PRUDENTIAL FINANCIAL INC

FORM 10-Q
(Quarterly Report)

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2025

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Transition Period from to

Commission File Number 001-16707

Prudential Financial, Inc.
(Exact Name of Registrant as Specified in its Charter)

New Jersey	**22-3703799**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification Number)**

751 Broad Street
Newark, NJ 07102
(973) 802-6000
(Address and Telephone Number of Registrant's Principal Executive Offices)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of Each Class	Trading Symbols(s)	Name of Each Exchange on Which Registered
Common Stock, Par Value $.01	PRU	New York Stock Exchange
5.950% Junior Subordinated Notes	PRH	New York Stock Exchange
5.625% Junior Subordinated Notes	PRS	New York Stock Exchange
4.125% Junior Subordinated Notes	PFH	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of the Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☒	Accelerated Filer	☐
Non-accelerated Filer	☐	Smaller Reporting Company	☐
		Emerging Growth Company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of April 28, 2025, 354 million shares of the registrant's Common Stock (par value $0.01) were outstanding.

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Forward-Looking Statements

Certain of the statements included in this Quarterly Report on Form 10-Q constitute forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Words such as “expects,” “believes,” “anticipates,” “includes,” “plans,” “assumes,” “estimates,” “projects,” “intends,” “should,” “will,” “shall” or variations of such words are generally part of forward-looking statements. Forward-looking statements are made based on management’s current expectations and beliefs concerning future developments and their potential effects upon Prudential Financial, Inc. and its subsidiaries. There can be no assurance that future developments affecting Prudential Financial, Inc. and its subsidiaries will be those anticipated by management. These forward-looking statements are not a guarantee of future performance and involve risks and uncertainties, and there are certain important factors that could cause actual results to differ, possibly materially, from expectations or estimates reflected in such forward-looking statements, including, among others: (1) losses on investments or financial contracts due to deterioration in credit quality or value, or counterparty default; (2) losses on insurance products due to mortality experience, morbidity experience or policyholder behavior experience that differs significantly from our expectations when we price our products; (3) changes in interest rates, equity prices and foreign currency exchange rates that may (a) adversely impact the profitability of our products, the value of separate accounts supporting these products or the value of assets we manage, (b) result in losses on derivatives we use to hedge risk or increase collateral posting requirements and (c) limit opportunities to invest at appropriate returns; (4) guarantees within certain of our products which are market sensitive and may decrease our earnings or increase the volatility of our results of operations or financial position; (5) liquidity needs resulting from (a) derivative collateral market exposure, (b) asset/liability mismatches, (c) the lack of available funding in the financial markets or (d) unexpected cash demands due to severe mortality calamity or lapse events; (6) financial or customer losses, or regulatory and legal actions, due to inadequate or failed processes or systems, external events, and human error or misconduct such as (a) disruption of our systems and data, (b) an information security breach, (c) a failure to protect the privacy of sensitive data, (d) reliance on third parties or (e) labor and employment matters; (7) changes in the regulatory landscape, including related to (a) financial sector regulatory reform, (b) changes in tax laws, (c) fiduciary rules and other standards of care, (d) U.S. state insurance laws and developments regarding group-wide supervision, capital and reserves, (e) insurer capital standards outside the U.S. and (f) privacy and cybersecurity regulation; (8) technological changes which may adversely impact companies in our investment portfolio or cause insurance experience to deviate from our assumptions; (9) an inability to protect our intellectual property rights or claims of infringement of the intellectual property rights of others; (10) ratings downgrades; (11) market conditions that may adversely affect the sales or persistency of our products; (12) competition; (13) reputational damage; (14) the costs, effects, timing, or success of our plans to execute our strategy; and (15) the economic conditions, and impacts on the Company thereof, caused by the imposition of tariffs and retaliatory actions. Prudential Financial, Inc. does not undertake to update any particular forward-looking statement included in this document. See “Risk Factors” included in the Annual Report on Form 10-K for the year ended December 31, 2024 for discussion of certain risks relating to our businesses and investment in our securities.

PART I - FINANCIAL INFORMATION

ITEM 1. *Financial Statements*

PRUDENTIAL FINANCIAL, INC.

Unaudited Interim Consolidated Statements of Financial Position
March 31, 2025 and December 31, 2024 (in millions, except share amounts)

	March 31, 2025	December 31, 2024
ASSETS		
Fixed maturities, available-for-sale, at fair value (allowance for credit losses: 2025-$251; 2024-$331) (amortized cost: 2025-$344,734; 2024-$341,004)(1)	$ 315,914	$ 311,570
Fixed maturities, trading, at fair value (amortized cost: 2025-$14,186; 2024-$13,631)(1)	13,278	12,530
Assets supporting experience-rated contractholder liabilities, at fair value	3,769	3,707
Equity securities, at fair value (cost: 2025-$6,690; 2024-$7,043)(1)	8,720	9,417
Commercial mortgage and other loans (net of $632 and $574 allowance for credit losses; includes $757 and $702 of loans measured at fair value under the fair value option at March 31, 2025 and December 31, 2024, respectively)(1)	62,694	62,341
Policy loans	9,876	9,795
Other invested assets (net of $2 and $2 allowance for credit losses; includes $7,760 and $7,574 of assets measured at fair value at March 31, 2025 and December 31, 2024, respectively)(1)	26,739	26,351
Short-term investments (net of allowance for credit losses: 2025-$0; 2024-$0)	8,716	9,069
Total investments	449,706	444,780
Cash and cash equivalents(1)	16,063	18,497
Accrued investment income(1)	3,383	3,441
Deferred policy acquisition costs	20,790	20,448
Value of business acquired	446	435
Market risk benefit assets	2,139	2,331
Reinsurance recoverables and deposit receivables (net of $14 and $12 allowance for credit losses; includes $587 and $849 of embedded derivatives at fair value at March 31, 2025 and December 31, 2024, respectively)(2)	43,982	37,680
Income tax assets	300	866
Other assets (net of $2 and $2 allowance for credit losses; includes $0 and $0 of assets at fair value at March 31, 2025 and December 31, 2024, respectively)(1)(2)	14,262	13,737
Separate account assets	188,191	193,372
TOTAL ASSETS	$ 739,262	$ 735,587
LIABILITIES, MEZZANINE EQUITY AND EQUITY		
LIABILITIES		
Future policy benefits	$ 269,969	$ 268,912
Policyholders' account balances	170,278	166,254
Market risk benefit liabilities	5,021	4,455
Policyholders' dividends	916	718
Securities sold under agreements to repurchase	7,549	6,796
Cash collateral for loaned securities	9,507	9,621
Reinsurance and funds withheld payables (includes $31 and $(118) of embedded derivatives at fair value at March 31, 2025 and December 31, 2024, respectively)(2)	17,347	17,084
Short-term debt	1,406	953
Long-term debt	19,540	19,187
Other liabilities (includes $13 and $14 allowance for credit losses and $5,182 and $4,751 of derivatives at fair value at March 31, 2025 and December 31, 2024, respectively)(1)	15,873	16,679
Notes issued by consolidated variable interest entities (includes $67 and $60 measured at fair value under the fair value option at March 31, 2025 and December 31, 2024, respectively)(1)	1,443	1,430
Separate account liabilities	188,191	193,372
Total liabilities	707,040	705,461
COMMITMENTS AND CONTINGENT LIABILITIES (See Note 21)		
MEZZANINE EQUITY		
Redeemable noncontrolling interests	2,019	1,939
Total mezzanine equity	2,019	1,939
EQUITY		
Preferred Stock $0.01 par value; 10,000,000 shares authorized; none issued)	0	0
Common Stock ($0.01 par value; 1,500,000,000 shares authorized; 666,305,189 shares issued as of both March 31, 2025 and December 31, 2024)	6	6
Additional paid-in capital	25,871	25,901
Common Stock held in treasury, at cost (312,298,491 and 311,738,187 shares at March 31, 2025 and December 31, 2024, respectively)	(24,661)	(24,511)
Accumulated other comprehensive income (loss)(2)	(4,741)	(6,711)
Retained earnings	33,408	33,187
Total Prudential Financial, Inc. equity	29,883	27,872
Noncontrolling interests	320	315
Total equity	30,203	28,187
TOTAL LIABILITIES, MEZZANINE EQUITY AND EQUITY	$ 739,262	$ 735,587

(1) See Note 4 for details of balances associated with variable interest entities.
(2) See Note 20 for additional information regarding related party transactions.

See Notes to Unaudited Interim Consolidated Financial Statements

PRUDENTIAL FINANCIAL, INC.

Unaudited Interim Consolidated Statements of Operations
Three Months Ended March 31, 2025 and 2024 (in millions, except per share amounts)

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
REVENUES		
Premiums (includes $1 and $5 of gains (losses) from changes in estimates on deferred profit liability amortization for the three months ended March 31, 2025 and 2024, respectively)(1)	$ 7,000	$ 15,537
Policy charges and fee income	1,157	1,056
Net investment income	5,130	4,764
Asset management and service fees(1)	984	999
Other income (loss)(1)	280	1,338
Realized investment gains (losses), net(1)	(730)	(308)
Change in value of market risk benefits, net of related hedging gains (losses)	(351)	123
Total revenues	13,470	23,509
BENEFITS AND EXPENSES		
Policyholders' benefits(1)	8,140	16,594
Change in estimates of liability for future policy benefits(1)	(50)	(17)
Interest credited to policyholders' account balances	825	1,283
Dividends to policyholders	145	290
Amortization of deferred policy acquisition costs(1)	407	375
General and administrative expenses(1)	3,083	3,594
Total benefits and expenses	12,550	22,119
INCOME (LOSS) BEFORE INCOME TAXES AND EQUITY IN EARNINGS OF JOINT VENTURES AND OTHER OPERATING ENTITIES	920	1,390
Total income tax expense (benefit)	207	289
INCOME (LOSS) BEFORE EQUITY IN EARNINGS OF JOINT VENTURES AND OTHER OPERATING ENTITIES	713	1,101
Equity in earnings of joint ventures and other operating entities, net of taxes	29	50
NET INCOME (LOSS)	742	1,151
Less: Income (loss) attributable to noncontrolling interests and redeemable noncontrolling interests	35	13
NET INCOME (LOSS) ATTRIBUTABLE TO PRUDENTIAL FINANCIAL, INC.	$ 707	$ 1,138
EARNINGS PER SHARE		
Basic earnings per share-Common Stock:		
Net income (loss) attributable to Prudential Financial, Inc.	$ 1.97	$ 3.13
Diluted earnings per share-Common Stock:		
Net income (loss) attributable to Prudential Financial, Inc.	$ 1.96	$ 3.12

(1) See Note 20 for additional information regarding related party transactions.

See Notes to Unaudited Interim Consolidated Financial Statements

PRUDENTIAL FINANCIAL, INC.

Unaudited Interim Consolidated Statements of Comprehensive Income
Three Months Ended March 31, 2025 and 2024 (in millions)

	Three Months Ended March 31,	
	2025	**2024**
NET INCOME (LOSS)	$ 742	$ 1,151
Other comprehensive income (loss), before tax:		
Foreign currency translation adjustments for the period	386	(494)
Net unrealized investment gains (losses)	(227)	(4,774)
Interest rate remeasurement of future policy benefits(1)	2,036	4,213
Gain (loss) from changes in non-performance risk on market risk benefits	167	(252)
Defined benefit pension and postretirement unrecognized periodic benefit (cost)	3	13
Total	2,365	(1,294)
Less: Income tax expense (benefit) related to other comprehensive income (loss)	395	(137)
Other comprehensive income (loss), net of taxes	1,970	(1,157)
Comprehensive income (loss)	2,712	(6)
Less: Comprehensive income (loss) attributable to noncontrolling interests and redeemable noncontrolling interests	35	13
Comprehensive income (loss) attributable to Prudential Financial, Inc.	$ 2,677	$ (19)

(1) See Note 20 for additional information regarding related party transactions.

See Notes to Unaudited Interim Consolidated Financial Statements

PRUDENTIAL FINANCIAL, INC.

Unaudited Interim Consolidated Statements of Equity
Three Months Ended March 31, 2025 and 2024 (in millions)

	Prudential Financial, Inc. Equity							
	Common Stock	Additional Paid-in Capital	Retained Earnings	Common Stock Held In Treasury	Accumulated Other Comprehensive Income (Loss)	Total Prudential Financial, Inc. Equity	Noncontrolling Interests	Total Equity
Balance, December 31, 2024	$ 6	$ 25,901	$ 33,187	$ (24,511)	$ (6,711)	$ 27,872	$ 315	$ 28,187
Common Stock acquired				(251)		(251)		(251)
Contributions from noncontrolling interests							4	4
Distributions to noncontrolling interests							(21)	(21)
Consolidations (deconsolidations) of noncontrolling interests							13	13
Stock-based compensation programs		(30)		101		71		71
Dividends declared on Common Stock			(486)			(486)		(486)
Comprehensive income:								
Net income (loss)			707			707	9	716
Other comprehensive income (loss), net of tax					1,970	1,970	0	1,970
Total comprehensive income (loss)			707		1,970	2,677	9	2,686
Balance, March 31, 2025	$ 6	$ 25,871	$ 33,408	$ (24,661)	$ (4,741)	$ 29,883	$ 320	$ 30,203

	Prudential Financial, Inc. Equity							
	Common Stock	Additional Paid-in Capital	Retained Earnings	Common Stock Held In Treasury	Accumulated Other Comprehensive Income (Loss)	Total Prudential Financial, Inc. Equity	Noncontrolling Interests(1)	Total Equity
Balance, December 31, 2023	$ 6	$ 25,746	$ 32,352	$ (23,780)	$ (6,504)	$ 27,820	$ 290	$ 28,110
Common Stock acquired				(250)		(250)		(250)
Distributions to noncontrolling interests							(2)	(2)
Stock-based compensation programs		(5)		139		134		134
Dividends declared on Common Stock			(476)			(476)		(476)
Comprehensive income:								
Net income (loss)			1,138			1,138	1	1,139
Other comprehensive income (loss), net of tax					(1,157)	(1,157)	0	(1,157)
Total comprehensive income (loss)			1,138		(1,157)	(19)	1	(18)
Balance, March 31, 2024	$ 6	$ 25,741	$ 33,014	$ (23,891)	$ (7,661)	$ 27,209	$ 289	$ 27,498

(1) Prior period amounts have been revised to conform to current period presentation.

See Notes to Unaudited Interim Consolidated Financial Statements

PRUDENTIAL FINANCIAL, INC.

Unaudited Interim Consolidated Statements of Cash Flows
Three Months Ended March 31, 2025 and 2024 (in millions)

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	$ 742	$ 1,151
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Realized investment (gains) losses, net(1)	730	308
Change in value of market risk benefits, net of related hedging (gains) losses	351	(123)
Policy charges and fee income	(507)	(571)
Interest credited to policyholders' account balances	825	1,283
Depreciation and amortization	(161)	397
(Gains) losses on assets supporting experience-rated contractholder liabilities, net	256	(356)
Change in:		
Deferred policy acquisition costs	(375)	(273)
Future policy benefits and other insurance liabilities	(205)	4,175
Reinsurance related-balances(1)(2)	(601)	(305)
Income taxes	133	203
Derivatives, net	(1,336)	267
Other, net(1)(2)	(2,358)	(935)
Cash flows from (used in) operating activities	(2,506)	5,221
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from the sale/maturity/prepayment of:		
Fixed maturities, available-for-sale	10,959	10,794
Fixed maturities, trading	1,123	570
Assets supporting experience-rated contractholder liabilities	486	361
Equity securities	2,344	2,266
Commercial mortgage and other loans	1,947	1,339
Policy loans	461	438
Other invested assets	876	511
Short-term investments	5,258	7,937
Payments for the purchase/origination of:		
Fixed maturities, available-for-sale	(16,975)	(19,280)
Fixed maturities, trading	(1,637)	(1,534)
Assets supporting experience-rated contractholder liabilities	(615)	(421)
Equity securities	(1,862)	(1,061)
Commercial mortgage and other loans	(2,172)	(1,457)
Policy loans	(370)	(432)
Other invested assets	(834)	(820)
Short-term investments	(4,887)	(8,947)
Derivatives, net	325	(448)
Other, net	108	(60)
Cash flows from (used in) investing activities	(5,465)	(10,244)
CASH FLOWS FROM FINANCING ACTIVITIES		
Policyholders' account deposits	8,993	8,569
Policyholders' account withdrawals	(4,600)	(4,664)
Net change in securities sold under agreements to repurchase and cash collateral for loaned securities	639	1,008
Cash dividends paid on Common Stock	(491)	(483)
Net change in financing arrangements (maturities 90 days or less)	266	(511)
Common Stock acquired	(246)	(242)
Common Stock reissued for exercise of stock options	28	47
Proceeds from the issuance of debt (maturities longer than 90 days)	841	1,019
Repayments of debt (maturities longer than 90 days)	(191)	(539)
Proceeds from notes issued by consolidated VIEs	7	159
Repayments of notes issued by consolidated VIEs	0	(1)
Other, net(1)	253	181
Cash flows from (used in) financing activities	5,499	4,543
Effect of foreign exchange rate changes on cash balances	56	(227)
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, RESTRICTED CASH AND RESTRICTED CASH EQUIVALENTS	(2,416)	(707)
CASH, CASH EQUIVALENTS, RESTRICTED CASH AND RESTRICTED CASH EQUIVALENTS, BEGINNING OF YEAR	18,520	19,463
CASH, CASH EQUIVALENTS, RESTRICTED CASH AND RESTRICTED CASH EQUIVALENTS, END OF PERIOD	$ 16,104	$ 18,756

PRUDENTIAL FINANCIAL, INC.

Unaudited Interim Consolidated Statements of Cash Flows
Three Months Ended March 31, 2025 and 2024 (in millions)

	Three Months Ended March 31,	
	2025	2024
NON-CASH TRANSACTIONS DURING THE PERIOD		
Treasury Stock shares issued for stock-based compensation programs	$ 172	$ 207
Significant pension risk transfer transactions:		
Assets received, excluding Cash and cash equivalents	$ 0	$ 4,587
Liabilities assumed	0	8,714
Net cash received	$ 0	$ 4,127
Somerset Re reinsurance transaction(3):		
Reinsurance recoverables under modified coinsurance, net	$ 0	$ (548)
Unwind of Deferred policy acquisition costs ceded	0	284
Deferred reinsurance gain	0	411
Net cash received	$ 0	$ 147
Prismic Re International reinsurance transaction(3):		
Net assets transferred, excluding Cash and cash equivalents	$ 6,069	$ 0
Deposit assets established for Policyholders' account balances ceded	(6,288)	0
Unwind of Deferred policy acquisition costs ceded	219	0
Net cash impact	$ 0	$ 0
RECONCILIATION TO THE UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION		
Cash and cash equivalents	$ 16,063	$ 18,735
Restricted cash and restricted cash equivalents (included in "Other assets")	41	21
Total cash, cash equivalents, restricted cash and restricted cash equivalents	$ 16,104	$ 18,756

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(1) See Note 20 for additional information regarding related party transactions.
(2) Prior period amounts have been updated to conform to current period presentation.
(3) See Note 12 for additional information regarding the reinsurance agreements with Somerset Reinsurance Ltd. ("Somerset Re") and Prismic Life Reinsurance International, Ltd. ("Prismic Re International").

See Notes to Unaudited Interim Consolidated Financial Statements

1. BUSINESS AND BASIS OF PRESENTATION

Prudential Financial, Inc. (“Prudential Financial”) and its subsidiaries (collectively, “Prudential” or the “Company”) provide a wide range of insurance, investment management, and other financial products and services to both individual and institutional customers throughout the United States and in many other countries. Principal products and services provided include life insurance, annuities, retirement solutions, mutual funds and investment management.

The Company’s principal operations consist of PGIM (the Company’s global investment management business), the U.S. Businesses (consisting of the Retirement Strategies, Group Insurance and Individual Life businesses), the International Businesses, the Closed Block division, and the Company’s Corporate and Other operations. The Closed Block division is accounted for as a divested business that is reported separately from the Divested and Run-off Businesses that are included within Corporate and Other operations. Divested and Run-off Businesses consist of businesses that have been, or will be, sold or exited, including businesses that have been placed in wind-down status that do not qualify for “discontinued operations” accounting treatment under U.S. GAAP. The Company’s Corporate and Other operations include corporate items and initiatives that are not allocated to business segments, as well as the Divested and Run-off Businesses described above.

Effective in the first quarter of 2025, consistent with changes to the Company’s internal management structure, the Company’s International Businesses are reflected as a single operating and reportable segment, which is how the chief operating decision maker (“CODM”) now assesses its performance and allocates resources. Prior to the first quarter of 2025, International Businesses consisted of the Life Planner and Gibraltar Life and Other operating segments, each of which was a reportable segment under U.S. GAAP. The change has been applied retrospectively and did not have any impact on the Company’s Unaudited Interim Consolidated Financial Statements contained herein or to any previously issued financial statements. See Note 19 for additional information regarding the Company’s segments.

Basis of Presentation

The Unaudited Interim Consolidated Financial Statements have been prepared in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”) on a basis consistent with reporting interim financial information in accordance with instructions to Form 10-Q and Article 10 of Regulation S-X of the Securities and Exchange Commission (“SEC”). The Unaudited Interim Consolidated Financial Statements include the accounts of Prudential Financial, entities over which the Company exercises control, including majority-owned subsidiaries and minority-owned entities such as limited partnerships in which the Company is the general partner, and variable interest entities (“VIEs”) in which the Company is considered the primary beneficiary. See Note 4 for additional information regarding the Company’s consolidated variable interest entities. Intercompany balances and transactions have been eliminated.

In the opinion of management, all adjustments necessary for a fair statement of the financial position and results of operations have been made. All such adjustments are of a normal, recurring nature. Interim results are not necessarily indicative of the results that may be expected for the full year. These financial statements should be read in conjunction with the Company’s Consolidated Financial Statements included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The most significant estimates include those used in determining future policy benefits; policyholders’ account balances related to the fair value of embedded derivative instruments associated with the index-linked features of certain universal life and annuity products; market risk benefits; the measurement of goodwill and any related impairment; the valuation of investments including derivatives, the measurement of allowance for credit losses, and the recognition of other-than-temporary impairments (“OTTI”); pension and other postretirement benefits; any provision for income taxes and valuation of deferred tax assets; and accruals for contingent liabilities, including estimates for losses in connection with unresolved legal and regulatory matters.

Out of Period Adjustments

The Company recorded out of period adjustments resulting in a net charge of $150 million to “Income (loss) from operations before income taxes and equity in earnings of joint ventures and other operating entities” for the three months ended March 31, 2025. The adjustments included an overstatement of “Reinsurance recoverables and deposit receivables” and an understatement of “Deferred policy acquisition costs.”

The impact of these adjustments, individually and in the aggregate, was not material to any previously reported quarterly or annual financial statements and is not expected to be material to the 2025 annual financial statements.

Revision of Previously Issued Financial Statements

The Company reclassified certain amounts in prior periods to conform to the current period presentation and recorded other adjustments, including the following:

As previously disclosed in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024, during the fourth quarter of 2024, the Company identified an immaterial error in the application of adjusted operating income, which resulted in an overstatement thereof for indexed variable and fixed annuity products within the Retirement Strategies segment in the first three quarters of 2024. As a result, the Company voluntarily revised its historical adjusted operating income for the relevant periods, resulting in a decrease in pre-tax adjusted operating income of $34 million for the three months ended March 31, 2024. See Note 19 for additional information regarding adjusted operating income.

2. SIGNIFICANT ACCOUNTING POLICIES AND PRONOUNCEMENTS

Recent Accounting Pronouncements

Changes to U.S. GAAP are established by the Financial Accounting Standards Board (“FASB”) in the form of Accounting Standards Updates (“ASUs”) to the FASB Accounting Standards Codification (“ASC”). The Company considers the applicability and impact of all ASUs. ASUs listed below include those that have been adopted during the current fiscal year and/or those that have been issued but not yet adopted as of March 31, 2025, and as of the date of this filing. ASUs not listed below were assessed and determined to be either not applicable or not material.

ASUs issued but not yet adopted as of March 31, 2025

Standard	Description	Effective date and method of adoption	Effect on the financial statements or other significant matters
ASU 2024-03—Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses (DISE)	This ASU requires public companies to disclose, in interim and annual reporting periods, additional information about certain expenses in the notes to financial statements.	Effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted and applied either prospectively or retrospectively.	The Company is currently assessing the impact of the ASU on the Company’s Consolidated Financial Statements and Notes to the Consolidated Financial Statements.
ASU 2023-09 Income Taxes (Topic 740) Improvements to Income Tax Disclosures	This ASU requires entities to provide additional information primarily related to the effective tax rate reconciliation and income taxes paid.	Effective for fiscal years beginning after December 15, 2024, and permits early adoption.	The ASU has no impact on the Company’s Consolidated Financial Statements but will result in expanded disclosures in the Notes to the Consolidated Financial Statements.

3. INVESTMENTS

Fixed Maturity Securities

The following tables set forth the composition of fixed maturity securities (excluding investments classified as trading), as of the dates indicated:

	March 31, 2025				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for Credit Losses	Fair Value
			(in millions)		
Fixed maturities, available-for-sale:					
U.S. Treasury securities and obligations of U.S. government authorities and agencies	$ 23,987	$ 695	$ 4,490	$ 0	$ 20,192
Obligations of U.S. states and their political subdivisions	6,186	132	600	0	5,718
Foreign government securities	66,218	1,145	9,404	0	57,959
U.S. public corporate securities	108,302	1,365	10,588	14	99,065
U.S. private corporate securities(1)	46,703	773	2,571	58	44,847
Foreign public corporate securities	24,116	287	1,362	9	23,032
Foreign private corporate securities	39,723	403	3,870	169	36,087
Asset-backed securities(2)	17,016	157	67	1	17,105
Commercial mortgage-backed securities	9,817	46	448	0	9,415
Residential mortgage-backed securities(3)	2,666	18	190	0	2,494
Total fixed maturities, available-for-sale(1)	$ 344,734	$ 5,021	$ 33,590	$ 251	$ 315,914

(1) Excludes notes with amortized cost of $15,044 million (fair value, $15,044 million), which have been offset with the associated debt under a netting agreement.
(2) Includes credit-tranched securities collateralized by loan obligations, home equity loans, auto loans, education loans and other asset types.
(3) Includes publicly-traded agency pass-through securities and collateralized mortgage obligations.

	December 31, 2024				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for Credit Losses	Fair Value
			(in millions)		
Fixed maturities, available-for-sale:					
U.S. Treasury securities and obligations of U.S. government authorities and agencies	$ 24,869	$ 584	$ 5,105	$ 0	$ 20,348
Obligations of U.S. states and their political subdivisions	6,590	132	618	0	6,104
Foreign government securities	63,523	1,837	7,881	0	57,479
U.S. public corporate securities	108,883	1,226	11,529	72	98,508
U.S. private corporate securities(1)	45,854	918	2,926	57	43,789
Foreign public corporate securities	23,165	248	1,421	10	21,982
Foreign private corporate securities	38,652	314	4,311	192	34,463
Asset-backed securities(2)	16,979	214	59	0	17,134
Commercial mortgage-backed securities	9,791	29	547	0	9,273
Residential mortgage-backed securities(3)	2,698	15	223	0	2,490
Total fixed maturities, available-for-sale(1)	$ 341,004	$ 5,517	$ 34,620	$ 331	$ 311,570

(1) Excludes notes with amortized cost of $14,748 million (fair value, $14,748 million), which have been offset with the associated debt under a netting agreement.
(2) Includes credit-tranched securities collateralized by loan obligations, home equity loans, auto loans, education loans and other asset types.
(3) Includes publicly-traded agency pass-through securities and collateralized mortgage obligations.

The following tables set forth the fair value and gross unrealized losses on available-for-sale fixed maturity securities without an allowance for credit losses aggregated by investment category and length of time that individual fixed maturity securities had been in a continuous unrealized loss position, as of the dates indicated:

	March 31, 2025					
	Less Than Twelve Months		Twelve Months or More		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(in millions)					
Fixed maturities, available-for-sale:						
U.S. Treasury securities and obligations of U.S. government authorities and agencies	$ 3,889	$ 122	$ 10,286	$ 4,368	$ 14,175	$ 4,490
Obligations of U.S. states and their political subdivisions	1,234	48	3,280	552	4,514	600
Foreign government securities	9,666	504	22,082	8,900	31,748	9,404
U.S. public corporate securities	22,638	813	48,223	9,765	70,861	10,578
U.S. private corporate securities	7,170	127	24,700	2,444	31,870	2,571
Foreign public corporate securities	4,999	142	8,313	1,218	13,312	1,360
Foreign private corporate securities	7,334	189	18,941	3,673	26,275	3,862
Asset-backed securities	6,648	32	828	35	7,476	67
Commercial mortgage-backed securities	539	3	6,296	445	6,835	448
Residential mortgage-backed securities	184	2	1,372	188	1,556	190
Total fixed maturities, available-for-sale	$ 64,301	$ 1,982	$ 144,321	$ 31,588	$ 208,622	$ 33,570

	December 31, 2024					
	Less Than Twelve Months		Twelve Months or More		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(in millions)					
Fixed maturities, available-for-sale:						
U.S. Treasury securities and obligations of U.S. government authorities and agencies	$ 6,667	$ 334	$ 10,161	$ 4,771	$ 16,828	$ 5,105
Obligations of U.S. states and their political subdivisions	1,592	53	3,288	565	4,880	618
Foreign government securities	8,280	349	20,780	7,532	29,060	7,881
U.S. public corporate securities	25,420	1,036	48,152	10,485	73,572	11,521
U.S. private corporate securities	7,581	183	24,846	2,743	32,427	2,926
Foreign public corporate securities	5,751	170	8,084	1,246	13,835	1,416
Foreign private corporate securities	8,702	282	18,862	4,010	27,564	4,292
Asset-backed securities	1,488	11	1,015	48	2,503	59
Commercial mortgage-backed securities	1,092	8	6,432	539	7,524	547
Residential mortgage-backed securities	361	4	1,377	219	1,738	223
Total fixed maturities, available-for-sale	$ 66,934	$ 2,430	$ 142,997	$ 32,158	$ 209,931	$ 34,588

As of March 31, 2025 and December 31, 2024, the gross unrealized losses on fixed maturity available-for-sale securities without an allowance of $32,441 million and $33,437 million, respectively, related to "1" highest quality or "2" high quality securities based on the National Association of Insurance Commissioners ("NAIC") or equivalent rating and $1,129 million and $1,151 million, respectively, related to other than high or highest quality securities based on NAIC or equivalent rating. As of March 31, 2025, the $31,588 million of gross unrealized losses of twelve months or more were concentrated in the finance, consumer non-cyclical and utility sectors within corporate securities, as well as in foreign government securities. As of December 31, 2024, the $32,158 million of gross unrealized losses of twelve months or more were concentrated in the finance, consumer non-cyclical and utility sectors within corporate securities, as well as in foreign government securities.

In accordance with its policy described in Note 2 to the Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024, the Company concluded that an adjustment to earnings for credit losses related to these fixed maturity securities was not warranted at March 31, 2025. This conclusion was based on detailed analysis of the underlying credit and cash flows for each security. Gross unrealized losses are primarily attributable to increases in interest rates, general credit spread widening and foreign currency exchange rate movements. As of March 31, 2025, the Company did not intend to sell these securities, and it was not more likely than not that the Company would be required to sell these securities before the anticipated recovery of the amortized cost basis.

The following table sets forth the amortized cost and fair value of fixed maturities by contractual maturities, as of the date indicated:

	March 31, 2025	
	Amortized Cost	Fair Value
	(in millions)	
Fixed maturities, available-for-sale:		
Due in one year or less	$ 17,378	$ 17,127
Due after one year through five years	64,173	63,739
Due after five years through ten years(1)	58,768	57,507
Due after ten years(1)	174,916	148,527
Asset-backed securities	17,016	17,105
Commercial mortgage-backed securities	9,817	9,415
Residential mortgage-backed securities	2,666	2,494
Total	$ 344,734	$ 315,914

(1) Excludes notes with amortized cost of $15,044 million (fair value, $15,044 million), which have been offset with the associated debt under a netting agreement.

Actual maturities may differ from contractual maturities because issuers may have the right to call or prepay obligations. Asset-backed, commercial mortgage-backed and residential mortgage-backed securities are shown separately in the table above, as they do not have a single maturity date.

The following table sets forth the sources of fixed maturity proceeds and related investment gains (losses), as well as losses on write-downs and the allowance for credit losses of fixed maturities, for the periods indicated:

	Three Months Ended March 31,	
	2025	2024
	(in millions)	
Fixed maturities, available-for-sale:		
Proceeds from sales(1)	$ 4,912	$ 5,751
Proceeds from maturities/prepayments	5,761	4,932
Gross investment gains from sales and maturities	282	394
Gross investment losses from sales and maturities	(307)	(360)
Write-downs recognized in earnings(2)	(119)	(5)
(Addition to) release of allowance for credit losses	80	(11)

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(1) Excludes activity from non-cash related proceeds due to the timing of trade settlements of $286 million and $111 million for the three months ended March 31, 2025 and 2024, respectively.
(2) Amounts represent write-downs on credit adverse securities and securities actively marketed for sale.

The following tables set forth the balance of and changes in the allowance for credit losses for fixed maturity securities, as of and for the periods indicated:

	Three Months Ended March 31, 2025						
	U.S. Treasury Securities and Obligations of U.S. States	Foreign Government Securities	U.S. and Foreign Corporate Securities	Asset-Backed Securities	Commercial Mortgage-Backed Securities	Residential Mortgage-Backed Securities	Total
	(in millions)						
Fixed maturities, available-for-sale:							
Balance, beginning of period	$ 0	$ 0	$ 331	$ 0	$ 0	$ 0	$ 331
Additions to allowance for credit losses not previously recorded	0	0	16	1	0	0	17
Reductions for securities sold during the period	0	0	(6)	0	0	0	(6)
Additions (reductions) on securities with previous allowance	0	0	3	0	0	0	3
Write-downs charged against the allowance	0	0	(94)	0	0	0	(94)
Balance, end of period	$ 0	$ 0	$ 250	$ 1	$ 0	$ 0	$ 251

	Three Months Ended March 31, 2024						
	U.S. Treasury Securities and Obligations of U.S. States	Foreign Government Securities	U.S. and Foreign Corporate Securities	Asset-Backed Securities	Commercial Mortgage-Backed Securities	Residential Mortgage-Backed Securities	Total
	(in millions)						
Fixed maturities, available-for-sale:							
Balance, beginning of period	$ 0	$ 53	$ 105	$ 2	$ 0	$ 0	$ 160
Additions to allowance for credit losses not previously recorded	0	0	46	0	0	0	46
Reductions for securities sold during the period	0	0	(12)	0	0	0	(12)
Additions (reductions) on securities with previous allowance	0	(22)	0	(1)	0	0	(23)
Balance, end of period	$ 0	$ 31	$ 139	$ 1	$ 0	$ 0	$ 171

For additional information regarding the Company's methodology for developing its allowance and expected losses, see Note 2 to the Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

For the three months ended March 31, 2025, the net decrease in the allowance for credit losses on available-for-sale securities was related to net releases within the communications, capital goods, and consumer non-cyclical within corporate securities primarily due to security restructures. For the three months ended March 31, 2024, the net increase in the allowance for credit losses on available-for-sale securities was primarily related to net additions in the consumer cyclical and communications sectors within corporate securities due to adverse projected cash flows. Partially offsetting these additions, was a net release within foreign government securities.

The Company did not have any fixed maturity securities purchased with credit deterioration as of both March 31, 2025 and December 31, 2024.

Assets Supporting Experience-Rated Contractholder Liabilities

The following table sets forth the composition of "Assets supporting experience-rated contractholder liabilities," as of the dates indicated:

	March 31, 2025		December 31, 2024	
	Amortized Cost or Cost	Fair Value	Amortized Cost or Cost	Fair Value
	(in millions)			
Fixed maturities:				
Corporate securities	$ 72	$ 69	$ 68	$ 67
Foreign government securities	604	592	544	539
Obligations of U.S. government authorities and agencies and obligations of U.S. states	223	227	207	220
Total fixed maturities(1)	899	888	819	826
Equity securities	1,955	2,881	1,763	2,881
Total assets supporting experience-rated contractholder liabilities(2)	$ 2,854	$ 3,769	$ 2,582	$ 3,707

(1) As a percentage of amortized cost, 99% of the portfolio was considered high or highest quality based on NAIC or equivalent ratings as of both March 31, 2025 and December 31, 2024.
(2) As a percentage of amortized cost, 100% of the portfolio consisted of public securities as of both March 31, 2025 and December 31, 2024.

The net change in unrealized gains (losses) from assets supporting experience-rated contractholder liabilities still held at period end, recorded within "Other income (loss)," was $(199) million and $299 million during the three months ended March 31, 2025 and 2024, respectively.

Fixed Maturities, Trading

The net change in unrealized gains (losses) from fixed maturities, trading still held at period end, recorded within "Other income (loss)," was $187 million and $(181) million during the three months ended March 31, 2025 and 2024, respectively.

Equity Securities

The net change in unrealized gains (losses) from equity securities still held at period end, recorded within "Other income (loss)," was $(229) million and $431 million during the three months ended March 31, 2025 and 2024, respectively.

Concentrations of Financial Instruments

The Company monitors its concentrations of financial instruments and mitigates credit risk by maintaining a diversified investment portfolio which limits exposure to any single issuer.

As of the dates indicated, the Company's exposure to concentrations of credit risk of single issuers greater than 10% of the Company's equity included securities of the U.S. government and certain U.S. government agencies and securities guaranteed by the U.S. government, as well as the securities disclosed below:

	March 31, 2025		December 31, 2024	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
	(in millions)			
Investments in Japanese government and government agency securities:				
Fixed maturities, available-for-sale	$ 58,748	$ 51,252	$ 56,457	$ 51,177
Fixed maturities, trading	18	18	18	18
Assets supporting experience-rated contractholder liabilities	529	513	472	462
Total	$ 59,295	$ 51,783	$ 56,947	$ 51,657

	March 31, 2025		December 31, 2024	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
	(in millions)			
Investments in Brazilian government and government agency securities:				
Fixed maturities, available-for-sale	$ 3,201	$ 2,662	$ 2,753	$ 2,251
Fixed maturities, trading	69	64	44	40
Short-term investments	5	5	2	2
Cash equivalents	167	167	228	228
Total	$ 3,442	$ 2,898	$ 3,027	$ 2,521

Commercial Mortgage and Other Loans

The following table sets forth the composition of "Commercial mortgage and other loans," as of the dates indicated:

	March 31, 2025		December 31, 2024	
	Amount	% of Total	Amount	% of Total
	($ in millions)			
Commercial mortgage and agricultural property loans by property type:				
Office	$ 7,504	12.0 %	$ 7,867	12.7 %
Retail	5,465	8.8	5,552	9.0
Apartments/Multi-Family	18,210	29.2	17,522	28.3
Industrial	17,017	27.3	16,900	27.3
Hospitality	1,675	2.7	1,831	3.0
Self-Storage(1)	2,180	3.5	2,194	3.5
Health Care Senior Living(1)	1,853	3.0	1,858	3.0
Other(1)	559	0.9	334	0.6
Total commercial mortgage loans	54,463	87.4	54,058	87.4
Agricultural property loans	7,869	12.6	7,775	12.6
Total commercial mortgage and agricultural property loans	62,332	100.0 %	61,833	100.0 %
Allowance for credit losses	(583)		(528)	
Total net commercial mortgage and agricultural property loans	61,749		61,305	
Other loans:				
Uncollateralized loans	497		595	
Residential property loans	19		19	
Other collateralized loans	478		468	
Total other loans	994		1,082	
Allowance for credit losses	(49)		(46)	
Total net other loans	945		1,036	
Total net commercial mortgage and other loans(2)	$ 62,694		$ 62,341	

(1) Prior period amounts have been updated to conform to current period presentation.
(2) Includes loans which are carried at fair value under the fair value option and are collateralized primarily by apartment complexes. As of March 31, 2025 and December 31, 2024, the net carrying value of these loans was $757 million and $702 million, respectively.

As of March 31, 2025, the commercial mortgage and agricultural property loans were secured by properties geographically dispersed throughout the United States with the largest concentrations in California (28%), Texas (7%) and Florida (5%) and included loans secured by properties in Europe (7%), Mexico (2%), Japan (1%) and Australia (1%).

The following tables set forth the balance of and changes in the allowance for credit losses for commercial mortgage and other loans, as of and for the periods ended:

	Three Months Ended March 31, 2025					
	Commercial Mortgage Loans	Agricultural Property Loans	Residential Property Loans	Other Collateralized Loans	Uncollateralized Loans	Total
	(in millions)					
Allowance, beginning of period	$ 407	$ 121	$ 0	$ 32	$ 14	$ 574
Addition to (release of) allowance for expected losses	53	2	0	2	1	58
Allowance, end of period	$ 460	$ 123	$ 0	$ 34	$ 15	$ 632

	Three Months Ended March 31, 2024					
	Commercial Mortgage Loans	Agricultural Property Loans	Residential Property Loans	Other Collateralized Loans	Uncollateralized Loans	Total
	(in millions)					
Allowance, beginning of period	$ 443	$ 16	$ 0	$ 0	$ 1	$ 460
Addition to (release of) allowance for expected losses	47	5	0	0	0	52
Change in foreign exchange	2	0	0	0	0	2
Allowance, end of period	$ 492	$ 21	$ 0	$ 0	$ 1	$ 514

For additional information regarding the Company's methodology for developing its allowance and expected losses, see Note 2 to the Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

For the three months ended March 31, 2025, the net addition to the allowance for credit losses on commercial mortgage and other loans was primarily due to an increase in loan-specific reserves within the retail sector. For the three months ended March 31, 2024, the net addition to the allowance for credit losses on commercial mortgage and other loans was primarily due to an increase in loan-specific reserves within the office sector.

