Total all other portfolios		283	879	245	414	846	2,667	1,574
Total collateralized by sub-prime mortgages (2)		1,145	1,131	441	867	854	4,438	3,034
Other asset-backed securities:								
Collateralized by credit cards		9	—	—	444	—	453	242
Collateralized by auto loans		229	4	—	37	—	270	254
Externally managed investments in the European market (3)		—	—	74	74	—	148	186
Collateralized by education loans		165	20	—	—	7	192	178
Other (4)		110	21	22	54	29	236	197
Total asset-backed securities		1,658	1,176	537	1,476	890	5,737	4,091

(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 December 31, 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 December 31, 2008 based on amortized cost, approximately 93% of these asset-backed securities collateralized by sub-prime mortgages have credit estimated subordination percentages of 20% or more, and 57% 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 $4.438 billion of asset-backed securities collateralized by sub-prime mortgages attributable to the Closed Block Business as of December 31, 2008 were $1.703 million 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 45% European corporate and bank bonds, 21% bank capital, 14% European asset-backed securities, and 20% other. As of December 31, 2008, the amortized cost and fair value shown in the table above includes the $(133) million impact of a bifurcated embedded derivative.

(4) Includes collateralized debt obligations with amortized cost of $56 million and fair value of $48 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 $25 million of asset-backed securities classified as trading and carried at fair value, all of which have BBB credit ratings or above as of December 31, 2008.

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

As of December 31, 2008, based on amortized cost, 83% 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 $146 million secured by "ALT-A" mortgages, represented the remaining $543 million of residential mortgage-backed securities and 96% have credit ratings of AAA and the remaining 4% have BBB credit ratings.

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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	425	—	12	—	—	437	326
2006	882	—	—	—	—	882	689
2005	1,282	—	—	—	—	1,282	1,051
2004	394	—	—	—	—	394	331
2003 and prior	772	37	43	1	—	853	782
Total (1)	3,765	37	55	1	—	3,858	3,188

(1) As of December 31, 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 is 69% and 1.57 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 December 31, 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 December 31, 2008, based on amortized cost, approximately 93% of these commercial mortgage-backed securities have estimated credit subordination percentages of 20% or more, and 60% have estimated credit subordination percentages of 30% or more.

(d) Supplemental information for commercial mortgage and other loans:

Commercial mortgages by property type:	Gross Carrying Value	% of Total
Industrial buildings	1,959	22.2%
Office buildings	1,787	20.3%
Apartment complexes	1,727	19.6%
Retail stores	1,578	17.9%
Agricultural properties	769	8.7%
Other properties	518	5.9%
Hospitality	427	4.9%
Subtotal of commercial mortgages	8,765	99.5%
Uncollateralized loans	40	0.5%
Collateralized by residential properties	1	0.0%
Other collateralized loans	—	0.0%
Total commercial mortgage and other loans	8,806	100.0%

Commercial mortgage and other loans by status:	Gross Carrying Value
Performing	8,788
Delinquent, not in foreclosure	17
Delinquent, in foreclosure	—
Restructured	1
Total commercial mortgage and other loans	8,806

As of December 31, 2008, based on amortized cost, the weighted average loan to value and debt service coverage ratios of general account investments in commercial mortgages attributable to the Closed Block Business was 53% and 1.95 times, respectively.