PRUDENTIAL FINANCIAL INC
Form DEF 14A
March 22, 2010
Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No. __)

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

Prudential Financial, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

Proxy Statement

for Annual Meeting

of Shareholders to be

held on May 11, 2010

Table of Contents

Table of Contents

Prudential Financial, Inc.

751 Broad Street, Newark NJ 07102

March 22, 2010

LETTER FROM THE BOARD OF DIRECTORS TO OUR SHAREHOLDERS

As stewards of the Company, we are committed to governing Prudential in an effective and transparent manner. We hold ourselves to high standards with respect to governance best practices and we believe that communicating with you on significant matters is an important part of our obligation to align governance and management with the best interests of shareholders. This letter addresses several aspects of our governance practices that are of particular contemporary interest.

Financial services companies operated in a very stressful environment in 2009, and every aspect of governance, management, and financial strength were harshly tested. Prudential distinguished itself in that difficult environment, as management led the company through the financial crisis without needing government assistance while meeting our business commitments and building momentum in the marketplace. As we reflect on the challenges of 2009 and consider the widespread difficulties faced by many financial institutions, we are pleased with Prudential s outcome and proud of our management team and all of our associates. The fundamental strengths of the Company and the skill and judgment of our leaders served us very well.

As part of our ongoing process, we initiated a number of measures to support and enhance our governance practices. These include adopting a shareholder advisory vote on executive compensation, taking further steps to more closely align compensation programs to performance and introducing a clawback feature tied to Prudential s new Mid-Term Performance Program.

We have been responsive to concerns that have been raised in the market about governance practices, especially as they relate to compensation and risk. While we believe that the Company s performance reflects a healthy and appropriate governance environment, we continue to review our policies and processes. The following highlights the key elements of new measures we have undertaken, which are described in detail or referenced in the accompanying proxy statement.

Adopted Shareholder Advisory Vote on Executive Compensation or Say on Pay : After hearing from our shareholders, in October 2009 we took the proactive step of adopting an advisory shareholder vote on executive compensation. The advisory vote becomes effective at the upcoming annual meeting and will be conducted at least every other year thereafter. This vote will provide shareholders with an opportunity to let us know their assessment of the overall executive compensation policies and procedures employed by the Compensation Committee when making compensation decisions for our named executive officers.

More Closely Aligned Executive Compensation to Measurable and Meaningful Performance: The Board has made strides to be at the forefront of shareholder-friendly executive compensation policies rooted in our pay for measurable performance philosophy. Early in 2010, the Compensation Committee made modifications to Prudential s Annual Incentive Award criteria and Long-Term Performance Program. It also created a new Mid-Term Performance Program that is funded from existing programs and links compensation to Prudential s book value. It complements our short-term and long-term incentive programs.

Consistent with Prudential s compensation philosophy, the Board recognized more than 15,000 employees with a one-time special award for their service and contributions from the value realized through the sale of the Wachovia joint venture investment. In addition to contributing significantly to the Company s financial results and further strengthening Prudential s capital position, this sale positions the Company to take advantage of new opportunities for growth and creation of value for shareholders going forward.

Introduced a Clawback Provision to Executive Compensation as Part of Mid-Term Performance Program: Through the leadership of our Compensation Committee, we directed a rigorous review of our compensation programs to analyze whether they lead to risk-taking that is beyond management s ability to monitor and control. While we did not find any current programs likely to lead to excessive risk-taking, we have incorporated into Prudential s new Mid-Term Performance Program a specific clawback forfeiture provision that holds individuals accountable for a material financial misstatement.

Provided More Detailed Information about Board Composition and Leadership: The decisions shareholders make about the Board s composition are vital to the direction of Prudential. This year, as required by new SEC rules, we are providing additional information about the experiences and qualifications of each Director, the qualities they bring to the Board, how diversity is factored into nomination decisions, and the rationale for the Board leadership structure.

We consider the composition of the Board on an annual basis and evaluate the qualifications and contributions of each Director as part of an assessment of the long-term strategy and future needs of the Company. Our goal is to attract and retain Board members whose experiences and viewpoints support robust discussion and decision-making.

Our Board leadership is designed to position the Board to be both efficient and objective. The role of our Lead Director is to provide a strong independent influence generally on Board activities but, more specifically, on setting the Board s agenda and determining its information needs. Each independent Director is expected to take a leadership role that requires active engagement, objectivity and an obligation to bring to the attention of the Board any issue that he or she believes is important.

Actively Engaged in Succession Planning: The Board is actively engaged in talent management and how it supports our business strategy. This includes detailed discussions regarding the Company s global leadership bench and succession plans with a focus on key positions at the senior officer level.

In addition, the Committees of the Board regularly discuss the talent pipeline for specific critical roles. Leaders with high potential are given exposure and visibility to Directors through formal presentations and informal events. More broadly, the Board is regularly updated on key talent indicators for the overall workforce including climate, diversity, recruiting and development programs.

Conducted Rigorous Review of Risk Oversight: Effective risk management is at the heart of the Company s 135 years of success. Never has that been more apparent than in the last year. The Board and senior management successfully navigated the global economic downturn without accessing TARP or the FDIC s Temporary Liquidity Guarantee Program. The entire Board devoted a significant amount of time and attention to risk oversight issues to create the proper balance between risk and return in Prudential s strategic plans and operations. The Board oversees risk both as a whole Board and through its Committees. Various Board Committees share the delegated task of monitoring management s processes for identifying and mitigating risk, based on risk type and the specific expertise of the Committee. In general, the Audit Committee oversees risks related to financial controls, the Finance Committee oversees risks involving capital and liquidity, the Investment Committee oversees investment risk, and the Compensation Committee oversees risk involving our compensation plans. As these risks often overlap, these Committees hold joint meetings or discuss various issues with the full Board. Any of the independent Directors may request a joint meeting or that a particular issue be addressed at any Committee or Board meeting.

Table of Contents

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 dialog with you our shareholders we are better positioned to fulfill our obligations to Prudential.

The Board of Directors of Prudential Financial, Inc.

Thomas J. Baltimore, Jr.	Frederic K. Becker	Gordon M. Bethune
Gaston Caperton	Gilbert F. Casellas	James G. Cullen
William H. Gray III	Mark B. Grier	Jon F. Hanson
Constance J. Horner	Karl J. Krapek	Christine A. Poon
John R. Strangfeld	James A. Unruh	

Write to us at:

Prudential Financial, Inc. Board of Directors c/o Margaret M. Foran, Chief Governance Officer, Vice President and Corporate Secretary, 751 Broad Street, 21st Floor, Newark, NJ 07102

Table of Contents

Prudential Financial, Inc.

751 Broad Street, Newark NJ 07102

March 22, 2010

Dear Fellow Shareholder:

We are pleased to invite you to the Annual Meeting of Shareholders to be held on May 11, 2010, at Prudential Financial s Corporate Headquarters, 751 Broad Street, Newark, New Jersey 07102 at 2:00 p.m.

We hope that you will attend the meeting in person, but even if you are planning to come, we strongly encourage you to designate the proxies named on the proxy card to vote your shares. This will ensure that your shares are represented at the meeting. The proxy statement explains more about proxy voting. Please read it carefully. We look forward to your participation.

As always, each shareholder s vote is very important to the Company. If you hold your shares through a broker, bank or other nominee, it is even more important that you vote your shares this year as there are new requirements that prevent your broker, bank or other nominee from voting on your behalf on the election of directors, as they have in the past. If you do not vote your shares, your opinion will not be heard.

Sincerely,

John R. Strangfeld

Chairman and Chief Executive Officer

Table of Contents

Prudential Financial, Inc.

751 Broad Street, Newark NJ 07102

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

OF PRUDENTIAL FINANCIAL, INC.

Date:	May 11, 2010
Time:	2:00 p.m.
Place:	Prudential Financial s Corporate Headquarters 751 Broad Street, Newark, NJ 07102

Matters to be voted on:

1. Election of the 13 directors named in the proxy statement;

2. Ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2010;

3. Advisory vote on executive compensation; and

4. Any other matters that may properly be brought before the meeting.

Shareholders of record at the close of business on March 12, 2010, will be entitled to notice of and to vote at the Annual Meeting and at any adjournments or postponements thereof.

If you are attending the meeting in person, you will be asked to present your admission ticket and photo identification, such as a driver s license. See Attending the Annual Meeting on page 61.

By Order of the Board of Directors,

Margaret M. Foran

Chief Governance Officer, Vice President and Corporate Secretary

March 22, 2010

We are pleased to be using the SEC s rule that allows companies to furnish proxy materials to their shareholders over the Internet. In accordance with this rule, we sent shareholders of record at the close of business on March 12, 2010, a Notice of Internet Availability of Proxy Materials (Notice) or a full set of proxy materials on or about March 22, 2010. The Notice contains instructions on how to access our Proxy Statement and Annual Report for the year ended December 31, 2009, via the Internet and how to vote.

Important Notice Regarding the Availability of Proxy Materials for the 2010 Annual Meeting of Shareholders to Be Held on May 11, 2010. Our 2010 Proxy Statement and Annual Report for the year ended December 31, 2009, are available free of charge on our website at www.investor.prudential.com.