The following tables set forth key credit quality indicators based upon the recorded investment gross of allowance for credit losses, as of the dates indicated:

	March 31, 2025							
	Amortized Cost by Origination Year							
	2025	2024	2023	2022	2021	Prior	Revolving Loans	Total
	(in millions)							
Commercial mortgage loans								
Loan-to-Value Ratio:								
0%-59.99%	$ 662	$ 2,004	$ 1,823	$ 1,187	$ 2,128	$ 17,552	$ 47	$ 25,403
60%-69.99%	1,482	4,512	1,954	1,037	2,203	5,541	0	16,729
70%-79.99%	6	813	1,328	1,014	1,333	2,634	0	7,128
80% or greater	1	49	134	382	218	4,419	0	5,203
Total	$ 2,151	$ 7,378	$ 5,239	$ 3,620	$ 5,882	$ 30,146	$ 47	$ 54,463
Debt Service Coverage Ratio:								
Greater than 1.2x	$ 2,070	$ 6,447	$ 4,558	$ 3,229	$ 5,781	$ 27,227	$ 0	$ 49,312
1.0 - 1.2x	81	742	531	356	43	1,308	47	3,108
Less than 1.0x	0	189	150	35	58	1,611	0	2,043
Total	$ 2,151	$ 7,378	$ 5,239	$ 3,620	$ 5,882	$ 30,146	$ 47	$ 54,463
Agricultural property loans								
Loan-to-Value Ratio:								
0%-59.99%	$ 115	$ 657	$ 302	$ 903	$ 1,996	$ 2,113	$ 137	$ 6,223
60%-69.99%	0	111	361	89	10	90	0	661
70%-79.99%	61	0	0	0	6	14	0	81
80% or greater	3	0	200	529	0	119	53	904
Total	$ 179	$ 768	$ 863	$ 1,521	$ 2,012	$ 2,336	$ 190	$ 7,869
Debt Service Coverage Ratio:								
Greater than 1.2x	$ 179	$ 712	$ 833	$ 896	$ 1,955	$ 1,984	$ 137	$ 6,696
1.0 - 1.2x	0	56	25	567	43	215	53	959
Less than 1.0x	0	0	5	58	14	137	0	214
Total	$ 179	$ 768	$ 863	$ 1,521	$ 2,012	$ 2,336	$ 190	$ 7,869

	December 31, 2024							
	Amortized Cost by Origination Year							
	2024	2023	2022	2021	2020	Prior	Revolving Loans	Total
	(in millions)							
Commercial mortgage loans								
Loan-to-Value Ratio:								
0%-59.99%	$ 2,122	$ 1,492	$ 1,183	$ 2,295	$ 1,378	$ 16,652	$ 36	$ 25,158
60%-69.99%	4,726	2,287	1,013	2,192	846	5,113	0	16,177
70%-79.99%	809	1,326	953	1,327	446	2,293	0	7,154
80% or greater	48	135	482	216	281	4,407	0	5,569
Total	$ 7,705	$ 5,240	$ 3,631	$ 6,030	$ 2,951	$ 28,465	$ 36	$ 54,058
Debt Service Coverage Ratio:								
Greater than 1.2x	$ 6,771	$ 4,563	$ 3,283	$ 5,929	$ 2,795	$ 25,790	$ 0	$ 49,131
1.0 - 1.2x	745	527	313	43	102	1,279	36	3,045
Less than 1.0x	189	150	35	58	54	1,396	0	1,882
Total	$ 7,705	$ 5,240	$ 3,631	$ 6,030	$ 2,951	$ 28,465	$ 36	$ 54,058
Agricultural property loans								
Loan-to-Value Ratio:								
0%-59.99%	$ 657	$ 371	$ 877	$ 2,004	$ 679	$ 1,491	$ 122	$ 6,201
60%-69.99%	87	555	125	10	53	43	0	873
70%-79.99%	0	0	0	6	0	3	0	9
80% or greater	0	6	521	0	71	42	52	692
Total	$ 744	$ 932	$ 1,523	$ 2,020	$ 803	$ 1,579	$ 174	$ 7,775
Debt Service Coverage Ratio:								
Greater than 1.2x	$ 688	$ 864	$ 932	$ 1,967	$ 739	$ 1,384	$ 122	$ 6,696
1.0 - 1.2x	56	63	530	45	23	98	52	867
Less than 1.0x	0	5	61	8	41	97	0	212
Total	$ 744	$ 932	$ 1,523	$ 2,020	$ 803	$ 1,579	$ 174	$ 7,775

For additional information regarding the Company's commercial mortgage and other loans credit quality monitoring process, see Note 2 to the Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

The Company may grant loan modifications in its commercial mortgage and other loan portfolios to borrowers experiencing financial difficulties. These loan modifications may be in the form of principal forgiveness, interest rate reduction, other-than-insignificant payment delay, term extension or some combination thereof. The amount, timing and extent of modifications granted and subsequent performance are considered in determining any allowance for credit losses.

The following table sets forth the amortized cost basis of loan modifications made to borrowers experiencing financial difficulties during the periods indicated:

	Three Months Ended March 31,					
	2025			2024		
	Term Extension	Other Than Insignificant Delay in Payment	% of Amortized Cost	Term Extension	Other Than Insignificant Delay in Payment	% of Amortized Cost
	($ in millions)					
Commercial mortgage loans	$ 0	$ 0	0.0 %	$ 162	$ 0	0.3 %
Agricultural property loans	$ 0	$ 0	0.0 %	$ 0	$ 0	0.0 %

For the three months ended March 31, 2024, the modifications added less than one year to the weighted average life in both the commercial mortgage and agricultural property loan portfolios.

The Company did not have any commitments to lend additional funds to borrowers experiencing financial difficulties on modified loans as of both March 31, 2025 and December 31, 2024.

The following tables set forth an aging of past due commercial mortgage and other loans based upon the recorded investment gross of allowance for credit losses, as well as the amount of commercial mortgage and other loans on non-accrual status, as of the dates indicated:

	March 31, 2025						
	Current	30-59 Days Past Due	60-89 Days Past Due	90 Days or More Past Due(1)(2)	Total Past Due	Total Loans	Non-Accrual Status(3)
	(in millions)						
Commercial mortgage loans	$ 54,194	$ 36	$ 1	$ 232	$ 269	$ 54,463	$ 267
Agricultural property loans	6,880	63	171	755	989	7,869	802
Residential property loans	19	0	0	0	0	19	0
Other collateralized loans	478	0	0	0	0	478	0
Uncollateralized loans	497	0	0	0	0	497	25
Total	$ 62,068	$ 99	$ 172	$ 987	$ 1,258	$ 63,326	$ 1,094

(1) As of March 31, 2025, there were no loans in this category accruing interest.
(2) Includes loans for which no credit losses are expected due to U.S. agency guarantees.
(3) For additional information regarding the Company's policies for accruing interest on loans, see Note 2 to the Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

	December 31, 2024						
	Current	30-59 Days Past Due	60-89 Days Past Due	90 Days or More Past Due(1)(2)	Total Past Due	Total Loans	Non-Accrual Status(3)
	(in millions)						
Commercial mortgage loans	$ 53,873	$ 0	$ 3	$ 182	$ 185	$ 54,058	$ 220
Agricultural property loans	7,012	0	21	742	763	7,775	767
Residential property loans	19	0	0	0	0	19	0
Other collateralized loans	468	0	0	0	0	468	0
Uncollateralized loans	595	0	0	0	0	595	25
Total	$ 61,967	$ 0	$ 24	$ 924	$ 948	$ 62,915	$ 1,012

(1) As of December 31, 2024, there were no loans in this category accruing interest.
(2) Primarily includes loans for which no credit losses are expected due to U.S. agency guarantees.
(3) For additional information regarding the Company's policies for accruing interest on loans, see Note 2 to the Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

Loans on non-accrual status recognized interest of $4 million and less than $1 million for the three months ended March 31, 2025 and 2024, respectively. Loans on non-accrual status that did not have a related allowance for credit losses were $274 million and $207 million as of March 31, 2025 and December 31, 2024, respectively.

The Company did not have any commercial mortgage and other loans purchased with credit deterioration as of both March 31, 2025 and December 31, 2024.

Other Invested Assets

The following table sets forth the composition of “Other invested assets,” as of the dates indicated:

	March 31, 2025	December 31, 2024
	(in millions)	
LPs/LLCs:		
Equity method:		
Private equity	$ 10,689	$ 10,615
Hedge funds	3,131	3,143
Real estate-related	2,700	2,661
Subtotal equity method	16,520	16,419
Fair value:		
Private equity	1,007	1,076
Hedge funds	2,064	2,080
Real estate-related	929	951
Subtotal fair value	4,000	4,107
Total LPs/LLCs	20,520	20,526
Real estate held through direct ownership(1)	1,750	1,743
Total alternative assets	22,270	22,269
Credit-like instruments(2)	1,070	933
Derivative instruments	1,744	1,597
Other(3)	1,655	1,552
Total other invested assets	$ 26,739	$ 26,351

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(1) As of March 31, 2025 and December 31, 2024, real estate held through direct ownership had mortgage debt of $187 million and $185 million, respectively.
(2) Includes structured debt investments in feeder funds that are consolidated, resulting in the Company reporting the consolidated feeder funds’ proportionate share of the net assets of the master fund within “Other invested assets”.
(3) Primarily includes equity investments accounted for under the measurement alternative, tax advantaged investments, strategic investments made by investment management operations, leveraged leases and member and activity stock held in the Federal Home Loan Bank of New York. For additional information regarding the Company’s holdings in the Federal Home Loan Bank of New York, see Note 18 to the Consolidated Financial Statements included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024.

Accrued Investment Income

The following table sets forth the composition of “Accrued investment income,” as of the dates indicated:

	March 31, 2025	December 31, 2024
	(in millions)	
Fixed maturities	$ 2,839	$ 2,892
Equity securities	9	8
Commercial mortgage and other loans	232	228
Policy loans	240	236
Other invested assets	12	12
Short-term investments and cash equivalents	51	65
Total accrued investment income	$ 3,383	$ 3,441

Write-downs on accrued investment income were $1 million and less than $1 million for the three months ended March 31, 2025 and 2024, respectively.

Net Investment Income

The following table sets forth “Net investment income” by investment type, for the periods indicated:

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
	(in millions)	
Fixed maturities, available-for-sale(1)	$ 3,773	$ 3,592
Fixed maturities, trading	167	116
Assets supporting experience-rated contractholder liabilities	14	14
Equity securities	44	38
Commercial mortgage and other loans	692	611
Policy loans	124	122
Other invested assets	396	321
Short-term investments and cash equivalents	267	298
Gross investment income	5,477	5,112
Less: investment expenses	(347)	(348)
Net investment income	$ 5,130	$ 4,764

(1) Includes income on credit-linked notes which are reported on the same financial statement line as related surplus notes, as conditions are met for right to offset.

Realized Investment Gains (Losses), Net

The following table sets forth “Realized investment gains (losses), net” by investment type, for the periods indicated:

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
	(in millions)	
Fixed maturities(1)	$ (64)	$ 18
Commercial mortgage and other loans	(58)	(51)
Investment real estate	(10)	2
LPs/LLCs	(1)	19
Derivatives(2)	(449)	(148)
Ceded income on modified coinsurance assets(2)(3)	(163)	(149)
Other(2)	15	1
Realized investment gains (losses), net	$ (730)	$ (308)

(1) Excludes fixed maturity securities classified as trading.
(2) Prior period amounts have been updated to conform to current period presentation.
(3) Includes changes in the value of reinsurance payables and funds withheld payables, primarily reflecting the impact of net investment income on withheld assets that are ceded to certain reinsurance counterparties.

Net Unrealized Gains (Losses) on Investments within AOCI

The following table sets forth net unrealized gains (losses) on investments, as of the dates indicated:

	March 31, 2025	December 31, 2024
	(in millions)	
Fixed maturity securities, available-for-sale with an allowance	$ 4	$ 6
Fixed maturity securities, available-for-sale without an allowance	(28,573)	(29,109)
Derivatives designated as cash flow hedges(1)	1,659	1,780
Derivatives designated as fair value hedges(1)	(134)	(64)
Other investments(2)	60	106
Net unrealized gains (losses) on investments	$ (26,984)	$ (27,281)

(1) For additional information regarding cash flow and fair value hedges, see Note 5.
(2) Includes net unrealized gains (losses) on certain joint ventures that are strategic in nature and are included in "Other assets."

Repurchase Agreements and Securities Lending

In the normal course of business, the Company sells securities under agreements to repurchase and enters into securities lending transactions. The following table sets forth the composition of "Securities sold under agreements to repurchase," as of the dates indicated:

	March 31, 2025				December 31, 2024			
	Remaining Contractual Maturities of the Agreements				Remaining Contractual Maturities of the Agreements			
	Overnight & Continuous	Up to 30 Days	30 to 90 Days	Total	Overnight & Continuous	Up to 30 Days	30 to 90 Days	Total
	(in millions)							
U.S. Treasury securities and obligations of U.S. government authorities and agencies	$ 7,154	$ 0	$ 0	$ 7,154	$ 6,450	$ 0	$ 0	$ 6,450
U.S. public corporate securities	0	356	0	356	0	327	0	327
Foreign public corporate securities	0	39	0	39	0	19	0	19
Commercial mortgage-backed securities	0	0	0	0	0	0	0	0
Total securities sold under agreements to repurchase	$ 7,154	$ 395	$ 0	$ 7,549	$ 6,450	$ 346	$ 0	$ 6,796

The following table sets forth the composition of "Cash collateral for loaned securities" which represents the liability to return cash collateral received for the following types of securities loaned, as of the dates indicated:

	March 31, 2025			December 31, 2024		
	Remaining Contractual Maturities of the Agreements			Remaining Contractual Maturities of the Agreements		
	Overnight & Continuous	Up to 30 Days	Total	Overnight & Continuous	Up to 30 Days	Total
	(in millions)					
U.S. Treasury securities and obligations of U.S. government authorities and agencies	$ 0	$ 0	$ 0	$ 1	$ 0	$ 1
Obligations of U.S. states and their political subdivisions	69	0	69	46	0	46
Foreign government securities	137	0	137	122	6	128
U.S. public corporate securities	7,469	274	7,743	7,506	403	7,909
Foreign public corporate securities	1,193	49	1,242	1,181	118	1,299
Equity securities	316	0	316	238	0	238
Total cash collateral for loaned securities(1)	$ 9,184	$ 323	$ 9,507	$ 9,094	$ 527	$ 9,621

(1) The Company did not have any agreements with remaining contractual maturities greater than thirty days, as of the dates indicated.

4. VARIABLE INTEREST ENTITIES

In the normal course of its activities, the Company enters into relationships with various special-purpose entities and other entities that are deemed to be variable interest entities ("VIEs"). For additional information, see Note 4 to the Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

Consolidated Variable Interest Entities

The table below reflects the carrying amount and balance sheet caption in which the assets and liabilities of consolidated VIEs are reported. The liabilities primarily comprise obligations under debt instruments issued by the VIEs. The creditors of these VIEs do not have recourse to the Company in excess of the assets contained within the VIEs.

	Consolidated VIEs for which the Company is the Investment Manager(1)		Other Consolidated VIEs	
	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024
	(in millions)			
Fixed maturities, available-for-sale	$ 1,260	$ 1,250	$ 728	$ 716
Fixed maturities, trading	175	166	0	0
Equity securities	80	80	0	0
Commercial mortgage and other loans	699	681	441	490
Other invested assets	6,733	6,379	511	500
Cash and cash equivalents	328	308	0	0
Accrued investment income	7	6	3	3
Other assets	677	644	790	613
Total assets of consolidated VIEs	$ 9,959	$ 9,514	$ 2,473	$ 2,322
Other liabilities	$ 293	$ 218	$ 109	$ 1
Notes issued by consolidated VIEs(2)	1,409	1,392	34	38
Total liabilities of consolidated VIEs	$ 1,702	$ 1,610	$ 143	$ 39

(1) Total assets of consolidated VIEs reflect $4,029 million and $3,835 million as of March 31, 2025 and December 31, 2024, respectively, related to VIEs whose beneficial interests are wholly-owned by consolidated subsidiaries.

(2) Recourse is limited to the assets of the respective VIE and does not extend to the general credit of the Company. As of March 31, 2025, the maturities of these obligations were between 5 and 13 years.

Unconsolidated Variable Interest Entities

The Company has determined that it is not the primary beneficiary of certain VIEs for which it may or may not be the investment manager. The Company's maximum exposure to loss resulting from its relationship with unconsolidated VIEs is limited to its investment in the VIEs, which was $1,565 million and $1,529 million as of March 31, 2025 and December 31, 2024, respectively. These investments are reflected in "Fixed maturities, available-for-sale," "Fixed maturities, trading," "Equity securities" and "Other invested assets." There are no liabilities associated with these unconsolidated VIEs on the Company's Unaudited Interim Consolidated Statements of Financial Position.

In addition, in the normal course of its activities, the Company will invest in structured investments including VIEs for which it is not the investment manager. These structured investments typically invest in fixed income investments and are managed by third parties and include asset-backed securities, commercial mortgage-backed securities and residential mortgage-backed securities. The Company's maximum exposure to loss on these structured investments, both VIEs and non-VIEs, is limited to the amount of its investment. See Note 3 for details regarding the carrying amounts and classification of these assets. The Company has not provided material financial or other support that was not contractually required to these structures. The Company has determined that it is not the primary beneficiary of these structures due to the fact that it does not control these entities.

Limited Partnerships and Limited Liability Companies

In the normal course of its activities, the Company will invest in limited partnerships and limited liability companies ("LPs/LLCs"), which include hedge funds, private equity funds and real estate-related funds and may or may not be VIEs. The Company classifies these investments as "Other invested assets" and its maximum exposure to loss associated with these VIE and non-VIE entities is limited to the amount of its investment, which was $20,941 million and $21,847 million as of March 31, 2025 and December 31, 2024, respectively.

5. DERIVATIVES AND HEDGING

Types of Derivative and Hedging Instruments

The Company utilizes various derivatives and hedging instruments to manage certain of its risks. Commonly used derivative and non-derivative hedging instruments include, but are not necessarily limited to:

- Interest rate contracts: futures, swaps, forwards, options, caps and floors
- Equity contracts: futures, options and total return swaps
- Foreign exchange contracts: futures, options, forwards, swaps, and foreign currency debt instruments
- Credit contracts: single and index reference credit default swaps

Other types of financial contracts that the Company accounts for as derivatives are:

- To-be-announced ("TBA") forward contracts, loan commitments, embedded derivatives and synthetic guaranteed investment contracts ("GICs").

For detailed information regarding these contracts and the related strategies, see Note 5 to the Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

Primary Risks Managed by Derivatives

The table below provides a summary of the gross notional amount and fair value of derivative contracts by the primary underlying risks they are utilized to manage, excluding embedded derivatives. Many derivative instruments contain multiple underlying risks. The fair value amounts below represent the value of derivative contracts prior to taking into account the netting effects of master netting agreements and cash collateral. These netting impacts resulted in total derivative assets of $1,747 million and $1,601 million as of March 31, 2025 and December 31, 2024, respectively, and total derivative liabilities of $5,182 million and $4,751 million as of March 31, 2025 and December 31, 2024, respectively, reflected in the Unaudited Interim Consolidated Statements of Financial Position.

	March 31, 2025			December 31, 2024		
		Fair Value			Fair Value	
Primary Underlying Risk /Instrument Type	Gross Notional	Assets	Liabilities	Gross Notional	Assets	Liabilities
			(in millions)			
Derivatives Designated as Hedge Accounting Instruments:						
Interest Rate						
Interest Rate Swaps	$ 4,732	$ 26	$ (343)	$ 4,260	$ 11	$ (404)
Interest Rate Forwards	10	0	0	10	0	0
Foreign Currency						
Foreign Currency Forwards	4,835	60	(237)	4,771	92	(197)
Currency/Interest Rate						
Foreign Currency Swaps	32,145	2,425	(399)	31,301	2,652	(368)
Total Derivatives Designated as Hedge Accounting Instruments	$ 41,722	$ 2,511	$ (979)	$ 40,342	$ 2,755	$ (969)
Derivatives Not Qualifying as Hedge Accounting Instruments:						
Interest Rate						
Interest Rate Swaps	$ 243,918	$ 10,049	$ (23,061)	$ 228,392	$ 11,272	$ (24,802)
Interest Rate Futures	9,427	19	(3)	9,773	6	(21)
Interest Rate Options	31,680	176	(1,280)	34,005	430	(1,583)
Interest Rate Forwards	2,403	21	(18)	2,544	9	(80)
Interest Rate Total Return Swaps	657	2	(1)	485	4	(2)
Foreign Currency						
Foreign Currency Forwards	27,572	1,060	(960)	27,819	1,625	(1,181)
Currency/Interest Rate						
Foreign Currency Swaps	7,593	615	(112)	7,525	658	(129)
Credit						
Credit Default Swaps	4,339	55	(3)	4,027	90	0
Equity						
Equity Futures	2,521	13	(2)	2,019	6	(7)
Equity Options	119,054	3,198	(4,240)	104,438	4,507	(3,790)
Equity Total Return Swaps	11,677	416	(152)	9,796	331	(327)
Other						
Other(1)	1,250	0	0	1,250	0	0
Synthetic GICs	76,944	1	(13)	76,416	1	(1)
Total Derivatives Not Qualifying as Hedge Accounting Instruments	$ 539,035	$ 15,625	$ (29,845)	$ 508,489	$ 18,939	$ (31,923)
Total Derivatives(2)(3)	$ 580,757	$ 18,136	$ (30,824)	$ 548,831	$ 21,694	$ (32,892)

(1) "Other" primarily includes derivative contracts used to improve the balance of the Company's tail longevity and mortality risk. Under these contracts, the Company's gains (losses) are capped at the notional amount.

(2) Excludes embedded derivatives which contain multiple underlying risks. The fair value of these embedded derivatives was a net liability of $11,386 million (including the Prismic funds withheld related embedded derivative net liability of $56 million) and $11,783 million (including the Prismic funds withheld related embedded derivative net liability of $(91) million) as of March 31, 2025 and December 31, 2024, respectively, primarily included in "Policyholders' account balances" and "Reinsurance and funds withheld payables."

(3) Recorded in "Other invested assets" and "Other liabilities" on the Unaudited Interim Consolidated Statements of Financial Position.

As of March 31, 2025, the following amounts were recorded on the Unaudited Interim Consolidated Statements of Financial Position related to the carrying amount of the hedged assets (liabilities) and cumulative basis adjustments included in the carrying amount for fair value hedges.

	March 31, 2025		December 31, 2024	
Balance Sheet Line Item in which Hedged Item is Recorded	Carrying Amount of the Hedged Assets (Liabilities)	Cumulative Amount of Fair Value Hedging Adjustment Included in the Carrying Amount of the Hedged Assets (Liabilities)(1)	Carrying Amount of the Hedged Assets (Liabilities)	Cumulative Amount of Fair Value Hedging Adjustment Included in the Carrying Amount of the Hedged Assets (Liabilities)(1)
	(in millions)			
Fixed maturities, available-for-sale, at fair value	$ 219	$ 14	$ 216	$ 11
Policyholders' account balances	$ (1,562)	$ 266	$ (1,510)	$ 327
Future policy benefits	$ (2,364)	$ 339	$ (2,280)	$ 423

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(1) There were no material fair value hedging adjustments for hedged assets and liabilities for which hedge accounting has been discontinued.

Most of the Company's derivatives do not qualify for hedge accounting for various reasons. For example: (i) derivatives that economically hedge embedded derivatives do not qualify for hedge accounting because changes in the fair value of the embedded derivatives are already recorded in net income; (ii) derivatives that are utilized as macro hedges of the Company's exposure to various risks typically do not qualify for hedge accounting because they do not meet the criteria required under portfolio hedge accounting rules; and (iii) synthetic GICs, which are product standalone derivatives, do not qualify as hedging instruments under hedge accounting rules.

Offsetting Assets and Liabilities

The following tables present recognized derivative instruments (excluding embedded derivatives), and repurchase and reverse repurchase agreements that are offset in the Unaudited Interim Consolidated Statements of Financial Position, and/or are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are offset in the Unaudited Interim Consolidated Statements of Financial Position.

	March 31, 2025				
	Gross Amounts of Recognized Financial Instruments	Gross Amounts Offset in the Statements of Financial Position	Net Amounts Presented in the Statements of Financial Position	Financial Instruments/ Collateral(1)	Net Amount
	(in millions)				
Offsetting of Financial Assets:					
Derivatives	$ 18,005	$ (16,389)	$ 1,616	$ (418)	$ 1,198
Securities purchased under agreement to resell	15	0	15	(15)	0
Total Assets	$ 18,020	$ (16,389)	$ 1,631	$ (433)	$ 1,198
Offsetting of Financial Liabilities:					
Derivatives	$ 30,811	$ (25,642)	$ 5,169	$ (4,884)	$ 285
Securities sold under agreement to repurchase	7,549	0	7,549	(7,549)	0
Total Liabilities	$ 38,360	$ (25,642)	$ 12,718	$ (12,433)	$ 285

	December 31, 2024				
	Gross Amounts of Recognized Financial Instruments	Gross Amounts Offset in the Statements of Financial Position	Net Amounts Presented in the Statements of Financial Position	Financial Instruments/ Collateral(1)	Net Amount
	(in millions)				
Offsetting of Financial Assets:					
Derivatives	$ 21,574	$ (20,093)	$ 1,481	$ (696)	$ 785
Securities purchased under agreement to resell	277	0	277	(277)	0
Total Assets	$ 21,851	$ (20,093)	$ 1,758	$ (973)	$ 785
Offsetting of Financial Liabilities:					
Derivatives	$ 32,891	$ (28,141)	$ 4,750	$ (4,403)	$ 347
Securities sold under agreement to repurchase	6,796	0	6,796	(6,796)	0
Total Liabilities	$ 39,687	$ (28,141)	$ 11,546	$ (11,199)	$ 347

(1) Amounts exclude the excess of collateral received/pledged from/to the counterparty.

For information regarding the rights of offset associated with the derivative assets and liabilities in the table above, see "—Counterparty Credit Risk" below. For securities purchased under agreements to resell and securities sold under agreements to repurchase, the Company monitors the value of the securities and maintains collateral, as appropriate, to protect against credit exposure. Where the Company has entered into repurchase and resale agreements with the same counterparty, in the event of default, the Company would generally be permitted to exercise rights of offset. For additional information regarding the Company's accounting policy for securities repurchase and resale agreements, see Note 2 to the Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

Cash Flow, Fair Value and Net Investment Hedges

The primary derivative and non-derivative instruments used by the Company in its fair value, cash flow and net investment hedge accounting relationships are interest rate swaps, currency swaps, currency forwards, and foreign currency denominated debts. These instruments are only designated for hedge accounting in instances where the appropriate criteria are met. The Company does not use futures, options, credit, or equity derivatives in any of its fair value, cash flow or net investment hedge accounting relationships.

The following tables provide the financial statement classification and impact of derivatives used in qualifying and non-qualifying hedge relationships, including the offset of the hedged item in fair value hedge relationships.

PRUDENTIAL FINANCIAL, INC.
Notes to Unaudited Interim Consolidated Financial Statements—(Continued)

	Three Months Ended March 31, 2025							
	Realized Investment Gains (Losses)	Change in Value of Market Risk Benefits, Net of Related Hedging Gain (Loss)	Net Investment Income	Other Income (Loss)	Interest Expense	Interest Credited to Policyholders' Account Balances	Policyholders' Benefits	Change in AOCI(1)
	(in millions)							
Derivatives Designated as Hedge Accounting Instruments:								
Fair value hedges								
Gains (losses) on derivatives designated as hedge instruments:								
Interest Rate	$ (3)	$ 0	$ 0	$ 0	$ 0	$ 35	$ 30	$ 0
Currency	0	0	0	0	0	0	53	0
Total gains (losses) on derivatives designated as hedge instruments	(3)	0	0	0	0	35	83	0
Gains (losses) on the hedged item:								
Interest Rate	3	0	5	0	0	(49)	(32)	0
Currency	0	0	0	0	0	0	(53)	0
Total gains (losses) on hedged item	3	0	5	0	0	(49)	(85)	0
Amortization for gains (losses) excluded from assessment of the effectiveness								
Currency	0	0	0	0	0	0	(3)	(69)
Total amortization for gains (losses) excluded from assessment of the effectiveness	0	0	0	0	0	0	(3)	(69)
Total gains (losses) on fair value hedges net of hedged item	0	0	5	0	0	(14)	(5)	(69)
Cash flow hedges								
Interest Rate	0	0	(3)	0	0	0	0	8
Currency	0	0	0	0	0	0	0	(26)
Currency/Interest Rate	22	0	96	(147)	0	0	0	(103)
Total gains (losses) on cash flow hedges	22	0	93	(147)	0	0	0	(121)
Net investment hedges								
Currency	0	0	0	0	0	0	0	(15)
Currency/Interest Rate	0	0	0	0	0	0	0	0
Total gains (losses) on net investment hedges	0	0	0	0	0	0	0	(15)
Derivatives Not Qualifying as Hedge Accounting Instruments:								
Interest Rate	189	141	0	0	0	0	0	0
Currency	(174)	0	0	(1)	0	0	0	0
Currency/Interest Rate	(28)	0	0	0	0	0	0	0
Credit	(11)	0	0	0	0	0	0	0
Equity	(1,469)	202	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0
Embedded Derivatives(2)	1,257	0	0	0	0	0	0	0
Total gains (losses) on derivatives not qualifying as hedge accounting instruments	(236)	343	0	(1)	0	0	0	0
Total	$ (214)	$ 343	$ 98	$ (148)	$ 0	$ (14)	$ (5)	$ (205)

PRUDENTIAL FINANCIAL, INC.
Notes to Unaudited Interim Consolidated Financial Statements—(Continued)

	Three Months Ended March 31, 2024							
	Realized Investment Gains (Losses)	Change in Value of Market Risk Benefits, Net of Related Hedging Gain (Loss)	Net Investment Income	Other Income (Loss)	Interest Expense	Interest Credited to Policyholders' Account Balances	Policyholders' Benefits	Change in AOCI(1)
	(in millions)							
Derivatives Designated as Hedge Accounting Instruments:								
Fair value hedges								
Gains (losses) on derivatives designated as hedge instruments:								
Interest Rate	$ 4	$ 0	$ 0	$ 0	$ 0	$ (50)	$ (59)	$ 0
Currency	0	0	0	0	0	0	(16)	0
Total gains (losses) on derivatives designated as hedge instruments	4	0	0	0	0	(50)	(75)	0
Gains (losses) on the hedged item:								
Interest Rate	(4)	0	3	0	0	62	48	0
Currency	0	0	0	0	0	0	14	0
Total gains (losses) on hedged item	(4)	0	3	0	0	62	62	0
Amortization for gains (losses) excluded from assessment of the effectiveness								
Currency	0	0	0	0	0	0	(2)	10
Total amortization for gains (losses) excluded from assessment of the effectiveness	0	0	0	0	0	0	(2)	10
Total gains (losses) on fair value hedges net of hedged item	0	0	3	0	0	12	(15)	10
Cash flow hedges								
Interest Rate	0	0	(3)	0	0	0	0	(10)
Currency	0	0	0	0	0	0	0	15
Currency/Interest Rate	3	0	76	78	0	0	0	325
Total gains (losses) on cash flow hedges	3	0	73	78	0	0	0	330
Net investment hedges								
Currency	0	0	0	0	0	0	0	11
Currency/Interest Rate	0	0	0	0	0	0	0	0
Total gains (losses) on net investment hedges	0	0	0	0	0	0	0	11
Derivatives Not Qualifying as Hedge Accounting Instruments:								
Interest Rate	(662)	(961)	0	0	0	0	0	0
Currency	(26)	0	0	2	0	0	0	0
Currency/Interest Rate	106	0	0	1	0	0	0	0
Credit	52	0	0	0	0	0	0	0
Equity	1,449	(493)	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0
Embedded Derivatives	(1,070)	0	0	0	0	0	0	0
Total gains (losses) on derivatives not qualifying as hedge accounting instruments	(151)	(1,454)	0	3	0	0	0	0
Total	$ (148)	$ (1,454)	$ 76	$ 81	$ 0	$ 12	$ (15)	$ 351

(1) Excludes changes related to net investment hedges using non-derivative instruments of $(51) million and $39 million for the three months ended March 31, 2025 and 2024, respectively.
(2) Includes the Prismic funds withheld related embedded derivative realized gain (loss) of $(147) million and $283 million for the three months ended March 31, 2025 and 2024, respectively.

Presented below is a rollforward of current period cash flow hedges in AOCI before taxes:

	(in millions)
Balance, December 31, 2024	$ 1,780
Amount recorded in AOCI:	
Interest Rate	4
Currency	(25)
Currency/Interest Rate	(131)
Total amount recorded in AOCI	(152)
Amount reclassified from AOCI to income:	
Interest Rate	3
Currency	(1)
Currency/Interest Rate	29
Total amount reclassified from AOCI to income	31
Balance, March 31, 2025	$ 1,659

The changes in fair value of cash flow hedges are deferred in AOCI and are included in "Net unrealized investment gains (losses)" in the Unaudited Interim Consolidated Statements of Comprehensive Income; these amounts are then reclassified to earnings when the hedged item affects earnings. Using March 31, 2025 values, it is estimated that a pre-tax gain of $372 million is expected to be reclassified from AOCI to earnings during the subsequent twelve months ending March 31, 2026.

The exposures the Company is hedging with these qualifying cash flow hedges include the variability of future cash flows from forecasted transactions denominated in foreign currencies, the purchases of invested assets, and the receipt or payment of variable interest on existing financial instruments. The maximum length of time over which the Company is hedging its exposure to the variability in future cash flows for forecasted transactions is 27 years.

There were no material amounts reclassified from AOCI into earnings relating to instances in which the Company discontinued cash flow hedge accounting because the forecasted transaction did not occur by the anticipated date or within the additional time period permitted by the authoritative guidance for the accounting for derivatives and hedging. In addition, there were no instances in which the Company discontinued fair value hedge accounting due to a hedged firm commitment no longer qualifying as a fair value hedge.

For net investment hedges, in addition to derivatives, the Company uses foreign currency denominated debt to hedge the risk of change in the net investment in a foreign subsidiary due to changes in exchange rates. For effective net investment hedges, the amounts, before applicable taxes, recorded in the cumulative translation adjustment within AOCI were $(66) million for the three months ended March 31, 2025 and $49 million for the three months ended March 31, 2024, respectively.

Credit Derivatives

The following tables provide a summary of the notional and fair value of written credit protection, presented as assets (liabilities). The Company's maximum amount at risk under these credit derivatives, assuming the value of the underlying referenced securities become worthless, is equal to the notional amounts. These credit derivatives have maturities of less than 11 years for index reference.

	March 31, 2025													
	NAIC Rating Designation of Underlying Credit Obligation(1)													
	NAIC 1		NAIC 2		NAIC 3		NAIC 4		NAIC 5		NAIC 6(2)		Total	
	Gross Notional	Fair Value	Gross Notional	Fair Value	Gross Notional	Fair Value	Gross Notional	Fair Value	Gross Notional	Fair Value	Gross Notional	Fair Value	Gross Notional	Fair Value
	(in millions)													
Single name reference(3)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Index reference(3)	0	0	0	0	3,367	18	0	0	0	0	791	37	4,158	55
Total	$ 0	$ 0	$ 0	$ 0	$ 3,367	$ 18	$ 0	$ 0	$ 0	$ 0	$ 791	$ 37	$ 4,158	$ 55

	December 31, 2024													
	NAIC Rating Designation of Underlying Credit Obligation(1)													
	NAIC 1		NAIC 2		NAIC 3		NAIC 4		NAIC 5		NAIC 6(2)		Total	
	Gross Notional	Fair Value	Gross Notional	Fair Value	Gross Notional	Fair Value	Gross Notional	Fair Value	Gross Notional	Fair Value	Gross Notional	Fair Value	Gross Notional	Fair Value
	(in millions)													
Single name reference(3)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Index reference(3)	0	0	0	0	3,365	40	0	0	0	0	662	50	4,027	90
Total	$ 0	$ 0	$ 0	$ 0	$ 3,365	$ 40	$ 0	$ 0	$ 0	$ 0	$ 662	$ 50	$ 4,027	$ 90

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(1) The NAIC rating designations are based on availability and the lowest ratings among Moody's Investors Service, Inc. (“Moody's”), Standard & Poor’s Rating Services (“S&P”) and Fitch Ratings Inc. (“Fitch”). If no rating is available from a rating agency, a NAIC 6 rating is used.
(2) The NAIC rating designation is due to approximately 4% and 4% of the index reference name rated as NAIC 6 as of March 31, 2025 and December 31, 2024, respectively.
(3) Single name credit default swaps may make reference to the credit of corporate debt, sovereign debt, and structured finance. Index reference NAIC designations are based on the lowest rated single name reference included in the index.

In addition to writing credit protection, the Company has purchased credit protection using credit derivatives in order to hedge specific credit exposures in the Company’s investment portfolio. As of March 31, 2025 and December 31, 2024, the Company had $181 million and $0 million of outstanding notional amounts and reported at fair value as a liability of $3 million and an asset of $0 million, respectively.

Counterparty Credit Risk

The Company is exposed to losses in the event of non-performance by counterparties to financial derivative transactions with a positive fair value. The Company manages credit risk by: (i) entering into derivative transactions with highly rated major financial institutions and other creditworthy counterparties governed by master netting agreements, as applicable; (ii) trading through central clearing and over-the-counter (“OTC”) parties; (iii) obtaining collateral, such as cash and securities, when appropriate; and (iv) setting limits on single party credit exposures which are subject to periodic management review.

Substantially all of the Company’s derivative agreements have zero thresholds which require daily full collateralization by the party in a liability position. In addition, certain of the Company’s derivative agreements contain credit-risk related contingent features; if the credit rating of one of the parties to the derivative agreement is to fall below a certain level, the party with positive fair value could request termination at the then fair value or demand immediate full collateralization from the party whose credit rating fell and is in a net liability position.

As of March 31, 2025, there were no net liability derivative positions with counterparties with credit risk-related contingent features. All derivatives have been appropriately collateralized by the Company or the counterparty in accordance with the terms of the derivative agreements.

6. FAIR VALUE OF ASSETS AND LIABILITIES

Fair Value Measurement—Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The authoritative fair value guidance establishes a framework for measuring fair value that includes a hierarchy used to classify the inputs used in measuring fair value. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement. The levels of the fair value hierarchy are as follows:

Level 1—Fair value is based on unadjusted quoted prices in active markets that are accessible to the Company for identical assets or liabilities.

Level 2—Fair value is based on significant inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability through corroboration with observable market data. Level 2 inputs include quoted prices in active markets for similar assets and liabilities, quoted prices in markets that are not active for identical or similar assets or liabilities, and other market observable inputs.

Level 3—Fair value is based on at least one significant unobservable input for the asset or liability. The assets and liabilities in this category may require significant judgment or estimation in determining the fair value.

For a discussion of the Company's valuation methodologies for assets and liabilities measured at fair value and the fair value hierarchy, see Note 6 to the Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024. There have been no material changes in our valuation techniques during the period represented by these Unaudited Interim Consolidated Financial Statements.

Assets and Liabilities by Hierarchy Level—The tables below present the balances of assets and liabilities reported at fair value on a recurring basis, as of the dates indicated.

	March 31, 2025				
	Level 1	Level 2	Level 3	Netting(1)	Total
	(in millions)				
Fixed maturities, available-for-sale:					
U.S. Treasury securities and obligations of U.S. government authorities and agencies	$ 0	$ 20,192	$ 0	$	$ 20,192
Obligations of U.S. states and their political subdivisions	0	5,713	5		5,718
Foreign government securities	0	57,954	5		57,959
U.S. corporate public securities	0	98,999	66		99,065
U.S. corporate private securities(2)	0	40,436	4,411		44,847
Foreign corporate public securities	0	22,994	38		23,032
Foreign corporate private securities	0	34,323	1,764		36,087
Asset-backed securities(3)	0	14,752	2,353		17,105
Commercial mortgage-backed securities	0	8,551	864		9,415
Residential mortgage-backed securities	0	2,494	0		2,494
Subtotal	0	306,408	9,506		315,914
Assets supporting experience-rated contractholder liabilities:					
U.S. Treasury securities and obligations of U.S. government authorities and agencies	0	227	0		227
Foreign government securities	0	592	0		592
Corporate securities	0	69	0		69
Equity securities	1,542	1,339	0		2,881
Subtotal	1,542	2,227	0		3,769
Market risk benefit assets	0	0	2,139		2,139
Fixed maturities, trading	0	11,140	2,138		13,278
Equity securities	6,388	1,599	733		8,720
Commercial mortgage and other loans	0	494	263		757
Other invested assets(4)	32	18,102	965	(16,389)	2,710
Short-term investments	1,926	6,178	462		8,566
Cash equivalents	584	8,094	1		8,679
Reinsurance recoverables and deposit receivables	0	206	381		587
Separate account assets(5)(6)	8,706	152,181	253		161,140
Total assets	$ 19,178	$ 506,629	$ 16,841	$ (16,389)	$ 526,259
Market risk benefit liabilities	$ 0	$ 0	$ 5,021	$	$ 5,021
Policyholders' account balances	0	0	11,938		11,938
Reinsurance and funds withheld payables	0	31	0		31
Other liabilities	11	30,800	13	(25,642)	5,182
Notes issued by consolidated VIEs	0	0	67		67
Total liabilities	$ 11	$ 30,831	$ 17,039	$ (25,642)	$ 22,239

	December 31, 2024				
	Level 1	Level 2	Level 3	Netting(1)	Total
			(in millions)		
Fixed maturities, available-for-sale:					
U.S. Treasury securities and obligations of U.S. government authorities and agencies	$ 0	$ 20,348	$ 0	$	$ 20,348
Obligations of U.S. states and their political subdivisions	0	6,098	6		6,104
Foreign government securities	0	57,472	7		57,479
U.S. corporate public securities	0	98,442	66		98,508
U.S. corporate private securities(2)	0	39,848	3,941		43,789
Foreign corporate public securities	0	21,946	36		21,982
Foreign corporate private securities	0	32,675	1,788		34,463
Asset-backed securities(3)	0	15,654	1,480		17,134
Commercial mortgage-backed securities	0	8,420	853		9,273
Residential mortgage-backed securities	0	2,490	0		2,490
Subtotal	0	303,393	8,177		311,570
Assets supporting experience-rated contractholder liabilities:					
U.S. Treasury securities and obligations of U.S. government authorities and agencies	0	220	0		220
Foreign government securities	0	539	0		539
Corporate securities	0	67	0		67
Equity securities	1,522	1,359	0		2,881
Subtotal	1,522	2,185	0		3,707
Market risk benefit assets	0	0	2,331		2,331
Fixed maturities, trading	0	10,544	1,986		12,530
Equity securities	7,154	1,745	518		9,417
Commercial mortgage and other loans	0	469	233		702
Other invested assets(4)	10	21,683	953	(20,093)	2,553
Short-term investments	1,896	6,238	461		8,595
Cash equivalents	326	10,365	0		10,691
Reinsurance recoverables and deposit receivables	0	236	613		849
Separate account assets(5)(6)	8,441	157,999	232		166,672
Total assets	$ 19,349	$ 514,857	$ 15,504	$ (20,093)	$ 529,617
Market risk benefit liabilities	$ 0	$ 0	$ 4,455	$	$ 4,455
Policyholders' account balances	0	0	12,746		12,746
Reinsurance and funds withheld payables	0	(118)	0		(118)
Other liabilities	28	32,863	1	(28,141)	4,751
Notes issued by consolidated VIEs	0	0	60		60
Total liabilities	$ 28	$ 32,745	$ 17,262	$ (28,141)	$ 21,894

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(1) "Netting" amounts represent cash collateral of $(9,253) million and $(8,049) million as of March 31, 2025 and December 31, 2024, respectively, and the impact of offsetting asset and liability positions held with the same counterparty, subject to master netting agreements.
(2) Excludes notes with fair value of $15,044 million (carrying amount of $15,044 million) and $14,748 million (carrying amount of $14,748 million) as of March 31, 2025 and December 31, 2024, respectively, which have been offset with the associated debt under a netting agreement.
(3) Includes credit-tranched securities collateralized by loan obligations, home equity loans, auto loans, education loans and other asset types.
(4) Other invested assets excluded from the fair value hierarchy include certain hedge funds, private equity funds and other funds for which fair value is measured at net asset value ("NAV") per share (or its equivalent) as a practical expedient. As of March 31, 2025 and December 31, 2024, the fair value of such investments was $5,050 million and $5,021 million, respectively.
(5) Separate account assets included in the fair value hierarchy exclude investments in entities that calculate NAV per share (or its equivalent) as a practical expedient. Such investments excluded from the fair value hierarchy include investments in real estate, hedge funds and other invested assets. As of March 31, 2025 and December 31, 2024, the fair value of such investments was $27,051 million and $26,700 million, respectively.

