March 21, 2017

Letter from the Board of Directors to Our Shareholders

As directors, we strive to govern Prudential in a prudent and transparent manner that helps the Company achieve sustainable operating and financial performance, and deliver long-term value for our shareholders. We focus our attention on overseeing the Company’s business strategies, risk management, talent development, and succession planning. We are pleased to share with you our progress on specific actions undertaken in 2016.

BUSINESS STRATEGY

Our Board has and will continue to be vigilant in the oversight of our firm’s long-term strategy. By focusing on our long-term outlook, we are best able to support our common goal of creating enduring value in our firm and for our shareholders. At each Board meeting and during our annual strategy planning session, we contribute to management’s strategic plan by engaging Prudential’s senior leadership in robust discussions about the Company’s overall strategy, priorities for its businesses, and long-term growth opportunities.

BOARD RISK OVERSIGHT

Prudent risk-taking is an inherent part of Prudential’s business, and we approach our responsibility for oversight of Prudential’s risk profile—in its operations, product development and deployment of capital—very seriously. Fulfilling the Company’s long-term promises is only achievable by developing and maintaining an appropriate risk framework, transparency of risk reporting, and rigorous testing methodologies.

Through our oversight, we set standards for managing risks and monitoring how the Company manages those risks. The Risk Committee is comprised of the chairs of each of the other Board committees, enabling us to more closely coordinate the Board’s risk oversight function. The Risk Committee has metrics in place to monitor and review market, insurance, investment, and operational risk.

TALENT DEVELOPMENT AND DIVERSITY

We recognize that over the long-term, our talent and culture provide our biggest competitive advantage. That is why we consider leadership and talent a priority throughout the Company. This “talent mindset” means embracing collaboration and diversity. We work diligently to build on our success as an organization where top talent across a variety of disciplines, and from a diverse set of backgrounds, aspires to work.

The Board’s composition is indicative of our commitment to diversity and inclusion. Our Directors reflect diverse perspectives, including a complementary mix of skills, experience and backgrounds, which we believe are paramount to our ability to represent your interests as shareholders. In the last two years, four new directors have been elected. The average tenure of our directors is now six years, and two-thirds of the Board is diverse.

ENGAGEMENT AND OUTREACH

Accountability to shareholders is not only a mark of good governance, but an important component of Prudential’s success. We value our shareholders’ views and insights and believe that positive, two-way dialogue builds informed relationships that promote transparency and accountability.
In 2016, we spoke with representatives from mutual funds, public pension funds, labor unions and other institutional investors that represent the majority of our outstanding shares. Topics discussed included strategy and performance; corporate governance matters, such as Board composition and refreshment, succession planning and Board leadership structure; and our executive compensation program. This continuous and transparent communication with our shareholders serves as the foundation for our policy development and informs our business strategy.

CULTIVATING A STRONG ETHICAL CULTURE

For more than 140 years, our commitment to helping customers achieve financial security has never wavered. We know that only by doing business the right way, every day, do we continue to earn their trust.

Our corporate philosophy and practice of strong ethical values are reflected in the naming of Prudential as a 2016 World’s Most Ethical Company® by the Ethisphere Institute. This recognition is bestowed only on organizations that demonstrate a culture of ethics and transparency at every level.

CORPORATE RESPONSIBILITY

Prudential was founded to address a social need—helping working families afford life insurance to achieve financial security and peace of mind. Since then, we have stayed true to our purpose of powering the ambitions of people, organizations and communities, and to driving social progress.

We believe everyone should have access to financial security. We recognize that equitable access to capital enhances prosperity and accelerates growth. We are committed to enabling economic prosperity through the work we do not only in our core businesses, but also through targeted efforts like our emerging manager program, which invests in women- and minority-owned firms. Through this and other initiatives, these core beliefs permeate our interaction with all of our stakeholders.

OUR INTERNATIONAL BUSINESSES ANCHORED BY JAPAN

Our international businesses present long-term opportunities for our Company. More than half of our employees work in our operations outside of the U.S. Today, Japan is central to our international strategy. Consequently, in November 2016, we held our Board meeting in Tokyo, Prudential’s headquarters in Japan. Over the course of several days, we met with the senior management of our Asian businesses to discuss their strategies, outlook, challenges and opportunities. We also met employees, whose observations and experiences reinforced the strength of Prudential’s culture, and our commitment to doing business the right way and maintaining a sharp focus on talent management.

YOUR VIEWPOINT IS IMPORTANT

We value your support, and we encourage you to share your opinions, suggestions, interests, and concerns with us. You can do so by writing to us at the address below. You can also send an email to the independent directors at independentdirectors@prudential.com or provide feedback on executive compensation via our website at www.prudential.com/executivecomp.

If you would like to write to us, you may do so by addressing your correspondence to Prudential Financial, Inc., Board of Directors, c/o Margaret M. Foran, Chief Governance Officer, 751 Broad Street, Newark, New Jersey 07102.

We suggest you access the two short videos of our Lead Independent Director, Karl Krapek, and the Chair of our Corporate Governance and Business Ethics Committee, Gilbert Casellas, from the Corporate Governance section of our website at www.prudential.com/directorvideos.

The Board of Directors of Prudential Financial, Inc.