Table of Contents

PROXY STATEMENT

The Board of Directors of Prudential Financial, Inc. (Prudential Financial or the Company) is providing this proxy statement in connection with the Annual Meeting of Shareholders to be held on May 11, 2010, at 2:00 p.m., at Prudential Financial s Corporate Headquarters, 751 Broad Street, Newark, New Jersey 07102, and at any adjournment or postponement thereof. Proxy materials or a Notice of Internet Availability were first sent to shareholders on or about March 22, 2010.

Table of Contents

Our Board of Directors has nominated 13 directors for election at this Annual Meeting to hold office until the next annual meeting and the election of their successors. All of the nominees currently are directors. Each has agreed to be named in this proxy statement and to serve if elected. All of the nominees are expected to attend the 2010 Annual Meeting. All but one director attended the 2009 Annual Meeting.

Frederic K. Becker, who is a current member of the Board of the Company and who has been on the Board of our insurance subsidiary since 1994, has attained the age of 74 and will not be standing for reelection. As a result, the Board of Directors will be reduced to 13 subsequent to the Annual Meeting.

Although we know of no reason why any of the nominees would not be able to serve, if any nominee is unavailable for election, the proxies intend to vote your shares for any substitute nominee proposed by the Board of Directors. The Board also may choose to reduce the number of directors to be elected, as permitted by our By-laws.

DIRECTOR CRITERIA,

QUALIFICATIONS AND EXPERIENCE

The Corporate Governance and Business Ethics Committee performs a skills/qualities assessment to ensure that the Board has the skills and the experience to properly oversee the interests of the Company. Generally, the Corporate Governance and Business Ethics Committee reviews both the short and long-term plans of the Company to determine what current and future skills and experience are required of the Board. The Committee then compares those skills to the skills of the Company s current directors and potential director candidates. The Corporate Governance and Business Ethics Committee conducts targeted efforts to identify and recruit individuals who have the qualifications identified through this process, keeping in mind its commitment to diversity. While the Company does not have a formal policy on Board diversity, diversity is an integral part of our Corporate Governance Principles, and the Corporate Governance and Business Ethics Committee actively considers diversity in recruitment and nominations of directors. The current composition of our Board reflects those efforts.

Prudential Financial is a financial services company that offers a variety of products and services, including life insurance, annuities, retirement-related services, mutual funds, investment management and real estate services. As such, the Corporate Governance and Business Ethics Committee looks for its current and potential directors collectively to have the following mix of skills and qualifications, some of which are described in more detail below:

Directors Skills and Qualifications

- financial services
- risk management
- insurance industry
- finance/capital allocation
- academia/education
- corporate governance
- financial expert/literacy
- investment
- real estate
- business head/administration
- international
- business ethics
- business operations
- marketing/sales
- technology/systems
- government/public policy
- talent management

The Corporate Governance and Business Ethics committee seeks directors who have these qualities to achieve the ultimate goal of a well-rounded, diverse Board that functions well as a unit, which is of critical importance to the Company.

Additionally, the Corporate Governance and Business Ethics Committee expects each of the Company s directors to have proven leadership, sound judgment, integrity and a commitment to the success of the Company.

In evaluating director candidates, and considering incumbent directors for renomination to the Board, the Corporate Governance and Business Ethics Committee considers a variety of factors. These include each nominee s independence, financial literacy, personal and professional accomplishments, and experience in light of the needs of the Company. For incumbent directors, the factors include past performance on the Board and contributions to their respective committees. With respect to the Board s slate of director nominees, the Board has also considered whether the slate, taken as a whole has representatives with the following qualifications and experience, as indicated in their biographies:

Industry Experience, such as in the areas of insurance, financial services and real estate, is important in understanding and reviewing our business and strategy.

Table of Contents

Risk Management Experience is critical to the Board s role in overseeing the risks facing the Company.

Finance/Capital Allocation and Investment Experience is important in evaluating our financial statements and capital structure.

Corporate Governance Experience supports our goals of strong Board and management accountability, transparency and protection of shareholder interests.

Business Head/Administration Experience is important since directors with administration experience typically possess strong leadership qualities and the ability to identify and develop those qualities in others.

International Experience is important given our global presence.

Business Operations Experience gives directors a practical understanding of developing, implementing and assessing our operating plan and business strategy.

Marketing/Sales Experience is relevant to the Company as it seeks to identify and develop new markets for its financial products and services.

Government/Public Policy Experience is relevant to the Company as it operates in a heavily regulated industry that is directly affected by governmental actions.

Talent Management Experience is valuable in helping us attract, motivate and retain top candidates for positions at the Company.

Legal Experience is valuable to the Board s oversight of the Company s legal and regulatory compliance.

DIRECTOR NOMINEES

THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE FOR ALL OF THE NOMINEES.

Thomas J. Baltimore, Jr.

Age: 46

Director Since:

October 2008

Prudential Committees:

Finance

Investment

Public Directorships:

Integra Life Sciences Corporation

Duke Realty Corporation

Mr. Baltimore has served as Co-Founder and President of RLJ Development, LLC (a privately-held real estate investment company) since 2000 with nearly $2 billion in equity under management. He served as Vice President Gaming Acquisitions of Hilton Hotels Corporation (a global lodging company) from 1997 to 1998 and later as Vice President Development and Finance from 1999 to 2000. He also served in various management positions with Host Marriott Services, including Vice President Business Development, from 1994 to 1996.

As the Co-Founder and President of a real estate investment company, Mr. Baltimore s qualifications and experience include business operations, real estate and investments.

Gordon M. Bethune

Age: 68

Director Since:

February 2005

Prudential Committees:

Compensation

Corporate Governance and Business Ethics

Public Directorships:

Honeywell International Inc.

Sprint Nextel Corporation

Former Directorships Held During the Past Five Years:

Aloha Airgroup, Inc. (Chairman, March 2008)

Willis Group Holdings (February 2008)

Mr. Bethune has served as Managing Director of g-b1 Partners (a travel advisory firm) since January 2005. Mr. Bethune was Chairman and Chief Executive Officer of Continental Airlines, Inc. (an international commercial airline company) from 1996 until his retirement in December 2004. Mr. Bethune was the President and Chief Executive Officer of Continental Airlines from November 1994 to 1996 and served as President and Chief Operating Officer from February 1994 to November 1994. Prior to joining Continental, Mr. Bethune held senior management positions with The Boeing Company, Piedmont Airlines, Western Air Lines, Inc. and Braniff Airlines (various airline companies).

As Managing Director of a travel advisory firm and former Chairman and CEO of an international commercial airline company, Mr. Bethune s qualifications and experience include business head/administration, business operations, international, talent management and marketing/sales.

Gaston Caperton

Age: 70

Director Since:

June 2004

Prudential Committees:

Finance

Investment

Public Directorships:

Owens Corning

United Bankshares Inc.

Private Directorships:

Energy Corporation of America

Mr. Caperton has served since 1999 as President of The College Board (a non-profit membership association of 5,600 schools, colleges and universities). Mr. Caperton served as the Governor of the state of West Virginia from 1988 to 1996. From 1963 to 1987, he was an entrepreneur and was CEO and owner of the tenth largest privately owned insurance brokerage firm in the United States. From 1997 to 1999, he was a fellow at the Harvard University s John F. Kennedy Institute of Politics and taught and was an Executive Director of Columbia University s Institute on Education & Government at Teachers College from 1997 to 1999.

As President of a non-profit association and former Governor and owner of an insurance brokerage firm, Mr. Caperton s qualifications and experience include administration, insurance, government/public policy and marketing/sales.

Gilbert F. Casellas

Age: 57

Director Since:

January 2001 (Director of Prudential Insurance since April 1998)

Prudential Committees:

Audit

Private Directorships:

The Swarthmore Group

Mr. Casellas has served as Vice President, Corporate Responsibility of Dell Inc. (a global computer manufacturer) since October 2007.

He served as a Member of Mintz Levin Cohn Ferris Glovsky & Popeo, PC (a law firm) from June 2005 to October 2007. He served as President of Casellas & Associates, LLC (a consulting firm) from 2001 to 2005. During 2001, he served as President and Chief Executive Officer of Q-linx, Inc. (a software developer). He served as the President and Chief Operating Officer of The Swarthmore Group, Inc. (an SEC registered investment advisory firm) from January 1999 to December 2000. Mr. Casellas served as Chairman, U.S. Equal Employment Opportunity Commission from 1994 to 1998, and General Counsel, U.S. Department of the Air Force from 1993 to 1994.

As the Vice President, Corporate Responsibility of a Fortune 100 company and a lawyer and former CEO, Mr. Casellas qualifications and experience include business operations, investment, government/public policy, legal and risk management.

James G. Cullen

Age: 67

Director Since:

January 2001 (Director of Prudential Insurance since April 1994)

Prudential Committees:

Audit

Compensation (Chair)

Executive

Public Directorships:

Agilent Technologies, Inc (Non-Executive Chairman)

Johnson & Johnson

NeuStar, Inc.

Mr. Cullen served as the President and Chief Operating Officer of Bell Atlantic Corporation (a global telecommunications company) from December 1998 until his retirement in June 2000. Mr. Cullen was the President and Chief Executive Officer, Telecom Group, Bell Atlantic Corporation from 1997 to 1998 and served as Vice Chairman of Bell Atlantic Corporation from 1995 to 1997.

