Prudential, credits to the PSI Cash Balance Formula for ongoing service ceased on January 1, 2004. At that time, all employees who transferred to Prudential became participants in Prudential’s Cash Balance Formula. Since then, interest credits only have been made to the participant’s hypothetical PSI Cash Balance Formula account each month. The interest rate is set each year. The rate in effect for 2007 was 5.75%. Mr. Golden is the only Named Executive Officer accruing benefits under this plan.

**PESP.** The PESP is a tax-qualified defined contribution profit-sharing plan intended to qualify under Section 401(a) of the Code. Essentially all U.S. employees are eligible to participate. Employees may contribute up to 50% of eligible earnings (base salary only for the Named Executive Officers) in any combination of before-tax and/or after-tax contributions, subject to Code limitations. In order to satisfy Code non-discrimination requirements, highly compensated employees were limited to 15% on a before-tax basis and 11% on an after-tax basis for all of 2007. The Company matches 100% of an employee’s before-tax contributions, after one year of service, up to 4% of eligible earnings, subject to Code limitations.

**Supplemental Retirement Plan.** The Supplemental Retirement Plan is a “nonqualified” retirement plan exempt from most of ERISA’s substantive provisions and designed to provide benefits larger than those permitted under the Code limits. It is designed to complement the Merged Retirement Plan by providing benefits to all participants of the Merged Retirement Plan, including the Named Executive Officers, who would have been provided additional benefits under the Traditional Pension Formula or Cash Balance Formula of the Merged Retirement Plan except for Code provisions that limit the amount of pension benefits that may be paid and earnings that may be considered in determining pension benefits under a qualified retirement plan. As a result, the Supplemental Retirement Plan provides pension benefits generally in the same form, using the same applicable formula, and paid at the same time as under the Traditional Pension Formula or Cash Balance Formula of the Merged Retirement Plan, but with no Code limits.

**SESP.** The SESP is a nonqualified profit-sharing plan designed to provide benefits in excess of amounts permitted to be contributed under the PESP. It allows employees to elect to defer from 1% to 4% of their eligible earnings paid after the Code limit is exceeded in the year ($225,000 in 2007) to a hypothetical recordkeeping account on a pre-tax basis through payroll deduction. Prudential Financial matches 100% of an employee’s deferrals. Eligible earnings for the Named Executive Officers under the SESP are limited to salary only. Interest is earned on the participant’s account at the same rate as the Fixed Rate Fund under PESP. This rate is generally set annually for a calendar year, and the rate in effect for 2007 was 5.05%. A participant’s account is distributed to an employee 6 months after the participant’s separation from service.

**Prudential SERPs.** The Prudential SERPs provide “Mid-Career Hire Benefits” and “Early Retirement Benefits” to certain eligible executives, including Named Executive Officers. The provision of either of these benefits requires the approval of the Compensation Committee and the Board of Directors.

Mid-Career Hire Benefits are designed to attract and retain key talent at the highest level by compensating eligible executives for the loss of potential retirement benefits if they resign their position with another employer in order to work for the Company. Under this provision, service with the prior employer is included in the benefit calculations under the Merged Retirement Plan and the Supplemental Retirement Plan. Mr. Ryan is the only Named Executive Officer that is accruing benefits under this provision.

Early Retirement Benefits are designed to recognize the service and contributions of certain eligible executives who are involuntarily terminated by exempting these executives from the reduction factor for early retirement between the ages of 55 and 65, a reduction of up to 50%, which would otherwise be applicable under the Merged Retirement Plan and the Supplemental Retirement Plan. No Named Executive Officer is currently eligible for Early Retirement Benefits under the SERPs.

**PSI SERP.** The PSI SERP is designed to make it more attractive to certain key executives to remain employees of Prudential Securities Incorporated and its subsidiaries. Under this plan, a target benefit is established, based on salary and years of service and subject to a maximum benefit, that is to be paid to the key executive from the Prudential Securities