(6) Separate account assets represent segregated funds that are invested for certain customers. Investment risks associated with market value changes are borne by the customers, except to the extent of minimum guarantees made by the Company with respect to certain accounts. Separate account liabilities are not included in the above table as they are reported at contract value and not fair value in the Company's Unaudited Interim Consolidated Statements of Financial Position.

Quantitative Information Regarding Internally-Priced Level 3 Assets and Liabilities—The tables below present quantitative information regarding significant internally-priced Level 3 assets and liabilities.

PRUDENTIAL FINANCIAL, INC.
Notes to Unaudited Interim Consolidated Financial Statements—(Continued)

	As of March 31, 2025							
	Fair Value		Valuation Techniques	Unobservable Inputs	Minimum	Maximum	Weighted Average	Impact of Increase in Input on Fair Value(1)
	(in millions)							
Assets:								
Corporate securities(2)(3)	$	6,995	Discounted cash flow	Discount rate	1.13%	21.50%	10.32%	Decrease
			Market comparables	EBITDA multiple(4)	0.1X	9.4X	7.4X	Increase
			Liquidation	Liquidation value	29.66%	84.21%	65.40%	Increase
Asset backed securities	$	614	Discounted cash flow	Discount rate	2.43%	10.10%	4.72%	Decrease
				Liquidity premium	1.90%	1.90%	1.90%	Decrease
Commercial mortgage-backed securities	$	864	Discounted cash flow	Liquidity premium	0.90%	0.90%	0.90%	Decrease
Market risk benefit assets(6)	$	2,139	Discounted cash flow	Lapse rate(8)	1%	20%		Increase
				Spread over SOFR(9)	0.41%	1.83%		Increase
				Utilization rate(10)	37%	94%		Decrease
				Withdrawal rate	See table footnote (11) below.			
				Mortality rate(12)	0%	16%		Increase
				Equity volatility curve	16%	25%		Decrease
Equity securities	$	191	Discounted cash flow	Discount rate(5)	0.16%	40%		Decrease
			Market comparables	EBITDA multiple(4)	5.5X	12.2X	7.0X	Increase
			Net Asset Value	Share price	$3	$1,810	$759	Increase
Reinsurance recoverables and deposit receivables	$	381	Discounted cash flow	Lapse rate(8)	1%	50%		Increase
				Spread over SOFR(9)	0.41%	1.83%		Increase
				Option Budget(13)	0%	6%		Decrease
Liabilities:								
Market risk benefit liabilities(6)	$	5,021	Discounted cash flow	Lapse rate(8)	1%	20%		Decrease
				Spread over SOFR(9)	0.41%	1.83%		Decrease
				Utilization rate(10)	37%	94%		Increase
				Withdrawal rate	See table footnote (11) below.			
				Mortality rate(12)	0%	16%		Decrease
				Equity volatility curve	16%	25%		Increase
Policyholders' account balances(7)	$	11,931	Discounted cash flow	Lapse rate(8)	0%	80%		Decrease
				Spread over SOFR(9)	0.41%	1.83%		Decrease
				Mortality rate(12)	0%	23%		Decrease
				Option Budget(13)	(1)%	7%		Increase

	As of December 31, 2024							
	Fair Value		Valuation Techniques	Unobservable Inputs	Minimum	Maximum	Weighted Average	Impact of Increase in Input on Fair Value(1)
	(in millions)							
Assets:								
Corporate securities(2)(3)	$	6,763	Discounted cash flow	Discount rate	0.95%	20.00%	10.36%	Decrease
			Market comparables	EBITDA multiple(4)	3.0X	8.8X	7.6X	Increase
			Liquidation	Liquidation value	75.00%	75.00%	75.00%	Increase
Asset backed securities	$	529	Discounted cash flow	Discount rate	2.30%	10.70%	6.08%	Decrease
Commercial mortgage-backed securities	$	853	Discounted cash flow	Liquidity premium	1.00%	1.00%	1.00%	Decrease
Market risk benefit assets(6)	$	2,331	Discounted cash flow	Lapse rate(8)	1%	20%		Increase
				Spread over SOFR(9)	0.29%	1.71%		Increase
				Utilization rate(10)	37%	94%		Decrease
				Withdrawal rate		See table footnote (11) below.		
				Mortality rate(12)	0%	16%		Increase
				Equity volatility curve	16%	25%		Decrease
Equity securities	$	209	Discounted cash flow	Discount rate(5)	0.16%	40%		Decrease
			Market comparables	EBITDA multiple(4)	5.5X	12.2X	6.0X	Increase
			Net Asset Value	Share price	$3	$1,810	$779	Increase
Reinsurance recoverables and deposit receivables	$	613	Discounted cash flow	Lapse rate(8)	1%	50%		Increase
				Spread over SOFR(9)	0.29%	1.71%		Increase
				Option Budget(13)	0%	6%		Decrease
Liabilities:								
Market risk benefit liabilities(6)	$	4,455	Discounted cash flow	Lapse rate(8)	1%	20%		Decrease
				Spread over SOFR(9)	0.29%	1.71%		Decrease
				Utilization rate(10)	37%	94%		Increase
				Withdrawal rate		See table footnote (11) below.		
				Mortality rate(12)	0%	16%		Decrease
				Equity volatility curve	16%	25%		Increase
Policyholders' account balances(7)	$	12,741	Discounted cash flow	Lapse rate(8)	0%	80%		Decrease
				Spread over SOFR(9)	0.29%	1.73%		Decrease
				Mortality rate(12)	0%	23%		Decrease
				Option Budget(13)	(1)%	7%		Increase

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(1) Conversely, the impact of a decrease in input would have the opposite impact on fair value as that presented in the table.
(2) Includes assets classified as fixed maturities, available-for-sale, assets supporting experience-rated contractholder liabilities and fixed maturities, trading.
(3) Excludes notes which have been offset with the associated debt under a netting agreement.
(4) Represents multiple of earnings before interest, taxes, depreciation and amortization ("EBITDA"), and are amounts used when the Company has determined that market participants would use such multiples when valuing the investments.
(5) For these investments, a range of discount rates is typically used (10% to 20%) and is therefore a more meaningful representation of the unobservable inputs used in the valuation rather than weighted average.
(6) Market risk benefits primarily represent fair value for all living benefit guarantees including accumulation, withdrawal and income benefits. Since the valuation methodology for these assets and liabilities uses a range of inputs that vary at the contract level over the cash flow projection period, presenting a range, rather than weighted average, is a more meaningful representation of the unobservable inputs used in the valuation.
(7) Policyholders' account balances primarily represent general account liabilities for the index-linked interest credited on certain of the Company's life and annuity products that are accounted for as embedded derivatives. Since the valuation methodology for these liabilities uses a range of inputs that vary at the contract level over the cash flow projection period, presenting a range, rather than a weighted average, is a more meaningful representation of the unobservable inputs used in the valuation.
(8) Lapse rates for contracts with living benefit guarantees are adjusted at the contract level based on the in-the-moneyness of the living benefit and reflect other factors, such as the applicability of any surrender charges. Lapse rates are reduced when contracts are more in-the-money. Lapse rates for contracts with index-linked crediting guarantees may be adjusted at the contract level based on the applicability of any surrender charges, product type, and market related factors such as interest rates. Lapse rates are also generally assumed to be lower for the period where surrender charges apply. For any given contract, lapse rates vary throughout the period over which cash flows are projected for the purposes of valuing these balances.
(9) The spread over the secured overnight financing rate ("SOFR") swap curve represents the premium added to the proxy for the risk-free rate (SOFR) to reflect the Company's estimates of rates that a market participant would use to value the living benefits in both the accumulation and payout phases and index-linked interest crediting guarantees as of March 31, 2025 and December 31, 2024, respectively. This spread includes an estimate of non-performance risk ("NPR"), which is the risk that the obligation will not be fulfilled by the Company. NPR is primarily estimated by utilizing the credit spreads associated with issuing funding agreements, adjusted for any illiquidity risk premium. In order to reflect the financial strength ratings of the Company, credit spreads associated with funding agreements, as opposed to credit spread associated with debt, are utilized in developing this estimate because funding agreements are insurance liabilities and are therefore senior to debt. Effective April 2023, the Company entered into an agreement with The Ohio National Life Insurance Company, now known as AuguStar Life Insurance Company ("AuguStar"), an affiliate of Constellation Insurance Holdings, Inc., to reinsure approximately $10 billion of account values of PDI traditional variable annuity contracts with guaranteed living benefits. See Note 12 for additional information regarding this transaction. As a result of this transaction, a ceded MRB asset balance was established to fair value the reinsurance reimbursements to the Company. The establishment of the fair value also required an estimate of NPR for AuguStar, which may differ from the Company's; however, the NPR spreads for AuguStar were developed using a methodology similar to that of the Company.
(10) The utilization rate assumption estimates the percentage of contracts that will utilize the benefit during the contract duration, and begin lifetime withdrawals at various time intervals from contract inception. The remaining contractholders are assumed to either begin lifetime withdrawals immediately or never utilize the benefit. Utilization assumptions may vary by product type, tax status and age. The impact of changes in these assumptions is highly dependent on the product type, the age of the contractholder at the time of the sale, and the timing of the first lifetime income withdrawal. Range reflects the utilization rate for the vast majority of business with living benefits.
(11) The withdrawal rate assumption estimates the magnitude of annual contractholder withdrawals relative to the maximum allowable amount under the contract. These assumptions vary based on the age of the contractholder, the tax status of the contract and the duration since the contractholder began lifetime withdrawals. As of both March 31, 2025 and December 31, 2024, the minimum withdrawal rate assumption is 78% and the maximum withdrawal rate assumption may be greater than 100%. The fair value of the liability will generally increase the closer the withdrawal rate is to 100% and decrease as the withdrawal rate moves further away from 100%.
(12) The range reflects the mortality rates for the vast majority of business with living benefits and other contracts, with policyholders ranging from 50 to 90 years old. While the majority of living benefits have a minimum age requirement, certain other contracts do not have an age restriction. This results in contractholders with mortality rates approaching 0% for certain benefits. Mortality rates may vary by product, age and duration. A mortality improvement assumption is also incorporated into the overall mortality table.
(13) Option budget estimates the expected long-term cost of options used to hedge exposures associated with equity price and interest rate changes. The level of option budget determines future costs of the options, which impacts the growth in account value and the valuation of embedded derivatives.

Interrelationships Between Unobservable Inputs—In addition to the sensitivities of fair value measurements to changes in each unobservable input in isolation, as reflected in the table above, interrelationships between these inputs may also exist, such that a change in one unobservable input may give rise to a change in another or multiple inputs. Examples of such interrelationships for significant internally-priced Level 3 assets and liabilities are as follows:

Corporate Securities—The rate used to discount future cash flows reflects current risk-free rates plus credit and liquidity spread requirements that market participants would use to value an asset. The discount rate may be influenced by many factors, including market cycles, expectations of default, collateral, term and asset complexity. Each of these factors can influence discount rates, either in isolation, or in response to other factors. During weaker economic cycles, as the expectations of default increase, credit spreads widen, which results in a decrease in fair value.

Commercial Mortgage-backed Securities—Interrelationships may exist between the prepayment rate, the default rate and/or loss severity, depending on specific market conditions. In stronger economic cycles, prepayment rates are generally driven by underlying property appreciation and subsequent cash-out refinances, while default rates and loss severity may be lower. During weaker economic cycles, prepayment rates may decline, while default rates and loss severity increase. Generally, a change in the assumption used for the probability of default would be accompanied by a directionally similar change in the assumption used for the loss severity and a directionally opposite change in the assumption used for prepayment rates. The impact of these factors on average life and economics varies with the deal structure and tranche subordination.

Market Risk Benefits—The Company expects efficient benefit utilization and withdrawal rates to generally be correlated with lapse rates. However, behavior is generally highly dependent on the facts and circumstances surrounding the individual contractholder, such as their liquidity needs or tax situation, which could drive lapse behavior independent of other contractholder behavior assumptions. To the extent more efficient contractholder behavior results in greater in-the-moneyness at the contract level, lapse rates may decline for those contracts. Similarly, to the extent that increases in equity volatility are correlated with overall declines in the capital markets, lapse rates may decline as contracts become more in-the-money.

Changes in Level 3 Assets and Liabilities—The following tables describe changes in fair values of Level 3 assets and liabilities as of the dates indicated, as well as the portion of gains or losses included in income attributable to unrealized gains or losses related to those assets and liabilities still held at the end of their respective periods (excluding MRBs disclosed in Note 11). When a determination is made to classify assets and liabilities within Level 3, the determination is based on significance of the unobservable inputs in the overall fair value measurement. All transfers are based on changes in the observability of the valuation inputs, including the availability of pricing service information that the Company can validate. Transfers into Level 3 are generally the result of unobservable inputs utilized within valuation methodologies and the use of indicative broker quotes for assets that were previously valued using observable inputs. Transfers out of Level 3 are generally due to the use of observable inputs in valuation methodologies as well as the availability of pricing service information for certain assets that the Company can validate.

	Three Months Ended March 31, 2025(6)										
	Fair Value, beginning of period	Total realized and unrealized gains (losses)	Purchases	Sales	Issuances	Settlements	Other(1)	Transfers into Level 3(7)	Transfers out of Level 3(7)	Fair Value, end of period	Unrealized gains (losses) for assets still held(2)
	(in millions)										
Fixed maturities, available-for-sale:											
U.S. states	$ 6	$ 0	$ 0	$ 0	$ 0	$ (1)	$ 0	$ 0	$ 0	$ 5	$ 0
Foreign government	7	0	0	0	0	(2)	0	0	0	5	0
Corporate securities(3)	5,831	(68)	868	(350)	0	(194)	(41)	234	(1)	6,279	(71)
Structured securities(4)	2,333	18	826	(323)	0	(65)	(362)	865	(75)	3,217	19
Other assets:											
Fixed maturities, trading	1,986	(21)	423	(261)	0	(252)	366	3	(106)	2,138	(7)
Equity securities	518	(17)	154	(23)	0	0	0	119	(18)	733	(23)
Commercial mortgage and other loans	233	0	0	0	30	0	0	0	0	263	0
Other invested assets	953	(1)	14	(1)	0	0	0	0	0	965	(1)
Short-term investments	461	0	8	(3)	0	(4)	0	0	0	462	0
Cash equivalents	0	0	1	0	0	0	0	0	0	1	0
Reinsurance recoverables and deposit receivables	613	(4)	23	0	0	(18)	(233)	0	0	381	(21)
Other assets	0	0	0	0	0	0	0	0	0	0	0
Separate account assets	232	(8)	60	(34)	0	(1)	0	4	0	253	(8)
Liabilities:											
Policyholders' account balances(5)	(12,746)	1,435	0	0	0	(625)	(2)	0	0	(11,938)	407
Other liabilities	(1)	(12)	0	0	0	0	0	0	0	(13)	(12)
Notes issued by consolidated VIEs	(60)	0	0	0	(7)	0	0	0	0	(67)	0

	Three Months Ended March 31, 2025								
	Total realized and unrealized gains (losses)					Unrealized gains (losses) for assets still held(2)			
	Realized investment gains (losses), net	Other income (loss)	Interest credited to policyholders' account balances	Included in other comprehensive income (losses)	Net investment income	Realized investment gains (losses), net	Other income (loss)	Interest credited to policyholders' account balances	Included in other comprehensive income (losses)
	(in millions)								
Fixed maturities, available-for-sale	$ (19)	$ 0	$ 0	$ (28)	$ (3)	$ (22)	$ 0	$ 0	$ (30)
Other assets:									
Fixed maturities, trading	0	(6)	0	0	(15)	0	(7)	0	0
Equity securities	0	(17)	0	0	0	0	(23)	0	0
Commercial mortgage and other loans	0	0	0	0	0	0	0	0	0
Other invested assets	0	(1)	0	0	0	0	(1)	0	0
Short-term investments	0	0	0	0	0	0	0	0	0
Cash equivalents	0	0	0	0	0	0	0	0	0
Reinsurance recoverables and deposit receivables	(4)	0	0	0	0	(21)	0	0	0
Other assets	0	0	0	0	0	0	0	0	0
Separate account assets	0	0	(8)	0	0	0	0	(8)	0
Liabilities:									
Policyholders' account balances	1,435	0	0	0	0	407	0	0	0
Other liabilities	(12)	0	0	0	0	(12)	0	0	0
Notes issued by consolidated VIEs	0	0	0	0	0	0	0	0	0

	Three Months Ended March 31, 2024(6)										
	Fair Value, beginning of period	Total realized and unrealized gains (losses)	Purchases	Sales	Issuances	Settlements	Other(1)	Transfers into Level 3(7)	Transfers out of Level 3(7)	Fair Value, end of period	Unrealized gains (losses) for assets still held(2)
	(in millions)										
Fixed maturities, available-for-sale:											
U.S. states	$ 7	$ (1)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 6	$ (1)
Foreign government	8	0	0	0	0	(1)	0	0	0	7	0
Corporate securities(3)	4,806	(46)	402	(5)	0	(287)	(13)	108	0	4,965	(50)
Structured securities(4)	1,297	3	1,265	0	0	(12)	(1)	60	0	2,612	(1)
Other assets:											
Fixed maturities, trading	429	2	564	(22)	0	(46)	(1)	404	0	1,330	7
Equity securities	512	(19)	21	(4)	0	(4)	9	0	(9)	506	(22)
Commercial mortgage and other loans	0	0	0	0	0	0	0	0	0	0	0
Other invested assets	846	(8)	29	(2)	0	0	0	0	0	865	(8)
Short-term investments	29	(2)	5	0	0	0	0	0	0	32	(2)
Cash equivalents	4	0	0	0	0	0	(4)	0	0	0	0
Reinsurance recoverables and deposit receivables	224	37	55	0	0	(13)	0	0	0	303	24
Other assets	11	0	8	0	0	0	0	0	0	19	0
Separate account assets	1,094	(46)	56	(763)	0	(2)	0	0	(1)	338	(7)
Liabilities:											
Policyholders' account balances(5)	(7,752)	(1,495)	0	0	(618)	0	1	0	0	(9,864)	(216)
Other liabilities	(1)	0	0	0	0	0	0	0	0	(1)	0
Notes issued by consolidated VIEs	(778)	(8)	0	0	(10)	0	391	0	0	(405)	(8)

	Three Months Ended March 31, 2024								
	Total realized and unrealized gains (losses)					Unrealized gains (losses) for assets still held(2)			
	Realized investment gains (losses), net	Other income (loss)	Interest credited to policyholders' account balances	Included in other comprehensive income (losses)	Net investment income	Realized investment gains (losses), net	Other income (loss)	Interest credited to policyholders' account balances	Included in other comprehensive income (losses)
	(in millions)								
Fixed maturities, available-for-sale	$ (33)	$ 0	$ 0	$ (16)	$ 5	$ (28)	$ 0	$ 0	$ (24)
Other assets:									
Fixed maturities, trading	0	1	0	0	1	0	7	0	0
Equity securities	0	(19)	0	0	0	0	(22)	0	0
Commercial mortgage and other loans	0	0	0	0	0	0	0	0	0
Other invested assets	(1)	(7)	0	0	0	(1)	(7)	0	0
Short-term investments	(3)	0	0	0	1	(2)	0	0	0
Cash equivalents	0	0	0	0	0	0	0	0	0
Reinsurance recoverables and deposit receivables	37	0	0	0	0	24	0	0	0
Other assets	0	0	0	0	0	0	0	0	0
Separate account assets	0	0	(46)	0	0	0	0	(7)	0
Liabilities:									
Policyholders' account balances	(1,495)	0	0	0	0	(216)	0	0	0
Other liabilities	0	0	0	0	0	0	0	0	0
Notes issued by consolidated VIEs	0	(8)	0	0	0	0	(8)	0	0

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(1) "Other" includes additional activity not allocated to the specific categories within the rollforward of Level 3 Assets and Liabilities.
(2) Unrealized gains or losses related to assets still held at the end of the period do not include amortization or accretion of premiums and discounts.
(3) Includes U.S. corporate public, U.S. corporate private, foreign corporate public and foreign corporate private securities.
(4) Includes asset-backed, commercial mortgage-backed and residential mortgage-backed securities.
(5) Issuances and settlements for Policyholders' account balances are presented net in the rollforward.
(6) Excludes MRB assets of $2,139 million and $2,225 million and MRB liabilities of $5,021 million and $4,624 million for the periods ended March 31, 2025 and 2024, respectively. See Note 11 for additional information.
(7) Transfers into or out of Level 3 are generally reported at the value as of the beginning of the quarter in which the transfers occur for any such positions still held at the end of the quarter.

Derivative Fair Value Information

The following tables present the balances of certain derivative assets and liabilities measured at fair value on a recurring basis, as of the dates indicated, by the primary underlying risks they are used to manage. These tables include NPR and exclude embedded derivatives. The derivative assets and liabilities shown below are included in "Other invested assets" or "Other liabilities" in the tables contained within the sections "—Assets and Liabilities by Hierarchy Level" and "—Changes in Level 3 Assets and Liabilities," above.

	As of March 31, 2025				
	Level 1	Level 2	Level 3	Netting(1)	Total
	(in millions)				
Derivative Assets:					
Interest Rate	$ 19	$ 10,274	$ 1	$	$ 10,294
Currency	0	1,120	0		1,120
Credit	0	55	0		55
Currency/Interest Rate	0	3,040	0		3,040
Equity	13	3,613	1		3,627
Netting(1)				(16,389)	(16,389)
Total derivative assets	$ 32	$ 18,102	$ 2	$ (16,389)	$ 1,747
Derivative Liabilities:					
Interest Rate	$ 3	$ 24,703	$ 13	$	$ 24,719
Currency	0	1,197	0		1,197
Credit	0	3	0		3
Currency/Interest Rate	0	511	0		511
Equity	8	4,386	0		4,394
Netting(1)				(25,642)	(25,642)
Total derivative liabilities	$ 11	$ 30,800	$ 13	$ (25,642)	$ 5,182

	As of December 31, 2024				
	Level 1	Level 2	Level 3	Netting(1)	Total
	(in millions)				
Derivative Assets:					
Interest Rate	$ 7	$ 11,725	$ 1	$	$ 11,733
Currency	0	1,717	0		1,717
Credit	0	90	0		90
Currency/Interest Rate	0	3,310	0		3,310
Equity	3	4,841	0		4,844
Netting(1)				(20,093)	(20,093)
Total derivative assets	$ 10	$ 21,683	$ 1	$ (20,093)	$ 1,601
Derivative Liabilities:					
Interest Rate	$ 21	$ 26,871	$ 1	$	$ 26,893
Currency	0	1,378	0		1,378
Credit	0	0	0		0
Currency/Interest Rate	0	497	0		497
Equity	7	4,117	0		4,124
Netting(1)				(28,141)	(28,141)
Total derivative liabilities	$ 28	$ 32,863	$ 1	$ (28,141)	$ 4,751

(1) "Netting" amounts represent cash collateral and the impact of offsetting asset and liability positions held with the same counterparty, subject to master netting agreements.

Changes in Level 3 Derivative Assets and Liabilities—The following tables provide a summary of the changes in fair value of Level 3 derivative assets and liabilities as of the dates indicated, as well as the portion of gains or losses included in income, attributable to unrealized gains or losses related to those assets and liabilities still held at the end of their respective periods.

PRUDENTIAL FINANCIAL, INC.
Notes to Unaudited Interim Consolidated Financial Statements—(Continued)

	Three Months Ended March 31, 2025										
	Fair Value, beginning of period	Total realized and unrealized gains (losses) (1)	Purchases	Sales	Issuances	Settlements	Other	Transfers into Level 3(2)	Transfers out of Level 3(2)	Fair Value, end of period	Unrealized gains (losses) for assets still held(1)
	(in millions)										
Net Derivative - Equity	$ 0	$ 1	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 1	$ 1
Net Derivative - Interest Rate	0	(13)	0	0	0	0	0	0	0	(13)	-13

	Three Months Ended March 31, 2024										
	Fair Value, beginning of period	Total realized and unrealized gains (losses)(1)	Purchases	Sales	Issuances	Settlements	Other	Transfers into Level 3(2)	Transfers out of Level 3(2)	Fair Value, end of period	Unrealized gains (losses) for assets still held(1)
	(in millions)										
Net Derivative - Equity	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Net Derivative - Interest Rate	0	0	0	0	0	0	0	0	0	0	0

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(1) Total realized and unrealized gains (losses) as well as unrealized gains (losses) for assets still held at the end of the period are recorded in “Realized investment gains (losses), net.”
(2) Transfers into or out of Level 3 are generally reported at the value as of the beginning of the quarter in which the transfers occur for any such positions still held at the end of the quarter.

Nonrecurring Fair Value Measurements—The following tables represent information for assets measured at fair value on a nonrecurring basis. The fair value measurement is nonrecurring as these assets are measured at fair value only when there is a triggering event (e.g., an evidence of impairment). Assets included in the table are those that were impaired during the respective reporting periods and that are still held as of the reporting date. The estimated fair values for these amounts were determined using significant unobservable inputs (Level 3).

	Three Months Ended March 31,	
	2025	2024
	(in millions)	
Gains (Losses):		
Investment real estate	$ (12)	$ 0
Investment in JV/LP and Other	$ 0	$ (7)

	March 31, 2025	December 31, 2024
	(in millions)	
Carrying value after measurement as of period end:		
Investment real estate(1)	$ 47	$ 73
Investment in JV/LP and Other(1)	$ 0	$ 128

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(1) Reported carrying values for 2025 include values as of the measurement periods of March 31, 2025 for “Investment real estate.” Reported carrying values for 2024 include values as of the measurement periods of March 31, 2024 for “Investment in JV/LP and Other” and June 30, 2024 and September 30, 2024 for “Investment real estate.”

Fair Value Option

The fair value option allows the Company to elect fair value as an alternative measurement for selected financial assets and financial liabilities not otherwise reported at fair value. Such elections have been made by the Company to help mitigate volatility in earnings that result from different measurement attributes. Electing the fair value option also allows the Company to achieve consistent accounting for certain assets and liabilities. Changes in fair value are reflected in "Realized investment gains (losses), net" for commercial mortgage and other loans and "Other income (loss)" for other assets and notes issued by consolidated VIEs. Changes in fair value due to instrument-specific credit risk are estimated using changes in credit spreads and quality ratings for the period reported. Interest income on commercial mortgage and other loans is included in "Net investment income." Interest income on these loans is recorded based on the effective interest rate as determined at the closing of the loan.

The following tables present information regarding assets and liabilities where the fair value option has been elected.

	Three Months Ended March 31,	
	2025	2024
	(in millions)	
Liabilities:		
Notes issued by consolidated VIEs:		
Changes in fair value	$ 0	$ 8

	Three Months Ended March 31,	
	2025	2024
	(in millions)	
Commercial mortgage and other loans:		
Interest income	$ 8	$ 2
Notes issued by consolidated VIEs:		
Interest expense	$ 0	$ 7

	March 31, 2025	December 31, 2024
	(in millions)	
Commercial mortgage and other loans(1):		
Fair value as of period end	$ 757	$ 702
Aggregate contractual principal as of period end	$ 752	$ 697
Other invested assets:		
Fair value as of period end	$ 21	$ 19
Notes issued by consolidated VIEs:		
Fair value as of period end	$ 67	$ 60
Aggregate contractual principal as of period end	$ 67	$ 60

(1) As of March 31, 2025, for loans for which the fair value option has been elected, none of the loans were 90 days or more past due.

Fair Value of Financial Instruments

The tables below present the carrying amount and fair value by fair value hierarchy level of certain financial instruments that are not reported at fair value. The financial instruments presented below are reported at carrying value on the Company's Unaudited Interim Consolidated Statements of Financial Position. In some cases, as described below, the carrying amount equals or approximates fair value.

PRUDENTIAL FINANCIAL, INC.
Notes to Unaudited Interim Consolidated Financial Statements—(Continued)

	March 31, 2025				
	Fair Value				Carrying Amount(1)
	Level 1	Level 2	Level 3	Total	Total
	(in millions)				
Assets:					
Commercial mortgage and other loans	$ 0	$ 16	$ 59,635	$ 59,651	$ 61,937
Policy loans	9	0	9,867	9,876	9,876
Other invested assets	0	95	0	95	95
Short-term investments	3	147	0	150	150
Cash and cash equivalents	6,590	794	0	7,384	7,384
Accrued investment income	0	3,383	0	3,383	3,383
Reinsurance recoverables and deposit receivables	0	8	5,715	5,723	5,723
Other assets	41	2,981	2	3,024	3,024
Total assets	$ 6,643	$ 7,424	$ 75,219	$ 89,286	$ 91,572
Liabilities:					
Policyholders' account balances—investment contracts	$ 0	$ 31,991	$ 45,711	$ 77,702	$ 81,962
Securities sold under agreements to repurchase	0	7,549	0	7,549	7,549
Cash collateral for loaned securities	0	9,507	0	9,507	9,507
Reinsurance and funds withheld payables(2)	0	10,467	(20)	10,447	10,447
Short-term debt	0	1,012	385	1,397	1,406
Long-term debt(3)	528	17,581	485	18,594	19,540
Notes issued by consolidated VIEs	0	0	1,376	1,376	1,376
Other liabilities	0	6,044	32	6,076	6,076
Separate account liabilities—investment contracts	0	21,211	18,480	39,691	39,691
Total liabilities	$ 528	$ 105,362	$ 66,449	$ 172,339	$ 177,554

	December 31, 2024				
	Fair Value				Carrying Amount(1)
	Level 1	Level 2	Level 3	Total	Total
	(in millions)				
Assets:					
Commercial mortgage and other loans	$ 0	$ 17	$ 58,446	$ 58,463	$ 61,639
Policy loans	8	0	9,787	9,795	9,795
Other invested assets	0	95	0	95	95
Short-term investments	453	21	0	474	474
Cash and cash equivalents	7,352	454	0	7,806	7,806
Accrued investment income	0	3,441	0	3,441	3,441
Reinsurance recoverables and deposit receivables	0	8	5,782	5,790	5,790
Other assets	23	3,062	1	3,086	3,086
Total assets	$ 7,836	$ 7,098	$ 74,016	$ 88,950	$ 92,126
Liabilities:					
Policyholders' account balances—investment contracts	$ 0	$ 31,405	$ 43,466	$ 74,871	$ 79,571
Securities sold under agreements to repurchase	0	6,796	0	6,796	6,796
Cash collateral for loaned securities	0	9,621	0	9,621	9,621
Reinsurance and funds withheld payables(2)	0	10,489	(35)	10,454	10,454
Short-term debt	0	521	439	960	953
Long-term debt(3)	524	17,185	423	18,132	19,187
Notes issued by consolidated VIEs	0	0	1,370	1,370	1,370
Other liabilities	0	6,886	32	6,918	6,918
Separate account liabilities—investment contracts	0	21,144	18,677	39,821	39,821
Total liabilities	$ 524	$ 104,047	$ 64,372	$ 168,943	$ 174,691

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(1) Carrying values presented herein differ from those in the Company's Unaudited Interim Consolidated Statements of Financial Position because certain items within the respective financial statement captions are not considered financial instruments or are out of scope under authoritative guidance relating to disclosures of the fair value of financial instruments.
(2) Includes contracts reinsured through coinsurance with funds withheld agreement with Prismic Re with a fair value of $7,823 million (carrying amount of $7,823 million) and $7,887 million (carrying amount of $7,887 million), a portion of which relates to insurance contracts as of March 31, 2025 and December 31, 2024, respectively. See Note 12 for additional information regarding the reinsurance arrangement with Prismic Re.
(3) Excludes debt with fair value of $15,044 million (carrying amount of $15,044 million) and $14,748 million (carrying amount of $14,748 million) as of March 31, 2025 and December 31, 2024, respectively, which have been offset with the associated notes under a netting agreement.

7. DEFERRED POLICY ACQUISITION COSTS, DEFERRED SALES INDUCEMENTS AND VALUE OF BUSINESS ACQUIRED

Deferred Policy Acquisition Costs ("DAC")

The following tables show a rollforward for the lines of business that contain material DAC balances, along with a reconciliation to the Company's total DAC balance:

	Three Months Ended March 31, 2025				
	Retirement Strategies	Individual Life			
	Individual Variable	Term Life	Variable/ Universal Life	International Businesses	Total
	(in millions)				
Balance, BOP	$ 3,713	$ 2,215	$ 4,878	$ 9,304	$ 20,110
Capitalization	229	46	157	305	737
Amortization expense	(124)	(52)	(59)	(169)	(404)
Other adjustments(1)	0	0	0	(214)	(214)
Foreign currency adjustment	0	0	0	184	184
Balance, EOP	$ 3,818	$ 2,209	$ 4,976	$ 9,410	20,413
Other businesses					377
Total DAC balance					$ 20,790

(1) Includes the impact of the reinsurance transaction with Prismic Re International in International Businesses. See Note 12 for additional information.

	Three Months Ended March 31, 2024				
	Retirement Strategies	Individual Life			
	Individual Variable	Term Life	Variable/ Universal Life	International Businesses (1)	Total
	(in millions)				
Balance, BOP	$ 3,676	$ 2,237	$ 5,364	$ 9,351	$ 20,628
Capitalization	85	44	151	293	573
Amortization expense	(94)	(52)	(61)	(164)	(371)
Other adjustments(2)	0	(2)	(285)	5	(282)
Foreign currency adjustment	0	0	0	(232)	(232)
Balance, EOP	$ 3,667	$ 2,227	$ 5,169	$ 9,253	20,316
Other businesses					297
Total DAC balance					$ 20,613

(1) Prior period amounts have been updated to conform to current presentation.
(2) Includes the impact of the reinsurance transaction with Somerset Re in Individual Life (Universal Life). See Note 12 for additional information.

Deferred Sales Inducements ("DSI")

The following table shows a rollforward of DSI balances for variable annuity products within Individual Retirement Strategies, which is the only line of business that contains a material DSI balance, along with a reconciliation to the Company's total DSI balance:

	Three Months Ended March 31,	
	2025	2024
	(in millions)	
Balance, BOP	$ 376	$ 410
Capitalization	1	2
Amortization expense	(8)	(9)
Balance, EOP	369	403
Other businesses	29	31
Total DSI balance	$ 398	$ 434

Value of Business Acquired ("VOBA")

The following table shows a rollforward of VOBA balances for the acquisition of the Star and Edison Businesses for International Businesses, along with a reconciliation to the Company's total VOBA balance:

	Three Months Ended March 31,	
	2025	2024
	(in millions)	
Balance, BOP	$ 421	$ 511
Amortization expense	(10)	(11)
Foreign currency adjustment	20	(33)
Balance, EOP	431	467
Other businesses(1)	15	17
Total VOBA balance	$ 446	$ 484

(1) Represents Aoba Life business.

The following table provides estimated future amortization for the periods indicated:

	2025 (April - December)	2026	2027	2028	2029	Thereafter	Total
				(in millions)			
Estimated future VOBA amortization	$ 31	$ 38	$ 34	$ 31	$ 28	$ 284	$ 446

8. SEPARATE ACCOUNTS

The Company issues variable annuity and variable life insurance contracts through its separate accounts for which investment income and investment gains and losses accrue directly to, and investment risk is borne by, the contractholder. Most variable annuity and variable life insurance contracts are offered with both separate and general account options. See Note 10 for additional information.

The assets supporting the variable portion of variable annuity and variable life insurance contracts are carried at fair value and reported as "Separate account assets" with an equivalent amount reported as "Separate account liabilities." The liabilities related to the net amount at risk are reflected within "Future policy benefits" or "Market risk benefit liabilities" (or "assets," if applicable). Amounts assessed against the contractholders for mortality, administration, and other services are included within revenue in "Policy charges and fee income" and changes in liabilities for minimum guarantees are generally included in "Policyholders' benefits" or "Change in value of market risk benefits, net of related hedging gains (losses)."

Separate Account Assets

The aggregate fair value of assets, by major investment asset category, supporting separate accounts is as follows:

	March 31, 2025	December 31, 2024
	(in millions)	
Asset Type:		
U.S. Treasury securities and obligations of U.S. government authorities and agencies	$ 4,463	$ 4,674
Obligations of U.S. states and their political subdivisions	2,431	2,224
Foreign government bonds	108	93
U.S. corporate securities	11,791	11,440
Foreign corporate securities	2,978	3,010
Asset-backed securities	1,853	1,283
Mortgage-backed securities	13,459	14,144
Mutual funds:		
Equity	85,154	90,180
Fixed Income	32,508	33,828
Other	5,822	5,439
Equity securities	4,759	4,845
Commercial mortgage and other loans	55	54
Other invested assets	19,590	19,352
Short-term investments	1,176	1,137
Cash and cash equivalents	2,044	1,669
Total	$ 188,191	$ 193,372

For the periods ended March 31, 2025 and December 31, 2024, there were no transfers of assets, other than cash, from the general account to a separate account; therefore, no gains or losses were recorded.

Separate Account Liabilities

The balances of and changes in separate account liabilities as of and for the periods ended are as follows:

	Three Months Ended March 31, 2025					
		Retirement Strategies				
	PGIM	Institutional	Individual	Group Insurance	Individual Life	Total
	(in millions)					
Balance, BOP	$ 28,645	$ 9,308	$ 86,974	$ 25,126	$ 46,891	$ 196,944
Deposits	2,211	147	154	11	924	3,447
Investment performance	569	241	(234)	511	(1,220)	(133)
Policy charges	(16)	(2)	(514)	(38)	(309)	(879)
Surrenders and withdrawals	(1,695)	(258)	(3,662)	(9)	(280)	(5,904)
Benefit payments	(910)	(128)	(28)	(60)	(153)	(1,279)
Net transfers (to) from general account	(83)	(126)	(24)	13	(109)	(329)
Other	(118)	78	2	(7)	44	(1)
Balance, EOP	$ 28,603	$ 9,260	$ 82,668	$ 25,547	$ 45,788	$ 191,866
Other businesses(1)						(3,675)
Total separate account liabilities						$ 188,191
Cash surrender value(2)	$ 28,603	$ 9,260	$ 81,803	$ 25,452	$ 42,169	$ 187,287

(1) Primarily represents activity from the Company’s Divested and Run-off Businesses as well as the impact of intercompany eliminations. There are no associated cash surrender charges.
(2) “Cash surrender value” represents the amount of the contractholder's account balances distributable at the balance sheet date less certain surrender charges. There are no cash surrender charges for the PGIM and Institutional Retirement Strategies segments.

	Three Months Ended March 31, 2024					
		Retirement Strategies				
	PGIM	Institutional	Individual	Group Insurance	Individual Life	Total
	(in millions)					
Balance, BOP	$ 32,648	$ 11,011	$ 94,130	$ 25,021	$ 39,223	$ 202,033
Deposits	8,411	51	151	160	752	9,525
Investment performance	(537)	(60)	4,308	265	3,155	7,131
Policy charges	(18)	(2)	(563)	(31)	(280)	(894)
Surrenders and withdrawals	(8,270)	(716)	(3,354)	(8)	(240)	(12,588)
Benefit payments	(858)	(137)	(20)	(56)	(116)	(1,187)
Net transfers (to) from general account	(35)	(24)	6	0	(123)	(176)
Other	(456)	(49)	1	(137)	48	(593)
Balance, EOP	$ 30,885	$ 10,074	$ 94,659	$ 25,214	$ 42,419	203,251
Other businesses(1)						(3,187)
Total separate account liabilities						$ 200,064
Cash surrender value(2)	$ 30,885	$ 10,074	$ 93,526	$ 25,157	$ 38,958	$ 198,600

(1) Primarily represents activity from the Company’s Divested and Run-off Businesses as well as the impact of intercompany eliminations. There are no associated cash surrender charges.
(2) “Cash surrender value” represents the amount of the contractholder's account balances distributable at the balance sheet date less certain surrender charges. There are no cash surrender charges for the PGIM and Institutional Retirement Strategies segments.