As the President and Chief Operating Officer of a global company, Mr. Cullen s qualifications and experience include business head/administration, talent management, business operations, international and marketing/sales.

William H. Gray III

Age: 68

Director Since:

January 2001 (Director of Prudential Insurance since September 1991)

Prudential Committees:

Corporate Governance and Business Ethics (Chair)

Executive

Public Directorships:

Dell Inc.

JPMorgan Chase & Co.

Pfizer Inc.

Former Directorships Held During the Past Five Years:

Rockwell Automation Inc. (February 2005)

Visteon Corporation (January 2010)

Mr. Gray is Co-Chairman of GrayLoeffler, LLC (a business advisory and government relations firm, formerly the Amani Group) since 2009. He served as the Chairman of the Amani Group from 2004 to 2009. Mr. Gray served as President and Chief Executive Officer of The College Fund/UNCF (a philanthropic foundation) from 1991 until his retirement in 2004. From 1979 to 1991, Mr. Gray served as a Member of the U.S. House of Representatives.

As the former President and CEO of a philanthropic foundation and former Member of the U.S. House of Representatives, Mr. Gray s qualifications and experience include corporate governance, government/public policy, business head/administration and business operations.

Mark B. Grier

Age: 57

Director Since:

January 2008

Mr. Grier has served as Vice Chairman and a member of Prudential Financial s Office of the Chairman since August 2002. From April 2007 through January 2008 he served as Vice Chairman overseeing the International Insurance and Investments as well as the Global Marketing and Communications divisions. Mr. Grier was Chief Financial Officer of Prudential Insurance from 1995 1997 and has served in various executive roles.

Prior to joining Prudential, Mr. Grier was an executive with Chase Manhattan Corporation.

As an executive of Prudential Financial, Mr. Grier s qualifications and experience include finance/capital allocation, business leadership, corporate strategy, mergers and acquisitions, international and risk management.

Jon F. Hanson

Age: 73

Director Since:

January 2001 (Director of Prudential Insurance since April 1991)

Lead Director Since: 2009

Prudential Committees:

Executive (Chair)

Finance (Chair)

Investment (Chair)

Public Directorships:

HealthSouth Corporation (Non-Executive Chairman)

Pascack Community Bank (Non-Executive Chairman)

Private Directorships:

James E. Hanson Management Company

The Hampshire Companies (Chairman)

Yankee Global Enterprises

Former Directorships Held During the Past Five Years:

Consolidated Delivery Logistics, Inc. (June 2006)

Mr. Hanson has served as Chairman of The Hampshire Companies (a real estate investment fund management firm) since 1976. Mr. Hanson now serves as the Chairman, New Jersey Gaming, Sports and Entertainment Advisory Commission.

As Chairman of a real estate investment fund management firm, Mr. Hanson s qualifications and experience include real estate, investment, government/public policy, business operations, corporate governance and risk management.

Table of Contents

Constance J. Horner

Age: 68

Director Since:

January 2001 (Director of Prudential Insurance since April 1994)

Prudential Committees:

Compensation

Corporate Governance and Business Ethics

Public Directorships:

Ingersoll-Rand Company Limited

Pfizer Inc.

Mrs. Horner served as a Guest Scholar at The Brookings Institution (non-partisan research institute) from 1993 to 2005, after serving as Assistant to the President of the United States and Director, Presidential Personnel from 1991 to 1993; Deputy Secretary, U.S. Department of Health and Human Services from 1989 to 1991; and Director, U.S. Office of Personnel Management from 1985 to 1989. Mrs. Horner was a Commissioner, U.S. Commission on Civil Rights from 1993 to 1998.

As a former Guest Scholar at The Brookings Institution and former Federal government official, Mrs. Horner s qualifications and experience include administration, corporate governance, government/public policy and talent management.

Karl J. Krapek

Age: 61

Director Since:

January 2004

Prudential Committees:

Finance

Investment

Public Directorships:

The Connecticut Bank & Trust Company

Visteon Corporation

Northrup Grumman Corporation

Former Directorships Held During the Past Five Years:

Delta Airlines, Inc. (March 2007)

Alcatel-Lucent (October 2008)

Mr. Krapek served as the President and Chief Operating Officer of United Technologies Corporation (a diversified aerospace and industrial products company) from 1999 until his retirement in January 2002. Prior to that time, Mr. Krapek held other management positions at United Technologies Corporation, which he joined in 1982.

As a former executive at a Fortune 100 company, Mr. Krapek s qualifications and experience include business operations, technology and international.

Christine A. Poon

Age: 57

Director Since:

September 2006

Prudential Committees:

Finance

Investment

Public Directorships:

Koninklijke Philips Electronics NV

Former Directorships Held During the Past Five Years:

Johnson & Johnson (March 2009)

Ms. Poon has served as Dean of Fisher College of Business, The Ohio State University since May 2009. She served as Vice Chairman and a Member of the Board of Directors of Johnson & Johnson (a global healthcare products and services company) from 2005 until her retirement on March 1, 2009. Ms. Poon joined Johnson & Johnson in 2000 as Company Group Chair in the Pharmaceuticals Group. She became a Member of Johnson & Johnson s Executive Committee and Worldwide Chair, Pharmaceuticals Group, in 2001, and served as Worldwide Chair, Medicines and Nutritionals from 2003 to 2005. Prior to joining Johnson & Johnson, she served in various management positions at Bristol-Myers Squibb (a global biopharmaceutical company) for 15 years.

As the Dean of a university and former executive of a Fortune 100 company, Ms. Poon s qualifications and experience include business head/administration, business operations, international and marketing/sales.

Table of Contents

John R. Strangfeld

Age: 56
Director Since:

January 2008

(Elected Chairman May 2008)

Mr. Strangfeld has served as Chairman, Chief Executive Officer, and President of Prudential Financial since 2008. Mr. Strangfeld is a Member of the Office of the Chairman of Prudential Financial and served as Vice Chairman of Prudential Financial from 2002 through 2007, overseeing the U.S. Insurance and Investments divisions. Prior to his position as Vice Chairman, Mr. Strangfeld held a variety of senior investment positions at Prudential, both within the U.S. and abroad.

As Chairman and CEO of Prudential Financial, Mr. Strangfeld s qualifications and experience include business leadership, corporate strategy, talent management, mergers and acquisitions, investment management, risk management, corporate governance and international.

James A. Unruh

Age: 68

Director Since:

January 2001

(Director of Prudential Insurance since April 1996)

Prudential Committees:

Audit
Public Directorships:

CSG Systems International, Inc.

Qwest Communications International, Inc.

Tenet Healthcare Corporation

Private Directorships:

Steton Technology Group, Inc.

VTI Instruments, Inc.

Worldlink Integration Group, Inc.

Mr. Unruh became a founding Member of Alerion Capital Group, LLC (a private equity investment group) in 1998. Mr. Unruh was with Unisys Corporation (a global information technology consulting services and solutions company) from 1987 to 1997, serving as its Chairman and Chief Executive Officer from 1990 to 1997. He also held executive positions with financial management responsibility, including serving as Senior Vice President, Finance, Burroughs Corporation (a business equipment manufacturer), from 1982 to 1987.

As a founding Member of a private equity investment group and former CEO, Mr. Unruh s qualifications and experience include marketing/sales, finance/capital allocation and investments, business operations, international and risk management.

Table of Contents

The Company is committed to good corporate governance, which helps us to compete more effectively, sustain our success and build long-term shareholder value. The Board of Directors reviews the Company s policies and business strategies and advises and counsels the Chief Executive Officer and the other executive officers who manage the Company s businesses. The Board of Directors has adopted Corporate Governance Principles and Practices to provide a framework for the effective governance of the Company.

The full text of the Corporate Governance Principles, as well as the charters of the Corporate Governance and Business Ethics, Compensation and Audit Committees, the Code of Business Conduct and Ethics and the Related Party Transaction Approval Policy can be found at www.investor.prudential.com. Copies of these documents also may be obtained from the Chief Governance Officer and Corporate Secretary.

Governance is a continuing focus at the Company, starting with the Board of Directors and extending to management and all employees. In this section, we describe some of our key governance policies and practices. In addition, we solicit feedback from our shareholders on governance and executive compensation practices and engage in discussions with various groups and individuals on governance issues and improvements.

The Company is governed by a Board of Directors and committees of the Board that meet throughout the year. Directors discharge their responsibilities at Board and committee meetings and also through telephone contact and other communications with management.

PROCESS FOR SELECTING DIRECTORS

The Corporate Governance and Business Ethics Committee screens candidates and recommends candidates for nomination by the full Board. The Company s By-laws provide that the size of the Board may range from 10 to 24 members. The Board s current view is that the optimal size is between 10 and 15 members. In anticipation of retirements over the next several years, the Corporate Governance and Business Ethics Committee is seeking one or more candidates who meet the criteria described under Director Criteria, Qualifications and Experience. The Corporate Governance and Business Ethics Committee is being assisted with its recruitment efforts by an independent search firm under retainer to recommend candidates that satisfy the Board s criteria. The search firm also provides research and pertinent information regarding candidates, as requested.

