



Prudential

Prudential Financial, Inc.

751 Broad Street, Newark NJ 07102

March 22, 2011

LETTER FROM THE BOARD OF DIRECTORS TO OUR SHAREHOLDERS

We welcome this opportunity to communicate with you, our shareholders, and share our approach to governance in 2010. Our primary focus in these times of continuing economic uncertainty has been to see Prudential strategically positioned for strong long-term performance. Appropriate risk management, dedication to talent management, oversight of executive compensation, and a commitment to the interests of our shareholders are key components of our governance strategy.

Prudential's solid performance in 2010 validates the effectiveness of this strategy. The efforts of our executives and employees, with guidance and oversight from the Board, have strengthened the solid foundation from which Prudential can produce current and future shareholder value.

We regard you as key participants in the governance of our Company. We are committed to shareholder communication and engagement and have made great strides toward that goal. Our 2010 voting incentive program – which we tied to the Company's commitment to environmental stewardship – was a huge success. This program generated a 23 percent increase in registered shares voted and resulted in approximately 68,000 shareholders voting who did not vote the prior year. We are continuing the campaign this year and seek even more engagement with our registered shareholders. We value your views about how Prudential is governed and managed, and we encourage all shareholders to submit your very important proxy vote.

Although we believe that the Company's performance in 2010 reflects a strong governance environment, we continue to evaluate and review our policies and processes. The following highlights elements of our governance philosophy and activities, which are also described in the Proxy Statement.

— **Focus on Strategy and Maintaining Strong Performance:** We provide business and strategic advice to management on Prudential's long-term strategic direction, which requires a balance between risk and return in Prudential's strategic plans and operations. Throughout 2010, the Company executed its strategies and bolstered its financial strength through the growth of our international businesses; a commitment to maintaining strong capital and liquidity positions; and dedication to operating high-quality, competitive businesses.

— **Oversight of Risk Management:** Effective risk management is critical to Prudential's continuing success. We devoted a significant amount of time and attention in 2010 to oversight of policies and practices that the Company uses to manage its operational and financial risks.

In 2009, we reviewed the risks arising from our compensation policies and practices. This review focused on, among other things, an analysis of how the primary features of our programs could encourage or mitigate risk-taking. In 2010, we reviewed an updated study on our compensation plans and received reports from Compliance and Enterprise Risk Management on control structures and the major risks of the enterprise and continued our committee level oversight of operational, investment and financial risks.

— **Talent Management and Succession Planning:** Recruiting and retaining high caliber executives and employees are important to delivering high performance and shareholder value. We believe the talent and leadership of our people have enabled the Company to differentiate itself in these difficult times.

In 2010, we oversaw management development processes, including development opportunities for managers as part of succession planning for key senior officers. Recognizing that the talent of all Prudential employees is key to the Company's success, the Board engaged in discussions with senior management about key talent indicators for the overall workforce including climate, diversity, recruiting, and development programs.

- **Executive Compensation and Shareholder “Say on Pay”:** Our goal is to provide an attractive, flexible, and market-based executive compensation program grounded in our philosophy of “pay for measurable performance” and aligned with both the short- and long-term interests of our shareholders. Changes made to the compensation program allowed the Compensation Committee to consider strategic performance factors, such as performance relative to the financial targets related to our 2010 guidance, capital and liquidity management, risk management, and competitive performance.

Prudential was one of the first companies to voluntarily adopt a shareholder advisory vote on executive compensation. Shareholders who participated in the 2010 advisory vote expressed satisfaction with our approach on our executive compensation program. This year, we ask you to again submit your advisory vote, as well as provide feedback on how often such an advisory vote should be held. We recommend that this vote should occur annually. We hope you recognize the value of our approach to executive compensation and provide your endorsement when voting your proxy.

- **Setting the Cultural Tone:** Prudential has a strong commitment to promoting a culture of ethics and integrity, and our values define the way we do business. The Board is committed to fostering a strong ethical tone at the Company and expecting employees to fulfill their responsibilities in a demanding compliance environment. We recently approved a major revision of Prudential’s Code of Conduct, which provides guidance in making the right choices and reflects Prudential’s high expectations of ethical behavior. Our talent management program includes a competency of “Demonstrating a Strong Moral Compass” as part of measuring employees’ performance at all levels of the company. Having ethics as a foundational expectation of our employees helps keep ethics a priority. We are committed to helping management emphasize these standards throughout the organization, and believe that the “right tone at the top” should be apparent in all of our actions.

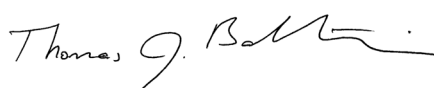
- **Focus on Environmental and Social Responsibility:** Prudential is proud of its long history of social responsibility and environmental awareness. We are pleased to report that the Company has reduced its carbon footprint in a variety of creative ways, such as installing solar panels in certain Prudential facilities. The Company’s continued efforts through Global Volunteer Day, Community Initiatives and the Prudential Foundation – with several of our Board members serving on the board of the Prudential Foundation – underscore our commitment to the communities in which we operate. In addition, we are particularly proud of our Company’s sponsorship of training programs and other initiatives to support our nation’s veterans.

- **Engagement, Communication & Transparency:** The Board continues to challenge itself and Prudential’s management to communicate with stakeholders. In 2010, we solicited feedback from our shareholders on governance and executive compensation policies and practices and participated in discussions with key groups and individuals on similar issues.

Our efforts to solicit feedback during the 2010 proxy season resulted in the receipt of over 2,600 shareholder comments. As a shareholder, your perspective is of great value to us, and we will continue to seek ways to enhance the channels of communication going forward.

We value your opinions, interests and concerns and invite you to write to us with your reactions and suggestions at the address below. You can also email the Independent Directors at IndependentDirectors@prudential.com or provide feedback on executive compensation at www.prudential.com/executivecomp. By continuing to have an open dialogue with you – our shareholders – we are better positioned to fulfill our obligations to you and to Prudential.

The Board of Directors of Prudential Financial, Inc.



Thomas J. Baltimore, Jr.



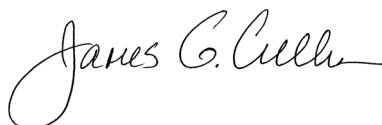
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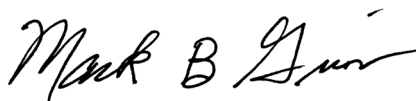
Gilbert F. Casellas



James G. Cullen



William H. Gray III



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Jon F. Hanson



Constance J. Horner



Martina Hund-Mejean



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John R. Strangfeld



James A. Unruh

Write to us at:

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