9. LIABILITY FOR FUTURE POLICY BENEFITS

Liability for Future Policy Benefits primarily consists of the following sub-components, which are discussed in greater detail below:

- Benefit Reserves;
- Deferred Profit Liability ("DPL"); and
- Additional Insurance Reserves ("AIR")

Benefit Reserves

The balances of and changes in Benefit Reserves as of and for the periods indicated consist of the three tables presented below: Present Value of Expected Net Premiums rollforward, Present Value of Expected Future Policy Benefits rollforward, and Net Liability for Future Policy Benefits.

	Three Months Ended March 31, 2025				
	Present Value of Expected Net Premiums				
	Retirement Strategies	Individual Life		Corporate and Other	
	Institutional	Term Life	International Businesses	Long-Term Care	Total
	(in millions)				
Balance, BOP	$ 72,526	$ 10,724	$ 45,851	$ 2,854	$ 131,955
Effect of cumulative changes in discount rate assumptions, BOP	14,545	578	2,599	132	17,854
Balance at original discount rate, BOP	87,071	11,302	48,450	2,986	149,809
Effect of assumption update	0	0	0	0	0
Effect of actual variances from expected experience and other activity	22	(62)	(303)	19	(324)
Adjusted balance, BOP	87,093	11,240	48,147	3,005	149,485
Issuances	4,147	201	768	0	5,116
Net premiums / considerations collected	(1,558)	(340)	(1,893)	(80)	(3,871)
Interest accrual	824	133	368	36	1,361
Foreign currency adjustment	2,777	0	1,264	0	4,041
Other adjustments	0	1	43	0	44
Balance at original discount rate, EOP	93,283	11,235	48,697	2,961	156,176
Effect of cumulative changes in discount rate assumptions, EOP	(16,053)	(460)	(3,029)	(102)	(19,644)
Balance, EOP	$ 77,230	$ 10,775	$ 45,668	$ 2,859	$ 136,532
Other businesses, EOP					93
Total balance, EOP					$ 136,625

	Three Months Ended March 31, 2025				
	Present Value of Expected Future Policy Benefits				
	Retirement Strategies	Individual Life		Corporate and Other	
	Institutional	Term Life	International Businesses	Long-Term Care	Total
	(in millions)				
Balance, BOP	$ 151,484	$ 18,996	$ 135,485	$ 11,178	$ 317,143
Effect of cumulative changes in discount rate assumptions, BOP	20,182	1,134	17,834	1,548	40,698
Balance at original discount rate, BOP	171,666	20,130	153,319	12,726	357,841
Effect of assumption update	0	0	0	0	0
Effect of actual variances from expected experience and other activity	0	(70)	(337)	19	(388)
Adjusted balance, BOP	171,666	20,060	152,982	12,745	357,453
Issuances	4,147	201	768	0	5,116
Interest accrual	1,725	238	1,173	153	3,289
Benefit payments	(3,640)	(392)	(2,208)	(87)	(6,327)
Foreign currency adjustment	2,806	0	4,169	0	6,975
Other adjustments	33	0	105	0	138
Balance at original discount rate, EOP	176,737	20,107	156,989	12,811	366,644
Effect of cumulative changes in discount rate assumptions, EOP	(20,902)	(920)	(21,001)	(1,525)	(44,348)
Balance, EOP	$ 155,835	$ 19,187	$ 135,988	$ 11,286	$ 322,296
Other businesses, EOP					1,686
Total balance, EOP					$ 323,982

	Three Months Ended March 31, 2025				
	Net Liability for Future Policy Benefits - Benefit Reserves				
	Retirement Strategies	Individual Life		Corporate and Other	
	Institutional	Term Life	International Businesses	Long-Term Care	Total
	(in millions)				
Balance, EOP, pre-flooring	$ 78,605	$ 8,411	$ 90,320	$ 8,427	$ 185,763
Flooring impact, EOP	75	0	41	0	116
Balance, EOP, post-flooring	78,680	8,411	90,361	8,427	185,879
Less: Reinsurance recoverables	5,050	655	353	0	6,058
Balance after reinsurance recoverables, EOP, post-flooring	$ 73,630	$ 7,756	$ 90,008	$ 8,427	$ 179,821
Other businesses, EOP(1)					1,534
Total balance after reinsurance recoverables, EOP					$ 181,355

	Three Months Ended March 31, 2024				
	Present Value of Expected Net Premiums				
	Retirement Strategies	Individual Life		Corporate and Other	
	Institutional	Term Life	International Businesses(2)	Long-Term Care	Total
	(in millions)				
Balance, BOP	$ 71,407	$ 11,274	$ 55,431	$ 3,286	$ 141,398
Effect of cumulative changes in discount rate assumptions, BOP	11,869	228	1,218	16	13,331
Balance at original discount rate, BOP	83,276	11,502	56,649	3,302	154,729
Effect of assumption update	0	0	0	0	0
Effect of actual variances from expected experience and other activity	176	(57)	(543)	49	(375)
Adjusted balance, BOP	83,452	11,445	56,106	3,351	154,354
Issuances	8,799	199	956	0	9,954
Net premiums / considerations collected	(10,124)	(345)	(2,029)	(86)	(12,584)
Interest accrual	708	134	400	40	1,282
Foreign currency adjustment	(875)	0	(1,844)	0	(2,719)
Other adjustments	0	(1)	39	0	38
Balance at original discount rate, EOP	81,960	11,432	53,628	3,305	150,325
Effect of cumulative changes in discount rate assumptions, EOP	(13,442)	(443)	(1,737)	(87)	(15,709)
Balance, EOP	$ 68,518	$ 10,989	$ 51,891	$ 3,218	$ 134,616
Other businesses, EOP					88
Total balance, EOP					$ 134,704

	Three Months Ended March 31, 2024				
	Present Value of Expected Future Policy Benefits				
	Retirement Strategies	Individual Life		Corporate and Other	
	Institutional	Term Life	International Businesses(2)	Long-Term Care	Total
	(in millions)				
Balance, BOP	$ 141,135	$ 19,852	$ 158,858	$ 12,139	$ 331,984
Effect of cumulative changes in discount rate assumptions, BOP	14,751	334	7,918	603	23,606
Balance at original discount rate, BOP	155,886	20,186	166,776	12,742	355,590
Effect of assumption update	0	0	0	0	0
Effect of actual variances from expected experience and other activity	162	(65)	(539)	42	(400)
Adjusted balance, BOP	156,048	20,121	166,237	12,784	355,190
Issuances	8,799	199	956	0	9,954
Interest accrual	1,493	237	1,200	153	3,083
Benefit payments	(3,114)	(404)	(2,577)	(77)	(6,172)
Foreign currency adjustment	(886)	0	(5,977)	0	(6,863)
Other adjustments	(48)	(4)	91	0	39
Balance at original discount rate, EOP	162,292	20,149	159,930	12,860	355,231
Effect of cumulative changes in discount rate assumptions, EOP	(17,715)	(769)	(10,925)	(1,033)	(30,442)
Balance, EOP	$ 144,577	$ 19,380	$ 149,005	$ 11,827	$ 324,789
Other businesses, EOP					1,701
Total balance, EOP					$ 326,490

	Three Months Ended March 31, 2024				
	Net Liability for Future Policy Benefits - Benefit Reserves				
	Retirement Strategies	Individual Life		Corporate and Other	
	Institutional	Term Life	International Businesses(2)	Long-Term Care	Total
	(in millions)				
Balance, EOP, pre-flooring	$ 76,060	$ 8,391	$ 97,115	$ 8,608	$ 190,174
Flooring impact, EOP	56	0	26	0	82
Balance, EOP, post-flooring	76,116	8,391	97,141	8,608	190,256
Less: Reinsurance recoverables	5,340	690	383	0	6,413
Balance after reinsurance recoverables, EOP, post-flooring	$ 70,776	$ 7,701	$ 96,758	$ 8,608	$ 183,843
Other businesses, EOP(1)					1,547
Total balance after reinsurance recoverables, EOP					$ 185,390

(1) Reflects balance after reinsurance recoverables of $59 million and $65 million at March 31, 2025 and 2024, respectively.
(2) Prior period amounts have been updated to conform to current period presentation.

The following tables provide supplemental information related to the balances of and changes in Benefit Reserves included in the disaggregated tables above, on a gross (direct and assumed) basis, as of and for the period indicated:

	Three Months Ended March 31, 2025			
	Retirement Strategies	Individual Life		Corporate and Other
	Institutional	Term Life	International Businesses	Long-Term Care
	($ in millions)			
Undiscounted expected future gross premiums	$ 158,816	$ 22,905	$ 109,182	$ 6,725
Discounted expected future gross premiums (at original discount rate)	$ 100,852	$ 15,602	$ 85,647	$ 4,494
Discounted expected future gross premiums (at current discount rate)	$ 83,236	$ 15,008	$ 80,722	$ 4,349
Undiscounted expected future benefits and expenses	$ 284,711	$ 31,022	$ 258,029	$ 29,618
Weighted-average duration of the liability in years (at original discount rate)	8	10	17	17
Weighted-average duration of the liability in years (at current discount rate)	8	9	15	15
Weighted-average interest rate (at original discount rate)	4.75 %	5.13 %	3.00 %	4.91 %
Weighted-average interest rate (at current discount rate)	5.49 %	5.44 %	3.89 %	5.84 %

	Three Months Ended March 31, 2024			
	Retirement Strategies	Individual Life		Corporate and Other
	Institutional	Term Life	International Businesses(1)	Long-Term Care
	($ in millions)			
Undiscounted expected future gross premiums	$ 131,869	$ 23,001	$ 119,608	$ 6,858
Discounted expected future gross premiums (at original discount rate)	$ 89,183	$ 15,258	$ 93,880	$ 4,525
Discounted expected future gross premiums (at current discount rate)	$ 72,848	$ 14,693	$ 91,485	$ 4,410
Undiscounted expected future benefits and expenses	$ 253,981	$ 31,039	$ 270,217	$ 30,755
Weighted-average duration of the liability in years (at original discount rate)	9	10	19	18
Weighted-average duration of the liability in years (at current discount rate)	8	9	18	17
Weighted-average interest rate (at original discount rate)	4.70 %	5.16 %	2.99 %	4.91 %
Weighted-average interest rate (at current discount rate)	5.31 %	5.29 %	3.18 %	5.50 %

(1) Prior period amounts have been updated to conform to current period presentation.

For additional information regarding observable market information and the techniques used to determine the interest rate assumptions seen above, see Note 2 to the Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

For non-participating traditional and limited-payment products, if a cohort is in a loss position where the liability for future policy benefits plus the present value of expected future gross premiums are determined to be insufficient to provide for the present value of expected future policy benefits and non-level claim settlement expenses, then the liability for future policy benefits is adjusted at that time, and thereafter, such that all changes, both favorable and unfavorable, in expected benefits resulting from both actual experience deviations and changes in future assumptions are recognized immediately as a gain or loss respectively.

For both the first three months of 2025 and 2024, there was an immaterial impact to net income for non-participating traditional and limited-payment products, where net premiums exceeded gross premiums for certain issue-year cohorts.

Deferred Profit Liability

The balances of and changes in DPL as of and for the period indicated are as follows:

	Three Months Ended March 31, 2025		
	Deferred Profit Liability		
	Retirement Strategies		
	Institutional	International Businesses	Total
	(in millions)		
Balance, BOP, post-flooring	$ 5,670	$ 9,354	$ 15,024
Less: Flooring impact, BOP	0	2	2
Balance, BOP, pre-flooring	5,670	9,352	15,022
Effect of assumption update	0	0	0
Effect of actual variances from expected experience and other activity	12	(11)	1
Adjusted balance, BOP	5,682	9,341	15,023
Profits deferred	31	666	697
Interest accrual	58	84	142
Amortization	(146)	(522)	(668)
Foreign currency adjustment	9	202	211
Other adjustments	0	13	13
Balance, EOP, pre-flooring	5,634	9,784	15,418
Flooring impact, EOP	0	2	2
Balance, EOP, post-flooring	5,634	9,786	15,420
Less: Reinsurance recoverables	389	41	430
Balance after reinsurance recoverables, EOP, post-flooring	$ 5,245	$ 9,745	14,990
Other businesses			161
Total balance after reinsurance recoverables, EOP			$ 15,151

	Three Months Ended March 31, 2024		
	Deferred Profit Liability		
	Retirement Strategies		
	Institutional	International Businesses(1)	Total
	(in millions)		
Balance, BOP, post-flooring	$ 5,615	$ 9,259	$ 14,874
Less: Flooring impact, BOP	0	2	2
Balance, BOP, pre-flooring	5,615	9,257	14,872
Effect of assumption update	0	0	0
Effect of actual variances from expected experience and other activity	26	(23)	3
Adjusted balance, BOP	5,641	9,234	14,875
Profits deferred	38	732	770
Interest accrual	57	80	137
Amortization	(142)	(537)	(679)
Foreign currency adjustment	(3)	(248)	(251)
Other adjustments	0	11	11
Balance, EOP, pre-flooring	5,591	9,272	14,863
Flooring impact, EOP	0	2	2
Balance, EOP, post-flooring	5,591	9,274	14,865
Less: Reinsurance recoverables	382	40	422
Balance after reinsurance recoverables, EOP, post-flooring	$ 5,209	$ 9,234	14,443
Other businesses			142
Total balance after reinsurance recoverables, EOP			$ 14,585

(1) Prior period amounts have been updated to conform to current period presentation.

Additional Insurance Reserves

AIR represents the additional liability for annuitization, death, or other insurance benefits, including guaranteed minimum death benefits ("GMDB") and guaranteed minimum income benefits ("GMIB") contract features, that are above and beyond the contractholder's account balance for certain long-duration life contracts.

The following table shows a rollforward of AIR balances for variable and universal life products within Individual Life, which is the only line of business that contains a material AIR balance, for the period indicated, along with a reconciliation to the Company's total AIR balance:

	Three Months Ended March 31,	
	2025	2024
	(in millions)	
Balance, including amounts in AOCI, BOP, post-flooring	$ 16,376	$ 14,308
Flooring impact and amounts in AOCI	632	843
Balance, excluding amounts in AOCI, BOP, pre-flooring	17,008	15,151
Effect of assumption update	0	0
Effect of actual variances from expected experience and other activity	18	144
Adjusted balance, BOP	17,026	15,295
Assessments collected(1)	273	292
Interest accrual	143	129
Benefits paid	(99)	(72)
Other adjustments	(5)	0
Balance, excluding amounts in AOCI, EOP, pre-flooring	17,338	15,644
Flooring impact and amounts in AOCI	(527)	(1,029)
Balance, including amounts in AOCI, EOP, post-flooring	16,811	14,615
Less: Reinsurance recoverables	9,806	7,198
Balance after reinsurance recoverables, including amounts in AOCI, EOP	7,005	7,417
Other businesses	63	117
Total balance after reinsurance recoverables	$ 7,068	$ 7,534

(1) Represents the portion of gross assessments required to fund the future policy benefits.

	Three Months Ended March 31,	
	2025	2024
Weighted-average duration of the liability in years (at original discount rate)	21	22
Weighted-average interest rate (at original discount rate)	3.38 %	3.39 %

Future Policy Benefits Reconciliation

The following table presents the reconciliation of the ending balances from above rollforwards, Benefit Reserves, DPL, and AIR including other liabilities, gross of related reinsurance recoverable, to the total liability for Future Policy Benefits on the Company's Consolidated Statement of Financial Position as of the periods indicated:

	Three Months Ended March 31,	
	2025	2024
	(in millions)	
Benefit reserves, EOP, post-flooring	$ 187,472	$ 191,868
Deferred Profit Liability EOP, post-flooring	15,581	15,007
Additional insurance reserves, including amounts in AOCI, EOP, post-flooring	16,874	14,732
Subtotal of amounts disclosed above	219,927	221,607
Other Future Policy Benefits reserves(1)	50,042	51,183
Total Future Policy Benefits	$ 269,969	$ 272,790

(1) Primarily represents balances for which disaggregated rollforward disclosures are not required, including Closed Block liabilities, unpaid claims and claims expenses, and incurred but not reported and in course of settlement claim liabilities.

Revenue and Interest Expense

The following tables present revenue and interest expense related to Benefit Reserves, DPL, and AIR in the Company's Consolidated Statement of Operations as of the periods indicated:

	Three Months Ended March 31, 2025					
	Revenues(1)					
	Retirement Strategies	Individual Life				
	Institutional	Term Life	Variable/Universal Life	International Businesses	Other Businesses	Total
	(in millions)					
Benefit reserves	$ 1,678	$ 468	$ 0	$ 2,970	$ 142	$ 5,258
Deferred profit liability	45	0	0	(230)	0	(185)
Additional insurance reserves	0	0	835	0	0	835
Total	$ 1,723	$ 468	$ 835	$ 2,740	$ 142	$ 5,908

	Three Months Ended March 31, 2024					
	Revenues(1)					
	Retirement Strategies	Individual Life				
	Institutional	Term Life	Variable/Universal Life	International Businesses(2)	Other Businesses	Total
	(in millions)					
Benefit reserves	$ 10,277	$ 458	$ 0	$ 3,200	$ 140	$ 14,075
Deferred profit liability	20	0	0	(263)	7	(236)
Additional insurance reserves	0	0	788	0	0	788
Total	$ 10,297	$ 458	$ 788	$ 2,937	$ 147	$ 14,627

	Three Months Ended March 31, 2025					
	Interest Expense					
	Retirement Strategies	Individual Life				
	Institutional	Term Life	Variable/Universal Life	International Businesses	Other Businesses	Total
	(in millions)					
Benefit reserves	$ 901	$ 105	$ 0	$ 805	$ 130	$ 1,941
Deferred profit liability	58	0	0	84	2	144
Additional insurance reserves	0	0	143	0	1	144
Total	$ 959	$ 105	$ 143	$ 889	$ 133	$ 2,229

	Three Months Ended March 31, 2024					
	Interest Expense					
	Retirement Strategies	Individual Life				
	Institutional	Term Life	Variable/Universal Life	International Businesses(2)	Other Businesses	Total
	(in millions)					
Benefit reserves	$ 786	$ 103	$ 0	$ 800	$ 127	$ 1,816
Deferred profit liability	57	0	0	80	1	138
Additional insurance reserves	0	0	129	0	0	129
Total	$ 843	$ 103	$ 129	$ 880	$ 128	$ 2,083

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(1) Represents gross premiums for benefit reserves, gross premiums, excluding impact of foreign currency adjustments for DPL and gross assessments for AIR
(2) Prior period amounts have been updated to conform to current period presentation.

10. POLICYHOLDERS' ACCOUNT BALANCES

The balances of and changes in policyholders' account balances as of and for the periods ended are as follows:

	Three Months Ended March 31, 2025						
	Retirement Strategies			Group Insurance	Individual Life		
	Institutional	Individual Variable	Individual Fixed	Life/Disability	Variable/Universal Life	International Businesses	Total
	($ in millions)						
Balance, beginning of period	$ 19,088	$ 34,085	$ 12,020	$ 4,974	$ 27,596	$ 54,270	$ 152,033
Deposits	1,686	2,230	1,132	120	691	2,357	8,216
Interest credited	197	157	77	35	198	92	756
Acquisitions and dispositions	0	0	0	0	0	0	0
Policy charges	(3)	(16)	(11)	(89)	(514)	(149)	(782)
Surrenders and withdrawals	(1,363)	(285)	(199)	(452)	(446)	(382)	(3,127)
Benefit payments	(169)	(20)	(33)	0	(53)	(496)	(771)
Net transfers (to) from separate account	0	33	0	(13)	143	0	163
Change in market value and other adjustments(1)	0	(1,411)	(50)	0	11	(4)	(1,454)
Foreign currency adjustment	0	0	0	0	0	857	857
Balance, end of period	$ 19,436	$ 34,773	$ 12,936	$ 4,575	$ 27,626	$ 56,545	$ 155,891
Closed Block Division							4,324
Unearned revenue reserve, unearned expense credit, and additional interest reserve							6,220
Other(2)							3,843
Total Policyholders' account balance							$ 170,278
Weighted-average crediting rate	4.10 %	1.83 %	2.47 %	2.94 %	2.87 %	0.66 %	1.96 %
Net amount at risk(3)	$ 0	$ 0	$ 1	$ 74,477	$ 405,184	$ 29,251	$ 508,913
Cash surrender value(4)	$ 19,436	$ 33,286	$ 11,317	$ 3,658	$ 23,973	$ 50,581	$ 142,251

	Three Months Ended March 31, 2024						
	Retirement Strategies			Group Insurance	Individual Life		
	Institutional	Individual Variable	Individual Fixed	Life/Disability	Variable/Universal Life	International Businesses(5)	Total
	($ in millions)						
Balance, beginning of period	$ 17,738	$ 23,765	$ 7,095	$ 5,293	$ 27,439	$ 51,399	$ 132,729
Deposits	1,919	1,626	1,570	138	612	2,052	7,917
Interest credited	175	108	50	40	189	637	1,199
Acquisitions and Dispositions	0	0	0	0	0	0	0
Policy charges	(3)	(4)	0	(80)	(513)	(156)	(756)
Surrenders and withdrawals	(1,231)	(231)	(150)	(434)	(420)	(515)	(2,981)
Benefit payments	(149)	(18)	(19)	0	(37)	(526)	(749)
Net transfers (to) from separate account	0	(3)	0	0	139	0	136
Change in market value and other adjustments(1)	1	1,360	88	0	37	(9)	1,477
Foreign currency adjustment	0	0	0	0	0	(1,386)	(1,386)
Balance, end of period	$ 18,450	$ 26,603	$ 8,634	$ 4,957	$ 27,446	$ 51,496	$ 137,586
Closed Block Division							4,464
Unearned revenue reserve, unearned expense credit, and additional interest reserve							5,501
Other(2)							4,259
Total Policyholders' account balance							$ 151,810
Weighted-average crediting rate	3.87 %	1.71 %	2.54 %	3.08 %	2.76 %	4.95 %	3.55 %
Net amount at risk(3)	$ 0	$ 0	$ 0	$ 74,075	$ 384,991	$ 24,734	$ 483,800
Cash surrender value(4)	$ 18,450	$ 24,376	$ 7,174	$ 3,812	$ 23,439	$ 45,403	$ 122,654

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(1) Primarily relates to changes in the value of embedded derivative instruments associated with the indexed options of certain products.
(2) Includes $5,040 million and $5,352 million of Full Service account balances reinsured to Great-West as of March 31, 2025 and 2024, respectively.
(3) The net amount at risk calculation includes both general account and separate account balances.
(4) Cash surrender value represents the amount of the contractholder's account balances distributable at the balance sheet date less certain surrender charges. There are no cash surrender charges for the Institutional Retirement Strategies segment.
(5) Prior period amounts have been updated to conform to current period presentation.

"Policyholders' account balances" for Institutional Retirement Strategies, International Businesses and Corporate and Other includes the Company's Funding Agreement Notes Issuance Program ("FANIP"), which totaled $5,639 million and $5,722 million at March 31, 2025 and 2024, respectively. Under this program, which has a maximum authorized amount of $15 billion of medium-term notes and $6 billion of commercial paper, Delaware statutory trusts issue short-term commercial paper and/or medium-term notes to investors that are secured by funding agreements issued to the trusts by PICA. The outstanding commercial paper and notes have fixed or floating interest rates that range from 0.0% to 5.6% and original maturities ranging from three months to seven years. Included in the amounts at March 31, 2025 and 2024 are funding agreements that secure the medium-term note liability, which are carried at amortized cost, of $3,467 million and $3,465 million, respectively, and short-term note liability of $2,008 million and $2,297 million, respectively, and Retail Note liability of $187 million and $0 million, respectively.

"Policyholders' account balances" for Institutional Retirement Strategies also includes collateralized funding agreements issued to the Federal Home Loan Bank of New York ("FHLBNY") totaling $2,628 million as of both March 31, 2025 and 2024. These obligations, which are carried at amortized cost, have fixed interest rates that range from 1.925% to 4.510% and original maturities of seven years.

The Company issues variable life and universal life insurance contracts which may also include a "no-lapse guarantee" where the Company contractually guarantees to the contractholder a death benefit even when the account value drops to zero, as long as the "no-lapse guarantee" premium is paid.

The net amount at risk is generally defined as the current death benefit in excess of the current account balance at the balance sheet date. The Company's primary risk exposures for these contracts relates to actual deviations from, or changes to, the assumptions used in the original pricing of these products, including contractholder mortality, contract lapses, and premium pattern, as well as interest rate and equity market returns.

The Company also issues annuity contracts that provide certain death benefit and/or living benefit guarantees and are accounted for as MRBs. See Note 11 for additional information, including the net amount at risk associated with these guarantees.

The balance of account values by range of guaranteed minimum crediting rates and the related range of difference, in basis points ("bps"), between rates being credited to policyholders and the respective guaranteed minimums are as follows:

	March 31, 2025				
Range of Guaranteed Minimum Crediting Rate (1)	At guaranteed minimum	1 - 50 bps above guaranteed minimum	51 - 150 bps above guaranteed minimum	Greater than 150 bps above guaranteed minimum	Total
	(in millions)				
Retirement Strategies - Institutional					
Less than 1.00%	$ 400	$ 0	$ 0	$ 0	$ 400
1.00% - 1.99%	1,551	0	0	0	1,551
2.00% - 2.99%	78	0	0	0	78
3.00% - 4.00%	3,973	0	0	0	3,973
Greater than 4.00%	3,238	0	0	0	3,238
Total	$ 9,240	$ 0	$ 0	$ 0	$ 9,240
Retirement Strategies - Individual Variable					
Less than 1.00%	$ 232	$ 337	$ 604	$ 0	$ 1,173
1.00% - 1.99%	103	349	3	0	455
2.00% - 2.99%	21	4	4	0	29
3.00% - 4.00%	1,657	1	8	0	1,666
Greater than 4.00%	81	0	0	0	81
Total	$ 2,094	$ 691	$ 619	$ 0	$ 3,404
Retirement Strategies - Individual Fixed					
Less than 1.00%	$ 0	$ 3	$ 13	$ 1,062	$ 1,078
1.00% - 1.99%	444	74	203	70	791
2.00% - 2.99%	536	461	553	15	1,565
3.00% - 4.00%	2,587	58	11	3	2,659
Greater than 4.00%	81	0	0	0	81
Total	$ 3,648	$ 596	$ 780	$ 1,150	$ 6,174
Group Insurance - Life / Disability					
Less than 1.00%	$ 0	$ 0	$ 0	$ 800	$ 800
1.00% - 1.99%	0	0	0	2	2
2.00% - 2.99%	45	0	0	0	45
3.00% - 4.00%	1,453	0	50	9	1,512
Greater than 4.00%	3	0	0	0	3
Total	$ 1,501	$ 0	$ 50	$ 811	$ 2,362
Individual Life - Variable / Universal Life					
Less than 1.00%	$ 0	$ 0	$ 0	$ 347	$ 347
1.00% - 1.99%	310	0	2,082	1,578	3,970
2.00% - 2.99%	298	1,547	2,746	420	5,011
3.00% - 4.00%	5,974	1,724	1,310	41	9,049
Greater than 4.00%	5,343	0	0	0	5,343
Total	$ 11,925	$ 3,271	$ 6,138	$ 2,386	$ 23,720
International Businesses					
Less than 1.00%	$ 16,363	$ 43	$ 78	$ 3,282	$ 19,766
1.00% - 1.99%	10,725	30	0	0	10,755
2.00% - 2.99%	4,615	268	27	0	4,910
3.00% - 4.00%	6,807	0	0	0	6,807
Greater than 4.00%	9,727	0	0	0	9,727
Total	$ 48,237	$ 341	$ 105	$ 3,282	$ 51,965

Range of Guaranteed Minimum Crediting Rate (1)	March 31, 2024				
	At guaranteed minimum	1 - 50 bps above guaranteed minimum	51 - 150 bps above guaranteed minimum	Greater than 150 bps above guaranteed minimum	Total
	(in millions)				
Retirement Strategies - Institutional					
Less than 1.00%	$ 400	$ 0	$ 0	$ 0	$ 400
1.00% - 1.99%	1,551	0	0	0	1,551
2.00% - 2.99%	593	0	0	0	593
3.00% - 4.00%	4,926	0	0	0	4,926
Greater than 4.00%	2,099	0	0	0	2,099
Total	$ 9,569	$ 0	$ 0	$ 0	$ 9,569
Retirement Strategies - Individual Variable					
Less than 1.00%	$ 866	$ 727	$ 70	$ 0	$ 1,663
1.00% - 1.99%	219	24	1	0	244
2.00% - 2.99%	26	5	4	0	35
3.00% - 4.00%	1,867	9	9	0	1,885
Greater than 4.00%	91	0	0	0	91
Total	$ 3,069	$ 765	$ 84	$ 0	$ 3,918
Retirement Strategies - Individual Fixed					
Less than 1.00%	$ 0	$ 2	$ 6	$ 621	$ 629
1.00% - 1.99%	510	108	244	80	942
2.00% - 2.99%	548	466	564	16	1,594
3.00% - 4.00%	573	46	2	0	621
Greater than 4.00%	92	0	0	0	92
Total	$ 1,723	$ 622	$ 816	$ 717	$ 3,878
Group Insurance - Life / Disability					
Less than 1.00%	$ 0	$ 0	$ 0	$ 1,021	$ 1,021
1.00% - 1.99%	0	0	0	0	0
2.00% - 2.99%	28	0	0	0	28
3.00% - 4.00%	1,471	0	0	61	1,532
Greater than 4.00%	72	0	0	0	72
Total	$ 1,571	$ 0	$ 0	$ 1,082	$ 2,653
Individual Life - Variable / Universal Life					
Less than 1.00%	$ 0	$ 0	$ 0	$ 346	$ 346
1.00% - 1.99%	226	0	1,662	1,789	3,677
2.00% - 2.99%	32	1,462	3,004	280	4,778
3.00% - 4.00%	4,366	4,177	1,144	24	9,711
Greater than 4.00%	5,460	0	0	0	5,460
Total	$ 10,084	$ 5,639	$ 5,810	$ 2,439	$ 23,972
International Businesses(2)					
Less than 1.00%	$ 15,961	$ 43	$ 86	$ 2,311	$ 18,401
1.00% - 1.99%	11,112	86	0	0	11,198
2.00% - 2.99%	4,975	290	35	0	5,300
3.00% - 4.00%	5,643	0	0	0	5,643
Greater than 4.00%	6,045	0	0	0	6,045
Total	$ 43,736	$ 419	$ 121	$ 2,311	$ 46,587

(1) Excludes contracts without minimum guaranteed crediting rates, such as funds with indexed-linked crediting options and Japan variable products.
(2) Prior period amounts have been updated to conform to current period presentation.

Unearned Revenue Reserve ("URR")

The balance of and changes in URR as of and for the periods ended are as follows:

	Three Months Ended March 31, 2025		
	Individual Life		
	Variable/ Universal Life	International Businesses	Total
	(in millions)		
Balance, beginning of period	$ 5,245	$ 505	$ 5,750
Unearned revenue	215	50	265
Amortization expense	(64)	(7)	(71)
Other adjustments	0	0	0
FX adjustment	0	17	17
Balance, end of period	$ 5,396	$ 565	5,961
Other			62
Total unearned revenue reserve balance			$ 6,023

	Three Months Ended March 31, 2024		
	Individual Life		
	Variable/ Universal Life	International Businesses(1)	Total
	(in millions)		
Balance, beginning of period	$ 4,613	$ 454	$ 5,067
Unearned revenue	215	42	257
Amortization expense	(58)	(5)	(63)
Other adjustments	0	0	0
FX adjustment	0	(18)	(18)
Balance, end of period	$ 4,770	$ 473	5,243
Other			51
Total unearned revenue reserve balance			$ 5,294

(1) Prior period amounts have been updated to conform to current period presentation.

11. MARKET RISK BENEFITS

The following table shows a rollforward of MRB balances for variable annuity products within Individual Retirement Strategies, which is the only line of business that contains a material MRB balance, along with a reconciliation to the Company's total net MRB positions as of the following dates:

	Three Months Ended March 31,	
	2025	2024
	(in millions)	
Balance, BOP	$ 2,740	$ 4,038
Effect of cumulative changes in NPR	672	1,137
Balance, BOP, before effect of changes in NPR	3,412	5,175
Attributed fees collected	265	288
Claims paid	(21)	(22)
Interest accrual	41	74
Actual in force different from expected	18	2
Effect of changes in interest rates	433	(868)
Effect of changes in equity markets	241	(888)
Issuances	24	13
Other adjustments	0	14
Balance, EOP, before effect of changes in NPR	4,413	3,788
Effect of cumulative changes in NPR	(839)	(886)
Balance, EOP	3,574	2,902
Less: Reinsured MRBs	736	560
Balance, EOP, net of reinsurance	2,838	2,342
Other businesses	44	57
Total net MRB balance	$ 2,882	$ 2,399

The Company issues certain variable annuity insurance contracts where the Company contractually guarantees to the contractholder a return of no less than (1) total deposits made to the contract adjusted for any partial withdrawals plus a minimum return, and/or (2) the highest anniversary contract value on a specified date adjusted for any withdrawals. These guarantees include benefits that are payable in the event of death, annuitization or at specified dates during the accumulation period and withdrawal and income benefits payable during specified periods.

The Company also issues indexed variable annuity contracts for which the return is tied to the return of specific indices where the Company contractually guarantees to the contractholder a return of no less than total deposits made to the contract adjusted for any partial withdrawals upon death. In certain of these indexed variable annuity contracts, the Company also contractually guarantees to the contractholder withdrawal benefits payable during specific periods.

For guarantees of benefits that are payable in the event of death, the net amount at risk is generally defined as the current guaranteed minimum death benefit in excess of the current account balance at the balance sheet date. The Company's primary risk exposures for these contracts relates to actual deviations from, or changes to, the assumptions used in the original pricing of these products, including fixed income and equity market returns, contract lapses and contractholder mortality.

For guarantees of benefits that are payable at annuitization, the net amount at risk is generally defined as the present value of the minimum guaranteed annuity payments available to the contractholder determined in accordance with the terms of the contract in excess of the current account balance. The Company's primary risk exposures for these contracts relates to actual deviations from, or changes to, the assumptions used in the original pricing of these products, including fixed income and equity market returns, timing of annuitization, contract lapses and contractholder mortality.

For guarantees of benefits that are payable at withdrawal, the net amount at risk is generally defined as the present value of the minimum guaranteed withdrawal payments available to the contractholder determined in accordance with the terms of the contract in excess of the current account balance.

For guarantees of accumulation balances, the net amount at risk is generally defined as the guaranteed minimum accumulation balance minus the current account balance. The Company's primary risk exposures for these contracts relates to actual deviations from, or changes to, the assumptions used in the original pricing of these products, including equity market returns, interest rates, market volatility and contractholder behavior.

The following table presents accompanying information to the rollforward table above.

	March 31, 2025	March 31, 2024
	($ in millions)	
Net amount at risk(1)	$ 9,715	$ 8,970
Weighted-average attained age of contractholders	71	70

(1) For contracts with multiple benefit features, the highest net amount at risk for each contract is included.

The tables below reconcile MRB asset and liability positions as of the following dates:

	March 31, 2025		
	Retirement Strategies Individual Variable	Other Businesses	Total
	(in millions)		
Direct and assumed	$ 1,275	$ 1	$ 1,276
Ceded	862	1	863
Total MRB assets	$ 2,137	$ 2	$ 2,139
Direct and assumed	$ 4,849	$ 46	$ 4,895
Ceded	126	0	126
Total MRB liabilities	$ 4,975	$ 46	$ 5,021
Net liability	$ 2,838	$ 44	$ 2,882

	March 31, 2024		
	Retirement Strategies Individual Variable	Other Businesses	Total
	(in millions)		
Direct and assumed	$ 1,497	$ 10	$ 1,507
Ceded	715	3	718
Total MRB assets	$ 2,212	$ 13	$ 2,225
Direct and assumed	$ 4,399	$ 70	$ 4,469
Ceded	155	0	155
Total MRB liabilities	$ 4,554	$ 70	$ 4,624
Net liability	$ 2,342	$ 57	$ 2,399

12. REINSURANCE

The Company participates in reinsurance with third parties primarily to provide additional capacity for future growth, limit the maximum net loss potential arising from large risks and acquire or dispose of businesses.

Effective October 2024, the Company entered into an agreement with Wilton Reassurance Company and Wilton Reinsurance Bermuda Limited (collectively, “Wilton Re”) to reinsure certain guaranteed universal life policies issued by Pruco Life Insurance Company (“Pruco Life”) and Pruco Life Insurance Company of New Jersey (“PLNJ”), both of which are wholly-owned subsidiaries of Prudential Financial. These policies represented approximately 40% of the Company’s remaining statutory reserves on its in-force guaranteed universal life block of business as of September 30, 2024, following the close of the reinsurance transaction with Somerset Reinsurance Ltd. (“Somerset Re”), as discussed below. The transaction is structured on a coinsurance basis and follows reinsurance accounting. As a result of the transaction, the Company recognized a $980 million deferred reinsurance loss at inception that is amortized into income over the estimated remaining life of the reinsured policies.

Effective January 2024, the Company entered into an agreement with Somerset Re to reinsure certain guaranteed universal life policies issued by Pruco Life and PLNJ, both of which are wholly-owned subsidiaries of Prudential Financial. These policies represented approximately 30% of the Company’s statutory reserves on its in-force guaranteed universal life block of business as of December 31, 2023. This transaction is structured on a modified coinsurance basis and follows reinsurance accounting. As a result of the transaction, the Company recognized a $363 million deferred reinsurance gain at inception that is amortized into income over the estimated remaining life of the reinsured policies. The reinsurance payables, which represent the Company’s obligations under the modified coinsurance arrangement, are netted with the reinsurance recoverables in the Unaudited Interim Consolidated Statements of Financial Position. Separately, effective September 2019, Prudential Annuities Life Assurance Corporation (“PALAC”), a previously wholly-owned subsidiary of Prudential Financial, entered into an agreement with Somerset Re, to coinsure business, on a quota share funds withheld basis, related to fixed indexed annuities. This agreement was subsequently novated from PALAC to Pruco Life effective October 2021, in connection with the sale of PALAC effective April 2022. Under this reinsurance agreement, which is accounted for under the deposit method of accounting, the Company cedes to Somerset Re its quota share of the insurance liabilities with respect to the reinsured contracts. The deposit receivables were $2,582 million and $2,795 million as of March 31, 2025 and December 31, 2024, respectively, and the funds withheld payables were $2,627 million and $2,595 million as of March 31, 2025 and December 31, 2024, respectively.

Effective September 2023, the Company entered into an agreement with Prismic Life Reinsurance, Ltd. (“Prismic Re”), a wholly-owned subsidiary of Prismic Life Holding Company LP (“Prismic”), to reinsure approximately $9 billion of reserves, representing approximately 70% of the in-force structured settlement annuities business previously issued by PICA, 90% of which is on a coinsurance with funds withheld basis and 10% of which is on a coinsurance basis. The reinsurance of the structured settlement annuities that provide periodic payments for the lifetime of the annuitant follows reinsurance accounting. The reinsurance of structured settlement annuities that provide payments for a guaranteed period of time and do not include life contingency risk follows deposit accounting. Separately, effective March 2025, the Company entered into an agreement with Prismic Life Reinsurance International, Ltd. (“Prismic Re International”), a wholly-owned subsidiary of Prismic, to reinsure approximately $7 billion of reserves for certain USD-denominated Japanese whole life policies originated by the Company’s Japanese affiliates. The transaction is structured on a coinsurance basis and is accounted for under the deposit method of accounting as the reinsured policies do not include life contingency risk and are accounted for as investment contracts.

Effective April 2023, the Company entered into an agreement with The Ohio National Life Insurance Company, now known as AuguStar, an affiliate of Constellation Insurance Holdings, Inc., to reinsure approximately $10 billion of account values of PDI traditional variable annuity contracts with guaranteed living benefits issued by Pruco Life, a wholly-owned subsidiary of Prudential Financial. This block represents approximately 10% of the Company’s remaining legacy in-force traditional variable annuity block by account value. The Company ceded 100% of separate account liabilities under modified coinsurance and 100% of general account liabilities under coinsurance of its Pruco Life issued PDI traditional variable annuity contracts. The general account liabilities associated with PDI’s guaranteed living and death benefits and the corresponding reinsurance of those liabilities are accounted for as market risk benefits.

Effective April 2022, in connection with the sale of the Full Service Retirement business, the Company entered into separate agreements with external counterparties, Great-West and Great-West Life & Annuity Insurance Company of New York, now known as Empower Annuity Insurance Company of America and Empower Life & Annuity Insurance Company of New York, respectively, to reinsure a portion of its Full Service Retirement business. The Company ceded 100% of separate account liabilities under modified coinsurance and 100% of general account liabilities under coinsurance of its Full Service Retirement business. The Company's Full Service Retirement business consists of market value and stable value separate accounts as well as general account products, including stable value accumulation funds and a stable value wrap product known as a synthetic guaranteed investment contract. The majority of these products are considered investment contracts as they do not contain significant insurance risk; therefore, the reinsurance of such products are accounted for under the deposit method of accounting. The reinsurance agreement offers the policyholders the opportunity to novate their contracts from the Company to Empower and any such novated contracts shall cease to be reinsured under this agreement.

Effective April 2022, in connection with the sale of the PALAC legal entity, now known as Fortitude Life Insurance and Annuity Company ("FLIAC"), the Company entered into a reinsurance agreement with FLIAC under which the Company assumed all of FLIAC's indexed variable annuities under modified coinsurance. The reinsurance of the indexed variable annuities transfers all significant risks, including mortality risk, embedded in the reinsured contracts. As a result of the agreement, reinsurance recoverables includes the assumed modified coinsurance receivable, which reflects the value of the invested assets retained by FLIAC and the associated asset returns. The Company also assumed via coinsurance all of FLIAC's fixed indexed annuities with a guaranteed lifetime withdrawal income feature, which are accounted for under the deposit method of accounting. The reinsurance agreement offers the policyholders the opportunity to novate their contracts from FLIAC to the Company and any such novated contracts shall cease to be reinsured under this agreement.