SHAREHOLDER-RECOMMENDED DIRECTOR CANDIDATES

The Corporate Governance and Business Ethics Committee will consider director candidates recommended by shareholders in accordance with the criteria for director selection described under Director Criteria, Qualifications and Experience. Shareholders recommending candidates for consideration should send their recommendations to the attention of the Chief Governance Officer and Corporate Secretary at 751 Broad Street, Newark, NJ 07102. Shareholders who wish to nominate directors directly at an Annual Meeting in accordance with the procedures in our

By-laws should follow the instructions under Submission of Shareholder Proposals in this proxy statement.

DIRECTOR ATTENDANCE

During 2009, the Board of Directors held 16 meetings. Each of the incumbent Directors of the Board attended at least 91.3% of the combined total meetings of the full Board and the committees on which he or she served in 2009. The average attendance of all Directors in 2009 was 97.5%.

DIRECTOR INDEPENDENCE

The current Board consists of 14 Directors, two of whom are currently employed by the Company (Messrs. Strangfeld and Grier). The Board has determined that all of the 12 non-employee Directors (Ms. Horner and Ms. Poon and Messrs. Baltimore, Becker, Bethune, Caperton, Casellas, Cullen, Gray, Hanson, Krapek and Unruh) are independent as that term is defined in the listing standards of the NYSE and in Prudential Financial s Corporate Governance Principles. The definition of independence adopted by the Board is in Appendix A.

The Board conducted an annual review of director independence and affirmatively determined that all of the non-employee Directors are independent. In making this determination the Board considers that in the ordinary course of business transactions may occur between the Company and its subsidiaries and entities with which some of our Directors are or have been affiliated which are determined to be categorically immaterial. During this review process, the Board identified and took into account the following relationships: Mr. Casellas is an executive officer of Dell, Inc., and Ms. Poon is an executive officer of Ohio State University. From time to time, in the ordinary course of business, the Company and its subsidiaries may conduct business with Dell, Inc. and Ohio State University. Each of these relationships were clearly immaterial and did not reach the applicable threshold levels set forth in our independence standards.

MAJORITY VOTING FOR DIRECTORS

Our By-laws provide a majority voting standard for election of directors in uncontested elections (and require an offer to resign by any incumbent director who is not re-elected) and plurality voting in any election that is contested.

INDEPENDENT DIRECTOR MEETINGS

The independent directors generally meet in executive session, as part of each regularly scheduled Board meeting, with the Lead Independent Director presiding.

BOARD LEADERSHIP

Currently, our Board leadership structure consists of a Chairman (who is also Chief Executive Officer), a Lead Independent Director, who is elected by the independent directors, and strong committee chairs. At this time, the Board believes that the Company is best served by having the same individual as both Chairman of the Board and Chief Executive Officer, but considers the continued appropriateness of this structure at least annually. The Board believes that strong, independent Board leadership is a critical aspect of effective corporate governance.

Accordingly, our Corporate Governance Principles require that the independent directors annually elect an independent director to serve as Lead Independent Director for a term of at least one year, but no more than three years. The charter for the Lead Independent Director can be found at www.investor.prudential.com. Jon F. Hanson, who also serves as Chairman of the Executive, Investment and Finance Committees, was elected in May 2009 as Lead Independent Director by the independent directors.

The Lead Independent Director s responsibilities include:

- Preside at all meetings of the Board at which the Chairman is not present, including executive sessions of the independent directors.

- Be authorized to call meetings of the independent directors.

- Serve as principal liaison on Board-wide issues between the independent directors and the Chairman.

- Approve the quality, quantity, appropriateness and timeliness of information sent to the Board as well as approving meeting agenda items.

Facilitate the Board s approval of the number and frequency of Board meetings, as well as meeting schedules to assure that there is sufficient time for discussion of all agenda items.

Be authorized to retain outside advisors and consultants who report directly to the Board of Directors on Board-wide issues.

Ensure that he/she be available, if requested by shareholders, when appropriate, for consultation and direct communication.

The Board believes that its current governance structure provides independent Board leadership and engagement while providing the benefit of having our CEO, the individual with primary responsibility for managing the Company s day-to-day operations, chair regular Board meetings as we discuss key business and strategic issues. Coupled with a Lead Independent Director, this structure provides strong independent oversight of management.

BOARD RISK OVERSIGHT

The Board of Directors is responsible for overseeing the Company s risk profile and management s processes for assessing and managing risk. The Board oversees risks both as a whole Board and through its committees. Certain important categories of risk are assigned to designated Board committees (which are comprised solely of independent Directors) who report back to the full Board. In general, the Audit Committee oversees risks related to financial controls, legal, regulatory and compliance risks, and the overall risk management governance structure and risk management function. The Finance Committee oversees risks involving capital structure of the enterprise, including borrowing, liquidity, allocation of capital, major capital transactions and expenditures, funding of benefit plans, statutory insurance reserves and policyholder dividends, and the strength of the finance function. The Investment Committee oversees investment risk and the strength of the investment function. The Compensation Committee oversees our compensation programs so that they do not incentivize excessive risk-taking. As these issues sometimes overlap, committees hold joint meetings when appropriate and address certain issues at the full Board level.

Table of Contents

In performing their oversight responsibilities, the Board and committees review policies and guidelines that senior management uses to manage the Company s risk exposure as to material categories of risk. In addition, the Board and committees review the performance and functioning of the Company s overall risk function and senior management s establishment of appropriate systems for managing credit/counterparty risk, market risk, interest rate and asset/liability matching risk, insurance risk, liquidity risk, operational risk and reputational risk. The Board and committees also oversee senior management s activities in connection with capital management and liquidity planning.

During 2009, the full Board received reports on the most important strategic issues and risks facing the Company. In addition, the Board and committees receive regular reports from the Company s Chief Risk Officer or other senior managers regarding compliance with applicable risk related policies, procedures and limits.

We believe that our leadership structure supports the risk oversight function. As indicated above, certain important categories of risk are assigned to committees that review, evaluate and receive management reports on risk. We note that risk management is an integral part of the Company s culture: the Chief Risk Officer sits on many management committees and heads an independent enterprise risk management department, employee appraisals take into consideration sound risk management, and compliance sits outside of the business to separate management and oversight.

We monitor the risks associated with our executive compensation program, as well as the components of our program and individual compensation decisions, on an ongoing basis. In the fall of 2009, management undertook a review of the Company s compensation programs to assess the risks arising from our compensation policies and practices. Management presented this risk assessment to the Compensation Committee in January 2010 for its consideration. The risk assessment included a review of the primary design features of the Company s compensation plans and the process to determine compensation pools and awards for employees and analyzed how those features could encourage or mitigate risk-taking. As part of the risk assessment, the following were considered: (i) the Company s compensation plans allow for discretionary adjustments to the ultimate outcomes, which serves to mitigate risk-taking; and (ii) the

Company s general risk management controls also serve to preclude decision-makers from taking excessive risk in order to achieve incentives under the compensation plans. Moreover, senior management also is subject to a share retention policy, and the majority of senior management compensation is paid over a multiple year cycle, a compensation structure that is intended to align incentives with appropriate risk- taking. The Committee agreed with the study s findings that the risks were within our ability to effectively monitor and manage and that these risks are not reasonably likely to have a material adverse effect on the Company.

SUCCESSION PLANNING

Prudential Financial s Board of Directors is actively engaged and involved in talent management. Annually, the Board reviews the Company s people strategy in support of its business strategy. This includes a detailed discussion of the Company s global leadership bench and succession plans with a focus on key positions at the senior officer level.

In addition, the committees of the Board regularly discuss the talent pipeline for specific critical roles. High potential leaders are given exposure and visibility to Board members through formal presentations and informal events. More broadly, the Board is regularly updated on key talent indicators for the overall workforce, including climate, diversity, recruiting and development programs.

COMMUNICATION WITH DIRECTORS

Shareholders may communicate with any of the independent directors, including Committee Chairs and the Lead Director, by using the following address:

Prudential Financial, Inc.

Board of Directors

c/o Margaret M. Foran, Chief Governance Officer,

Vice President and Corporate Secretary

751 Broad Street

Newark, NJ 07102

Email: independentdirectors@prudential.com

Feedback on Executive Compensation: Shareholders can also provide feedback on executive compensation at the following website www.prudential.com/Executivecomp.

The Chief Governance Officer and Corporate Secretary of the Company reviews communications from shareholders to the independent directors and forwards the communications to the independent directors as appropriate. Communication from shareholders that pertains to non-financial matters will be forwarded as soon as practicable. Communication received from interested parties regarding accounting or auditing matters will be forwarded to the appropriate Board members in accordance with the time frames established by the Audit Committee for the receipt of communications dealing with these matters. In addition, communication that involves customer service matters will be forwarded to the appropriate directors in accordance with internal procedures for responding to such matters.

COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors has established various committees to assist in discharging its duties, including: Audit, Compensation, Corporate Governance and Business Ethics, Finance and Investment. The primary responsibilities of each of the committees are set forth below, together with their current membership and number of meetings. Each member of the Audit, Compensation, and Corporate Governance and Business Ethics Committees has been determined by the Board to be independent for purposes of the NYSE Corporate Governance listing standards.

Audit Committee

The Audit Committee provides oversight of: the Company s accounting and financial reporting and disclosure processes; the adequacy of the systems of disclosure and internal control established by management; and the audit of the Company s financial statements. The Audit Committee oversees risks related to financial controls, legal, regulatory and compliance risks, and oversees the overall risk management governance structure and risk management function. Among other things, the Audit Committee: (1) appoints the independent auditor and evaluates their independence and performance; (2) reviews the audit plans for and results of the independent audit and internal audits; and (3) reviews reports related to processes established by management to provide compliance with legal and regulatory requirements. The Board of Directors has determined that Messrs. Cullen and Unruh are audit committee financial experts as defined by the SEC.

Compensation Committee

The Compensation Committee oversees the development and administration of the Company s compensation and benefits policies and programs. For more information on the responsibilities and activities of the Compensation Committee, including the committee s processes for determining executive compensation, see the Compensation Discussion and Analysis section.

Corporate Governance and Business Ethics Committee

The Corporate Governance and Business Ethics Committee oversees the Company s corporate governance procedures and practices, including the recommendations of individuals for the Board, making recommendations to the Board regarding director compensation and overseeing the Company s ethics and conflict of interest policies and its political contributions policy.

Executive Committee

The Executive Committee is authorized to exercise the corporate powers of the Company between meetings of the Board, except for those powers reserved to the Board of Directors by the By-laws or otherwise.

Finance Committee

The Finance Committee oversees, takes actions, and approves policies with respect to the capital structure of the Company, including borrowing levels, subsidiary structure and major capital expenditures.

Table of Contents

COMMITTEES OF THE BOARD OF DIRECTORS

Director	Audit	Compensation	Corporate Governance and Business Ethics	Executive	Finance	Investment
Thomas J. Baltimore, Jr.						
Frederic K. Becker	CHAIR					
Gordon M. Bethune						
Gaston Caperton						
Gilbert F. Casellas						
James G. Cullen		CHAIR				
William H. Gray III			CHAIR			
Mark B. Grier						
Jon F. Hanson				CHAIR	CHAIR	CHAIR
Constance J. Horner						
Karl J. Krapek						
Christine A. Poon						
John R. Strangfeld						
James A. Unruh						
2009 Meetings	14	6	7	0	10	8

Investment Committee

The Investment Committee oversees and takes actions with respect to the acquisition, management and disposition of invested assets; review the investment performance of the pension plan and funded employee benefit plans; and reviews investment risks and exposures, as well as the investment performance of products and accounts managed on behalf of third parties.

POLICIES AND PROCEDURES FOR APPROVAL OF RELATED PERSON TRANSACTIONS

The Company has adopted a Related Party Transaction Approval Policy that applies to:

any transaction or series of transactions in which the Company or a subsidiary is a participant;

- the amount involved exceeds $120,000; and

- a related party (a director or executive officer of the Company, any nominee for director, any shareholder owning an excess of 5% of the total equity of the Company and any immediate family member of any such person) has a direct or indirect material interest.

The policy is administered by the Corporate Governance and Business Ethics Committee. The Committee will consider relevant facts and circumstances in determining whether or not to approve or ratify such transaction, and will approve or ratify only those transactions that are, in the Committee s judgment, appropriate or desirable under the circumstances.

Table of Contents

The Audit Committee of the Board of Directors has appointed PricewaterhouseCoopers LLP (PricewaterhouseCoopers) as the Company s independent registered public accounting firm (independent auditor) for 2010. We are not required to have the shareholders ratify the selection of PricewaterhouseCoopers as our independent auditor. We nonetheless are doing so because we believe it is a matter of good corporate practice. If the shareholders do not ratify the selection, the Audit Committee will reconsider whether or not to retain PricewaterhouseCoopers, but may retain such independent auditor. Even if the selection is ratified, the Audit Committee, in its discretion, may change the appointment at any time during the year if it determines that such a change would be in the best interest of Prudential Financial and its shareholders. Representatives of PricewaterhouseCoopers will be present at the Annual Meeting and will have the opportunity to make a statement and be available to respond to appropriate questions by shareholders.

FEES PAID TO PRICEWATERHOUSECOOPERS LLP

The following is a summary and description of fees for services provided by PricewaterhouseCoopers in 2009 and 2008.

WORLDWIDE FEES (IN MILLIONS)

Service	2009	2008
Audit(A)	$ 38	$ 36
Audit-Related(B)	$ 6	$ 4
Tax(C)	$ 1	$ 1
All Other		
Total	$ 45	$ 41

(A) The aggregate fees for professional services rendered for the integrated audit of the consolidated financial statements of Prudential Financial and, as required, audits of various domestic and international subsidiaries, the issuance of comfort letters, agreed-upon procedures required by regulation, consents and assistance with review of documents filed with the SEC.

(B) The aggregate fees for assurance and related services including internal control and financial compliance reports, agreed-upon procedures not required by regulation, and accounting consultation on acquisitions and International Financial Reporting Standards (IFRS).

(C) The aggregate fees for services rendered by PricewaterhouseCoopers tax department for tax return preparation, tax advice related to mergers and acquisitions and other international, federal and state projects, and requests for rulings. In 2009, tax compliance and preparation fees total $1M and tax advisory fees total $0.1M and in 2008, tax compliance and preparation fees total $1M and tax advisory fees total $0.1M.

PricewaterhouseCoopers also provides services to domestic and international mutual funds and limited partnerships not consolidated by Prudential Financial, but which are managed by Prudential Financial. PricewaterhouseCoopers identified fees paid by these entities of $8M in

2009 and $8M in 2008 and that all of these fees relate to audit, audit-related and tax services.

The Audit Committee has advised the Board of Directors that in its opinion the non-audit services rendered by PricewaterhouseCoopers during the most recent fiscal year are compatible with maintaining their independence.

AUDIT COMMITTEE PRE-APPROVAL

POLICIES AND PROCEDURES

The Audit Committee has established a policy requiring its pre-approval of all audit and permissible non-audit services provided by the independent auditor. The policy identifies the guiding principles that must be considered by the Audit Committee in approving services to ensure that the independent auditor s independence is not impaired; describes the Audit, Audit-Related, Tax and All Other services that may be provided and the non-audit services that may not be performed; and sets forth the pre-approval requirements for all permitted services. The policy provides for the general pre-approval of specific types of Audit, Audit-Related and Tax services and a limited fee estimate range for such services on an annual basis. The policy requires specific pre-approval of all other permitted services. The independent auditor is required to report periodically to the Audit Committee regarding the extent of services provided in accordance with their pre-approval and the fees for the services performed to date. The Audit Committee s policy delegates to its Chairman the authority to address requests for pre-approval of services with fees up to a maximum of $100,000 between Audit Committee meetings if the Chief Auditor deems it reasonably necessary to begin the services before the next scheduled meeting of the Audit Committee, and the Chairman must report any pre-approval decisions to the Audit Committee at its next scheduled meeting. The Audit Committee may not delegate to management the Audit Committee s responsibility to pre-approve permitted services of the independent auditor.

Table of Contents

All Audit, Audit-Related, Tax and All Other fees described above were approved by the Audit Committee before services were rendered.

The affirmative vote of a majority of the votes cast is required to ratify the appointment of PricewaterhouseCoopers as the Company s independent auditor for 2010.

THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE FOR RATIFICATION OF THE APPOINTMENT OF PRICEWATERHOUSECOOPERS AS THE COMPANY S INDEPENDENT AUDITOR FOR 2010.

Four non-management directors comprise the Audit Committee. The Committee operates under a written charter adopted by the Board. The Board has determined that each member of the Committee has no material relationship with the Company under the Board s independence standards and that each is independent and financially literate under the listing standards of the NYSE and under the SEC s standards relating to independence of audit committees.

In addition, the Board of Directors has determined that Messrs. Unruh and Cullen satisfy the financial expertise requirements of the NYSE and have the requisite experience to be designated an audit committee financial expert as that term is defined by rules of the SEC.

Management is responsible for the preparation, presentation and integrity of the financial statements of Prudential Financial and for maintaining appropriate accounting and financial reporting policies and practices, and internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. Prudential Financial s independent registered public accounting firm (independent auditor), PricewaterhouseCoopers, is responsible for auditing the consolidated financial statements of Prudential Financial and expressing an opinion as to their conformity with generally accepted accounting principles, as well as expressing an opinion on the effectiveness of internal control over financial reporting in accordance with the requirements of the SEC.

In performing its oversight function, the Audit Committee reviewed and discussed the audited consolidated financial statements of Prudential Financial as of and for the year ended December 31, 2009 and Management s Annual Report on Internal Control Over Financial Reporting with management and Prudential Financial s independent auditor. The Audit Committee also discussed with

Prudential Financial s independent auditor the matters required to be discussed by the independent auditor with the Audit Committee under the rules adopted by the Public Company Accounting Oversight Board (PCAOB).

The Audit Committee received from the independent auditor the written disclosures and the letter required by applicable requirements of the PCAOB regarding the independent auditor s communications with the Audit Committee concerning independence, and has discussed with the independent auditor the independent auditor s independence.

The Audit Committee has discussed with, and received regular status reports from, Prudential Financial s Chief Auditor and independent auditor on the overall scope and plans for their audits of Prudential Financial, including their scope and plans for evaluating the effectiveness of internal control over financial reporting. The Audit Committee meets with the Chief Auditor and the independent auditor, with and without management present, to discuss the results of their respective examinations. In determining whether to reappoint PricewaterhouseCoopers as Prudential Financial s independent auditor, the Audit Committee took into consideration a number of factors, including the quality of the Audit Committee s ongoing discussions with PricewaterhouseCoopers and an assessment of the professional qualifications and past performance of the Lead Audit

Partner and PricewaterhouseCoopers.