Effective April 2015, the Company entered into an agreement with Union Hamilton Reinsurance, Ltd. ("Union Hamilton") an external counterparty, to reinsure approximately 50% of the Prudential Premier® Retirement Variable Annuity with Highest Daily Lifetime Income ("HDI") v.3.0 business, a guaranteed benefit feature. This reinsurance agreement covered most new HDI v.3.0 variable annuity business issued between April 1, 2015 and December 31, 2016 on a quota share basis, with Union Hamilton's cumulative quota share amounting to $2.9 billion of new rider premiums as of December 31, 2016. Reinsurance on business subject to this agreement remains in force for the duration of the underlying annuity contracts. New sales subsequent to December 31, 2016 are not covered by this external reinsurance agreement. This reinsurance agreement is accounted for as market risk benefits.

In January 2013, the Company acquired the Hartford Life Business through reinsurance transactions with three subsidiaries of Hartford Financial Services Group, Inc. ("Hartford Financial"). Under the related agreements, the Company provided reinsurance for approximately 700,000 life insurance policies with net retained face amount in force of approximately $141 billion. The Company acquired the general account business through a coinsurance arrangement and, for certain types of general account policies, a modified coinsurance arrangement. The Company acquired the separate account business through a modified coinsurance arrangement. In May 2018, Hartford Financial sold a group of operating subsidiaries, which included two of the Company's counterparties to these reinsurance arrangements, to Talcott Resolution Life Insurance Company ("Talcott Resolution"). Talcott Resolution was acquired by Sixth Street in July 2021. There was no impact to the terms, rights or obligations of the Company, or operation of these reinsurance arrangements, as a result of these changes in control of such counterparties.

Since 2011, the Company has entered into a number of reinsurance agreements to assume pension liabilities in the United Kingdom. Under these arrangements, the Company assumes the longevity risk, and in some arrangements, also the investment risk associated with the pension benefits of certain specified beneficiaries. The Company also obtains collateral from its counterparties to mitigate counterparty default risk.

In 2006, the Company acquired the variable annuity business of The Allstate Corporation ("Allstate") through a reinsurance transaction. The reinsurance arrangements with Allstate include a coinsurance arrangement associated with the general account liabilities assumed and a modified coinsurance arrangement associated with the separate account liabilities assumed. The reinsurance payables, which represent the Company's obligations under the modified coinsurance arrangement, are netted with the reinsurance recoverables in the Unaudited Interim Consolidated Statements of Financial Position. During the fourth quarter of 2021, Allstate sold the two counterparties to the aforementioned variable annuity reinsurance transaction to third parties. There was no impact to the terms, rights or obligations of the Company, or operation of these reinsurance arrangements, as a result of this change in control of such counterparties.

For the domestic business, life and disability reinsurance is accomplished through various plans of reinsurance, primarily yearly renewable term, per person excess, excess of loss, and coinsurance. On policies sold since 2000, the Company has reinsured a significant portion of the individual life mortality risk. Placement of reinsurance is accomplished primarily on an automatic basis with some specific risks reinsured on a facultative basis. The Company is authorized and has historically retained up to $30 million per life, but reduced its operating retention limit to $20 million per life in 2013 and then down to $10 million per life for new business starting in 2020. Retention in excess of the operating limit is on an exception basis.

The international business primarily uses reinsurance to obtain experience with respect to certain new product offerings and to a lesser extent, to mitigate mortality risk for certain protection products and for capital management purposes.

Reinsurance amounts included in the Unaudited Interim Consolidated Statements of Operations for “Premiums,” “Policy charges and fee income,” “Change in value of market risk benefits, net of related hedging gains (losses),” “Policyholders’ benefits” and “Change in estimates of liability for future policy benefits,” are as follows:

	Three Months Ended March 31,	
	2025	2024
	(in millions)	
Direct premiums	$ 6,022	$ 14,822
Reinsurance assumed	1,594	1,451
Reinsurance ceded	(616)	(736)
Premiums	$ 7,000	$ 15,537
Direct policy charges and fee income	$ 1,183	$ 864
Reinsurance assumed	289	300
Reinsurance ceded	(315)	(108)
Policy charges and fee income	$ 1,157	$ 1,056
Direct change in value of market risk benefits, net of related hedging gains (losses)	$ (367)	$ 150
Reinsurance assumed	(28)	71
Reinsurance ceded	44	(98)
Change in value of market risk benefits, net of related hedging gains (losses)	$ (351)	$ 123
Direct policyholders’ benefits	$ 7,260	$ 15,865
Reinsurance assumed	1,970	1,843
Reinsurance ceded	(1,090)	(1,114)
Policyholders’ benefits	$ 8,140	$ 16,594
Direct change in estimates of liability for future policy benefits	$ (47)	$ 146
Reinsurance assumed	0	(5)
Reinsurance ceded	(3)	(158)
Change in estimates of liability for future policy benefits	$ (50)	$ (17)

Reinsurance recoverables are as follows:

	March 31, 2025	December 31, 2024
	(in millions)	
Prismic Re(1)	$ 5,465	$ 5,506
FLIAC	1,444	1,442
Other	39	39
Individual and group annuities	6,948	6,987
Wilton Re	7,584	7,478
Somerset Re(2)	1,647	1,591
Hartford Life Business(3)	2,027	2,033
Other	8,158	7,996
Life insurance	19,416	19,098
Other reinsurance	416	401
Total reinsurance recoverables(4)(5)	$ 26,780	$ 26,486

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(1) Excludes deposit receivables related to the reinsurance agreement with Prismic Re of $3,544 million and $3,578 million as of March 31, 2025 and December 31, 2024, respectively. The Company has also recorded funds withheld payables related to the reinsurance agreement with Prismic Re of $7,880 million and $7,796 million as of March 31, 2025 and December 31, 2024, respectively. Additionally, excludes deposit receivables related to the reinsurance agreement with Prismic Re International of $6,304 million as of March 31, 2025.

(2) Represents reinsurance recoverables of $8,027 million and $7,979 million as of March 31, 2025 and December 31, 2024, respectively that are netted with reinsurance payables of $6,380 million and $6,388 million as of March 31, 2025 and December 31, 2024, respectively, related to the reinsurance agreement with Somerset Re in which the Company reinsured a portion of its in-force guaranteed universal life block of business under modified coinsurance.

(3) The Company has also recorded reinsurance payables related to the Hartford Life Business acquisition of $1,447 million and $1,387 million as of March 31, 2025 and December 31, 2024, respectively.

(4) Net of $14 million and $12 million of allowance for credit losses as of March 31, 2025 and December 31, 2024, respectively.

(5) Excludes deposit receivables of arrangements that are accounted for under the deposit method of accounting of $17,202 million and $11,194 million as of March 31, 2025 and December 31, 2024, respectively.

Excluding the reinsurance recoverables associated with the counterparties separately identified within the reinsurance recoverables table above, four major reinsurance companies account for approximately 60% of the Company's remaining reinsurance recoverables as of March 31, 2025. The Company periodically reviews the financial condition of its reinsurers, amounts recoverable therefrom, and unearned reinsurance premium, in order to reduce its exposure to loss from reinsurer insolvencies. Any expected credit losses are reflected in the current expected credit loss ("CECL") allowance, after considering any collateral the Company obtained in the form of a trust, letter of credit, or funds withheld arrangement. See Note 2 to the Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024 for additional details regarding CECL.

13. CLOSED BLOCK

On December 18, 2001, the date of demutualization, The Prudential Insurance Company of America ("PICA") established a closed block for certain in-force participating insurance policies and annuity products, along with corresponding assets used for the payment of benefits and policyholders' dividends on these products, (collectively the "Closed Block"), and ceased offering these participating products. The recorded assets and liabilities were allocated to the Closed Block at their historical carrying amounts. The Closed Block forms the principal component of the Closed Block division. For additional information regarding the Closed Block, see Note 16 to the Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

As of March 31, 2025 and December 31, 2024, the Company recognized a policyholder dividend obligation of $1,851 million and $2,096 million, respectively, to Closed Block policyholders for the excess of actual cumulative earnings over expected cumulative earnings. Additionally, accumulated net unrealized investment gains (losses) were reflected as a policyholder dividend obligation of $(1,684) million and $(2,096) million at March 31, 2025 and December 31, 2024, respectively, with a corresponding amount reported in AOCI.

As of March 31, 2025, the Closed Block has sufficient funds to make guaranteed policy benefit payments and there is no expectation that assets outside of the Closed Block will be needed to fund future payments. The excess of Closed Block liabilities over Closed Block assets as of the end of the reporting period shown in the table below is a reasonable measure of the margin in the reported liabilities compared to best estimate liabilities assuming the current dividend scale. Closed Block liabilities and assets designated to the Closed Block, as well as maximum future earnings to be recognized from these liabilities and assets, are as follows:

	March 31, 2025	December 31, 2024
	(in millions)	
Closed Block liabilities		
Future policy benefits	$ 42,173	$ 42,464
Policyholders' dividends payable	709	688
Policyholders' dividend obligation	167	0
Policyholders' account balances	4,324	4,359
Other Closed Block liabilities	3,120	3,346
Total Closed Block liabilities	50,493	50,857
Closed Block assets		
Fixed maturities, available-for-sale, at fair value	28,671	28,570
Fixed maturities, trading, at fair value	654	647
Equity securities, at fair value	1,468	1,642
Commercial mortgage and other loans	7,769	7,652
Policy loans	3,315	3,348
Other invested assets	4,940	4,929
Short-term investments	257	520
Total investments	47,074	47,308
Cash and cash equivalents	392	400
Accrued investment income	417	403
Other Closed Block assets	291	367
Total Closed Block assets	48,174	48,478
Excess of reported Closed Block liabilities over Closed Block assets	2,319	2,379
Portion of above representing accumulated other comprehensive income (loss):		
Net unrealized investment gains (losses)	(1,851)	(2,299)
Allocated to policyholder dividend obligation	1,684	2,096
Future earnings to be recognized from Closed Block assets and Closed Block liabilities	$ 2,152	$ 2,176

Information regarding the policyholder dividend obligation is as follows:

	Three Months Ended March 31, 2025
	(in millions)
Balance, December 31, 2024	$ 0
Impact from earnings allocable to policyholder dividend obligation	(245)
Change in net unrealized investment gains (losses) allocated to policyholder dividend obligation	412
Balance, March 31, 2025	$ 167

Closed Block revenues and benefits and expenses are as follows for the periods indicated:

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
	(in millions)	
Revenues		
Premiums	$ 417	$ 409
Net investment income	493	513
Realized investment gains (losses), net	(57)	(125)
Other income (loss)	(34)	164
Total Closed Block revenues	819	961
Benefits and Expenses		
Policyholders’ benefits	601	584
Interest credited to policyholders’ account balances	28	30
Dividends to policyholders	127	275
General and administrative expenses	78	67
Total Closed Block benefits and expenses	834	956
Closed Block revenues, net of Closed Block benefits and expenses, before income taxes	(15)	5
Income tax expense (benefit)	(36)	(15)
Closed Block revenues, net of Closed Block benefits and expenses and income taxes	$ 21	$ 20

14. INCOME TAXES

The Company uses a full-year projected effective tax rate approach to calculate year-to-date taxes. The projected effective tax rate is the ratio of projected “Total income tax expense” divided by projected “Income before income taxes and equity in earnings of joint ventures and other operating entities.” In addition, certain items impacting total income tax expense are recorded in the periods in which they occur. In determining the year-to-date income tax provision, the Company considers the realizability of deferred tax assets, including those associated with unrealized investment losses, and has determined based upon the weight of available evidence that no valuation allowance is necessary related to unrealized investment losses. Taxes attributable to joint ventures and other operating entities are recorded within “Equity in earnings of joint ventures and other operating entities, net of taxes.” The interim period tax expense (or benefit) is the difference between the year-to-date income tax provision and the amounts reported for the previous interim periods of the fiscal year.

The Company’s income tax provision, on a consolidated basis, amounted to an income tax expense of $207 million, or 22.5% of income (loss) before income taxes and equity in earnings of joint ventures and other operating entities, in the first three months of 2025, compared to an income tax expense of $289 million, or 20.8%, in the first three months of 2024. The Company’s current and prior effective tax rates differ from the U.S. statutory rate of 21% primarily due to non-taxable investment income, tax credits, foreign earnings taxed at higher rates than the U.S. statutory rate, and the items discussed below.

Foreign Tax Credit Regulations. The Treasury Department and the IRS published Final Regulations in the Federal Register (Treasury Decision 9959) on January 4, 2022, which affect the creditability of certain foreign taxes for U.S. federal income tax purposes. The Final Regulations created uncertainty as to whether a U.S. foreign tax credit could be claimed for taxes paid to Brazil. The ability to claim a foreign tax credit for taxes paid to Brazil impacted the benefit of the election made pursuant to Internal Revenue Code Section 952 to subject earnings from the Company’s insurance operations in Brazil to tax in the U.S. in the tax year earned, net of related foreign tax credits. The Company continues to assume that the election does not apply in tax years post 2021.

On August 7, 2023, the IRS issued Notice 2023-55 which provides temporary relief to taxpayers in determining whether a foreign tax is eligible for a U.S. foreign tax credit for tax years 2022 and 2023. Subsequently, on December 11, 2023 the IRS issued Notice 2023-80 which extended that relief to taxable years ending before the date that a notice or other guidance withdrawing or modifying the temporary relief is issued and abolished certain changes that the Final Regulations had made to the creditability of a tax paid in lieu of a generally imposed foreign income tax. As a result of this guidance, the Company claimed a U.S. foreign tax credit for taxes paid to Brazil both in 2024 and 2025 for its 2023 tax year and will claim a U.S. foreign tax credit for taxes paid to Brazil in future tax years. This contributed to the Company's Brazil operations not being subject to Global Intangible Low Taxed Income (GILTI) in 2024 and 2025.

GILTI. The GILTI provision applies a minimum U.S. tax to earnings of consolidated foreign subsidiaries in excess of a 10% deemed return on tangible assets of foreign subsidiaries by imposing the U.S. tax rate to 50% of earnings of such foreign affiliates and provides for a partial foreign tax credit for foreign income taxes. In years that the PFI consolidated federal income tax return reports a net operating loss or has a loss attributable to U.S. sources of operations, including as a result of loss carrybacks, the GILTI provision would limit the amount of deductions or credits permissible against GILTI. These limitations did not have a material impact in 2023 or 2024.

On July 20, 2020, the U.S. Treasury and the Internal Revenue Service issued Final Regulations (Treasury Decision 9902) pursuant to Internal Revenue Code Section 951A which allow an annual election to exclude from the U.S. tax return certain GILTI amounts when the taxes paid by a foreign affiliate exceed 18.9% (90% of U.S. statutory rate of 21%) of the GILTI amount for that foreign affiliate (the "high-tax exception"). These regulations are effective for the 2021 taxable year with an election to apply to any taxable year beginning after 2017. In many of the countries in which the Company operates, including Japan and Brazil, there are differences between local tax rules used to determine the tax base and the U.S. tax principles used to determine GILTI. Also, the Company's Japan affiliates have a different tax year than the U.S. calendar tax year used to determine GILTI. Therefore, while many of the countries, including Japan and Brazil, have a statutory tax rate above the 18.9% threshold, separate affiliates may not meet the 18.9% threshold each year and, as such, may not qualify for this annual exclusion. The Company made the high-tax exception election for the 2024 tax year and anticipates to make the high-tax exception election for the 2025 tax year for its foreign affiliates that meet the 18.9% threshold. The Company reflected the impact of the election in its full year projected effective tax rate used to calculate year-to-date taxes for the first three months of 2024 and 2025, respectively.

Tax Law Change. In March 2025, Japan enacted a 4% Special Defense Corporation Tax, effective for tax years beginning on or after April 1, 2026, which raises the corporate income tax rate for the Company's Japan insurance companies from 28% to 28.93%. A tax expense of approximately $36 million resulting from this tax rate change is reflected in the financial statements for the first quarter of 2025, while the Company continues to assess any additional potential impact of this tax rate change.

Tax Audit and Unrecognized Tax Benefits. It is possible the Company will pay the unrecognized tax benefit attributable to the Section 952 election of approximately $86 million for prior period audit cycles within the next 12 months as it pursues resolution of the matter. The payment will have no impact on the effective tax rate. The Company cannot predict with reasonable accuracy whether there will be any significant changes within the next twelve months to its total unrecognized tax benefits related to tax years for which the statute of limitations has not expired.

15. SHORT-TERM AND LONG-TERM DEBT

Short-term Debt

The table below presents the Company’s short-term debt as of the dates indicated:

	March 31, 2025	December 31, 2024
	($ in millions)	
Commercial paper:		
Prudential Financial	$ 25	$ 25
Prudential Funding, LLC	500	496
Subtotal commercial paper	525	521
Current portion of long-term debt:		
Senior Notes	499	0
Surplus notes	347	347
Mortgage debt	35	85
Subtotal current portion of long-term debt	881	432
Subtotal	1,406	953
Less: assets under set-off arrangements(1)	0	0
Total short-term debt(2)	$ 1,406	$ 953
Supplemental short-term debt information:		
Portion of commercial paper borrowings due overnight	$ 250	$ 310
Daily average commercial paper outstanding for the quarter ended	$ 1,692	$ 1,823
Weighted average maturity of outstanding commercial paper, in days	4	15
Weighted average interest rate on outstanding commercial paper	4.33 %	4.61 %

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(1) The surplus notes have corresponding assets where rights to set-off exist, thereby reducing the amount of surplus notes included in short-term debt.
(2) Includes Prudential Financial debt of $524 million and $25 million at March 31, 2025 and December 31, 2024, respectively.

Prudential Financial and certain subsidiaries have access to external sources of liquidity, including membership in the FHLBNY, a funding agreement facility with the Federal Agricultural Mortgage Company (“Farmer Mac”), commercial paper programs and contingent financing facilities in the form of facility agreements. The Company also maintains syndicated, unsecured committed credit facilities as an alternative source of liquidity. At March 31, 2025, no amounts were drawn on these syndicated, unsecured committed credit facilities. For additional information regarding these sources of liquidity, see Note 18 to the Consolidated Financial Statements included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024.

Long-term Debt

The table below presents the Company's long-term debt as of the dates indicated:

	March 31, 2025	December 31, 2024
	(in millions)	
Fixed-rate obligations:		
Surplus notes	$ 0	$ 0
Surplus notes subject to set-off arrangements(1)(2)	15,044	14,748
Senior notes	10,541	10,245
Mortgage debt(3)	121	69
Floating-rate obligations:		
Line of credit	255	255
Surplus notes subject to set-off arrangements(1)	0	0
Mortgage debt(3)	32	31
Junior subordinated notes(4)	8,591	8,587
Subtotal	34,584	33,935
Less: assets under set-off arrangements(1)	15,044	14,748
Total long-term debt(5)	$ 19,540	$ 19,187

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(1) The surplus notes have corresponding assets where rights to set-off exist, thereby reducing the amount of surplus notes included in long-term debt.
(2) Amount includes $7.0 billion of surplus notes used to finance Guideline AXXX reserves for business reinsured to Somerset Re in March 2024. See Note 12 for additional information.
(3) Includes $153 million and $100 million of debt denominated in foreign currency at March 31, 2025 and December 31, 2024, respectively.
(4) Includes Prudential Financial debt of $8,550 million and $8,548 million at March 31, 2025, and December 31, 2024, respectively. Also includes subsidiary debt of $41 million and $39 million denominated in foreign currency at March 31, 2025, and December 31, 2024, respectively.
(5) Includes Prudential Financial debt of $19,091 million and $18,793 million at March 31, 2025 and December 31, 2024, respectively.

At March 31, 2025 and December 31, 2024, the Company was in compliance with all debt covenants related to the borrowings in the table above.

Senior Notes

In August 2024, the Company recommenced sales of InterNotes® Retail Notes under its shelf registration statement. These notes support the Company's Institutional Retirement Strategies business through the purchase of funding agreements on which the segment will earn investment spread. As of March 31, 2025, the outstanding balance of the InterNotes® Retail Notes was $418 million of which $183 million was utilized for Institutional Retirement Strategies, as described above.

In March 2025, the Company issued $750 million in aggregate principal amount of 5.20% medium-term notes due in March 2035.

Junior Subordinated Notes

In April, the Company announced that it will redeem, in full, $1.0 billion in aggregate principal amount of 5.375% junior subordinated notes due in 2045.

16. EMPLOYEE BENEFIT PLANS

Pension and Other Postretirement Plans

The Company has funded and non-funded non-contributory defined benefit pension plans ("Pension Benefits"), which cover substantially all of its employees. For some employees, benefits are based on final average earnings and length of service (the "traditional formula"), while benefits for other employees are based on an account balance that takes into consideration age, length of service and earnings during their career (the "cash balance formula").

The Company provides certain health care and life insurance benefits for its retired employees, their beneficiaries and covered dependents ("Other Postretirement Benefits"). The health care plan is contributory; the life insurance plan is non-contributory. Substantially all of the Company's U.S. employees may become eligible to receive certain other postretirement benefits if they retire after age 55 with at least 10 years of service or under certain circumstances after age 50 with at least 20 years of continuous service.

Net periodic (benefit) cost included in "General and administrative expenses" includes the following components:

	Three Months Ended March 31,			
	Pension Benefits		Other Postretirement Benefits	
	2025	2024	2025	2024
	(in millions)			
Components of net periodic (benefit) cost:				
Service cost	$ 47	$ 52	$ 1	$ 2
Interest cost	141	135	14	13
Expected return on plan assets	(249)	(238)	(18)	(19)
Amortization of prior service cost	0	0	(17)	(17)
Amortization of actuarial (gain) loss, net	21	22	3	2
Settlements	(1)	0	0	0
Net periodic (benefit) cost	$ (41)	$ (29)	$ (17)	$ (19)

17. EQUITY

The changes in the number of shares of Common Stock issued, held in treasury and outstanding, are as follows for the periods indicated:

	Common Stock		
	Issued	Held In Treasury	Outstanding
	(in millions)		
Balance, December 31, 2024	666.3	311.7	354.6
Common Stock issued	0.0	0.0	0.0
Common Stock acquired	0.0	2.2	(2.2)
Stock-based compensation programs(1)	0.0	(1.6)	1.6
Balance, March 31, 2025	666.3	312.3	354.0

(1) Represents net shares issued from treasury pursuant to the Company's stock-based compensation programs.

In December 2024, Prudential Financial's Board of Directors (the "Board") authorized the Company to repurchase at management's discretion up to $1.0 billion of its outstanding Common Stock during the period from January 1, 2025 through December 31, 2025. As of March 31, 2025, 2.2 million shares of the Company's Common Stock were repurchased under this authorization at a total cost of $250 million.

The timing and amount of share repurchases are determined by management based upon market conditions and other considerations, and such repurchases may be executed in the open market, through derivative, accelerated repurchase and other negotiated transactions and through plans complying with Rule 10b5-1(c) under the Securities Exchange Act of 1934 (the "Exchange Act"), as amended. Numerous factors could affect the timing and amount of any future repurchases under the share repurchase authorization, including, but not limited to: compliance with laws, increased capital needs of the Company due to changes in regulatory capital requirements, opportunities for growth and acquisitions, and the effect of adverse market conditions.

Dividends declared per share of Common Stock are as follows for the periods indicated:

	Three Months Ended March 31,	
	2025	2024
Dividends declared per share of Common Stock	$ 1.35	$ 1.30

Accumulated Other Comprehensive Income (Loss)

AOCI represents the cumulative OCI items that are reported separate from net income and detailed on the Unaudited Interim Consolidated Statements of Comprehensive Income. The balance of and changes in each component of AOCI as of and for the three months ended March 31, 2025 and 2024, are as follows:

	Accumulated Other Comprehensive Income (Loss) Attributable to Prudential Financial, Inc.					
	Foreign Currency Translation Adjustment	Net Unrealized Investment Gains (Losses)(1)	Interest rate remeasurement of Liability for Future Policy Benefits	Gains (Losses) from Changes in Non-performance Risk on Market Risk Benefits	Pension and Postretirement Unrecognized Net Periodic Benefit (Cost)	Total Accumulated Other Comprehensive Income (Loss)
	(in millions)					
Balance, December 31, 2024	$ (3,615)	$ (18,687)	$ 17,306	$ 532	$ (2,247)	$ (6,711)
Change in OCI before reclassifications	398	(325)	2,036	167	(4)	2,272
Amounts reclassified from AOCI	(12)	98	0	0	7	93
Income tax benefit (expense)	58	170	(588)	(35)	0	(395)
Balance, March 31, 2025	$ (3,171)	$ (18,744)	$ 18,754	$ 664	$ (2,244)	$ (4,741)

	Accumulated Other Comprehensive Income (Loss) Attributable to Prudential Financial, Inc.					
	Foreign Currency Translation Adjustment	Net Unrealized Investment Gains (Losses)(1)	Interest rate remeasurement of Liability for Future Policy Benefits	Gains (Losses) from Changes in Non-performance Risk on Market Risk Benefits	Pension and Postretirement Unrecognized Net Periodic Benefit (Cost)	Total Accumulated Other Comprehensive Income (Loss)
	(in millions)					
Balance, December 31, 2023	$ (2,686)	$ (11,213)	$ 8,547	$ 900	$ (2,052)	$ (6,504)
Change in OCI before reclassifications	(481)	(4,602)	4,213	(252)	6	(1,116)
Amounts reclassified from AOCI	(13)	(172)	0	0	7	(178)
Income tax benefit (expense)	(36)	1,131	(1,006)	53	(5)	137
Balance, March 31, 2024	$ (3,216)	$ (14,856)	$ 11,754	$ 701	$ (2,044)	$ (7,661)

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(1) Includes cash flow hedges of $1,659 million and $1,780 million as of March 31, 2025 and December 31, 2024, respectively, and $1,199 million and $869 million as of March 31, 2024 and December 31, 2023, respectively, and fair value hedges of $(134) million and $(64) million as of March 31, 2025 and December 31, 2024, respectively, and $(51) million and $(60) million as of March 31, 2024 and December 31, 2023, respectively.

Reclassifications out of Accumulated Other Comprehensive Income (Loss)

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024	Affected line item in Unaudited Interim Consolidated Statements of Operations
	(in millions)		
Amounts reclassified from AOCI(1)(2):			
Foreign currency translation adjustment:			
Foreign currency translation adjustments	$ 12	$ 13	Realized investment gains (losses), net
Net unrealized investment gains (losses):			
Cash flow hedges—Interest rate	(3)	(3)	(3)
Cash flow hedges—Currency	1	2	(3)
Cash flow hedges—Currency/Interest rate	(29)	157	(3)
Fair value hedges—Currency	(3)	(2)	(3)
Net unrealized investment gains (losses) on available-for-sale securities	(64)	18	Realized investment gains (losses), net
Total net unrealized investment gains (losses)	(98)	172	(4)
Amortization of defined benefit items:			
Prior service cost	17	17	(5)
Actuarial gain (loss)	(24)	(24)	(5)
Total amortization of defined benefit items	(7)	(7)	
Total reclassifications for the period	$ (93)	$ 178	

(1) All amounts are shown before tax.
(2) Positive amounts indicate gains/benefits reclassified out of AOCI. Negative amounts indicate losses/costs reclassified out of AOCI.
(3) See Note 5 for additional information regarding cash flow and fair value hedges.
(4) See table below for additional information regarding unrealized investment gains (losses), including the impact on deferred policy acquisition and other costs, future policy benefits and policyholders' dividends.
(5) See Note 16 for additional information regarding employee benefit plans.

Net Unrealized Investment Gains (Losses)

Net unrealized investment gains (losses) on available-for-sale fixed maturity securities and certain other invested assets and other assets are included in the Company's Unaudited Interim Consolidated Statements of Financial Position as a component of AOCI. Changes in these amounts include reclassification adjustments to exclude from "Other comprehensive income (loss)" those items that are included as part of "Net income (loss)" for a period that had been part of "Other comprehensive income (loss)" in earlier periods. The amounts for the periods indicated below, split between amounts related to available-for-sale fixed maturity securities on which an allowance for credit losses has been recorded, and all other net unrealized investment gains (losses), are as follows:

	Net Unrealized Investment Gains (Losses) on Available-for-Sale Fixed Maturity Securities on Which an Allowance for Credit Losses has been Recorded	Net Unrealized Gains (Losses) on All Other Investments(1)	Reinsurance Recoverables	Future Policy Benefits, Policyholders' Account Balances and Reinsurance Payables	Policyholders' Dividends	Income Tax Benefit (Expense)	Accumulated Other Comprehensive Income (Loss) Related to Net Unrealized Investment Gains (Losses)
				(in millions)			
Balance, December 31, 2024	$ 6	$ (27,287)	$ (269)	$ 981	$ 2,096	$ 5,786	$ (18,687)
Net investment gains (losses) on investments arising during the period	2	197				40	239
Reclassification adjustment for (gains) losses included in net income	(1)	99				20	118
Reclassification due to allowance for credit losses recorded during the period	(3)	3				0	0
Impact of net unrealized investment (gains) losses			45	(157)	(412)	110	(414)
Balance, March 31, 2025	$ 4	$ (26,988)	$ (224)	$ 824	$ 1,684	$ 5,956	$ (18,744)

(1) Includes cash flow and fair value hedges. See Note 5 for additional information.

18. EARNINGS PER SHARE

A reconciliation of the numerators and denominators of the basic and diluted per share computations of Common Stock based on the consolidated earnings of Prudential Financial for the periods indicated is as follows:

	Three Months Ended March 31,					
	2025			2024		
	Income	Weighted Average Shares	Per Share Amount	Income	Weighted Average Shares	Per Share Amount
	(in millions, except per share amounts)					
Basic earnings per share						
Net income (loss)	$ 742			$ 1,151		
Less: Income (loss) attributable to noncontrolling interests and redeemable noncontrolling interests	35			13		
Less: Dividends and undistributed earnings allocated to participating unvested share-based payment awards	10			15		
Net income (loss) attributable to Prudential Financial available to holders of Common Stock	$ 697	354.3	$ 1.97	$ 1,123	359.0	$ 3.13
Effect of dilutive securities and compensation programs						
Add: Dividends and undistributed earnings allocated to participating unvested share-based payment awards—Basic	$ 10			$ 15		
Less: Dividends and undistributed earnings allocated to participating unvested share-based payment awards—Diluted	10			15		
Stock options		0.1			0.3	
Deferred and long-term compensation programs		1.7			1.2	
Diluted earnings per share						
Net income (loss) attributable to Prudential Financial available to holders of Common Stock	$ 697	356.1	$ 1.96	$ 1,123	360.5	$ 3.12

Unvested share-based payment awards that contain nonforfeitable rights to dividends are participating securities and included in the computation of earnings per share pursuant to the two-class method. Under this method, earnings attributable to Prudential Financial are allocated between Common Stock and the participating awards, as if the awards were a second class of stock. During periods of net income available to holders of Common Stock, the calculation of earnings per share excludes the income attributable to participating securities in the numerator and the dilutive impact of these securities from the denominator. In the event of a net loss available to holders of Common Stock, undistributed earnings are not allocated to participating securities and the denominator excludes the dilutive impact of these securities as they do not share in the losses of the Company. Undistributed earnings allocated to participating unvested share-based payment awards for the three months ended March 31, 2025 and 2024, as applicable, were based on 4.0 million and 4.1 million of such awards, respectively, weighted for the period they were outstanding.

Stock options and shares related to deferred and long-term compensation programs that are considered antidilutive are excluded from the computation of diluted earnings per share. Stock options are considered antidilutive based on application of the treasury stock method or in the event of a net loss available to holders of Common Stock. Shares related to deferred and long-term compensation programs are considered antidilutive in the event of a net loss available to holders of Common Stock. For the periods indicated, the number of stock options and shares related to deferred and long-term compensation programs that were considered antidilutive and were excluded from the computation of diluted earnings per share, weighted for the portion of the period they were outstanding, are as follows:

	Three Months Ended March 31,			
	2025		2024	
	Shares	Exercise Price Per Share	Shares	Exercise Price Per Share
	(in millions, except per share amounts, based on weighted average)			
Antidilutive stock options based on application of the treasury stock method	0.0	N/A	0.3	$ 110.42
Antidilutive stock options due to net loss available to holders of Common Stock	0.0		0.0	
Antidilutive shares based on application of the treasury stock method	0.0		0.0	
Antidilutive shares due to net loss available to holders of Common Stock	0.0		0.0	
Total antidilutive stock options and shares	0.0		0.3	

19. SEGMENT INFORMATION

Segments

The Company's principal operations consist of PGIM (the Company's global investment management business), the U.S. Businesses (consisting of the Retirement Strategies, Group Insurance and Individual Life businesses), the International Businesses, the Closed Block division, and the Company's Corporate and Other operations. The Closed Block division is accounted for as a divested business that is reported separately from the Divested and Run-off Businesses that are included in Corporate and Other operations. Divested and Run-off Businesses consist of businesses that have been, or will be, sold or exited, including businesses that have been placed in wind-down status that do not qualify for "discontinued operations" accounting treatment under U.S. GAAP. The Company's Corporate and Other operations include corporate items and initiatives that are not allocated to business segments, as well as the Divested and Run-off Businesses described above. For additional information regarding these segments, see Note 23 to the Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

Effective in the first quarter of 2025, consistent with changes to the Company's internal management structure, the Company's International Businesses are reflected as a single operating and reportable segment, which is consistent with how the CODM now assesses its performance and allocates resources. Prior to the first quarter of 2025, International Businesses consisted of the Life Planner and Gibraltar Life and Other operating segments, each of which was a reportable segment under U.S. GAAP. The change has been applied retrospectively and did not have any impact on the Company's Unaudited Interim Consolidated Financial Statements contained herein or to any previously issued financial statements.

Segment Accounting Policies. The accounting policies of the segments are the same as those described in Note 2 to the Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024. Results for each segment include earnings on attributed equity established at a level which management considers necessary to support each segment's risks. Operating expenses specifically identifiable to a particular segment are allocated to that segment as incurred.

Following an annual review of its internal expense allocations, the Company implemented an allocation update that will impact segment results; however, there will be no impact to the Company's consolidated results. Effective in the first quarter of 2025, operating expenses not identifiable to a specific segment that are incurred in connection with the generation of segment revenues are generally allocated using a proportional allocation measure such as headcount, segment-level support or other financial measures. Prior to the first quarter of 2025, these expenses were generally allocated based upon the segment's historical percentage of general and administrative expenses.

Adjusted Operating Income

The Company analyzes the operating performance of each segment using “adjusted operating income.” Adjusted operating income does not equate to “Income (loss) before income taxes and equity in earnings of joint ventures and other operating entities” or “Net income (loss)” as determined in accordance with U.S. GAAP but is the measure of segment profit or loss used by the chief executive officer, who is the Company’s CODM, and is the measure of segment performance presented below. The CODM uses adjusted operating income to (1) evaluate segment performance; (2) allocate resources and capital, predominantly during the annual budgeting and planning processes; and (3) consider variances to pre-established targets during the compensation process. Adjusted operating income is not a substitute for income determined in accordance with U.S. GAAP, and the Company’s definition of adjusted operating income may differ from that used by other companies. The Company, however, believes that the presentation of adjusted operating income as measured for management purposes enhances the understanding of results of operations by highlighting the results from ongoing operations and the underlying profitability factors of its businesses.

Adjusted operating income is calculated by adjusting each segment’s “Income (loss) before income taxes and equity in earnings of joint ventures and other operating entities” for the following items which are important to an understanding of overall results of operations, and are described in greater detail below:

- Realized investment gains (losses), net, and related charges and adjustments;
- Change in value of market risk benefits, net of related hedging gains (losses);
- Market experience updates;
- Divested and Run-off Businesses;
- Equity in earnings of joint ventures and other operating entities and earnings attributable to noncontrolling interests; and
- Other adjustments.

For additional information regarding these reconciling items, see Note 23 to the Consolidated Financial Statements included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024.

As previously disclosed in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024, during the fourth quarter of 2024, the Company identified an immaterial error in the application of adjusted operating income, which resulted in an overstatement thereof for indexed variable and fixed annuity products within the Retirement Strategies segment in the first three quarters of 2024. As a result, the Company voluntarily revised its historical adjusted operating income for the relevant periods, resulting in a decrease in pre-tax adjusted operating income of $34 million for the three months ended March 31, 2024.

Reconciliation of select financial information

The tables below present certain financial information that is regularly provided to the CODM for the Company’s segments, including revenues and significant benefits and expenses, on an adjusted operating income basis, as well as assets by segment, and the reconciliation of the segment totals to amounts reported in the Unaudited Interim Consolidated Financial Statements. Prior periods have been updated to reflect the adoption of ASU 2023-07 Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures.

PRUDENTIAL FINANCIAL, INC.
Notes to Unaudited Interim Consolidated Financial Statements—(Continued)

	Three Months Ended March 31, 2025									
		Retirement Strategies								
Select revenues and significant benefits and expenses, on an adjusted operating income basis, by segment	PGIM	Institutional Retirement Strategies	Individual Retirement Strategies (1)(2)	Group Insurance	Individual Life(1)	International Businesses	Corporate and Other(3)	Total Adjusted Operating Income	Total Reconciling Items	Total GAAP Revenues and Pre-tax Income
	(in millions)									
Revenues:										
Premiums	$ 0	$ 1,745	$ 20	$ 1,396	$ 237	$ 3,057	$ (9)	$ 6,446	$ 554	$ 7,000
Policy charges and fee income	0	7	290	197	541	88	(15)	1,108	49	1,157
Net investment income	20	1,243	629	134	694	1,469	330	4,519	611	5,130
Asset management fees, commissions and other income	965	110	399	21	43	124	(323)	1,339	(1,156)	183
Total revenues	985	3,105	1,338	1,748	1,515	4,738	(17)	13,412	58	13,470
Benefits and expenses:										
Policyholders' benefits	0	2,437	30	1,296	791	2,781	(8)	7,327		
Interest credited to policyholders' account balances	0	182	325	35	182	347	12	1,083		
Interest expense	21	17	13	5	260	(1)	207	522		
Deferral of acquisition costs	0	(27)	(182)	0	(202)	(306)	33	(684)		
Amortization of DAC	0	6	109	2	110	165	(16)	376		
Operating expenses(4)	504	71	144	194	120	436	155	1,624		
Variable expenses(4)	304	32	429	127	271	463	15	1,641		
Other benefits and expenses(5)	0	(25)	6	0	17	5	0	3		
Total benefits and expenses	829	2,693	874	1,659	1,549	3,890	398	11,892		
Total pre-tax income	$ 156	$ 412	$ 464	$ 89	$ (34)	$ 848	$ (415)	$ 1,520	$ (600)	$ 920
Reconciling items:										
Realized investment gains (losses), net, and related charges and adjustments								(246)		
Change in value of market risk benefits, net of related hedging gains (losses)								(351)		
Market experience updates								39		
Divested and Run-off Businesses:										
Closed Block division								(22)		
Other Divested and Run-off Businesses								(51)		
Equity in earnings of joint ventures and other operating entities and earnings attributable to noncontrolling interests								3		
Other adjustments								28		
Total reconciling items								(600)		
Total GAAP pre-tax income								$ 920		

Select revenues and significant benefits and expenses, on an adjusted operating income basis, by segment	Three Months Ended March 31, 2024									
		Retirement Strategies								
	PGIM	Institutional Retirement Strategies	Individual Retirement Strategies (1)(2)	Group Insurance	Individual Life(1)	International Businesses	Corporate and Other(3)	Total Adjusted Operating Income	Total Reconciling Items	Total GAAP Revenues and Pre-tax Income
	(in millions)									
Revenues:										
Premiums	$ 0	$ 10,297	$ 28	$ 1,298	$ 246	$ 3,139	$ (2)	$ 15,006	$ 531	$ 15,537
Policy charges and fee income	0	6	306	175	503	80	(14)	1,056	0	1,056
Net investment income	(43)	1,092	444	136	806	1,412	273	4,120	644	4,764
Asset management fees, commissions and other income	1,033	143	443	25	25	82	(227)	1,524	628	2,152
Total revenues	990	11,538	1,221	1,634	1,580	4,713	30	21,706	1,803	23,509
Benefits and expenses:										
Policyholders' benefits	0	10,858	40	1,249	850	2,767	(5)	15,759		
Interest credited to policyholders' account balances	0	154	201	40	206	279	22	902		
Interest expense	24	17	14	2	300	(1)	173	529		
Deferral of acquisition costs	(1)	(19)	(150)	(6)	(195)	(293)	17	(647)		
Amortization of DAC	1	2	93	1	116	159	(10)	362		
Operating expenses(4)	494	63	145	186	183	456	305	1,832		
Variable expenses(4)	303	25	424	117	251	421	(37)	1,504		
Other benefits and expenses(5)	0	(3)	14	0	(10)	29	0	30		
Total benefits and expenses	821	11,097	781	1,589	1,701	3,817	465	20,271		
Total pre-tax income	$ 169	$ 441	$ 440	$ 45	$ (121)	$ 896	$ (435)	$ 1,435	$ (45)	$ 1,390
Reconciling items:										
Realized investment gains (losses), net, and related charges and adjustments								(63)		
Change in value of market risk benefits, net of related hedging gains (losses)								123		
Market experience updates								(32)		
Divested and Run-off Businesses:										
Closed Block division								(3)		
Other Divested and Run-off Businesses								(35)		
Equity in earnings of joint ventures and other operating entities and earnings attributable to noncontrolling interests								(27)		
Other adjustments								(8)		
Total reconciling items								(45)		
Total GAAP pre-tax income								$ 1,390		

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(1) The Individual Retirement Strategies and Individual Life segments' results reflect DAC as if the business is a stand-alone operation. The elimination of intersegment costs capitalized in accordance with this policy is included in consolidating adjustments within Corporate and Other operations.
(2) The amount for the first quarter of 2024 reflects the correction of an error related to indexed variable and fixed annuity products within the Individual Retirement Strategies segment. See "—Adjusted Operating Income" above for additional information. Prior period amounts have been updated to conform to current period presentation.
(3) Corporate and Other operations, through Prudential Advisors, generates fee revenues from the sale and distribution of certain insurance, annuity and investment products offered by Prudential and third parties.
(4) "Operating expenses" includes amounts related to salaries, employee benefits, occupancy, technology, consulting, external and contracted services, legal, corporate charges, costs for initiatives, and other miscellaneous expenses. "Variable expenses" includes commissions, certain compensation related to levels of investment performance, premium taxes and other fees related to sales of certain insurance and investment products.
(5) "Other benefits and expenses" primarily includes: (i) the change in estimates of liability for future policy benefits, which can be either positive or negative, for Retirement Strategies, Individual Life and International Businesses; (ii) dividends to policyholders for Individual Life and International Businesses, which are included in adjusted operating income; and (iii) dividends to policyholders in the Closed Block Division, which are not included in adjusted operating income.