In addition, the Audit Committee reviewed and amended its Charter; and received reports as required by its policy for the receipt, retention and treatment of financial reporting concerns received from external and internal sources.

Based on the reports and discussions described in this report and subject to the limitations on the roles and responsibilities of the Audit Committee referred to above and in its Charter, the Audit Committee recommended to the Board of Directors that the audited consolidated financial statements of Prudential Financial and Management s Annual Report on Internal Control Over Financial Reporting be included in the Annual Report on Form 10-K for the fiscal year ended December 31, 2009 for filing with the SEC.

THE AUDIT COMMITTEE

Frederic K. Becker (Chairman)

Gilbert F. Casellas

James G. Cullen

James A. Unruh

Table of Contents

The Board of Directors is committed to excellence in governance and recognizes the interest its shareholders have expressed in the Company s compensation program. As a part of that commitment, we are proactively providing our shareholders with the right to cast a non-binding, advisory vote on our executive compensation program and policies every other year.

Accordingly, shareholders are being asked to vote at the Annual Meeting on our executive compensation policies and procedures for the named executive officers, as described in the Compensation Discussion and Analysis as included in this Proxy Statement. This proposal, commonly known as a say-on-pay proposal, gives you as a shareholder the opportunity to endorse or not endorse our fiscal year 2009 executive compensation programs and policies for the named executive officers through the following resolution(s):

RESOLVED, that shareholders of Prudential Financial, Inc. (the Company) approve the overall executive compensation policies and procedures employed by the Company for its named executive officers set forth in the proxy statement s Summary Compensation

Table (the SCT) and the accompanying narrative disclosure of material factors provided to understand the SCT, as described in the Compensation Discussion and Analysis.

This vote is not intended to address any specific item of compensation, but rather our overall compensation policies and procedures relating to our named executive officers. Accordingly, your vote will not directly affect or otherwise limit any existing compensation or award arrangement of any of our named executive officers. Because your vote is advisory, it will not be binding upon the Board of Directors. The Board of Directors will, however, take into account the outcome of the say-on-pay vote when considering future compensation arrangements.

THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE FOR THIS PROPOSAL.

VOTING SECURITIES AND PRINCIPAL HOLDERS

The following table shows all entities that are the beneficial owners of more than 5% of any class of Prudential Financial s voting securities.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature	Percent of Class
Class B Stock	National Union Fire Insurance Company of Pittsburgh, PA[1] c/o AIG Global Investment Group 2929 Allen Parkway, Suite A-36-04 Houston, TX 77019	885,714	44.3%

Class B Stock	Lexington Insurance Company[1] c/o AIG Global Investment Group 2929 Allen Parkway, Suite A-36-04 Houston, TX 77019	914,286	45.7%
Class B Stock	Pacific LifeCorp 700 Newport Center Drive Newport Beach, CA 92660	200,000	10.0%

(1) National Union Fire Insurance Company of Pittsburgh, PA, and Lexington Insurance Company are subsidiaries of American International Group, Inc. (AIG), resulting in AIG s beneficially owning 90% of the Class B Stock.

To our knowledge, no person or entity is the beneficial owner of more than 5% of our Common Stock or more than 5% of the voting power of the combined Common Stock and Class B Stock.

Table of Contents

VOTING SECURITIES AND PRINCIPAL HOLDERS (continued)

The following table sets forth information regarding the beneficial ownership of our Common Stock as of March 12, 2010, by:

each Director and Named Executive Officer; and

all Directors and Executive Officers of the Company as a group.

Name of Beneficial Owner	Common Stock	Number of Shares Subject to Exercisable Options	Number of Shares Beneficially Owned[1]	Director Deferred Stock Units/ Additional Underlying Units[2,3,4,5]	Total Shares Beneficially Owned Plus Underlying Units
Thomas J. Baltimore, Jr.	250		250	8,009	8,259
Frederic K. Becker	28,610		28,610	0	28,610
Gordon M. Bethune	200		200	10,742	10,942
Gaston Caperton	250		250	18,712	18,962
Gilbert F. Casellas	500		500	20,936	21,436
James G. Cullen	2,033		2,033	32,402	34,435
William H. Gray III	1,013		1,013	20,766	21,779
Jon F. Hanson	32,575[6]		32,575	37,440	70,015
Constance J. Horner	1,024		1,024	20,731	21,755
Karl J. Krapek	1,000		1,000	24,126	25,126
Christine A. Poon	6,125		6,125	3,411	9,536
James A. Unruh	2,761		2,761	23,401	26,162
John R. Strangfeld	174,779[7]	594,676	769,455	761,848	1,531,303
Mark B. Grier	63,372	416,879	480,251	601,107	1,081,358
Richard J. Carbone	71,227	212,585	283,812	143,544	427,356
Edward P. Baird	30,373	126,436	156,809	170,334	327,143
Bernard B. Winograd	45,933	217,034	262,967	249,224	512,191
All directors and executive officers as a group (21 persons)	554,879	1,989,474	2,544,353	2,432,855	4,977,208

(1)

Individual directors and executive officers as well as all directors and executive officers as a group beneficially own less than 1% of the shares of Common Stock outstanding, as of March 12, 2010.

(2) Deferred stock units represent the mandatory deferral of half a director s annual fee in stock units and any optional deferral of cash fees in stock units by the Director. Includes the following number of shares or share equivalents in deferred units through the Deferred Compensation Plan for Non-Employee Directors and the Executive Deferred Compensation Plan, as to which no voting or investment power exists: Mr. Baltimore, 8,009; Mr. Bethune, 10,742; Mr. Caperton, 18,712; Mr. Casellas, 20,936; Mr. Cullen, 32,402; Mr. Gray, 20,766; Mr. Hanson, 37,440; Ms. Horner, 20,731; Mr. Krapek, 24,126; Ms. Poon, 3,411; Mr. Unruh, 23,401; and Mr. Strangfeld, 34,907.

(3) Includes the following shares representing the target number of shares to be received upon the attainment of ROE and EPS goals under the performance share program described under Compensation Discussion and Analysis : Mr. Strangfeld, 70,294; Mr. Grier, 56,235; Mr. Carbone, 14,060; Mr. Baird, 18,136; and Mr. Winograd, 27,037.

(4) Includes the following restricted stock units which do not have any voting or investment power: Mr. Strangfeld, 239,609; Mr. Grier, 208,109; Mr. Carbone, 45,263; Mr. Baird, 39,712; and Mr. Winograd, 62,474.

(5) Includes the following unvested stock options: Mr. Strangfeld, 417,038; Mr. Grier, 336,763; Mr. Carbone, 84,221; Mr. Baird, 112,486; and Mr. Winograd, 159,713.

(6) Includes 1,953 shares held by the Hampshire Foundation, of which Mr. Hanson is a trustee.

(7) Includes 7,000 shares held by the John and Mary K. Strangfeld Foundation.

Table of Contents

The Corporate Governance and Business Ethics Committee reviews Director compensation periodically and recommends any changes to the Board, when it deems them appropriate. The non-employee Director compensation program reflects the view of the Board that a significant amount of annual compensation should be in the form of Company deferred stock units. The Board s total compensation includes approximately one-half cash and one-half stock based compensation. In addition, the Board has adopted stock ownership guidelines for Directors that encourage Directors to have an ownership interest. Each non-employee Director is expected to have an ownership in Common Stock or deferred stock units that has a value equivalent to two times the annual cash and deferred stock retainers within three years of joining the Board. Each of our non-employee Directors currently meets this guideline.

The compensation components for the non-employee Directors in effect during 2009 are:

Annual Fee	\$100,000 in cash, which may be deferred, at the Director s option, in the Deferred Compensation Plan
Annual Fee	\$100,000 in stock units that are required to be deferred until the earlier of termination of service on the Board or age 70 $^1/2$
Audit Committee Fee	\$25,000, half of which is deferred in stock units
Board Committee Fee*	\$10,000, half of which is deferred in stock units
Chairperson Fee	\$15,000, half of which is deferred in stock units
Lead Director Fee	\$25,000, half of which is deferred in stock units
Meeting Fee for members of the Company s Community Resources Oversight Committee**	\$1,250 per meeting
New Director Fee (one-time grant)	\$100,000 in stock units that is required to be deferred until the earlier of termination of service on the Board or age 70 $^1/2$

* Includes any non-standing committee of Directors that may be established from time to time, but excluding the Executive Committee.

** This is a committee composed of members of management and the Board of Directors. This Committee typically meets on a separate day following the Board and Board Committee meetings. The non-employee Directors on this Committee currently include Messrs. Casellas, Hanson and Mrs. Horner. The Community Resources Oversight Committee met three times in 2009.

The Deferred Compensation Plan for Non-Employee Directors was ratified by shareholders in 2003 and is designed to align Director and shareholder interests. Fifty percent of the annual Board and committee retainer is deferred in a notional account that replicates the Common Stock Fund under the Prudential Employee Savings Plan (PESP). In addition, a Director may elect to invest the cash portion of his or her retainer and fees in notional accounts that replicate investments in either the Common Stock Fund or the Fixed Rate Fund, which accrues interest in the same manner as funds invested in the Fixed Rate Fund offered under the PESP.

The Plan requires that distributions commence in the year a director reaches the age of 70 $^1/2$. Therefore, once a director reaches the age of 70 $^1/2$, he or she may choose to receive his or her fees earned in any combination of cash or Common Stock. Each Director receives dividend equivalents on the share units contained in his or her deferral account, which are equal in value to dividends paid on the Company s Common Stock. The dividend equivalents credited to the account are then reinvested in the form of additional share units.

Table of Contents

2009 DIRECTOR COMPENSATION

Name	Fees Earned or Paid in Stock($)	Fees Earned or Paid in Cash($)	Stock Awards($)[1]	Total($)
Thomas J. Baltimore		$ 106,250	$ 106,250	$ 212,500
Frederic K. Becker[2]	$ 240,000			$ 240,000
Gordon M. Bethune		$ 110,000	$ 110,000	$ 220,000
Gaston Caperton		$ 110,000	$ 110,000	$ 220,000
Gilbert F. Casellas		$ 116,250	$ 112,500	$ 228,750
James G. Cullen		$ 125,000	$ 125,000	$ 250,000
William H. Gray III		$ 112,500	$ 112,500	$ 225,000
Jon F. Hanson[3]		$ 278,750		$ 278,750
Constance J. Horner		$ 113,750	$ 110,000	$ 223,750
Karl J. Krapek		$ 113,750	$ 113,750	$ 227,500
Christine A. Poon		$ 113,750	$ 113,750	$ 227,500
James A. Unruh		$ 112,500	$ 112,500	$ 225,000

(1) Represents amounts that are automatically deferred in units of Common Stock. The amounts reported represent the aggregate grant date fair value for stock units granted during the fiscal year, as calculated under the Financial Accounting Standard Board s Accounting Codification Topic 718 (formerly Statement of Financial Accounting Standards 123(R)). Under ASC Topic 718, the grant date fair value is calculated using the closing market price of our Common Stock on the date of grant, which is then recognized, subject to market value changes over the requisite service period of the award. As of December 31, 2009, the aggregate balance in each of the non-employee Directors accounts in the Deferred Compensation Plan denominated in units (which includes all deferrals from prior years) and the year-end values were as follows: Mr. Baltimore: 8,009 and $398,528; Mr. Becker: 5,143 and $255,916; Mr. Bethune: 10,742 and $534,522; Mr. Caperton: 18,712 and $931,109; Mr. Casellas: 20,936 and $1,041,775; Mr. Cullen: 32,402 and $1,612,324; Mr. Gray: 20,766 and $1,033,316; Mr. Hanson: 43,680 and $2,173,517; Mrs. Horner: 20,731 and $1,031,575; Mr. Krapek: 24,126 and $1,200,510; Ms. Poon: 3,411 and $169,731; and Mr. Unruh: 23,401 and $1,164,434.

(2) Mr. Becker received all of his 2009 compensation in the form of stock because he attained the age of 70 $^1/2$ and is permitted to do so.

(3) Mr. Hanson received all of his 2009 compensation in the form of cash because he attained the age 70 $^1/2$ and is permitted to do so.

Table of Contents

In this section, we will describe the material components of our executive compensation program for our Named Executive Officers or NEOs, whose compensation is set forth in the 2009 Summary Compensation Table and other compensation tables contained in this proxy statement:

John R. Strangfeld, our Chairman and Chief Executive Officer;
Richard J. Carbone, our Executive Vice President and Chief Financial Officer;
Mark B. Grier, our Vice Chairman;
Edward P. Baird, our Executive Vice President and Chief Operating Officer, International Businesses; and
Bernard B. Winograd, our Executive Vice President and Chief Operating Officer, U.S.

We also provide an overview of our executive compensation philosophy and our executive compensation program. In addition, we explain how and why the Compensation Committee of our Board of Directors (the Committee) arrives at specific compensation policies and decisions involving our Named Executive Officers.

Opportunity for Shareholder Feedback

The Committee carefully considers feedback from our shareholders regarding our executive compensation program. Shareholders are invited to express their views to the Committee as described under the heading Communication with Directors in this proxy statement. In addition, the advisory vote on our overall executive compensation policies and procedures that we have instituted on an every other year basis beginning with this annual meeting provides shareholders with an opportunity to communicate their views on our executive compensation program.

You should read this section of the proxy statement in conjunction with the advisory vote that we are conducting on the overall executive compensation policies and procedures that are employed by the Committee in setting the compensation of our Named Executive Officers (See Item 3 Advisory Vote on Executive Compensation). This Compensation Discussion and Analysis contains information that is relevant to your voting decision.

EXECUTIVE SUMMARY

Our Business

We are a global financial services business with approximately $667 billion of assets under management as of December 31, 2009, and operations in the United States, Asia, Europe, and Latin America. Through our subsidiaries and affiliates, we offer a wide array of financial products and services, including life insurance, annuities, retirement-related services, mutual funds, investment management, and real estate services. For more information about our business, please see Business and Management s Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K filed on February 26, 2010.

2009 Business Highlights

During 2009, the global financial and credit crisis continued to create challenges for many companies, including our Company. We have emerged from this difficult period in strong condition, with solid financial performance for the year and strong sales and asset flows in our major businesses, benefiting from an enhanced competitive position. With uncertainties still facing the economy and markets, we bolstered our financial strength and flexibility through long-term debt and equity issues and the sale of our minority interest in Wachovia Securities Financial Holdings, LLC. We ended the year with capital consistent with our AA financial strength ratings objectives for our insurance companies, and a strong liquidity position including $2.8 billion of cash and short- term investments, net of short-term intercompany borrowings and commercial paper, at the Prudential Financial, Inc. parent holding company. We believe that we have maintained and enhanced our longer-term strategic trajectory, while taking significant actions during the year to make our company stronger.

During 2009, we had the following significant accomplishments:

Recorded net income for our Financial Services Businesses of $3.4 billion, or $7.63 per common share, compared to a net loss of $1.1 billion, or $2.53 per common share, for 2008;

Recorded $3.3 billion pre-tax adjusted operating income for our Financial Services Businesses, more than double the level for 2008;

Reported book value for the Financial Services Businesses, excluding accumulated other comprehensive income related to unrealized gains and losses on investments and pension/ postretirement benefits as of year end of $54.18 per common share, compared to $46.91 per common share a year earlier;

Registered gross sales for the year of $16 billion for Individual Annuities, gross deposits and sales of $23 billion for Full Service Retirement, and International Insurance annualized new business premiums of $1.4 billion, each at record-high levels;

Recorded net sales for Individual Annuities of $10.3 billion in 2009, compared to $2.1 billion in 2008, and net additions in Full Service Retirement of $8.8 billion in 2009 compared to $3.9 billion in 2008;

Successfully issued equity and debt securities totaling $4.4 billion;

Maintained risk-based capital (RBC) for our principal domestic insurance subsidiary at a level believed to be consistent with our AA ratings objectives, with no need to take funds from the Federal Government under any of the Congressionally-authorized financial assistance programs; and

Completed the sale, for $4.5 billion in cash, of our minority joint venture interest in Wachovia Securities Financial Holdings, LLC to Wells Fargo & Co., as discussed below.

As indicated above, as a result of our strong capital position, we did not need to take funds from the Federal Government under any of the Congressionally-authorized financial assistance programs.

Sale of Joint Venture Interest

On December 31, 2009, we completed the sale to Wells Fargo & Co. of our minority joint venture interest in Wachovia Securities Financial Holdings, LLC, which included the Wells Fargo Advisors (formerly Wachovia Securities) retail securities brokerage business, for $4.5 billion in cash. We previously contributed our Prudential Securities retail securities brokerage operations to the joint venture in July 2003.

At the inception of the joint venture in 2003, this investment had a book value of approximately $1.0 billion. Our investment produced a cumulative pre-tax gain of $3.5 billion. On an after-tax basis, the

Table of Contents

cumulative gain was $2.4 billion, including a $1.0 billion direct to equity gain recorded in 2008 and a $1.4 billion gain upon the sale that is reflected in 2009 net income. We estimate that initial net investable proceeds from the sale are approximately $3.7 billion.

The $4.5 billion in cash proceeds represents an after-tax internal rate of return of approximately 25% over a seven-year period when compared to the book value of Prudential Securities (approximately $1.0 billion) at the time the joint venture was formed. This is an exceptional rate of return compared to the return of 5% on the Standard & Poor s 500 index (S&P 500) over the same period. In addition to contributing significantly to our financial results and further strengthening our financial condition, the transaction positions us going forward to take advantage of opportunities for growth and the creation of value for shareholders.

The sale of our minority joint venture interest in Wachovia Securities Financial Holdings, LLC, as discussed above, was a major positive event in our history as a public company. In view of this positive outcome, on February 9, 2010, the Committee approved a broad-based special one-time supplemental cash incentive award for

approximately 15,000 employees that was paid concurrently with the 2009 annual incentive payments. The Committee determined to provide each of Messrs. Strangfeld, Carbone, Grier, Baird, and Winograd with a cash payment, as part of his annual incentive award, attributable to the joint venture investment. The cash payments to Messrs. Baird and Winograd equal that which they would have received if they participated in the broad-based one-time supplemental cash incentive award to employees. The Committee also made special one-time equity awards to Messrs. Strangfeld, Carbone, and Grier. The cash and equity awards to Messrs. Strangfeld, Carbone, and Grier are in deferred recognition of the critically important roles and leadership of these individuals in connection with the joint venture and the disposition of our minority joint venture interest. The Committee determined that these three executives, in addition to carrying out their other responsibilities, devoted extraordinary efforts and made extraordinary contributions over a period of more than seven years in connection with establishing the joint venture, the ongoing management of our investment, and its successful disposition.