	March 31, 2025	December 31, 2024
	(in millions)	
Assets by segment:		
PGIM	$ 35,907	$ 36,044
U.S. Businesses:		
Institutional Retirement Strategies	127,376	126,842
Individual Retirement Strategies	149,191	150,151
Retirement Strategies	276,567	276,993
Group Insurance	39,660	39,340
Individual Life	120,652	122,590
Total U.S. Businesses	436,879	438,923
International Businesses	186,532	180,038
Corporate and Other	31,435	31,767
Closed Block division	48,509	48,815
Total assets per Unaudited Interim Consolidated Financial Statements	$ 739,262	$ 735,587

Intersegment revenues

Management has determined the intersegment revenues with reference to market rates. Intersegment revenues are eliminated within consolidation in Corporate and Other operations. The PGIM segment revenues include intersegment revenues, primarily consisting of asset-based management and administration fees, as follows:

	Three Months Ended March 31,	
	2025	2024
	(in millions)	
PGIM segment intersegment revenues	$ 224	$ 207

Segments may also enter into internal derivative contracts with other segments. For adjusted operating income, each segment accounts for the internal derivative results consistent with the manner in which that segment accounts for other similar external derivatives.

Asset management and service fees

The table below presents asset management and service fees, predominantly related to investment management activities, for the periods indicated:

	Three Months Ended March 31,	
	2025	2024
	(in millions)	
Asset-based management fees	$ 854	$ 833
Performance-based incentive fees	7	41
Other fees	123	125
Total asset management and service fees	$ 984	$ 999

20. RELATED PARTY TRANSACTIONS

In September 2023, the Company invested approximately $200 million, and acquired a 20% equity interest as a limited partner, in Prismic, a Bermuda-exempted limited partnership that owns all of the outstanding capital stock of Prismic Re, a licensed Bermuda-based life and annuity reinsurance company. Also in September 2023, the Company entered into an agreement with Prismic Re to reinsure approximately $9 billion of reserves for certain structured settlement annuity contracts issued by PICA, a wholly-owned subsidiary of the Company. These contracts represent approximately 70% of the Company's in-force structured settlement annuities business. Separately, the Company, through PGIM, entered into an investment management agreement with Prismic to manage a large portion of Prismic Re's assets.

In March 2025, the Company entered into an agreement with Prismic Re International, a wholly-owned subsidiary of Prismic, to reinsure approximately $7 billion of reserves for certain USD-denominated Japanese whole life policies originated by the Company's Japanese affiliates. In connection with this transaction, the Company invested an additional $134 million in Prismic to maintain its 20% equity interest in Prismic. PGIM also provides investment management services on a large portion of Prismic Re International's assets.

As the investment in Prismic is accounted for under the equity method, Prismic, Prismic Re and Prismic Re International are considered related parties. The following tables summarize the impacts to the Company's financial statements related to the agreements that the Company entered with Prismic, Prismic Re and Prismic Re International.

The related party balances with Prismic, Prismic Re and Prismic Re International impacted the Company's balance sheet as of the periods indicated as follows:

	March 31, 2025	December 31, 2024
	(in millions)	
Reinsurance recoverables and deposit receivables	$ 15,313	$ 9,084
Other assets	$ 186	$ 187
Reinsurance and funds withheld payables (includes $56 and $(91) of embedded derivatives at fair value at March 31, 2025 and December 31, 2024, respectively)	$ 7,880	$ 7,796
Accumulated other comprehensive income (loss)	$ (148)	$ (139)

The Company has agreed to guarantee Prismic Re's reimbursement obligations on letters of credit that may be obtained by Prismic Re from third-party financial institutions to support Prismic Re's obligations under the reinsurance agreement with the Company for a total amount up to $2.0 billion as of both March 31, 2025 and December 31, 2024. As part of the transaction with Prismic Re International, the Company provided an $80 million, 10-year contingent debt facility, where the Company may be required to purchase subordinated debt from certain subsidiaries of Prismic in the event their capital ratio falls below a predetermined level. See Note 21 for additional information on the Company's guarantees and commitments.

The related party activity with Prismic, Prismic Re and Prismic Re International impacted the Company's results of operations and cash flows for the periods indicated as follows:

	Three Months Ended March 31,	
	2025	2024
	(in millions)	
Premiums	$ (3)	$ (4)
Asset management and service fees	13	9
Other income (loss)	61	39
Realized investment gains(losses), net	(237)	204
Policyholders' benefits	(71)	(71)
Change in estimates of liability for future policy benefits	(3)	(4)
Amortization of deferred policy acquisition costs	(1)	0
General and administrative expenses	3	11
Income (loss) from related parties, before income taxes	(94)	312
Other comprehensive income (loss), before tax	(9)	132
Total comprehensive income (loss), before tax	$ (103)	$ 444

	Three Months Ended March 31,	
	2025	2024
	(in millions)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Realized investment (gains) losses, net	$ 237	$ (204)
Change in:		
Deferred policy acquisition costs	$ (1)	$ 0
Reinsurance related-balances	$ (192)	$ (186)
Other, net	$ (3)	$ 3
CASH FLOWS FROM FINANCING ACTIVITIES		
Other, net	$ 91	$ 92

21. COMMITMENTS AND CONTINGENT LIABILITIES

Commitments and Guarantees

Commercial Mortgage Loan Commitments

	March 31, 2025	December 31, 2024
	(in millions)	
Total outstanding mortgage loan commitments	$ 1,640	$ 2,552
Portion of commitment where prearrangement to sell to investor exists	$ 553	$ 578

The Company originates commercial mortgage loans as part of its commercial mortgage operations. Commitments for loans that will be held for sale are recognized as derivatives and recorded at fair value. In certain of these transactions, the Company prearranges that it will sell the loan to an investor, including to government sponsored entities as discussed below, after the Company funds the loan. The above amount includes unfunded commitments that are not unconditionally cancellable. For related credit exposure, there was an allowance for credit losses of $2 million as of both March 31, 2025 and December 31, 2024. The change in allowance is $0 million for both the three months ended March 31, 2025 and 2024.

Commitments to Purchase Investments (excluding Commercial Mortgage Loans)

	March 31, 2025	December 31, 2024
	(in millions)	
Expected to be funded from the general account and other operations outside the separate accounts	$ 11,727	$ 11,664
Expected to be funded from separate accounts	$ 81	$ 0

The Company has other commitments to purchase or fund investments, some of which are contingent upon events or circumstances not under the Company's control, including those at the discretion of the Company's counterparties. The Company anticipates a portion of these commitments will ultimately be funded from its separate accounts. The above amount includes unfunded commitments that are not unconditionally cancellable. There were no related charges for credit losses for either the three months ended March 31, 2025 or 2024.

Indemnification of Securities Lending and Securities Repurchase Transactions

	March 31, 2025	December 31, 2024
	(in millions)	
Indemnification provided to certain clients for securities lending and securities repurchase transactions(1)	$ 5,677	$ 5,015
Fair value of related collateral associated with above indemnifications(1)	$ 5,794	$ 5,119
Accrued liability associated with guarantee	$ 0	$ 0

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(1) Includes $361 million and $240 million related to securities repurchase transactions as of March 31, 2025 and December 31, 2024, respectively.

In the normal course of business, the Company may facilitate securities lending or securities repurchase transactions on behalf of certain client accounts (collectively, "the accounts"). In certain of these arrangements, the Company has provided an indemnification to the accounts to hold them harmless against losses caused by counterparty (i.e., borrower) defaults associated with such transactions facilitated by the Company. In securities lending transactions, collateral is provided by the counterparty to the accounts at the inception of the transaction in an amount at least equal to 102% of the fair value of the loaned securities and the collateral is maintained daily to equal at least 102% of the fair value of the loaned securities. In securities repurchase transactions, collateral is provided by the counterparty to the accounts at the inception of the transaction in an amount at least equal to 95% of the fair value of the securities subject to repurchase and the collateral is maintained daily to equal at least 95% of the fair value of the securities subject to repurchase. The Company is only at risk if the counterparty to the transaction defaults and the value of the collateral held is less than the value of the securities loaned to, or subject to repurchase from, such counterparty. The Company believes the possibility of any payments under these indemnities is remote.

Credit Derivatives Written

As discussed further in Note 5, the Company writes credit derivatives under which the Company is obligated to pay the counterparty the referenced amount of the contract and receive in return the defaulted security or similar security.

Guarantees of Asset Values

	March 31, 2025	December 31, 2024
	(in millions)	
Guaranteed value of third-parties' assets	$ 76,944	$ 76,416
Fair value of collateral supporting these assets	$ 73,013	$ 71,423
Asset (liability) associated with guarantee, carried at fair value	$ (14)	$ (1)

Certain contracts underwritten by the Retirement Strategies segment include guarantees related to financial assets owned by the guaranteed party. These contracts are accounted for as derivatives and carried at fair value. The collateral supporting these guarantees is not reflected on the Unaudited Interim Consolidated Statements of Financial Position.

Indemnification of Serviced Mortgage Loans

	March 31, 2025	December 31, 2024
	(in millions)	
Maximum exposure under indemnification agreements for mortgage loans serviced by the Company	$ 3,322	$ 3,272
First-loss exposure portion of above	$ 956	$ 942
Accrued liability associated with guarantees(1)	$ 24	$ 25

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(1) The accrued liability associated with guarantees includes an allowance for credit losses of $11 million and $12 million as of March 31, 2025 and December 31, 2024, respectively. The change in allowance was $0 million and a reduction of $1 million for the three months ended March 31, 2025 and 2024, respectively.

As part of the commercial mortgage activities of the Company's PGIM segment, the Company provides commercial mortgage origination, underwriting and servicing for certain government sponsored entities, such as Fannie Mae and Freddie Mac. The Company has agreed to indemnify the government sponsored entities for a portion of the credit risk associated with certain of the mortgages it services through a delegated authority arrangement. Under these arrangements, the Company originates multi-family mortgages for sale to the government sponsored entities based on underwriting standards they specify, and makes payments to them for a specified percentage share of losses they incur on certain loans serviced by the Company. The Company's percentage share of losses incurred generally varies from 4% to 20% of the loan balance, and is typically based on a first-loss exposure for a stated percentage of the loan balance, plus a shared exposure with the government sponsored entity for any losses in excess of the stated first-loss percentage, subject to a contractually specified maximum percentage. The Company determines the liability related to this exposure using historical loss experience, and the size and remaining life of the asset. The Company serviced $26,097 million and $25,763 million of mortgages subject to these loss-sharing arrangements as of March 31, 2025 and December 31, 2024, respectively, all of which are collateralized by first priority liens on the underlying multi-family residential properties. As of March 31, 2025, these mortgages had a weighted-average debt service coverage ratio of 2.00 times and a weighted-average loan-to-value ratio of 62%. As of December 31, 2024, these mortgages had a weighted-average debt service coverage ratio of 1.95 times and a weighted-average loan-to-value ratio of 62%. The Company had no losses related to indemnifications that were settled for either the three months ended March 31, 2025 or 2024.

Other Guarantees

	March 31, 2025	December 31, 2024
	(in millions)	
Other guarantees where amount can be determined	$ 295	$ 289
Accrued liability for other guarantees and indemnifications	$ 32	$ 32

The Company is also subject to other financial guarantees and indemnity arrangements. The Company has provided indemnities and guarantees related to acquisitions, dispositions, investments and other transactions that are triggered by, among other things, breaches of representations, warranties or covenants provided by the Company. These obligations are typically subject to various time limitations, defined by the contract or by operation of law, such as statutes of limitation. In some cases, the maximum potential obligation is subject to contractual limitations, while in other cases such limitations are not specified or applicable. This includes guarantees issued on $1.5 billion of standby committed letters of credit and $0.5 billion of standby uncommitted letters of credit that may be obtained by Prismic Re from third-party financial institutions, for the benefit of PICA as beneficiary, to support U.S. statutory reserve credit related to a reinsurance agreement with PICA. As of March 31, 2025, no letters of credit have been issued to PICA under the facility, and the likelihood of PICA drawing upon them is remote. The guarantees are renewable on an annual basis. The current value of the guarantees is estimated to be immaterial. See Note 20 for additional information on the related party relationship between the Company and Prismic Re and Note 12 for additional information on the Company's reinsurance transactions.

Since certain of these obligations are not subject to limitations, it is not possible to determine the maximum potential amount due under these guarantees. The accrued liability identified above relates to the sale of The Prudential Life Insurance Company of Taiwan Inc. ("POT") and represents a financial guarantee of certain insurance obligations of POT.

Contingent Liabilities

On an ongoing basis, the Company and its regulators review its operations including, but not limited to, sales and other customer interface procedures and practices, and procedures for meeting obligations to its customers and other parties. These reviews may result in the modification or enhancement of processes or the imposition of other action plans, including concerning management oversight, sales and other customer interface procedures and practices, and the timing or computation of payments to customers and other parties. In certain cases, if appropriate, the Company may offer customers or other parties remediation and may incur charges, including the cost of such remediation, administrative costs and regulatory fines.

The Company is subject to the laws and regulations of states and other jurisdictions concerning the identification, reporting and escheatment of unclaimed or abandoned funds, and is subject to audit and examination for compliance with these requirements.

It is possible that the results of operations or the cash flow of the Company in a particular quarterly or annual period could be materially affected as a result of payments in connection with the matters discussed above or other matters depending, in part, upon the results of operations or cash flow for such period. Management believes, however, that ultimate payments in connection with these matters, after consideration of applicable reserves and rights to indemnification, should not have a material adverse effect on the Company's financial position.

Litigation and Regulatory Matters

The Company is subject to legal and regulatory actions in the ordinary course of its businesses. Pending legal and regulatory actions include proceedings relating to aspects of the Company's businesses and operations that are specific to it and proceedings that are typical of the businesses in which it operates, including in both cases businesses that have been either divested or placed in wind-down status. Some of these proceedings have been brought on behalf of various alleged classes of complainants. In certain of these matters, the plaintiffs are seeking large and/or indeterminate amounts, including punitive or exemplary damages. The outcome of litigation or a regulatory matter, and the amount or range of potential loss at any particular time, is often inherently uncertain.

The Company establishes accruals for litigation and regulatory matters when it is probable that a loss has been incurred and the amount of that loss can be reasonably estimated. For litigation and regulatory matters where a loss may be reasonably possible, but not probable, or is probable but not reasonably estimable, no accrual is established but the matter, if potentially material, is disclosed, including matters discussed below. The Company estimates that as of March 31, 2025, the aggregate range of reasonably possible losses in excess of accruals established for those litigation and regulatory matters for which such an estimate currently can be made is less than $250 million. Any estimate is not an indication of expected loss, if any, or the Company's maximum possible loss exposure on such matters. The Company reviews relevant information with respect to its litigation and regulatory matters on a quarterly and annual basis and updates its accruals, disclosures and estimates of reasonably possible loss based on such reviews.

The following discussion of litigation and regulatory matters provides an update of those matters discussed in Note 25 to the Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024, and should be read in conjunction with the complete descriptions provided in the Form 10-K.

Individual Annuities, Individual Life and Group Insurance

California Advocates for Nursing Home Reform v. The Prudential Insurance Company of America and Pruco Life Insurance Company, et al.

In April 2025, Plaintiff filed a First Amended Complaint removing allegations related to the Unclaimed Life Insurance and Annuities Act, and the Defendant filed a demurrer seeking to dismiss the Amended Complaint.

Securities Litigation

Donel Davidson v. Charles F. Lowrey, et al.

In March 2025, plaintiffs filed a motion seeking preliminary approval of the settlement notice and preliminary approval of the proposed settlement of the derivative litigation ("the Settlement"). In April 2025, the court issued an order granting the motion for preliminary approval of the Settlement.

Summary

The Company's litigation and regulatory matters are subject to many uncertainties, and given their complexity and scope, their outcome cannot be predicted. It is possible that the Company's results of operations or cash flow in a particular quarterly or annual period could be materially affected by an ultimate unfavorable resolution of pending litigation and regulatory matters depending, in part, upon the results of operations or cash flow for such period. In light of the unpredictability of the Company's litigation and regulatory matters, it is also possible that in certain cases an ultimate unfavorable resolution of one or more pending litigation or regulatory matters could have a material adverse effect on the Company's financial statements. Management believes, however, that, based on information currently known to it, the ultimate outcome of all pending litigation and regulatory matters, after consideration of applicable reserves and rights to indemnification, is not likely to have a material adverse effect on the Company's financial statements.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

TABLE OF CONTENTS

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") addresses the consolidated financial condition of Prudential Financial, Inc. ("Prudential," "Prudential Financial," "PFI," or "the Company") as of March 31, 2025, compared with December 31, 2024, and its consolidated results of operations for the three months ended March 31, 2025 and 2024. You should read the following analysis of our consolidated financial condition and results of operations in conjunction with the MD&A, the "Risk Factors" section, and the audited Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024, as well as the statements under "Forward-Looking Statements," and the Unaudited Interim Consolidated Financial Statements included elsewhere in this Quarterly Report on Form 10-Q.

Overview

Prudential Financial, a financial services leader with approximately $1.522 trillion of assets under management as of March 31, 2025, has operations primarily in the United States of America ("U.S."), 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 solutions, mutual funds and investment management. We offer these products and services to individual and institutional customers through one of the largest distribution networks in the financial services industry.

Our principal operations consist of PGIM (our global investment management business), our U.S. Businesses (consisting of our Retirement Strategies, Group Insurance and Individual Life businesses), our International Businesses, the Closed Block division, and our Corporate and Other operations. The Closed Block division is accounted for as a divested business that is reported separately from the Divested and Run-off Businesses that are included in Corporate and Other. Divested and Run-off Businesses consist of businesses that have been, or will be, sold or exited, including businesses that have been placed in wind-down status that do not qualify for "discontinued operations" accounting treatment under generally accepted accounting principles in the United States of America ("U.S. GAAP"). Our Corporate and Other operations include corporate items and initiatives that are not allocated to business segments as well as the Divested and Run-off Businesses described above.

Effective in the first quarter of 2025, consistent with changes to the Company's internal management structure, our International Businesses are reflected as a single operating and reportable segment, which is how the chief operating decision maker ("CODM") now assesses its performance and allocates resources. Prior to the first quarter of 2025, our International Businesses consisted of the Life Planner and Gibraltar Life and Other operating segments, each of which was a reportable segment under U.S. GAAP. The change has been applied retrospectively and did not have any impact on the Company's Unaudited Interim Consolidated Financial Statements contained herein or to any previously issued financial statements.

We attribute financing costs to each segment based on the amount of financing used by each segment, excluding financing costs associated with corporate debt, which are reflected in our Corporate and Other operations. The net investment income of each segment includes earnings on the amount of capital that management believes is necessary to support the risks of that segment.

Management expects that results will continue to benefit from our mutually-reinforcing business system, which includes a mix of businesses that complement each other to provide competitive advantages, earnings diversification and capital benefits from a balanced risk profile. We believe we are well-positioned to tap into market opportunities to meet the evolving needs of our clients and society at large. Our mix of high-quality protection, retirement and investment management businesses enables us to offer solutions that cover a broad range of financial needs and to engage with our clients through multiple channels.

As part of our continuous improvement process, we are working to become a leaner and more agile company by simplifying our management structure, empowering our employees with faster decision-making processes and investing in technology and data platforms. We expect these actions will create operating efficiencies, and provide reinvestment capacity to build capabilities, realize additional efficiencies, strengthen our competitiveness and fuel future growth.

Current Market Conditions

The imposition of tariffs and retaliatory actions, as we have seen this year, could result in, among other things, rising interest rates, significant equity market declines, stagnant economic growth and high inflation, which could adversely impact our liquidity and capital positions, cash flows, results of operations, and financial position. For example, the combination of stagnant economic growth and high inflation would increase investment risk, including the underperformance of investments in more leveraged companies or companies exposed to weaker consumers. Also, the statutory capital of certain of our insurance subsidiaries could be negatively affected by such things as increased reserve requirements, which could be caused by equity market declines, and asymmetrical and non-economic statutory accounting impacts from rising rates. As we navigate through the current environment, we may take actions consistent with our risk and capital frameworks, as necessary, to preserve our liquidity and capital positions.

Impact of Changes in the Interest Rate Environment

As a global financial services company, market interest rates are a key driver of our liquidity and capital positions, cash flows, results of operations and financial position. Changes in interest rates can affect these in several ways, including favorable or adverse impacts to:

- investment-related activity, including: investment income returns, net investment spread results, new money rates, mortgage loan prepayments and bond redemptions;
- the valuation of fixed income investments and derivative instruments;
- collateral posting requirements, hedging costs and other risk mitigation activities;
- customer account values and assets under management, including their impacts on fee-related income;
- insurance reserve levels, including market risk benefits ("MRBs"), and market experience true-ups;
- policyholder behavior, including surrender or withdrawal activity;
- product offerings, design features, crediting rates and sales mix; and
- the fair value of, and possible impairments on, intangible assets such as goodwill.

For additional information regarding interest rate risks, see "Risk Factors—Market Risk" included in our Annual Report on Form 10-K for the year ended December 31, 2024.

See below for a discussion of the current interest rate environment and its impact to net investment spread in our U.S. and Japanese operations along with the composition of their insurance liabilities and policyholder account balances.

U.S. Operations excluding the Closed Block Division

While interest rates in the U.S. have experienced a sustained period of historically low levels, rates increased throughout 2022 and have continued to sustain higher levels through the first quarter of 2025, and our average reinvestment yield is generally now exceeding our current average portfolio yield.

In order to manage the impacts that changes in interest rates have on our net investment spread, we employ a proactive asset/liability management program, which includes strategic asset allocation and hedging strategies within a disciplined risk management framework. These strategies seek to match the liability characteristics of our products, and to closely approximate the interest rate sensitivity of the assets with the estimated interest rate sensitivity of the product liabilities. Our asset/liability management program also helps manage duration gaps, currency and other risks between assets and liabilities through the use of derivatives. We adjust this dynamic process as products change, as customer behavior changes and as changes in the market environment occur. As a result, our asset/liability management process has permitted us to manage the interest rate risk associated with our products through several market cycles. Our interest rate exposure is also mitigated by our business mix, which includes lines of business for which fee-based and insurance underwriting earnings play a more prominent role in product profitability. We also regularly examine our product offerings and their profitability. As a result, we may reprice certain products and discontinue sales of other products that do not meet our profit expectations.

The portion of the general account supporting our U.S. and Corporate and Other operations has approximately $211 billion of fixed maturity securities and commercial mortgage loans (based on net carrying value) as of March 31, 2025, with an average portfolio yield of approximately 5.0%. For this portion of the general account attributable to these operations, we estimate annual principal payments and prepayments that we would be required to reinvest to be approximately 7.4% of the fixed maturity security and commercial mortgage loan portfolios through 2026.

Included in the $211 billion of fixed maturity securities and commercial mortgage loans are approximately $177 billion that are subject to call or redemption features at the issuer's option and have a weighted average interest rate of approximately 5%. Of this $177 billion, approximately 53% contain provisions for prepayment premiums. Future operating results will be impacted by (i) the reinvestment of scheduled payments or prepayments (not subject to a prepayment fee) at different rates compared to the current portfolio yield, including in some cases at rates below those guaranteed under our insurance contracts, and (ii) our utilization of other asset/liability management strategies, as described above, in order to maintain favorable net investment spread.

The following table sets forth the insurance liabilities and policyholder account balances of our U.S. operations excluding the Closed Block Division, by type, for the date indicated:

	As of March 31, 2025 (in billions)
Long-duration insurance products with fixed and guaranteed terms	$ 197
Contracts with adjustable crediting rates subject to guaranteed minimums	36
Participating contracts where investment income risk ultimately accrues to contractholders	1
Total	$ 234

The $197 billion above relates to long-duration products such as group annuities, structured settlements and other insurance products that have fixed and guaranteed terms. We seek to manage the impact of changes in interest rates on these contracts through asset/liability management, as discussed above.

The $36 billion above relates to contracts with crediting rates that may be adjusted over the life of the contract, subject to guaranteed minimums. Although we may have the ability to lower crediting rates for those contracts above guaranteed minimums, our willingness to do so may be limited by competitive pressures. For additional information regarding contracts with adjustable crediting rates subject to guaranteed minimums, see Note 10 to the Unaudited Interim Consolidated Financial Statements.

The remaining $1 billion of insurance liabilities and policyholder account balances in these operations relates to participating contracts for which the investment income risk is expected to ultimately accrue to contractholders. The crediting rates for these contracts are periodically adjusted based on the return earned on the related assets.

Closed Block Division

Substantially all of the $47 billion of general account assets in the Closed Block division support obligations and liabilities relating to the Closed Block policies only. See Note 13 to the Unaudited Interim Consolidated Financial Statements for additional information regarding the Closed Block.

Japanese Operations

Japan has experienced a low interest rate environment for many years, during which the Bank of Japan's monetary policy has resulted in even lower and, at times, negative yields for certain tenors of government bonds; however, recent actions by the Bank of Japan have resulted in an increase in interest rates in 2024 and through the first quarter of 2025.

In order to manage, to the extent possible, the impact that the current interest rate environment has on our net investment spread, our Japanese operations employ a proactive asset/liability management program. We continue to purchase long-term bonds with tenors of 10 years or greater. We also regularly examine our product offerings and their profitability. As a result, we may reprice certain products, adjust commissions for certain products and discontinue sales of other products that do not meet our profit expectations. Additionally, our diverse product portfolio in terms of currency mix and premium payment structure allows us to further manage any impacts from changes in the interest rate environment. For additional information regarding sales within these operations, see "—International Businesses—Sales Results," below.

The portion of the general account supporting our Japanese operations has approximately $140 billion of fixed maturity securities and commercial mortgage loans (based on net carrying value) as of March 31, 2025, with an average portfolio yield of approximately 3.1%. Our Japanese operations have continued to invest in U.S. dollar ("USD")-denominated assets supporting our USD-denominated product portfolio, which has now driven average reinvestment rates to exceed current average portfolio rates. For this portion of the general account attributable to these operations, we estimate annual principal payments and prepayments that we would be required to reinvest to be approximately 6.2% of the fixed maturity security and commercial mortgage loan portfolios through 2026.

Included in the $140 billion of fixed maturity securities and commercial mortgage loans are approximately $12 billion that are subject to call or redemption features at the issuer's option and have a weighted average interest rate of approximately 4%. Of this $12 billion, approximately 6% contain provisions for prepayment premiums. Future operating results will be impacted by (i) the reinvestment of scheduled payments or prepayments (not subject to a prepayment fee) at different rates compared to the current portfolio yield, including in some cases at rates below those guaranteed under our insurance contracts, and (ii) our utilization of other asset/liability management strategies, as described above, in order to maintain favorable net investment spread.

The following table sets forth the insurance liabilities and policyholder account balances of our Japanese operations, by type, for the date indicated:

	As of March 31, 2025
	(in billions)
Insurance products with fixed and guaranteed terms	$ 109
Contracts with a market value adjustment if canceled before maturity	37
Contracts with adjustable crediting rates subject to guaranteed minimums	9
Total	$ 155

The $109 billion primarily consists of long-duration insurance products that have fixed and guaranteed terms for which underlying assets may have to be reinvested at interest rates that are lower than current portfolio yields. The remaining insurance liabilities and policyholder account balances include $37 billion related to contracts that impose a market value adjustment if the contracts are canceled before maturity and $9 billion related to contracts with crediting rates that may be adjusted over the life of the contract, subject to guaranteed minimums. Most of the current crediting rates on these contracts, however, are at or near contractual minimums. Although we have the ability in some cases to lower crediting rates for those contracts that are above guaranteed minimum crediting rates, the majority of this business has interest crediting rates that are determined by formula. See Note 10 to the Unaudited Interim Consolidated Financial Statements for additional information regarding crediting rates on policyholder account balances.

Results of Operations

Consolidated Results of Operations

The following table summarizes net income (loss) for the periods presented.

	Three Months Ended March 31,	
	2025	2024
	(in millions)	
Revenues	$ 13,470	$ 23,509
Benefits and expenses	12,550	22,119
Income (loss) before income taxes and equity in earnings of joint ventures and other operating entities	920	1,390
Income tax expense (benefit)	207	289
Income (loss) before equity in earnings of joint ventures and other operating entities	713	1,101
Equity in earnings of joint ventures and other operating entities, net of taxes	29	50
Net income (loss)	742	1,151
Less: Income (loss) attributable to noncontrolling interests and redeemable noncontrolling interests	35	13
Net income (loss) attributable to Prudential Financial, Inc.	$ 707	$ 1,138

The $431 million decrease in “Net income (loss) attributable to Prudential Financial, Inc.” for the first quarter of 2025 compared to the first quarter of 2024 reflected the following notable items on a pre-tax basis:

- $474 million unfavorable variance reflecting the change in value of market risk benefits, net of related hedging gains (losses); and
- $183 million unfavorable variance from realized investment gains (losses), net, and related charges and adjustments.

Partially offsetting these decreases in “Net income (loss) attributable to Prudential Financial, Inc.” were the following items:

- $85 million favorable variance from higher adjusted operating income from our business segments (see “Segment Results of Operations” for additional information); and
- $71 million favorable variance from market experience updates.

“Net income (loss) attributable to Prudential Financial, Inc.” also reflected a $82 million favorable variance from income taxes, primarily driven by the decrease in pre-tax earnings, as described above.

Segment Results of Operations

We analyze the performance of our segments and Corporate and Other operations using a measure of segment profitability called adjusted operating income. See "—Segment Measures" below for a discussion of adjusted operating income and its use as a measure of segment operating performance.

Shown below are the adjusted operating income contributions of each segment and Corporate and Other operations for the periods indicated and a reconciliation of this segment measure of performance to "Income (loss) before income taxes and equity in earnings of joint ventures and other operating entities" as presented in the Unaudited Interim Consolidated Statements of Operations.

	Three Months Ended March 31,	
	2025	2024
	(in millions)	
Adjusted operating income before income taxes by segment:		
PGIM	$ 156	$ 169
U.S. Businesses:		
Retirement Strategies(1)	876	881
Group Insurance	89	45
Individual Life	(34)	(121)
Total U.S. Businesses(1)	931	805
International Businesses	848	896
Corporate and Other	(415)	(435)
Total segment adjusted operating income before income taxes(1)	1,520	1,435
Reconciling items:		
Realized investment gains (losses), net, and related charges and adjustments(1)(2)	(246)	(63)
Change in value of market risk benefits, net of related hedging gains (losses)	(351)	123
Market experience updates	39	(32)
Divested and Run-off Businesses(3):		
Closed Block division	(22)	(3)
Other Divested and Run-off Businesses	(51)	(35)
Equity in earnings of joint ventures and other operating entities and earnings attributable to noncontrolling interests(4)	3	(27)
Other adjustments(5)	28	(8)
Consolidated income (loss) before income taxes and equity in earnings of joint ventures and other operating entities	$ 920	$ 1,390

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(1) The amounts for the three months ended March 31, 2024 reflect the correction of an error related to indexed variable and fixed annuity products within the Retirement Strategies segment. See "—Retirement Strategies" for additional information. Prior period amounts have been updated to conform to current period presentation.

(2) See "—General Account Investments" and Note 19 to the Unaudited Interim Consolidated Financial Statements for additional information.

(3) Represents the contribution to income (loss) of Divested and Run-off Businesses that have been or will be sold or exited, including businesses that have been placed in wind-down, but did not qualify for "discontinued operations" accounting treatment under U.S. GAAP. See "—Divested and Run-off Businesses" for additional information.

(4) Equity in earnings of joint ventures and other operating entities is included in adjusted operating income but excluded from "Income (loss) before income taxes and equity in earnings of joint ventures and other operating entities" as it is reflected on an after-tax U.S. GAAP basis as a separate line in the Unaudited Interim Consolidated Statements of Operations. Earnings attributable to noncontrolling interests are excluded from adjusted operating income but included in "Income (loss) before income taxes and equity in earnings of joint ventures and other operating entities" as they are reflected on a U.S. GAAP basis as a separate line in the Unaudited Interim Consolidated Statements of Operations. Earnings attributable to noncontrolling interests represents the portion of earnings from consolidated entities that relates to the equity interests of minority investors.

(5) Includes certain components of consideration for business acquisitions, which are recognized as compensation expense over the requisite service periods.

Segment results for the period presented above reflect the following:

PGIM. Results for the first quarter of 2025 decreased in comparison to the prior year period, primarily reflecting lower net other related revenues, partially offset by higher net asset management fees.

Retirement Strategies. Results for the first quarter of 2025 decreased in comparison to the prior year period, primarily driven by higher expenses and lower net fee income, partially offset by higher net investment spread results and more favorable reserve experience.

Group Insurance. Results for the first quarter of 2025 increased in comparison to the prior year period, primarily reflecting higher underwriting results, partially offset by higher expenses and lower net investment spread results.

Individual Life. Results for the first quarter of 2025 reflected decreased losses in comparison to the prior year period, primarily driven by higher underwriting results and lower expenses, partially offset by lower net investment spread results.

International Businesses. Results for the first quarter of 2025 decreased in comparison to the prior year period, inclusive of a net unfavorable impact from foreign currency exchange rates. Excluding this item, results for the first quarter of 2025 decreased, primarily driven by lower net investment spread results and lower earnings on joint ventures and other operating entities.

Corporate and Other. Results for the first quarter of 2025 reflected decreased losses in comparison to the prior year period, primarily driven by lower net charges from other corporate activities and higher pension and employee benefits results, partially offset by higher interest expense on debt.

Closed Block Division. Results for the first quarter of 2025 decreased in comparison to the prior year period, primarily driven by lower net investment activity results, partially offset by changes in the policyholder dividend obligation.

Segment Measures

Adjusted Operating Income. In managing our business, we analyze our segments' operating performance using "adjusted operating income." Adjusted operating income does not equate to "Income (loss) before income taxes and equity in earnings of joint ventures and other operating entities" or "Net income (loss)" as determined in accordance with U.S. GAAP but is the measure of segment profit or loss we use to evaluate segment performance and allocate resources and, consistent with authoritative guidance, is our measure of segment performance. The adjustments to derive adjusted operating income are important to an understanding of our overall results of operations. Adjusted operating income is not a substitute for income determined in accordance with U.S. GAAP, and our definition of adjusted operating income may differ from that used by other companies; however, we believe that the presentation of adjusted operating income as we measure it for management purposes enhances the understanding of our results of operations by highlighting the results from ongoing operations and the underlying profitability of our businesses.

See Note 19 to the Unaudited Interim Consolidated Financial Statements for additional information regarding the presentation of segment results and our definition of adjusted operating income.

Annualized New Business Premiums. In managing our Individual Life, Group Insurance and International Businesses segments, we analyze annualized new business premiums, which do not correspond to revenues under U.S. GAAP. Annualized new business premiums measure the current sales performance of the business, while revenues primarily reflect the renewal persistency of policies written in prior years and net investment income, in addition to current sales. Annualized new business premiums include 10% of first year premiums or deposits from single-payment products in our Individual Life and International Businesses segments. No other adjustments are made for limited-payment contracts.

The amount of annualized new business premiums for any given period can be significantly impacted by several factors, including but not limited to: addition of new products, discontinuation of existing products, changes in credited interest rates for certain products and other product modifications, changes in premium rates, changes in tax laws, changes in regulations or changes in the competitive environment. Sales volume may increase or decrease prior to certain of these changes becoming effective, and then fluctuate in the other direction following such changes.

Assets Under Management. In managing our PGIM segment, we analyze assets under management (which do not correspond directly to U.S. GAAP assets) because the principal source of revenues is fees based on assets under management. Assets under management represent the fair market value or account value of assets that we manage directly for institutional clients, retail clients, and for our general account, as well as assets invested in our products that are managed by third-party managers.

Account Values. In managing our Retirement Strategies segment, we analyze account values, which do not correspond directly to U.S. GAAP assets. Net additions (withdrawals) in our Institutional Retirement Strategies business and sales (redemptions) in our Individual Retirement Strategies business do not correspond to revenues under U.S. GAAP but are used as a relevant measure of business activity.

Impact of Foreign Currency Exchange Rates

Foreign currency exchange rate movements and related hedging strategies

As a U.S.-based company with significant business operations outside the U.S., particularly in Japan, we are subject to foreign currency exchange rate movements that could impact our USD-equivalent shareholder return on equity. We seek to mitigate this impact through various hedging strategies, including holding USD-denominated assets in certain of our foreign subsidiaries.

In order to reduce equity volatility from foreign currency exchange rate movements, we primarily utilize a yen hedging strategy that calibrates the hedge level to preserve the relative contribution of our yen-based business to the Company's overall return on equity on a leverage neutral basis. We implement this hedging strategy utilizing a variety of instruments, including USD-denominated assets and dual currency and synthetic dual currency investments held locally in our Japanese insurance subsidiaries. The total hedge level may vary based on our periodic assessment of the relative contribution of our yen-based business to the Company's overall return on equity.

The table below presents the aggregate amount of instruments that serve to hedge the impact of foreign currency exchange movements on our USD-equivalent shareholder return on equity from our Japanese insurance subsidiaries as of the dates indicated.

	March 31, 2025	December 31, 2024
	(in billions)	
Foreign currency hedging instruments:		
USD-denominated assets associated with yen-based entities(1)	$ 6.8	$ 6.1
Dual currency and synthetic dual currency investments(2)	0.3	0.3
Total foreign currency hedges	$ 7.1	$ 6.4

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(1) Includes USD-denominated fixed maturities at amortized cost plus any related accrued investment income, as well as USD notional amount of foreign currency derivative contracts outstanding. Note this amount represents only those USD assets serving to hedge the impact of foreign currency volatility on equity. Separate from this program, our Japanese operations also have $80.5 billion and $83.2 billion as of March 31, 2025 and December 31, 2024, respectively, of USD-denominated assets supporting USD-denominated liabilities related to USD-denominated products.
(2) Dual currency and synthetic dual currency investments are held by our yen-based entities in the form of fixed maturities and loans with a yen-denominated principal component and USD-denominated interest income. The amounts shown represent the present value of future USD-denominated cash flows.

The USD-denominated investments that hedge the impact of foreign currency exchange rate movements on USD-equivalent shareholder return on equity from our Japanese insurance operations are reported within yen-based entities and, as a result, foreign currency exchange rate movements will impact their value reported within our yen-based Japanese insurance entities. We seek to mitigate the risk that future unfavorable foreign currency exchange rate movements will decrease the value of these USD-denominated investments reported within our yen-based Japanese insurance entities, and therefore negatively impact their equity and regulatory solvency margins, by having our Japanese insurance operations enter into currency hedging transactions with a subsidiary of Prudential Financial. These hedging strategies have the economic effect of moving the change in value of these USD-denominated investments due to foreign currency exchange rate movements from our Japanese yen-based entities to our USD-based entities.

These USD-denominated investments also pay a coupon which is generally higher than what a similar yen-denominated investment would pay. The incremental impact of this higher yield on our USD-denominated investments, as well as our dual currency and synthetic dual currency investments, will vary over time, and is dependent on the duration of the underlying investments as well as interest rate environments in both the U.S. and Japan at the time of the investments.

Impact of intercompany foreign currency exchange rate arrangements on segment results of operations

The financial results of our International Businesses and PGIM reflect the impact of intercompany arrangements with our Corporate and Other operations pursuant to which these segments' non-USD-denominated earnings are translated at fixed currency exchange rates that are predetermined during the third quarter of the prior year using forward currency exchange rates. Results of our Corporate and Other operations include differences between the translation adjustments recorded by the segments at the fixed currency exchange rate versus the actual average rate during the period.

In addition, specific to our International Businesses where we hedge certain currencies utilizing forward currency contracts with third parties, the results of our Corporate and Other operations also include the impact of any gains or losses recorded from these contracts that settled during the period, which include the impact of any over or under hedging of actual earnings that differ from projected earnings.

The table below presents, for the periods indicated, the increase (decrease) to revenues and adjusted operating income for our International Businesses, PGIM and Corporate and Other operations, reflecting the impact of these intercompany arrangements.

	Three Months Ended March 31,	
	2025	**2024**
	(in millions)	
Segment impacts of intercompany arrangements:		
International Businesses	$ 3	$ 3
PGIM	0	0
Impact of intercompany arrangements(1)	3	3
Corporate and Other:		
Impact of intercompany arrangements(1)	(3)	(3)
Settlement gains (losses) on forward currency contracts(2)	3	(3)
Net benefit (detriment) to Corporate and Other	0	(6)
Net impact on consolidated revenues and adjusted operating income	$ 3	$ (3)

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(1) Represents the difference between non-USD-denominated earnings translated on the basis of weighted average monthly currency exchange rates versus fixed currency exchange rates determined in connection with the foreign currency income hedging program.
(2) As of March 31, 2025 and 2024, the total notional amounts of these forward currency contracts within our Corporate and Other operations were $0.8 billion and $0.7 billion, respectively.

Impact of products denominated in non-local currencies on U.S. GAAP earnings

While our international insurance operations offer products denominated in local currency, several also offer products denominated in non-local currencies. This is most notable in our Japanese operations, which currently offer primarily USD-denominated products, but have also historically offered Australian dollar ("AUD")-denominated products. The non-local currency-denominated insurance liabilities related to these products are supported by investments denominated in corresponding currencies, including a significant portion designated as available-for-sale. While the impact from foreign currency exchange rate movements on these non-local currency-denominated assets and liabilities is economically matched, differences in the accounting for changes in the value of these assets and liabilities due to changes in foreign currency exchange rate movements have historically resulted in volatility in U.S. GAAP earnings.

As a result, we implemented a structure in certain of our Japanese operations that disaggregated the USD- and AUD-denominated businesses into separate divisions, each with its own functional currency that aligns with the underlying products and investments. The result of this alignment was to reduce differences in the accounting for changes in the value of these assets and liabilities that arise due to changes in foreign currency exchange rate movements. For the USD- and AUD-denominated assets that were transferred under this structure, the net cumulative unrealized investment gains associated with foreign exchange remeasurement that were recorded in "Accumulated other comprehensive income (loss)" ("AOCI") totaled $1.1 billion as of both March 31, 2025 and December 31, 2024, and will be recognized in earnings within "Realized investment gains (losses), net" over time as these assets mature or are sold. Absent the sale of any of these assets prior to their stated maturity, approximately 2% of the $1.1 billion balance as of March 31, 2025 will be recognized throughout the remainder of 2025, approximately 5% will be recognized in 2026, and the remaining balance will be recognized from 2027 through 2051.

Highly inflationary economy

Enterprise Group, our strategic investment in Ghana, has historically utilized the Ghanaian cedi as its functional currency given it is the currency of the primary economic environment in which the entity operates. In the fourth quarter of 2023, Ghana experienced a cumulative inflation rate that exceeded 100% over a 3-year period. As a result, Ghana's economy was deemed to be highly inflationary, resulting in reporting changes effective January 1, 2024. Under U.S. GAAP, the financial statements of a foreign entity in a highly inflationary economy are to be remeasured as if its functional currency (formerly the Ghanaian cedi) is the reporting currency of its parent reporting entity (the USD) on a prospective basis. While this changed how the results of Enterprise Group were remeasured and/or translated into USD, the impact to our financial statements was not material nor is it expected to have a material impact to our financial statements in future periods given the relative size of the investment.

Accounting Policies & Pronouncements

Application of Critical Accounting Estimates

The preparation of financial statements in conformity with U.S. GAAP requires the application of accounting policies that often involve a significant degree of judgment. Management, on an ongoing basis, reviews the estimates and assumptions used in the preparation of the Company's financial statements. If management determines that modifications to assumptions and estimates are appropriate given current facts and circumstances, the Company's results of operations and financial position as reported in the Unaudited Interim Consolidated Financial Statements could change significantly.

Management believes the accounting policies relating to the following areas are most dependent on the application of estimates and assumptions and require management's most difficult, subjective, or complex judgments:

- Insurance liabilities;
- Goodwill;
- Valuation of investments including derivatives, measurement of allowance for credit losses, and recognition of other-than-temporary impairments ("OTTI");
- Pension and other postretirement benefits;
- Taxes on income; and
- Reserves for contingencies, including reserves for losses in connection with unresolved legal matters.

Market Performance - Equity and Interest Rate Assumptions

The liability for future policy benefits for certain of our universal life type products includes quarterly adjustments for the impact of changes to our estimate of future rates of returns on investments to reflect actual fund performance and market conditions. A portion of the returns on investments for our variable life contracts are dependent upon the total rate of return on assets held in separate account investment options. This rate of return influences the fees we earn and expected claims to be paid on variable life contracts, as well as other sources of profit. Returns that are higher than our expectations for a given period produce higher than expected account balances, which increase the future fees we expect to earn on variable life contracts and decrease expected claims to be paid on variable life contracts. The opposite occurs when returns are lower than our expectations.

The weighted average rate of return assumptions used in developing estimated market returns consider many factors specific to each product type, including asset durations, asset allocations and other factors. With regard to equity market assumptions, the near-term future rate of return assumption used in evaluating liabilities for future policy benefits for certain of our products, primarily our domestic and international variable life insurance products, is generally updated each quarter and is derived using a reversion to the mean approach, a common industry practice. Under this approach, we consider historical equity returns and adjust projected equity returns over an initial future period of five years (the "near-term") so that equity returns converge to the long-term expected rate of return. If the near-term projected future rate of return is greater than our near-term maximum future rate of return of 15.0%, we use our maximum future rate of return. If the near-term projected future rate of return is lower than our near-term minimum future rate of return of 0%, we use our minimum future rate of return. As of March 31, 2025, our domestic variable life insurance businesses assume an 8.0% long-term equity expected rate of return and a 3.9% near-term mean reversion equity expected rate of return, and our international variable life insurance business assumes a 5.0% long-term equity expected rate of return and a 1.0% near-term mean reversion equity expected rate of return.

With regard to interest rate assumptions used in evaluating liabilities for future policy benefits for certain of our products, we update the long-term and near-term future rates used to project fixed income returns annually and quarterly, respectively. As a result of our 2024 annual reviews and update of assumptions and other refinements, we increased our long-term expectation of both the 10-year U.S. Treasury rate and 10-year Japanese Government Bond yield by 25 basis points, and now grade to rates of 3.50% and 1.25%, respectively, over ten years. As part of our quarterly market experience updates, we update our near-term projections of interest rates to reflect changes in current rates.

For further discussion of impacts that could result from changes in these key estimates and assumptions, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Accounting Policies and Pronouncements—Application of Critical Accounting Estimates" in our Annual Report on Form 10-K for the year ended December 31, 2024.

Adoption of New Accounting Pronouncements

See Note 2 to the Unaudited Interim Consolidated Financial Statements for accounting pronouncements issued but not yet adopted and newly adopted accounting pronouncements.

Results of Operations by Segment

PGIM

Business Update

- In July 2024, the Company exited PGIM Wadhwani LLP ("PGIMW"), our London-based managed futures investment management firm. The results of PGIMW, beginning in the second quarter of 2024, are reflected in Divested and Run-off Businesses included within our Corporate and Other operations.

Operating Results

The following table sets forth PGIM's operating results for the periods indicated:

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
	(in millions)	
Operating results(1):		
Revenues	$ 985	$ 990
Expenses	829	821
Adjusted operating income	156	169
Equity in earnings of joint ventures and other operating entities and earnings attributable to noncontrolling interests	10	11
Other adjustments(2)	28	(8)
Income (loss) before income taxes and equity in earnings of joint ventures and other operating entities	$ 194	$ 172

(1) Certain of PGIM's investment activities are based in currencies other than the USD and are therefore subject to foreign currency exchange rate risk. The financial results of PGIM include the impact of an intercompany arrangement with our Corporate and Other operations designed to mitigate the impact of exchange rate changes on PGIM's USD-equivalent earnings. For additional information regarding this intercompany arrangement, see "—Results of Operations—Impact of Foreign Currency Exchange Rates," above.
(2) Includes certain components of consideration for business acquisitions, which are recognized as compensation expense over the requisite service periods.

Adjusted Operating Income

Adjusted operating income decreased $13 million, primarily reflecting lower other related revenues, net of related expenses, partially offset by higher asset management fees, net of related expenses.

Revenues and Expenses

The following table sets forth PGIM's revenues, presented on a basis consistent with the table above under "—Operating Results," by type:

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
	(in millions)	
Revenues by type:		
Asset management fees by source:		
Institutional - Third Party(1)	$ 387	$ 368
Retail - Third Party(1)	225	204
Affiliated(1)(2)	216	202
Total asset management fees	828	774
Other related revenues by source:		
Incentive fees	10	41
Transaction fees	7	4
Seed and co-investments	6	41
Commercial mortgage(3)	15	7
Total other related revenues	38	93
Service, distribution and other revenues	119	123
Total revenues	$ 985	$ 990

(1) Prior period amounts have been updated to conform to current period presentation.
(2) Includes revenues from the Company's general account assets, as well as certain separate account assets of the Company's insurance and retirement businesses managed by PGIM.
(3) Includes mortgage origination revenues from our commercial mortgage origination and servicing business.

Revenues decreased $5 million. Other related revenues decreased, primarily reflecting lower seed and co-investments results and lower incentive fees driven by less favorable investment performance, partially offset by higher commercial mortgage origination revenues driven by higher loan production. These variances were partially offset by higher asset management fees, primarily reflecting fixed income and equity market appreciation, net inflows and strong investment performance.

Expenses increased $8 million, primarily reflecting higher operating expenses, primarily due to business growth, partially offset by lower compensation expenses related to certain long-term employee compensation plans. Also contributing to the increase were higher variable expenses related to the higher fee-based earnings described above.

Assets Under Management

The following table sets forth assets under management by asset class as of the dates indicated:

	March 31, 2025	December 31, 2024	March 31, 2024
		(in billions)	
Assets Under Management(1) (at fair value):			
Public equity	$ 198.0	$ 215.7	$ 201.9
Public fixed income	856.7	832.2	824.5
Real estate	130.6	127.2	127.3
Private credit and other alternatives	121.8	118.0	114.0
Multi-asset	78.2	82.1	73.7
Total PGIM assets under management	$ 1,385.3	$ 1,375.2	$ 1,341.4
Assets under management within other reporting segments(2)	136.8	137.2	154.9
Total PFI assets under management	$ 1,522.1	$ 1,512.4	$ 1,496.3

(1) "Public equity" represents stock ownership interest in a corporation or partnership (excluding hedge funds) or real estate investment trust. "Public fixed income" represents debt instruments that pay interest and usually have a maturity (excluding mortgages). "Real estate" includes direct real estate equity and real estate mortgages. "Private credit and other alternatives" includes private credit, private equity, hedge funds and other alternative strategies. "Multi-asset" includes funds or products that invest in more than one asset class, balancing equity and fixed income funds and target date funds.
(2) Primarily includes assets related to certain insurance and retirement products in our U.S. Businesses and Corporate and Other operations, and certain general account assets in our International Businesses. These assets are not directly managed by PGIM, but rather are invested in non-proprietary funds or are managed by either the divisions themselves or by our Chief Investment Officer Organization.

The following table sets forth assets under management by source as of the dates indicated:

	March 31, 2025	December 31, 2024	March 31, 2024
		(in billions)	
Assets Under Management (at fair value):			
Institutional - Third Party(1)	$ 620.2	$ 601.1	$ 596.9
Retail - Third Party(1)	240.6	244.9	228.1
Affiliated(1)(2)	524.5	529.2	516.4
Total PGIM assets under management	$ 1,385.3	$ 1,375.2	$ 1,341.4
Assets under management within other reporting segments(3)	136.8	137.2	154.9
Total PFI assets under management	$ 1,522.1	$ 1,512.4	$ 1,496.3

(1) Prior period amounts have been updated to conform to current period presentation.
(2) Includes the Company's general account assets, as well as certain separate account assets of the Company's insurance and retirement businesses managed by PGIM.
(3) Primarily includes assets related to certain insurance and retirement products in our U.S. Businesses and Corporate and Other operations, and certain general account assets in our International Businesses. These assets are not directly managed by PGIM, but rather are invested in non-proprietary funds or are managed by either the divisions themselves or by our Chief Investment Officer Organization.

The following table sets forth the component changes in PGIM's assets under management for the periods indicated:

	Three Months Ended March 31,		Twelve Months Ended March 31,
	2025	2024	2025
	(in billions)		
Beginning assets under management	$ 1,375.2	$ 1,298.1	$ 1,341.4
Institutional third-party flows(1)	4.6	27.5	(5.3)
Retail third-party flows	(0.2)	0.5	0.7
Total third-party flows(1)	4.4	28.0	(4.6)
Affiliated flows(1)(2)	(0.1)	7.2	17.2
Total net flows(1)	4.3	35.2	12.6
Distributions(1)(3)	(1.3)	(1.5)	(5.5)
Market appreciation (depreciation)(4)	5.0	18.9	46.7
Foreign exchange rate impact	3.8	(5.9)	0.3
Net money market activity and other increases (decreases)	(1.7)	(3.4)	(10.2)
Ending assets under management	$ 1,385.3	$ 1,341.4	$ 1,385.3

(1) Prior period amounts have been updated to conform to current period presentation.
(2) Represents assets that PGIM manages for the benefit of other reporting segments within the Company. Additions and withdrawals of these assets are attributable to third-party product inflows and outflows in other reporting segments.
(3) Reflects income and dividend distributions related to private alternative funds and collateralized loan obligations.
(4) Includes income reinvestment, where applicable.

PGIM's assets under management as of March 31, 2025 increased $44 billion in comparison to the prior year quarter, primarily driven by fixed income and equity market appreciation, net inflows and strong investment performance. PGIM's assets under management as of March 31, 2025 increased $10 billion in comparison to the prior year end, primarily driven by market appreciation, net inflows and favorable foreign exchange rate impacts.

Private Capital Deployment

Private capital deployment is indicative of the pace and magnitude of capital that is invested and will result in future revenues that may include management fees, transaction fees, incentive fees and servicing revenues, as well as future costs to manage these assets.

Private capital deployment represents the gross value of private capital invested in real estate debt and equity, and private credit and equity asset classes. Assets under management resulting from private capital deployment are primarily included in "Real estate" and "Private credit and other alternatives" in the "—Assets Under Management— by asset class table" above. As of March 31, 2025, these asset classes increased $7.2 billion compared to December 31, 2024, primarily reflecting private capital net inflows and market appreciation.

Private capital deployment includes PGIM's real estate agency debt business, which consists of agency commercial mortgage loans that are originated and sold to third-party investors. PGIM continues to service these loans; however, they are not included in assets under management.

The following table sets forth PGIM's private capital deployed by asset class for the periods indicated:

	Three Months Ended March 31,	
	2025	2024
	(in billions)	
Private capital deployed:		
Real estate debt and equity	$ 4.6	$ 2.0
Private credit and equity(1)	6.0	4.6
Total private capital deployed(1)	$ 10.6	$ 6.6

(1) Prior period amounts have been updated to conform to current period presentation.

Seed and Co-Investments

As of March 31, 2025 and December 31, 2024, PGIM had approximately $1,019 million and $1,079 million of seed investments and $426 million and $415 million of co-investments at carrying value, respectively, primarily consisting of public fixed income, public equity, real estate investments, and private credit and other alternatives.

Retirement Strategies

Operating Results

The following table sets forth Retirement Strategies' operating results for the periods indicated:

	Three Months Ended March 31,	
	2025	2024
	(in millions)	
Operating results (1):		
Revenues:		
Institutional Retirement Strategies	$ 3,105	$ 11,538
Individual Retirement Strategies	1,338	1,221
Total revenues	4,443	12,759
Benefits and expenses:		
Institutional Retirement Strategies	2,693	11,097
Individual Retirement Strategies	874	781
Total benefits and expenses	3,567	11,878
Adjusted operating income:		
Institutional Retirement Strategies	412	441
Individual Retirement Strategies	464	440
Total adjusted operating income	876	881
Realized investment gains (losses), net, and related charges and adjustments	(249)	(269)
Change in value of market risk benefits, net of related hedging gains (losses)	(357)	120
Equity in earnings of joint ventures and other operating entities and earnings attributable to noncontrolling interests	1	1
Income (loss) before income taxes and equity in earnings of joint ventures and other operating entities	$ 271	$ 733

(1) The amounts for the three months ended March 31, 2024 reflect the correction of an error related to indexed variable and fixed annuity products within the Individual Retirement Strategies business. See below for additional information.

As previously disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2024, during the fourth quarter of 2024, the Company identified an immaterial error in the application of adjusted operating income, which resulted in an overstatement thereof for indexed variable and fixed annuity products within the Retirement Strategies segment in the first three quarters of 2024. As a result, the Company voluntarily revised its historical adjusted operating income for the relevant periods, resulting in a decrease in pre-tax adjusted operating income of $34 million for the three months ended March 31, 2024.

Adjusted Operating Income

Adjusted operating income from our Institutional Retirement Strategies business decreased $29 million, primarily driven by lower net investment spread results reflecting lower income on non-coupon investments and derivatives, partially offset by higher income driven by an increase in account values from business growth, and higher operating expenses. These decreases were partially offset by more favorable reserve experience.

Adjusted operating income from our Individual Retirement Strategies business increased $24 million, primarily driven by higher net investment spread results due to the growth in indexed variable annuities and higher income on non-coupon investments, partially offset by the impact of lower short-term interest rates. This favorable variance was partially offset by higher amortization costs driven by business growth, as well as lower fee income, net of distribution expenses, resulting from lower average separate account values due to net outflows, partially offset by favorable equity markets.

Revenues, Benefits and Expenses

Revenues from our Institutional Retirement Strategies business decreased $8,433 million primarily reflecting lower pension risk transfer premiums due to the absence of significant sales which occurred in the prior year period, with corresponding offsets in policyholders' benefits, as discussed below.

Benefits and expenses of our Institutional Retirement Strategies business decreased $8,404 million. Policyholders' benefits, including changes in reserves, decreased primarily related to the lower pension risk transfer premiums discussed above.

Revenues from our Individual Retirement Strategies business increased $117 million primarily driven by higher net investment income due to growth in indexed variable annuities and higher income from non-coupon investments. This favorable variance was partially offset by lower asset management and service fees and lower policy charges and fee income resulting from lower average separate account values due to net outflows, partially offset by favorable equity markets.

Benefits and expenses of our Individual Retirement Strategies business increased $93 million primarily driven by higher interest credited to policyholders' account balances reflecting business growth, partially offset by lower general and administrative expenses, net of capitalization.

Account Values

Institutional Retirement Strategies. Account values are a significant driver of our operating results and are primarily driven by net additions (withdrawals) and the impact of market changes. The investment income and interest we credit to policyholders on our spread-based products varies with the level of general account values. The income we earn on most of our fee-based products varies with the level of fee-based account values as many policy fees are determined by these values.

The following table shows the changes in the account values of Institutional Retirement Strategies' products for the periods indicated. Account values include both internally- and externally-managed client balances as the total balances drive revenue for the Institutional Retirement Strategies business. For additional information regarding internally-managed balances, see "—PGIM."

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024	Twelve Months Ended March 31, 2025
	(in millions)		
Total Institutional Retirement Strategies:			
Beginning total account value, gross(1)	$ 288,202	$ 267,654	$ 274,630
Additions(2)	7,051	10,990	32,392
Withdrawals and benefits	(6,642)	(6,417)	(25,552)
Change in market value, interest credited and interest income	2,804	2,655	10,739
Other(3)	2,515	(252)	1,721
Ending total account value, gross	293,930	274,630	293,930
Reinsurance ceded	(8,952)	(9,179)	(8,952)
Ending total account value, net	$ 284,978	$ 265,451	$ 284,978

(1) Beginning total account values, net of reinsurance ceded, were $279,191 million and $258,417 million for the three months ended March 31, 2025 and 2024, respectively, and $265,451 million for the twelve months ended March 31, 2025.
(2) Additions primarily include: group annuities and funded pension reinsurance calculated based on premiums received; international longevity reinsurance contracts calculated as the present value of future projected benefits; investment-only stable value contracts calculated as the fair value of customers' funds held in a client-owned trust; and funding agreements issued calculated based on premiums received.
(3) "Other" activity includes the effect of foreign exchange rate changes associated with our British pound sterling denominated international reinsurance business and changes in asset balances for externally-managed accounts. For the three months ended March 31, 2025 and 2024, "Other" activity also includes $801 million in receipts offset by $956 million in payments, and $1,072 million in receipts offset by $933 million in payments, respectively, related to funding agreements backed by commercial paper that typically have maturities of less than 90 days.

The increase in Institutional Retirement Strategies net account values for the three months ended March 31, 2025 reflects interest credited on customer funds and an increase in the market values of assets, and the positive impact of foreign exchange rate changes.

The increase in Institutional Retirement Strategies net account values for the twelve months ended March 31, 2025 reflects net additions primarily driven by significant pension risk transfer transactions, including funded pension risk transfer and international reinsurance sales, interest credited on customer funds, an increase in the market values of assets, and the positive impact of foreign exchange rate changes.

Individual Retirement Strategies. Account values are a significant driver of our operating results. Since most fees are determined by the level of separate account assets, fee income varies primarily based on the level of account values. Account values are driven by net flows from new business sales, surrenders, withdrawals and benefit payments, policy charges and the impact of positive or negative market value changes. The following table sets forth account value information of Individual Retirement Strategies' products for the periods indicated:

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024	Twelve Months Ended March 31, 2025
	(in millions)		
Total Individual Retirement Strategies:			
Beginning total account value, gross(1)	$ 138,639	$ 129,708	$ 134,700
Sales	3,479	3,314	14,232
Full surrenders and death benefits	(2,892)	(2,565)	(11,420)
Sales, net of full surrenders and death benefits	587	749	2,812
Partial withdrawals and other benefit payments	(1,416)	(1,290)	(5,306)
Net flows	(829)	(541)	(2,494)
Change in market value, interest credited and other activity	(1,481)	6,081	5,746
Policy charges	(503)	(548)	(2,126)
Ending total account value, gross	135,826	134,700	135,826
Reinsurance ceded	(11,752)	(11,688)	(11,752)
Ending total account value, net(2)	$ 124,074	$ 123,012	$ 124,074

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(1) Beginning total account values, net, were $127,120 million and $117,911 million for the three months ended March 31, 2025 and 2024, respectively, and $123,012 million for the twelve months ended March 31, 2025.

(2) Includes net variable and fixed annuities sold as retail investment products. Variable annuity account values were $113,193 million and $115,263 million as of March 31, 2025 and 2024, respectively. Fixed annuity account values were $10,881 million and $7,749 million as of March 31, 2025 and 2024, respectively.

Individual Retirement Strategies sales, net of full surrenders and death benefits, for the three months ended March 31, 2025 decreased in comparison to the prior year period driven by higher full surrenders, partially offset by higher sales of indexed variable annuities products.

The decrease in Individual Retirement Strategies net account values for the three months ended March 31, 2025 reflects market value depreciation, net outflows and policy charges on contractholder accounts. The increase in net account values for the twelve months ended March 31, 2025 reflects market value appreciation, partially offset by net outflows and policy charges on contractholder accounts.

Risks and Risk Mitigants

The following is a summary of certain risks associated with Individual Retirement Strategies' products, certain strategies in mitigating those risks including any updates to those strategies since the previous year-end, and the related financial results.

Fixed Annuity Risks and Risk Mitigants. The primary risk exposure of our fixed annuity products relates to investment risks we bear for providing customers a minimum guaranteed interest rate or an index-linked interest rate required to be credited to the customer's account value, which include interest rate fluctuations and/or sustained periods of low interest rates, and credit risk related to the underlying investments. We manage these risk exposures primarily through our investment strategies, inclusive of derivatives, and product design features, which include credit rate resetting subject to the minimum guaranteed interest rate as well as surrender charges applied during the early years of the contract that help to provide protection for premature withdrawals. In addition, a portion of our fixed products has a market value adjustment provision that affords protection of lapse in the case of rising interest rates. We also manage these risk exposures through external reinsurance for certain of our fixed annuity products. For additional information regarding our external reinsurance agreements, see Note 12 to the Unaudited Interim Consolidated Financial Statements.

Indexed Variable Annuity Risks and Risk Mitigants. The primary risk exposure of our indexed variable annuity products relates to the investment risks we bear in order to credit to the customer's account balance the required crediting rate based on the performance of the elected indices at the end of each term. We manage this risk primarily through our investment strategies, inclusive of derivatives, and product design features, which include credit rate resetting subject to contractual minimums as well as surrender charges applied during the early years of the contract that help to provide protection for premature withdrawals. In addition, our indexed variable annuity strategies have an interim value provision that provides some protection from lapse in the case of rising interest rates.

Variable Annuity Risks and Risk Mitigants. The primary risk exposures of our variable annuity contracts relate to actual deviations from, or changes to, the assumptions used in the original pricing of these products, including capital markets assumptions such as equity market returns, interest rates and market volatility, along with actuarial assumptions such as contractholder mortality, the timing and amount of annuitization and withdrawals, and contract lapses. For these risk exposures, achievement of our expected returns is subject to the risk that actual experience will differ from the assumptions used in the original pricing of these products. We manage our exposure to certain risks driven by fluctuations in capital markets primarily through a combination of i) Product Design Features, and ii) our Asset Liability Management Strategy, as discussed below. We also manage these risk exposures through external reinsurance for certain of our variable annuity products. For additional information regarding our external reinsurance agreements, see Note 12 to the Unaudited Interim Consolidated Financial Statements.

i. Product Design Features:

A portion of the variable annuity contracts that we offered include an automatic rebalancing feature, also referred to as an asset transfer feature. This feature is implemented at the contract level, and transfers assets between certain variable investment sub-accounts selected by the annuity contractholder and, depending on the benefit feature, a fixed-rate account in the general account or a bond fund sub-account within the separate accounts. The objective of the automatic rebalancing feature is to reduce our exposure to equity market risk and market volatility. Other product design features we utilize include, among others, asset allocation restrictions, minimum issuance age requirements and certain limitations on the amount of purchase payments, as well as a required minimum allocation to our general account for certain of our products. In addition, there is diversity in our fee arrangements, as certain fees are primarily based on the benefit guarantee amount, the contractholder account value and/or premiums, which helps preserve certain revenue streams when market fluctuations cause account values to decline.

ii. Asset Liability Management ("ALM") Strategy (including fixed income instruments and derivatives):

We employ an ALM strategy that utilizes a combination of both traditional fixed income instruments and derivatives to meet expected liabilities associated with our annuity guarantees that under U.S. GAAP are considered MRBs. The MRB liability that we hedge consists of expected living and death benefit claims under various market conditions, which are managed using fixed income instruments, derivatives, or a combination thereof. For our PDI variable annuity, we utilize fixed income instruments to meet expected liabilities. For the portion of our ALM strategy executed with derivatives, we enter into a range of exchange-traded and over-the-counter ("OTC") equity, interest rate and credit derivatives, including, but not limited to: equity and treasury futures; total return, credit default and interest rate swaps; and options including equity options, swaptions, and floors and caps. The intent of this strategy is to more efficiently manage the capital and liquidity associated with these products while continuing to mitigate fluctuations in net income due to movements in capital markets. To achieve this, we periodically review and recalibrate the ALM strategy by optimizing the mix of derivatives and fixed income instruments to achieve expected outcomes.

Under our ALM strategy, we expect differences in the U.S. GAAP net income impact between the changes in value of the fixed income instruments (either designated as available-for-sale or designated as trading) and derivatives as compared to the changes in the MRB liability these assets support. These differences can be primarily attributed to two distinct areas:

- *Different accounting treatment between liabilities and assets supporting those liabilities*. Under U.S. GAAP, changes in the fair value of the derivative instruments and fixed income instruments designated as trading, and MRBs, excluding the changes in the Company's non-performance risk ("NPR") spreads, are immediately reflected in net income, while changes in the fair value of fixed income instruments that are designated as available-for-sale are recorded as unrealized gains (losses) in other comprehensive income.

- *General hedge results.* For the derivative portion of the ALM strategy, the net hedging impact (the extent to which the changes in value of the hedging instruments offset the change in value of the portion of the MRBs we are hedging) may be impacted by a number of factors, including: cash flow timing differences between our hedging instruments and the corresponding portion of the MRBs we are hedging, basis differences attributable to actual underlying contractholder funds to be hedged versus hedgeable indices, rebalancing costs related to dynamic rebalancing of hedging instruments as markets move, certain elements of the MRBs that may not be hedged (including certain actuarial assumptions), and implied and realized market volatility on the hedge positions relative to the portion of the MRBs we seek to hedge.

Product Specific Risks and Risk Mitigants

As noted above, the risks associated with our Individual Retirement Strategies' products are mitigated through product design features, including automatic rebalancing, as well as through our ALM strategy and external reinsurance. The following table sets forth the risk management profile of our living benefit guarantees and guaranteed minimum death benefit ("GMDB") features as of the periods indicated:

	March 31, 2025		December 31, 2024		March 31, 2024	
	Account Value	% of Total	Account Value	% of Total	Account Value	% of Total
	($ in millions)					
Living benefit/GMDB features(1):						
Both ALM strategy and automatic rebalancing(2)(3)	$ 61,645	51 %	$ 64,856	52 %	$ 70,599	56 %
ALM strategy only(3)	1,690	1 %	1,782	1 %	1,955	2 %
Automatic rebalancing only	70	0 %	77	0 %	80	0 %
External reinsurance(4)	10,371	9 %	10,665	9 %	11,956	10 %
PDI	1,319	1 %	1,342	1 %	1,477	1 %
Other products	1,457	1 %	1,553	1 %	1,631	1 %
Total living benefit/GMDB features	76,552		80,275		87,698	
GMDB features and other(5)	45,249	37 %	45,338	36 %	37,267	30 %
Total variable annuity account value	$ 121,801		$ 125,613		$ 124,965	

(1) All contracts with living benefit guarantees also contain GMDB features, which cover the same insured contract.
(2) Contracts with living benefits that are included in our ALM strategy and that have an automatic rebalancing feature.
(3) Excludes retained PDI which is presented separately within this table.
(4) Represents contracts subject to reinsurance transactions with external counterparties. Includes approximately $9 billion of account values in relation to the PDI reinsurance transaction, and certain Highest Daily Lifetime Income ("HDI") v.3.0 business for the period April 1, 2015 through December 31, 2016. The HDI contracts with living benefits also have an automatic rebalancing feature. See Note 12 to the Unaudited Interim Consolidated Financial Statements for additional information.
(5) Includes contracts that have a GMDB feature and do not have an automatic rebalancing feature.

Results excluded from adjusted operating income

The following table provides the net impact to the Unaudited Interim Consolidated Statements of Operations from the portion of Retirement Strategies' results excluded from adjusted operating income:

	Three Months Ended March 31,	
	2025	2024
	(in millions)(1)	
Results excluded from adjusted operating income:		
Change in MRBs, excluding changes in the NPR adjustment(2)	$ (652)	$ 1,568
Change in the value of the non-MRB liabilities, excluding changes in the NPR adjustment(3)(4)	(289)	75
Change in the NPR adjustment, excluding changes recognized in OCI	51	(51)
Change in the fair value of hedge assets(5)	343	(1,454)
Other(6)	37	(60)
Total Individual Retirement Strategies results excluded from adjusted operating income	(510)	78
Total Institutional Retirement Strategies results excluded from adjusted operating income	(95)	(226)
Total results excluded from adjusted operating income	$ (605)	$ (148)

(1) Positive amounts represent income; negative amounts represent a loss.
(2) Also excludes related hedging gains (losses), which are included within this table in "Change in the fair value of hedge assets."
(3) The amounts for the three months ended March 31, 2024 reflect the correction of an error related to indexed variable and fixed annuity products within the Individual Retirement Strategies business. See above for additional information.

(4) Represents the change in the liability for our fixed and variable indexed annuities, including the fair value of embedded derivative instruments associated with those products, which is measured utilizing a valuation methodology required under U.S. GAAP. The total GAAP liability includes the fair value of all index credits for the current term and all future projected renewals of the policy; however, only changes in the liability associated with the current term elected by the policyholder are included in adjusted operating income, while changes in the liability associated with all future projected renewals of the policy are excluded from adjusted operating income.
(5) Represents the change in fair value of the derivatives utilized to hedge potential claims associated with our variable annuity living and death benefit guarantees.
(6) Includes the changes in duration swaps, deferred policy acquisition costs ("DAC") amortization, trading gains or losses, and other activity.

For the three months ended March 31, 2025, the loss of $605 million was primarily driven by the net impact of lower interest rates and unfavorable equity market performance on MRBs and other liabilities, net of hedging.

Group Insurance

Operating Results

The following table sets forth Group Insurance's operating results and benefits and administrative expense ratios for the periods indicated:

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
	($ in millions)	
Operating results:		
Revenues	$ 1,748	$ 1,634
Benefits and expenses	1,659	1,589
Adjusted operating income	89	45
Realized investment gains (losses), net, and related charges and adjustments	(21)	(8)
Income (loss) before income taxes and equity in earnings of joint ventures and other operating entities	$ 68	$ 37
Benefits ratios(1)(2):		
Group life	87.1 %	90.1 %
Group disability	65.6 %	71.3 %
Total Group Insurance	81.3 %	84.7 %
Administrative expense ratios(2)(3)(4):		
Group life	10.8 %	11.4 %
Group disability	25.8 %	24.2 %
Total Group Insurance	14.8 %	15.0 %

(1) Ratio of policyholder benefits to earned premiums plus policy charges and fee income.
(2) The benefits and administrative expense ratios are measures used to evaluate profitability and efficiency.
(3) Ratio of operating and variable expenses (excluding commissions) to net premiums plus policy charges and fee income, excluding third-party administrator pass-through fees and expenses.
(4) Prior period ratios have been updated to conform to current period presentation.

Adjusted Operating Income

Adjusted operating income increased $44 million, primarily reflecting higher underwriting results in our group life business, driven by a positive impact from a reserve refinement for certain experience-rated contracts and more favorable mortality experience on non-experience-rated contracts, and higher underwriting results in our group disability business driven by more favorable claims experience on long-term disability contracts. These favorable variances were partially offset by higher variable and operating expenses, largely supporting business growth, and lower net investment spread results driven by lower income on non-coupon investments.

Revenues, Benefits and Expenses

Revenues increased $114 million. The increase primarily reflected higher premiums and policy charges and fee income, driven by business growth in our group life business as well as a positive impact from a reserve refinement for certain experience-rated contracts.

Benefits and expenses increased $70 million. The increase primarily reflected higher policyholders' benefits and higher general and administrative expenses, both largely driven by business growth, partially offset by more favorable mortality experience on non-experience-rated contracts in our group life business and more favorable claims experience on long-term disability contracts.

Sales Results

The following table sets forth Group Insurance's annualized new business premiums, as defined under "—Segment Measures" above, for the periods indicated:

	Three Months Ended March 31,	
	2025	2024
	(in millions)	
Annualized new business premiums(1):		
Group life	$ 225	$ 189
Group disability	175	189
Total	$ 400	$ 378

(1) Amounts exclude new premiums resulting from rate changes on existing policies, from additional coverage under our Servicemembers' Group Life Insurance contract and from excess premiums on group universal life insurance that build cash value but do not purchase face amounts.

Total annualized new business premiums for the three months ended March 31, 2025 increased $22 million compared to the prior year period, primarily driven by higher sales in the Premier market segment in both our group life and group disability businesses, partially offset by lower sales in the National market segment in our group disability business, including lower supplemental health product sales, primarily reflecting the absence of outsized sales which occurred in the prior year period.

Individual Life

Business Update

- In August 2024, the Company entered into an agreement with Wilton Re to reinsure certain guaranteed universal life policies issued by Pruco Life and PLNJ. These policies represented approximately 40% of the Company's remaining statutory reserves on its in-force guaranteed universal life block of business, following the close of the reinsurance transaction with Somerset Re in the first quarter of 2024. The transaction was completed in December 2024 with an effective date of October 1, 2024. These two external reinsurance agreements reduced, in aggregate, the Company's previously established statutory reserves on its in-force guaranteed universal life block of business by approximately 60%. See Note 12 to the Unaudited Interim Consolidated Financial Statements for additional information regarding these transactions.

Operating Results

The following table sets forth Individual Life's operating results for the periods indicated:

	Three Months Ended March 31,	
	2025	2024
	(in millions)	
Operating results:		
Revenues	$ 1,515	$ 1,580
Benefits and expenses	1,549	1,701
Adjusted operating income	(34)	(121)
Realized investment gains (losses), net, and related charges and adjustments	(71)	(81)
Market experience updates	4	(55)
Income (loss) before income taxes and equity in earnings of joint ventures and other operating entities	$ (101)	$ (257)

Adjusted Operating Income

Adjusted operating income increased $87 million, primarily driven by higher underwriting results reflecting the ongoing favorable impact from the reinsurance transaction with Wilton Re, partially offset by unfavorable mortality experience in the current quarter. Also contributing to the increase were lower expenses reflecting the absence of costs associated with the closing of the reinsurance transaction with Somerset Re in the first quarter of 2024. These variances were partially offset by lower net investment spread results reflecting the absence of income on assets related to the reinsurance transaction with Wilton Re, and lower income on non-coupon investments, partially offset by lower financing costs resulting from the reinsurance transactions discussed above and the consolidation of our internal captive reinsurance arrangements in the fourth quarter of 2024.

Revenues, Benefits and Expenses

Revenues decreased $65 million, primarily driven by lower investment results reflecting the absence of income on assets related to the reinsurance transaction with Wilton Re, partially offset by higher policy charges and fee income due to business growth.

Benefits and expenses decreased $152 million, primarily driven by lower policyholders' benefits, including changes in reserves, as well as lower interest expense and lower interest credited on policyholders' account balances as a result of the reinsurance transaction with Wilton Re. Also contributing to the decrease were lower general and administrative expenses due to the absence of costs associated with the closing of the reinsurance transaction with Somerset Re in the first quarter of 2024. These variances were partially offset by unfavorable changes in estimates of the liability for future policy benefits due to unfavorable mortality experience in the current quarter.

Sales Results

The following table sets forth Individual Life's annualized new business premiums, as defined under "—Results of Operations—Segment Measures" above, by distribution channel and product, for the periods indicated:

	Three Months Ended March 31, 2025			Three Months Ended March 31, 2024		
	Prudential Advisors	Third-Party	Total	Prudential Advisors	Third-Party	Total
	(in millions)					
Variable Life	$ 33	$ 121	$ 154	$ 30	$ 86	$ 116
Term Life	4	28	32	4	27	31
Universal Life	1	23	24	1	19	20
Total	$ 38	$ 172	$ 210	$ 35	$ 132	$ 167

Total annualized new business premiums for the first quarter of 2025 increased $43 million, primarily reflecting higher third-party variable life sales.

International Businesses

Business Updates

- Effective in the first quarter of 2025, consistent with changes to the Company's internal management structure, our International Businesses are reflected as a single operating and reportable segment, which is how the CODM now assesses its performance and allocates resources. Prior to the first quarter of 2025, our International Businesses consisted of the Life Planner and Gibraltar Life and Other operating segments, each of which was a reportable segment under U.S. GAAP. The change has been applied retrospectively and did not have any impact on the Company's Unaudited Interim Consolidated Financial Statements contained herein or to any previously issued financial statements.

- In December 2024, the Company entered into an agreement with Prismic Life Reinsurance International, Ltd. ("Prismic Re International"), a wholly-owned subsidiary of Prismic, to reinsure approximately $7 billion of reserves for certain USD-denominated Japanese whole life policies originated by the Company's Japanese affiliates. The transaction was completed in March 2025 with an effective date of March 1, 2025. See Note 12 to the Unaudited Interim Consolidated Financial Statements for additional information.

Operating Results

The results of our International Businesses' operations are translated on the basis of weighted average monthly exchange rates, inclusive of the effects of the intercompany arrangement discussed in "—Results of Operations—Impact of Foreign Currency Exchange Rates" above. To provide a better understanding of operating performance within the International Businesses, where indicated below, we have analyzed our results of operations excluding the effect of the year over year change in foreign currency exchange rates. Our results of operations, excluding the effect of foreign currency fluctuations, were derived by translating foreign currencies to USD at uniform exchange rates for all periods presented, including for constant dollar information discussed below. For our Japan operations, we used an exchange rate of 143 yen per USD. In addition, for constant dollar information discussed below, activity denominated in USD is generally reported based on the amounts as transacted in USD. Annualized new business premiums presented on a constant exchange rate basis in the "Sales Results" section below reflect translation based on these same uniform exchange rates.

The following table sets forth the International Businesses' operating results for the periods indicated:

	Three Months Ended March 31,	
	2025	2024
	(in millions)	
Operating results:		
Revenues	$ 4,738	$ 4,713
Benefits and expenses	3,890	3,817
Adjusted operating income	848	896
Realized investment gains (losses), net, and related charges and adjustments	202	218
Change in value of market risk benefits, net of related hedging gains (losses)	6	3
Market experience updates	37	23
Equity in earnings of joint ventures and other operating entities and earnings attributable to noncontrolling interests	(29)	(36)
Income (loss) before income taxes and equity in earnings of joint ventures and other operating entities	$ 1,064	$ 1,104

Adjusted Operating Income

Adjusted operating income decreased $48 million, including a net unfavorable impact of $10 million from currency fluctuations. Excluding this item, adjusted operating income decreased $38 million, primarily reflecting lower net investment spread results, driven by lower income on non-coupon investments, and lower earnings on joint ventures and other operating entities. Also contributing to the decrease were lower underwriting results, driven by the decline of traditional life insurance business in force in Japan, partially offset by the growth of business in force in Brazil, as well as higher variable expenses, primarily due to business growth in Brazil. These variances were partially offset by lower operating expenses.

Revenues, Benefits and Expenses

Revenues increased $25 million, including a net unfavorable impact of $100 million from currency fluctuations. Excluding this item, revenues increased $125 million, primarily reflecting higher net investment income, driven by higher reinvestment rates and growth in both variable and investment products in Japan, partially offset by lower income on non-coupon investments. Also contributing to the increase were lower investment losses from less unfavorable derivatives settlements. Premiums were consistent with the prior year period as the decline of traditional life insurance business in force in Japan was offset by the absence of the impact from higher ceded reinsurance in the prior year period.

Benefits and expenses increased $73 million, including a net favorable impact of $90 million from currency fluctuations. Excluding this item, benefits and expenses increased $163 million, primarily reflecting higher policyholder benefits, including changes in reserves, largely driven by the absence of the impact from higher ceded reinsurance in the prior year period, partially offset by the decline of traditional life insurance business in force in Japan, as discussed above, and higher interest credited to policyholders' account balances, reflecting growth in both variable and investment products in Japan. Also contributing to the increase were higher general and administrative expenses, primarily driven by business growth in Brazil. These variances were partially offset by favorable changes in estimates of the liability for future policy benefits.

Sales Results

The following table sets forth annualized new business premiums, as defined under "—Results of Operations—Segment Measures" above, on an actual and constant exchange rate basis for the periods indicated:

	Three Months Ended March 31,	
	2025	2024
	(in millions)	
Annualized new business premiums:		
On an actual exchange rate basis	$ 576	$ 517
On a constant exchange rate basis	$ 586	$ 508

The amount of annualized new business premiums and the sales mix, in terms of types and currency denomination of products, for any given period can be significantly impacted by several factors, including but not limited to: the addition of new products, discontinuation of existing products, changes in credited interest rates for certain products and other product modifications, changes in premium rates, changes in interest rates or fluctuations in currency markets, changes in tax laws, changes in life insurance regulations or changes in the competitive environment. Sales volume may increase or decrease prior to certain of these changes becoming effective, and then fluctuate in the other direction following such changes.