2009 Compensation Highlights

At the outset of 2009, the uncertainty in the business environment led the Committee to maintain the base salaries and long-term incentive award opportunities for the executive officers, including our Named Executive Officers, at 2008 levels.

In February 2010, in view of our financial performance during 2009, as well as our other business accomplishments (as described above), the Committee took the following compensation actions:

- With the exception of Mr. Baird, we maintained base salaries at their 2009 levels;
- Made annual cash incentive award payments with respect to 2009 performance consistent with our 2009 business results;
- With the exception of Mr. Baird, maintained long-term incentive compensation values at a level consistent with 2009;

In recognition of the exceptional outcome of our joint venture investment in Wachovia Securities Financial Holdings, LLC, the Committee approved special compensation considerations totaling $87 million to approximately 15,000 employees, or 2.49% of the cumulative pre-tax gain, as explained in more detail below; and

In connection with a broad review of our compensation programs and to better align incentive compensation to our annual financial objectives, as well as to better focus our most senior executives on long-term value creation, the Committee approved modifications to our annual and long-term incentive compensation programs for 2010, and created a new mid-term incentive compensation program.

PHILOSOPHY AND OBJECTIVES OF OUR EXECUTIVE COMPENSATION PROGRAM

The philosophy underlying our executive compensation program is to provide an attractive, flexible, and market-based total compensation program tied to performance and aligned with the interests of our shareholders. Our objective is to recruit and retain the caliber of executive officers and other key employees necessary to deliver sustained high performance to our

shareholders, customers, and communities where we have a strong presence. Our executive compensation program is an important component of these overall human resources policies. Equally important, we view compensation practices as a means for communicating our goals and standards of conduct and performance and for motivating and rewarding employees in relation to their achievements.

Table of Contents

Overall, the same principles that govern the compensation of all our salaried employees apply to the compensation of our executive officers. Within this framework, we believe:

- Executive officers should have base salaries and employee benefits that are market competitive and that permit us to hire and retain high-caliber individuals at all levels;
- A significant portion of the annual compensation of our executive officers should vary with annual business performance and each individual s contribution to that performance;
- Executive officers should be rewarded for achieving long-term results, and such rewards should be aligned with the interests of our shareholders;
- A significant portion of our executive officers compensation should be tied to measures of performance of our Financial Services Businesses;
- The interests of our executive officers should be linked with those of our shareholders through the risks and rewards of the ownership of our Common Stock;
- Perquisites for our executive officers should be minimized and limited to items that serve an important business purpose; and
- The overall compensation program for our executive officers should reinforce our robust succession planning process.

We believe that our compensation program should have components that link to our short-term and longer term goals, and we recently modified our annual and long-term incentive programs and created a new mid-term incentive compensation program to further strengthen these links. Our annual incentive program rewards performance relative to our annual financial targets for pre-tax AOI, EPS and ROE for the Financial Services Businesses. As modified, it allows the Committee to also consider strategic measures of performance, such as capital and liquidity management, risk management and competitive performance. The new mid-term incentive program carves out portions from our annual and long-term programs and ties their value to changes in book value per share over a three year period. Book value per share is an important metric in valuing insurance and financial companies that, unlike metrics based on AOI, considers realized gains and losses in our investment portfolio. Through our long-term incentive program, we incentivize long-term value creation, by providing compensation in the form of stock options and performance shares and units that reward increases in the market value of our Common Stock as well as achievement of our annual goals over a three year period for EPS and ROE for the Financial Services Businesses. By basing a portion of compensation under the long-term incentive program upon performance relative to annual goals over a three year period, we encourage sustainable earnings and value creation throughout the three year period.

HOW WE MAKE COMPENSATION DECISIONS

Role of the Compensation Committee

The Committee is responsible to our Board of Directors for overseeing the development and administration of our

compensation and benefits policies and programs. The Committee, which consists of three independent directors, is responsible for the review and approval of all aspects of our executive compensation program. Among its duties, the Committee is responsible for formulating the compensation recommendations for the Chief Executive Officer and approving all compensation recommendations for our officers at the senior vice president level and above, including:

- Review and approval of corporate incentive goals and objectives relevant to compensation;
- Evaluation of individual performance results in light of these goals and objectives;
- Evaluation of the competitiveness of each officer s total compensation package; and
- Approval of any changes to the total compensation package, including, but not limited to, base salary, annual and long-term incentive award opportunities, and payouts and retention programs.

Following review and discussion, the Committee submits its recommendations for compensation for these executive officers to the non-employee members of our Board of Directors for approval.

The Committee is supported in its work by the head of the Human Resources Department, her staff, and an executive compensation consultant, as described below.

The Committee s charter, which sets out its duties and responsibilities and addresses other matters, can be found on our website at www.investor.prudential.com.

Role of the Chief Executive Officer

Within the framework of the compensation programs approved by the Committee and based on management s review of market competitive positions, each year the Chief Executive Officer recommends the level of base salary increase (if any), the annual cash incentive award payments, and the long-term incentive award value for senior vice presidents and above, including the other Named Executive Officers. These recommendations are based upon his assessment of each executive officer s performance, the performance of the individual s respective business or function, and employee retention considerations. The Committee reviews the Chief Executive Officer s recommendations and approves any compensation changes affecting our executive officers as it determines in its sole discretion.

The Chief Executive Officer does not play any role with respect to any matter affecting his own compensation.

Role of the Compensation Consultant

The Committee has retained Frederic W. Cook & Co., Inc. as its independent executive compensation consultant. The Compensation Consultant reports directly to the Committee, and the Committee may replace the Compensation Consultant or hire additional consultants at any time. A representative of the Compensation Consultant attends meetings of the Committee, as

Table of Contents

requested, and communicates with the Chair of the Committee between meetings; however, the Committee makes all decisions regarding the compensation of our executive officers.

The Compensation Consultant provides various executive compensation services to the Committee pursuant to a written consulting agreement with the Committee. Generally, these services include advising the Committee on the principal aspects of our executive compensation program and evolving best practices and providing market information and analysis regarding the competitiveness of our program design and our award values in relationship to its performance.

During 2009, the Compensation Consultant performed the following specific services:

- Provided a competitive evaluation of total compensation for each position held by a Named Executive Officer, including the Chief Executive Officer and Vice Chairman positions;
- Provided independent recommendations on Chief Executive Officer compensation;
- Met with the Chief Executive Officer to discuss executive performance for 2009 and reviewed his preliminary recommendations for his direct reports;
- Developed and delivered a competitive assessment of our executive compensation practices;
- Presented information on executive compensation trends and legislative and regulatory developments;
- Developed and delivered reports on our stock ownership guidelines and annual incentive compensation methodology;
- Reviewed and commented on the Compensation Discussion and Analysis and the compensation tables for our annual proxy statement; and
- Reviewed Committee meeting agendas and supporting materials in advance of the meetings.

In addition, the Compensation Consultant attended meetings of the Committee during 2009, as requested by the Committee Chair. The Compensation Consultant provided no services to management during 2009.

The Committee retains sole authority to hire the Compensation Consultant, approve its compensation, determine the nature and scope of its services, evaluate its performance, and terminate its engagement.

The total amount of fees paid to the Compensation Consultant for services to the Committee in 2009 was $119,450. The Compensation Consultant received no other fees or compensation from us, except for $3,400 to participate in a general industry survey of long-term compensation.

USE OF COMPETITIVE DATA

We compete in several different businesses, most of which are involved in helping individuals and institutions grow and protect their assets. These businesses draw their key employees from different segments of the marketplace. Our executive

compensation program is designed with the flexibility to be competitive and motivational within the various marketplaces in which we compete for employees, while being subject to centralized design, approval, and control.

We rely on various sources of compensation information to ascertain the competitive market for our executive officers, including the Named Executive Officers. We use compensation data compiled from a group of peer companies in the insurance, asset management, and other diversified financial services industries selected from the Standard & Poor s 500 Financials Index (the Peer Group). The Compensation Consultant periodically reviews and updates the Peer Group, as necessary, at the direction, and with the approval of, the Committee. In 2009, the Committee, with the advice of the Compensation Consultant, used the following criteria to determine the Peer Group:

Insurance and diversified financial companies with revenues of approximately $10 billion or greater; and

Asset management firms and custody banks with revenues of $2 billion or greater.

We believe the Peer Group represents the industries which we currently compete for executive talent, and includes our principal business competitors. Currently, the Peer Group consists of the following companies, each of which satisfy the criteria above:

AFLAC, Incorporated

American Express Company

Ameriprise Financial, Inc.

Bank of America Corporation

The Bank of New York Mellon Corporation

BlackRock, Inc.

Capital One Financial Corporation

Citigroup, Inc.

Franklin Resources, Inc.

Genworth Financial, Inc.

The Hartford Financial Services Group, Inc.