Our diverse product portfolio in Japan, in terms of currency mix and premium payment structure, allows us to adapt to changing market and competitive dynamics, including the low interest rate environment. We regularly examine our product offerings and their related profitability and reprice or discontinue sales of certain products that do not meet our profit expectations. The impact of these actions, coupled with the introduction of certain new products, has generally resulted in higher sales of products denominated in USD relative to products denominated in other currencies; however, more recently we have experienced an increase in sales of our new yen-denominated product offerings as a result of growing demand for these products.

The table below presents annualized new business premiums on a constant exchange rate basis, by product category and distribution channel, for the periods indicated:

	Three Months Ended March 31, 2025					Three Months Ended March 31, 2024				
	Life	Accident & Health	Retirement (1)	Investment Contracts (2)	Total	Life	Accident & Health	Retirement (1)	Investment Contracts (2)	Total
	(in millions)									
Life Planner	$ 105	$ 19	$ 74	$ 67	$ 265	$ 92	$ 16	$ 77	$ 49	$ 234
Life Consultants	22	4	23	83	132	28	4	9	65	106
Banks	25	2	0	68	95	37	3	0	54	94
Independent Agency and Other	36	6	23	29	94	20	3	18	33	74
Total	$ 188	$ 31	$ 120	$ 247	$ 586	$ 177	$ 26	$ 104	$ 201	$ 508

(1) Includes retirement income, endowment and savings variable life.
(2) Includes single-payment market value adjusted investment contracts, single-payment whole life products and recurring-payment annuity products.

Annualized new business premiums, on a constant exchange rate basis, increased $78 million. Life Planner sales increased $31 million, primarily driven by Japan, reflecting higher investment contract and life product sales, partially offset by lower retirement product sales. Also contributing to the increase were higher life product sales in Brazil. Life Consultant sales increased $26 million, reflecting higher investment contract and retirement product sales, partially offset by lower life product sales. Independent Agency and Other sales increased $20 million, reflecting higher life, retirement and accident and health product sales, partially offset by lower investment contract sales. Bank channel sales increased $1 million, primarily reflecting higher investment contract product sales, partially offset by lower life product sales.

Corporate and Other

Operating Results

Corporate and Other includes corporate operations, after allocations to our business segments, and Divested and Run-off Businesses other than those that qualify for “discontinued operations” accounting treatment under U.S. GAAP. The following table sets forth Corporate and Other’s operating results for the periods indicated:

	Three Months Ended March 31,	
	2025	2024
	(in millions)	
Operating results:		
Investment income	$ 55	$ 55
Interest expense on debt	(236)	(205)
Pension and employee benefits	102	94
Other corporate activities	(336)	(379)
Adjusted operating income	(415)	(435)
Realized investment gains (losses), net, and related charges and adjustments	(107)	77
Market experience updates	(2)	0
Divested and Run-off Businesses	(51)	(35)
Equity in earnings of joint ventures and other operating entities and earnings attributable to noncontrolling interests	21	(3)
Income (loss) before income taxes and equity in earnings of joint ventures and other operating entities	$ (554)	$ (396)

The loss from Corporate and Other operations, on an adjusted operating income basis, decreased $20 million, primarily driven by lower net charges from other corporate activities of $43 million reflecting lower costs for long-term compensation plans, partially offset by higher net costs primarily related to technology. Pension and employee benefits results were favorable by $8 million, primarily reflecting higher earnings from our pension and post-retirement plans from higher returns on plan assets, and lower service costs. Interest expense on debt increased $31 million largely reflecting higher average debt balances.

Divested and Run-off Businesses

Divested and Run-off Businesses Included in Corporate and Other

Income from our Divested and Run-off Businesses includes results from several businesses that have been or will be sold or exited, including businesses that have been placed in wind down status that do not qualify for “discontinued operations” accounting treatment under U.S. GAAP. The results of these Divested and Run-off Businesses are reflected in our Corporate and Other operations but are excluded from adjusted operating income. A summary of the results of the Divested and Run-off Businesses reflected in our Corporate and Other operations is as follows for the periods indicated:

	Three Months Ended March 31,	
	2025	2024
	(in millions)	
Long-Term Care	$ (37)	$ 134
Other(1)	(14)	(169)
Total Divested and Run-off Businesses income (loss) excluded from adjusted operating income	$ (51)	$ (35)

(1) Effective second quarter of 2024, the results of PGIMW are excluded from PGIM’s adjusted operating results and are included herein.

Long-Term Care

Results decreased $171 million compared to the prior year period, primarily reflecting unfavorable impacts from changes in the market value of equity securities.

Other Divested and Run-off Businesses

Results increased $155 million compared to the prior year period, primarily reflecting the absence of impairments and charges related to management's decision to exit Assurance IQ and its subsequent classification as a divested business in the first quarter of 2024.

Closed Block Division

The Closed Block division includes certain in-force traditional domestic participating life insurance and annuity products and assets that are used for the payment of benefits and policyholder dividends on these policies (collectively the "Closed Block"), as well as certain related assets and liabilities. We no longer offer these traditional domestic participating policies. See Note 13 to the Unaudited Interim Consolidated Financial Statements for additional information.

Each year, the Board of Directors of The Prudential Insurance Company of America ("PICA") determines the dividends payable on participating policies for the following year based on the experience of the Closed Block, including investment income, net realized and unrealized investment gains (losses), mortality experience and other factors. Although the Closed Block experience for dividend action decisions is based upon statutory results, at the time the Closed Block was established, we developed, as required by U.S. GAAP, an actuarial calculation of the timing of the maximum future earnings from the policies included in the Closed Block. Actual cumulative earnings, as required by U.S. GAAP, reflect the recognition of realized investment gains and losses in the current period, as well as changes in assets and related liabilities that support the Closed Block policies. If actual cumulative earnings in any given period are greater than the cumulative earnings we expected, we record this excess as a policyholder dividend obligation. Additionally, any accumulated net unrealized investment gains that have arisen subsequent to the establishment of the Closed Block are reflected as a policyholder dividend obligation, with a corresponding amount reported in AOCI, while any accumulated net unrealized investment losses are reflected as a reduction of the policyholder dividend obligation, to the extent the overall policyholder dividend obligation is otherwise positive.

We will subsequently pay this excess to Closed Block policyholders as an additional dividend unless it is otherwise offset by future Closed Block performance that is less favorable than we originally expected. The policyholder dividends we charge to expense within the Closed Block division will include any change in our policyholder dividend obligation that we recognize for the excess of actual cumulative earnings in any given period over the cumulative earnings we expected in addition to the actual policyholder dividends declared by the Board of Directors of PICA. If actual cumulative earnings fall below expected cumulative earnings in future periods, earnings volatility in the Closed Block division, which is primarily due to changes in investment results, may not be offset by changes in the cumulative earnings policyholder dividend obligation. For a discussion of the Closed Block division's realized investment gains (losses), net, see "—General Account Investments."

As of March 31, 2025, the excess of actual cumulative earnings over the expected cumulative earnings was $1,851 million, which was recorded as a policyholder dividend obligation. Actual cumulative earnings, as required by U.S. GAAP, reflect the recognition of realized investment gains and losses in the current period, as well as changes in assets and related liabilities that support the Closed Block policies. As of March 31, 2025, net unrealized investment losses have arisen subsequent to the establishment of the Closed Block due to the impacts of higher interest rates on the market value of fixed maturities available-for-sale. The impact of these net unrealized investment losses has been reflected as a decrease to the policyholder dividend obligation of $1,684 million at March 31, 2025, with a corresponding amount reported in AOCI.

Operating Results

The following table sets forth the Closed Block division's results for the periods indicated:

	Three Months Ended March 31,	
	2025	2024
	(in millions)	
U.S. GAAP results:		
Revenues	$ 820	$ 962
Benefits and expenses	842	965
Income (loss) before income taxes and equity in earnings of joint ventures and other operating entities	$ (22)	$ (3)

Income (loss) Before Income Taxes and Equity in Earnings of Joint Ventures and Other Operating Entities

Income (loss) before income taxes and equity in earnings of joint ventures and other operating entities decreased $19 million. Net investment activity results decreased, primarily reflecting lower other income driven by unfavorable changes in the market value of equity securities, and lower net investment income due to the run-off of the portfolio, partially offset by lower realized investment losses from the sale of fixed income securities. As a result of these and other factors, a $245 million reduction in the policyholder dividend obligation was recorded in the first three months of 2025, compared to a $66 million reduction in the first three months of 2024.

Revenues, Benefits and Expenses

Revenues decreased $142 million primarily driven by a decrease in other income and net investment income, partially offset by lower realized investment losses, as discussed above.

Benefits and expenses decreased $123 million primarily driven by a decrease in dividends to policyholders, reflecting a higher reduction in the policyholder dividend obligation due to changes in cumulative earnings and other factors, as discussed above.

Income Taxes

For information regarding income taxes, see Note 14 to the Unaudited Interim Consolidated Financial Statements.

General Account Investments

Portfolio Composition

Our investment portfolio consists of public and private fixed maturity securities, commercial mortgage and other loans, policy loans and non-coupon investments, which include equity securities and other invested assets such as limited partnerships and limited liability companies ("LPs/LLCs"), real estate held through direct ownership, derivative instruments and seed money investments in separate accounts. The composition of our general account reflects, within the discipline provided by our risk management approach, our need for competitive results and the selection of diverse investment alternatives available primarily through our PGIM segment. The size of our portfolio enables us to invest in asset classes that may be unavailable to the typical investor.

A portion of our general account investments supports customer liabilities reinsured under coinsurance with funds withheld and modified coinsurance arrangements. With these reinsurance arrangements, we retain legal ownership of the assets (collectively, the "Funds Withheld") which remain on our Unaudited Interim Consolidated Statements of Financial Position, while the economic benefits and investment risk associated with the Funds Withheld assets ultimately inure to the reinsurer. The composition of the Funds Withheld assets is subject to investment guidelines specific to the reinsurance treaties, which may differ from the investment guidelines we set for our General Account, excluding Funds Withheld. See Note 12 to the Unaudited Interim Consolidated Financial Statements for additional information regarding our material reinsurance agreements.

The following tables set forth the composition of our general account investment portfolio apportioned between PFI excluding the Closed Block division and Funds Withheld, the Closed Block division, and Funds Withheld, as of the dates indicated:

	March 31, 2025				
	PFI Excluding Closed Block Division and Funds Withheld		Closed Block Division	Funds Withheld	Total
	($ in millions)				
Fixed maturities:					
Public, available-for-sale, at fair value	$ 206,847	54.3 %	$ 18,959	$ 4,542	$ 230,348
Private, available-for-sale, at fair value	72,603	19.1	9,875	2,731	85,209
Fixed maturities, trading, at fair value	4,621	1.2	654	7,919	13,194
Assets supporting experience-rated contractholder liabilities, at fair value	3,769	1.0	0	0	3,769
Equity securities, at fair value	6,841	1.8	1,468	0	8,309
Commercial mortgage and other loans, at book value, net of allowance	54,169	14.2	7,769	263	62,201
Policy loans, at outstanding balance	6,561	1.7	3,315	0	9,876
Other invested assets, net of allowance(1)	16,954	4.5	4,939	1,897	23,790
Short-term investments, net of allowance	8,410	2.2	257	40	8,707
Total general account investments	380,775	100.0 %	47,236	17,392	445,403
Invested assets of other entities and operations(2)	4,303		0	0	4,303
Total investments	$ 385,078		$ 47,236	$ 17,392	$ 449,706

	December 31, 2024				
	PFI Excluding Closed Block Division and Funds Withheld		Closed Block Division	Funds Withheld	Total
	($ in millions)				
Fixed maturities:					
Public, available-for-sale, at fair value	$ 206,078	54.9 %	$ 19,103	$ 4,837	$ 230,018
Private, available-for-sale, at fair value	68,759	18.3	9,625	2,795	81,179
Fixed maturities, trading, at fair value	4,068	1.1	647	7,732	12,447
Assets supporting experience-rated contractholder liabilities, at fair value	3,707	1.0	0	0	3,707
Equity securities, at fair value	7,254	1.9	1,642	0	8,896
Commercial mortgage and other loans, at book value, net of allowance	53,987	14.4	7,652	233	61,872
Policy loans, at outstanding balance	6,447	1.7	3,348	0	9,795
Other invested assets, net of allowance(1)	16,781	4.4	4,929	1,867	23,577
Short-term investments, net of allowance	8,493	2.3	520	43	9,056
Total general account investments	375,574	100.0 %	47,466	17,507	440,547
Invested assets of other entities and operations(2)	4,233		0	0	4,233
Total investments	$ 379,807		$ 47,466	$ 17,507	$ 444,780

(1) Other invested assets consists of investments in LPs/LLCs, investment real estate held through direct ownership, derivative instruments and other miscellaneous investments. For additional information regarding these investments, see "—Other Invested Assets" below.
(2) Includes invested assets of our investment management and derivative operations. Excludes assets of our investment management operations that are managed for third parties and those assets classified as "Separate account assets" on our Unaudited Interim Consolidated Statements of Financial Position. For additional information regarding these investments, see "—Invested Assets of Other Entities and Operations" below.

The increase in general account investments attributable to PFI excluding the Closed Block division and Funds Withheld in the first three months of 2025 was primarily due to the reinvestment of net investment income, net business inflows and the translation impact of the U.S. dollar weakening against the yen, partially offset by the Prismic Re International transaction. For information regarding the methodology used in determining the fair value of our fixed maturities, see Note 6 to the Unaudited Interim Consolidated Financial Statements.

As of March 31, 2025 and December 31, 2024, 41% and 42%, respectively, of our general account investments attributable to PFI excluding the Closed Block division and Funds Withheld related to our Japanese insurance operations. The following table sets forth the composition of the investments of our Japanese insurance operations' general account, as of the dates indicated:

	March 31, 2025	December 31, 2024
	Japanese Insurance Operations	
	(in millions)	
Fixed maturities:		
Public, available-for-sale, at fair value	$ 101,157	$ 102,904
Private, available-for-sale, at fair value	21,770	21,603
Fixed maturities, trading, at fair value	464	461
Assets supporting experience-rated contractholder liabilities, at fair value	3,769	3,707
Equity securities, at fair value	1,684	1,845
Commercial mortgage and other loans, at book value, net of allowance	15,731	16,137
Policy loans, at outstanding balance	2,712	2,608
Other invested assets(1)	7,078	6,588
Short-term investments, net of allowance	2,336	2,324
Total Japanese general account investments	$ 156,701	$ 158,177

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(1) Other invested assets consists of investments in LPs/LLCs, investment real estate held through direct ownership, derivative instruments and other miscellaneous investments.

The decrease in general account investments related to our Japanese insurance operations in the first three months of 2025 was primarily due to the Prismic Re International transaction and an increase in Japan interest rates, partially offset by the translation impact of the U.S. dollar weakening against the yen, the reinvestment of net investment income and net business inflows.

As of March 31, 2025, our Japanese insurance operations had $85.2 billion, at carrying value, of investments denominated in U.S. dollars, including $1.0 billion that were hedged to yen through third-party derivative contracts and $77.1 billion that support liabilities denominated in U.S. dollars, with the remainder constituting part of the hedging of foreign currency exchange rate exposure to U.S. dollar-equivalent equity. As of December 31, 2024, our Japanese insurance operations had $88.1 billion, at carrying value, of investments denominated in U.S. dollars, including $1.0 billion that were hedged to yen through third-party derivative contracts and $80.5 billion that support liabilities denominated in U.S. dollars, with the remainder constituting part of the hedging of foreign currency exchange rate exposure of U.S. dollar-equivalent equity. The $2.9 billion decrease in the carrying value of U.S. dollar-denominated investments from December 31, 2024 was primarily attributable to the Prismic Re International transaction, partially offset by the reinvestment of net investment income and portfolio growth as a result of net business inflows.

Our Japanese insurance operations had $2.3 billion and $2.5 billion, at carrying value, of investments denominated in Australian dollars that support liabilities denominated in Australian dollars as of March 31, 2025 and December 31, 2024, respectively. The $0.2 billion decrease in the carrying value of Australian dollar-denominated investments from December 31, 2024 was primarily attributable to run-off of the portfolio. For additional information regarding U.S. and Australian dollar investments held in our Japanese insurance operations and a discussion of our yen hedging strategy, see "Results of Operations by Segment—Impact of Foreign Currency Exchange Rates" above.

Investment Results

The following tables set forth the investment results of our general account apportioned between PFI excluding the Closed Block division and Funds Withheld, the Closed Block division and Funds Withheld, for the periods indicated. The yields are based on net investment income as reported under U.S. GAAP and as such do not include certain interest-related items, such as settlements of duration management swaps which are included in "Realized investment gains (losses), net."

	Three Months Ended March 31, 2025								
	PFI Excluding Closed Block Division, Funds Withheld and Japanese Insurance Operations		Japanese Insurance Operations		PFI Excluding Closed Block Division and Funds Withheld		Closed Block Division	Funds Withheld	Total(5)
	Yield(1)	Amount	Yield(1)	Amount	Yield(1)	Amount	Amount	Amount	Amount
	($ in millions)								
Fixed maturities(2)	5.41 %	$ 2,219	3.18 %	$ 1,094	4.38 %	$ 3,313	$ 358	$ 191	$ 3,862
Assets supporting experience-rated contractholder liabilities	0.00	0	1.30	12	1.30	12	0	0	12
Equity securities	2.09	28	2.14	9	2.10	37	7	0	44
Commercial mortgage and other loans	4.73	449	3.82	151	4.46	600	83	5	688
Policy loans	4.98	48	3.83	25	4.51	73	53	(1)	125
Short-term investments and cash equivalents	5.15	193	3.96	37	4.93	230	12	1	243
Gross investment income	5.19	2,937	3.21	1,328	4.35	4,265	513	196	4,974
Investment expenses	(0.18)	(201)	(0.13)	(82)	(0.16)	(283)	(60)	(1)	(344)
Investment income after investment expenses	5.01 %	2,736	3.08 %	1,246	4.19 %	3,982	453	195	4,630
Other invested assets(3)		143		142		285	40	155	480
Investment results of other entities and operations(4)		20		0		20	0	0	20
Total net investment income		$ 2,899		$ 1,388		$ 4,287	$ 493	$ 350	$ 5,130

	Three Months Ended March 31, 2024								
	PFI Excluding Closed Block Division, Funds Withheld and Japanese Insurance Operations		Japanese Insurance Operations		PFI Excluding Closed Block Division and Funds Withheld		Closed Block Division	Funds Withheld	Total(5)
	Yield(1)	Amount	Yield(1)	Amount	Yield(1)	Amount	Amount	Amount	Amount
	($ in millions)								
Fixed maturities(2)	5.13 %	$ 2,017	3.01 %	$ 1,051	4.12 %	$ 3,068	$ 370	$ 217	$ 3,655
Assets supporting experience-rated contractholder liabilities	0.00	0	1.24	10	1.24	10	0	0	10
Equity securities	2.85	25	1.14	5	2.32	30	7	0	37
Commercial mortgage and other loans	4.36	363	3.76	164	4.16	527	81	2	610
Policy loans	4.93	47	3.79	25	4.47	72	50	0	122
Short-term investments and cash equivalents	7.08	224	6.14	25	7.00	249	23	4	276
Gross investment income	5.06	2,676	3.10	1,280	4.20	3,956	531	223	4,710
Investment expenses	(0.19)	(182)	(0.12)	(80)	(0.16)	(262)	(76)	(1)	(339)
Investment income after investment expenses	4.87 %	2,494	2.98 %	1,200	4.04 %	3,694	455	222	4,371
Other invested assets(3)		167		134		301	59	64	424
Investment results of other entities and operations(4)		(31)		0		(31)	0	0	(31)
Total net investment income		$ 2,630		$ 1,334		$ 3,964	$ 514	$ 286	$ 4,764

(1) For interim periods, yields are annualized. The denominator in the yield percentage is based on quarterly average carrying values for all asset types except for fixed maturities which are based on amortized cost, net of allowance. Amounts for fixed maturities, short-term investments and cash equivalents are also netted for securities lending activity (i.e., income netted for rebate expenses and asset values netted for securities lending liabilities). A yield is not presented for other invested assets as it is not considered a meaningful measure of investment performance. Yields exclude investment income and assets related to other invested assets.

(2) Includes fixed maturity securities classified as available-for-sale and excludes fixed maturity securities classified as trading, which are included in other invested assets.

(3) Other invested assets consist of investments in LPs/LLCs, investment real estate held through direct ownership, derivative instruments, fixed maturities classified as trading and other miscellaneous investments.
(4) Includes net investment income of our investment management operations.
(5) The total yield was 4.21% and 4.03% for the three months ended March 31, 2025 and 2024, respectively.

Three Month Comparison. The increase in investment income after investment expenses yield attributable to our general account investments excluding the Closed Block division, Funds Withheld and the Japanese insurance operations' portfolio for the three months ended March 31, 2025, compared to the three months ended March 31, 2024, was primarily the result of higher fixed income reinvestment rates.

The increase in investment income after investment expenses yield attributable to the Japanese insurance operations' portfolio for the three months ended March 31, 2025, compared to the three months ended March 31, 2024, was primarily the result of higher fixed income reinvestment rates.

Both the U.S. dollar-denominated and Australian dollar-denominated fixed maturities that are not hedged to yen through third-party derivative contracts provide a yield that is substantially higher than the yield on comparable yen-denominated fixed maturities. The average amortized cost of U.S. dollar-denominated fixed maturities that are not hedged to yen through third-party derivative contracts was $66.8 billion and $66.7 billion for the three months ended March 31, 2025 and 2024, respectively. The majority of U.S. dollar-denominated fixed maturities support liabilities that are denominated in U.S. dollars. The average amortized cost of Australian dollar-denominated fixed maturities that are not hedged to yen through third-party derivative contracts was $2.2 billion and $3.7 billion for the three months ended March 31, 2025 and 2024, respectively. The majority of Australian dollar-denominated fixed maturities support liabilities that are denominated in Australian dollars. For additional information regarding U.S. and Australian dollar investments held in our Japanese insurance operations, see "—Results of Operations by Segment—Impact of Foreign Currency Exchange Rates" above.

Realized Investment Gains and Losses

The following table sets forth "Realized investment gains (losses), net" of our general account apportioned between PFI excluding the Closed Block division and Funds Withheld, the Closed Block division and Funds Withheld, by investment type for the periods indicated:

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
	(in millions)	
PFI excluding Closed Block Division and Funds Withheld(4):		
Realized investment gains (losses), net:		
(Addition to) release of allowance for credit losses on fixed maturities	$ 70	$ 2
Write-downs on fixed maturities(1)	(98)	(5)
Net gains (losses) on sales and maturities	68	182
Fixed maturity securities(2)	40	179
(Addition to) release of allowance for credit losses on loans	(42)	(42)
Write-downs on mortgage loans	(8)	0
Net gains (losses) on sales and maturities	0	0
Commercial mortgage and other loans	(50)	(42)
Derivatives	(279)	(413)
OTTI losses on other invested assets recognized in earnings	(12)	(3)
(Addition to) release of allowance for credit losses on other invested assets	0	(2)
Other net gains (losses)	(5)	40
Other	(17)	35
Subtotal	(306)	(241)
Investment results of other entities and operations(3)	23	(7)
Total — PFI excluding Closed Block Division and Funds Withheld	$ (283)	$ (248)
Closed Block Division:		
Realized investment gains (losses), net:		
(Addition to) release of allowance for credit losses on fixed maturities	$ 13	$ (14)
Write-downs on fixed maturities(1)	(16)	0
Net gains (losses) on sales and maturities	(33)	(88)
Fixed maturity securities(2)	(36)	(102)
(Addition to) release of allowance for credit losses on loans	(17)	(11)
Net gains (losses) on sales and maturities	0	0
Commercial mortgage and other loans	(17)	(11)
Derivatives	(20)	(12)
(Addition to) release of allowance for credit losses on other invested assets	0	0
Other net gains (losses)	16	0
Other	16	0
Subtotal — Closed Block Division	$ (57)	$ (125)
Funds Withheld:		
Realized investment gains (losses), net:		
(Addition to) release of allowance for credit losses on fixed maturities	$ (3)	$ 0
Write-downs on fixed maturities(1)	(5)	0
Net gains (losses) on sales and maturities	(61)	(58)
Fixed maturity securities(2)	(69)	(58)
Commercial mortgage and other loans	0	0
Derivatives(4)	(165)	288
(Addition to) release of allowance for credit losses on other invested assets	0	0
Other net gains (losses)	(156)	(165)
Other(4)	(156)	(165)
Subtotal — Funds Withheld	$ (390)	$ 65
PFI realized investment gains (losses), net	$ (730)	$ (308)

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(1) Amounts represent write-downs of credit adverse securities and securities actively marketed for sale.
(2) Includes fixed maturity securities classified as available-for-sale and excludes fixed maturity securities classified as trading.
(3) Includes “realized investment gains (losses), net” of our investment management operations.
(4) Prior period amounts have been updated to conform to current period presentation.

The following analysis reflects realized gains (losses) attributable to PFI excluding Closed Block Division and Funds Withheld.

Three Month Comparison. Net gains on sales and maturities of fixed maturity securities were $68 million for the first quarter of 2025 primarily driven by net gains on assets transferred upon execution of the reinsurance transaction with Prismic Re International and the impact of foreign currency exchange rate movements on U.S. dollar-denominated securities that matured or were sold within our International Businesses, partially offset by net losses on sales in a higher interest rate environment. Net gains on sales and maturities of fixed maturity securities were $182 million for the first quarter of 2024 primarily driven by the impact of foreign currency exchange rate movements on U.S. dollar-denominated securities that matured or were sold within our International Businesses.

Net realized losses on derivative instruments of $299 million for the first quarter of 2025 primarily included:

- $237 million of losses on product-related hedge positions and embedded derivatives driven by declining equity markets; and
- $166 million of losses on foreign currency hedges driven by USD depreciation versus foreign currencies.

Partially offsetting these losses were:

- $51 million of gains on interest rate derivatives due to decreases in swap and U.S. Treasury rates.

Net realized losses on derivative instruments of $413 million for the first quarter of 2024 primarily included:

- $568 million of losses on interest rate derivatives due to increases in swap and U.S. Treasury rates.

Partially offsetting these losses were:

- $78 million of gains on foreign currency hedges driven by USD appreciation versus foreign currencies; and
- $46 million of gains on credit default swaps due to spreads tightening.

For a discussion of living benefit guarantees and related hedge positions in our Individual Retirement Strategies business, see “—Results of Operations by Segment—Retirement Strategies” above.

Credit Losses

The level of credit losses generally reflects current and expected economic conditions and is expected to increase when economic conditions worsen and to decrease when economic conditions improve. Historically, the causes of credit losses have been specific to each individual issuer and have not directly resulted in credit losses to other securities within the same industry or geographic region. We may also realize additional credit and interest rate-related losses through sales of investments pursuant to our credit risk and portfolio management objectives.

We maintain separate monitoring processes for public and private fixed maturities and create watch lists to highlight securities that require special scrutiny and management. For private placements, our credit and portfolio management processes help ensure prudent controls over valuation and management. We have separate pricing and authorization processes to establish “checks and balances” for new investments. We apply consistent standards of credit analysis and due diligence for all transactions, whether they originate through our own in-house staff or through agents. Our regional offices closely monitor the portfolios in their regions. We set all valuation standards centrally, and we assess the fair value of all investments quarterly. Our public and private fixed maturity investment managers formally review all public and private fixed maturity holdings on a quarterly basis and more frequently when necessary to identify potential credit deterioration whether due to ratings downgrades, unexpected price variances and/or company or industry-specific concerns.

For LPs/LLCs accounted for using the equity method and for wholly-owned investment real estate, the carrying value of these investments is written down or impaired to fair value when a decline in value is considered to be other-than-temporary. For additional information regarding our OTTI policies, see Note 2 to the Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

General Account Investments of PFI excluding Closed Block Division and Funds Withheld

In the following sections, we provide details about our investment portfolio, excluding investments held in the Closed Block division and the Funds Withheld portfolios. We believe the details of the composition of our investment portfolio excluding Closed Block division and Funds Withheld are most relevant to an understanding of our operations that are pertinent to investors in Prudential Financial, Inc. because (1) substantially all Closed Block division assets support obligations and liabilities relating to the Closed Block policies where the economics inure to those participating policies and not to shareholders of the Company's Common Stock and (2) the Funds Withheld assets support liabilities relating to reinsurance agreements where the economic benefits and associated investment risk of the Funds Withheld ultimately inure to the reinsurer. See Notes 12 and 13 to the Unaudited Interim Consolidated Financial Statements for additional information regarding our material reinsurance agreements and the Closed Block division, respectively.

Fixed Maturity Securities

In the following sections, we provide details about our fixed maturity securities portfolio, which excludes fixed maturity securities classified as assets supporting experience-rated contractholder liabilities and classified as trading.

Fixed Maturity Securities by Industry

The following table sets forth the composition of our fixed maturity, available-for-sale portfolio by industry category and the associated gross unrealized gains and losses, as well as the allowance for credit losses ("ACL"), as of the dates indicated:

	March 31, 2025					December 31, 2024				
Industry(1)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	ACL	Fair Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	ACL	Fair Value
	(in millions)									
Corporate securities:										
Finance	$ 44,697	$ 424	$ 3,266	$ 3	$ 41,852	$ 43,697	$ 470	$ 3,614	$ 4	$ 40,549
Consumer non-cyclical	31,155	446	3,146	22	28,433	31,721	420	3,504	33	28,604
Utility	29,741	454	2,765	19	27,411	28,984	421	2,991	18	26,396
Capital goods	19,528	268	1,387	10	18,399	19,444	242	1,561	37	18,088
Consumer cyclical	12,120	197	628	103	11,586	11,955	198	674	81	11,398
Foreign agencies	1,877	26	155	0	1,748	1,838	26	168	0	1,696
Energy	12,425	171	807	16	11,773	12,310	159	894	19	11,556
Communications	6,782	178	543	5	6,412	6,872	169	568	63	6,410
Basic industry	7,846	103	574	1	7,374	7,651	96	619	0	7,128
Transportation	12,243	183	954	0	11,472	11,783	177	1,002	0	10,958
Technology	5,986	79	359	21	5,685	5,554	84	408	14	5,216
Industrial other	4,821	25	859	3	3,984	4,750	30	881	5	3,894
Total corporate securities	189,221	2,554	15,443	203	176,129	186,559	2,492	16,884	274	171,893
Foreign government(2)	65,575	1,134	9,342	0	57,367	62,880	1,828	7,801	0	56,907
Residential mortgage-backed(3)	2,439	16	183	0	2,272	2,468	14	214	0	2,268
Asset-backed	15,001	145	53	1	15,092	14,664	201	40	0	14,825
Commercial mortgage-backed	6,402	35	282	0	6,155	6,185	22	344	0	5,863
U.S. Government	20,579	682	3,998	0	17,263	21,451	584	4,499	0	17,536
State & Municipal	5,584	126	538	0	5,172	5,965	129	549	0	5,545
Total fixed maturities, available-for-sale	$ 304,801	$ 4,692	$ 29,839	$ 204	$ 279,450	$ 300,172	$ 5,270	$ 30,331	$ 274	$ 274,837

(1) Investment data has been classified based on standard industry categorizations for domestic public holdings and similar classifications by industry for all other holdings.
(2) As of both March 31, 2025 and December 31, 2024, based on amortized cost, 90% represent Japanese government bonds held by our Japanese insurance operations. No other individual country represented more than 5% of the balance as of both March 31, 2025 and December 31, 2024.
(3) As of both March 31, 2025 and December 31, 2024, based on amortized cost, 93% were rated A or higher.

The minimal increase in net unrealized losses from December 31, 2024 to March 31, 2025 was primarily due to increases in Japan interest rates, partially offset by the net impact of decreases in U.S. interest rates and credit spreads widening.

Fixed Maturity Securities Credit Quality

The Securities Valuation Office ("SVO") of the National Association of Insurance Commissioners ("NAIC") evaluates the investments of insurers for statutory reporting purposes and assigns fixed maturity securities to one of six categories called "NAIC Designations." In general, NAIC Designations of "1" highest quality, or "2" high quality, include fixed maturities considered investment grade, which include securities rated Baa3 or higher by Moody's Investor Service, Inc. ("Moody's") or BBB- or higher by Standard & Poor's Rating Services ("S&P"). NAIC Designations of "3" through "6" generally include fixed maturities referred to as below investment grade, which include securities rated Ba1 or lower by Moody's and BB+ or lower by S&P. The NAIC Designations for commercial mortgage-backed securities and non-agency residential mortgage-backed securities, including our asset-backed securities collateralized by sub-prime mortgages, are based on security level expected losses as modeled by an independent third party (engaged by the NAIC) and the statutory carrying value of the security, including any purchase discounts or impairment charges previously recognized.

As a result of time lags between the funding of investments, the finalization of legal documents, and the completion of the SVO filing process, the fixed maturity portfolio includes certain securities that have not yet been designated by the SVO as of each balance sheet date. Pending receipt of SVO designations, the categorization of these securities by NAIC Designation is based on the expected ratings indicated by internal analysis.

Ratings assigned by nationally recognized rating agencies include S&P, Moody's, Fitch Ratings Inc. ("Fitch") and Morningstar, Inc. ("Morningstar"). Low issue composite rating uses ratings from the major credit rating agencies or, if these are not available, an equivalent internal rating. For securities where the ratings assigned are not equivalent, the second lowest rating is utilized.

Investments of our international insurance companies are not subject to NAIC guidelines. Investments of our Japanese insurance operations are regulated locally by the Financial Services Agency ("FSA"), an agency of the Japanese government. The FSA has its own investment quality criteria and risk control standards. Our Japanese insurance companies comply with the FSA's credit quality review and risk monitoring guidelines. The credit quality ratings of the investments of our Japanese insurance companies are based on ratings assigned by nationally recognized credit rating agencies, including Moody's and S&P, or rating equivalents based on ratings assigned by Japanese credit rating agencies.

The following table sets forth our fixed maturity, available-for-sale portfolio by NAIC Designation or equivalent rating, as of the dates indicated:

	March 31, 2025					December 31, 2024				
NAIC Designation(1)(2)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses(3)	ACL	Fair Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses(3)	ACL	Fair Value
	(in millions)									
1	$ 196,620	$ 3,049	$ 22,244	$ 0	$ 177,425	$ 195,449	$ 3,669	$ 22,081	$ 0	$ 177,037
2	89,454	1,359	6,559	1	84,253	87,400	1,287	7,197	0	81,490
Subtotal High or Highest Quality Securities(4)	286,074	4,408	28,803	1	261,678	282,849	4,956	29,278	0	258,527
3	12,341	162	867	0	11,636	11,290	174	856	0	10,608
4	4,343	60	106	1	4,296	3,910	63	131	28	3,814
5	1,469	35	47	36	1,421	1,490	46	46	36	1,454
6	574	27	16	166	419	633	31	20	210	434
Subtotal Other Securities(5) (6)	18,727	284	1,036	203	17,772	17,323	314	1,053	274	16,310
Total fixed maturities, available-for-sale	$ 304,801	$ 4,692	$ 29,839	$ 204	$ 279,450	$ 300,172	$ 5,270	$ 30,331	$ 274	$ 274,837

(1) Reflects equivalent ratings for investments of the international insurance operations.

(2) As of March 31, 2025 and December 31, 2024, 968 securities with amortized cost of $6,457 million (fair value, $6,193 million) and 803 securities with amortized cost of $4,147 million (fair value, $3,840 million), respectively, have been categorized based on expected NAIC Designations pending receipt of SVO ratings.
(3) As of March 31, 2025, includes gross unrealized losses of $691 million on public fixed maturities and $345 million on private fixed maturities considered to be other than high or highest quality and, as of December 31, 2024, includes gross unrealized losses of $625 million on public fixed maturities and $428 million on private fixed maturities considered to be other than high or highest quality.
(4) On an amortized cost basis, as of March 31, 2025, includes $220,878 million of public fixed maturities and $65,196 million of private fixed maturities and, as of December 31, 2024, includes $219,914 million of public fixed maturities and $62,935 million of private fixed maturities.
(5) On an amortized cost basis, as of March 31, 2025, includes $7,127 million of public fixed maturities and $11,600 million of private fixed maturities and, as of December 31, 2024, includes $6,706 million of public fixed maturities and $10,617 million of private fixed maturities.
(6) On an amortized cost basis, as of March 31, 2025, securities considered below investment grade based on low issue composite ratings total $15,556 million, or 5% of the total fixed maturities, and include securities considered high or highest quality by the NAIC based on the rules described above.

Asset-Backed and Commercial Mortgage-Backed Securities

The following table sets forth the amortized cost and fair value of asset-backed and commercial mortgage-backed securities within our fixed maturity, available-for-sale portfolio by credit quality, as of the dates indicated:

	March 31, 2025				December 31, 2024			
	Asset-Backed Securities(2)		Commercial Mortgage-Backed Securities(3)		Asset-Backed Securities(2)		Commercial Mortgage-Backed Securities(3)	
Low Issue Composite Rating(1)	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value
	(in millions)							
AAA	$ 7,572	$ 7,603	$ 5,141	$ 5,025	$ 7,548	$ 7,624	$ 4,905	$ 4,735
AA	4,938	4,927	1,253	1,122	4,836	4,863	1,271	1,119
A	1,904	1,920	1	1	1,790	1,795	1	1
BBB	495	500	0	0	363	367	0	0
BB and below	92	142	7	7	127	176	8	8
Total(4)	$ 15,001	$ 15,092	$ 6,402	$ 6,155	$ 14,664	$ 14,825	$ 6,185	$ 5,863

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(1) The table above provides ratings as assigned by nationally recognized rating agencies as of March 31, 2025 and December 31, 2024, including S&P, Moody's, Fitch and Morningstar.
(2) Includes credit-tranched securities collateralized by loan obligations ("CLOs"), home equity loans, auto loans, education loans and other asset types.
(3) As of both March 31, 2025 and December 31, 2024, based on amortized cost, 100% were securities with vintages of 2013 or later.
(4) Excludes fixed maturity securities classified as "Assets supporting experience-rated contractholder liabilities" and "Fixed maturities, trading."

Included in "Asset-backed securities" above are investments in CLOs. The following table sets forth information pertaining to these investments in CLOs within our fixed maturity, available-for-sale portfolio, as of the dates indicated:

	March 31, 2025		December 31, 2024	
	Collateralized Loan Obligations			
Low Issue Composite Rating(1)	Amortized Cost	Fair Value	Amortized Cost	Fair Value
	(in millions)			
AAA	$ 5,784	$ 5,804	$ 5,811	$ 5,883
AA	3,779	3,773	3,937	3,970
A	16	16	13	13
BBB	17	17	14	14
BB and below	13	13	11	11
Total(2)(3)	$ 9,609	$ 9,623	$ 9,786	$ 9,891

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(1) The table above provides ratings as assigned by nationally recognized rating agencies as of March 31, 2025 and December 31, 2024, including S&P, Moody's, Fitch and Morningstar.
(2) There was no allowance for credit losses as of both March 31, 2025 and December 31, 2024.
(3) Excludes fixed maturity securities classified as "Assets supporting experience-rated contractholder liabilities" and "Fixed maturities, trading."

Assets Supporting Experience-Rated Contractholder Liabilities

For information regarding the composition of "Assets supporting experience-rated contractholder liabilities," see Note 3 to the Unaudited Interim Consolidated Financial Statements.

Commercial Mortgage and Other Loans

Investment Mix

The following table sets forth the composition of our commercial mortgage and other loans portfolio, as of the dates indicated:

	March 31, 2025	December 31, 2024
	(in millions)	
Commercial mortgage and agricultural property loans	$ 53,696	$ 53,384
Uncollateralized loans	497	595
Residential property loans	19	19
Other collateralized loans	468	457
Total recorded investment gross of allowance(1)	54,680	54,455
Allowance for credit losses	(511)	(468)
Total commercial mortgage and other loans, net	$ 54,169	$ 53,987

(1) As a percentage of recorded investment gross of allowance, 98% and 99% of these assets were current as of March 31, 2025 and December 31, 2024, respectively.

We originate commercial mortgage and agricultural property loans using a dedicated sales and underwriting staff through our various regional offices in the U.S. and international offices primarily in London and Tokyo. All loans are underwritten consistently to our standards using a proprietary quality rating system that has been developed from our industry experience in real estate and mortgage lending.

Uncollateralized loans primarily represent corporate loans and unsecured consumer loans.

Residential property loans primarily include Japanese recourse loans. To the extent there is a default on these recourse loans, we can make a claim against the personal assets of the property owner, in addition to the mortgaged property. These loans are also backed by third-party guarantors.

Other collateralized loans include mezzanine real estate debt investments and consumer loans.

Composition of Commercial Mortgage and Agricultural Property Loans

Our commercial mortgage and agricultural property loan portfolio strategy emphasizes diversification by property type and geographic location. The following tables set forth the breakdown of the gross carrying values of commercial mortgage and agricultural property loans by geographic region and property type, as of the dates indicated:

	March 31, 2025		December 31, 2024	
	Gross Carrying Value	% of Total	Gross Carrying Value	% of Total
	($ in millions)			
Commercial mortgage and agricultural property loans by region:				
U.S. Regions(1):				
Pacific	$ 18,447	34.4 %	$ 18,683	35.0 %
South Atlantic	8,986	16.7	8,643	16.2
Middle Atlantic	6,153	11.5	6,192	11.6
East North Central	3,217	6.0	3,090	5.8
West South Central	5,298	9.9	5,428	10.2
Mountain	2,850	5.3	2,845	5.3
New England	1,098	2.0	1,205	2.3
West North Central	642	1.2	520	1.0
East South Central	1,218	2.3	1,122	2.1
Subtotal-U.S.	47,909	89.3	47,728	89.5
Europe	3,730	6.9	3,505	6.5
Mexico	913	1.7	913	1.7
Asia	706	1.3	688	1.3
Other	438	0.8	550	1.0
Total commercial mortgage and agricultural property loans	$ 53,696	100.0 %	$ 53,384	100.0 %

(1) Regions as defined by the United States Census Bureau.

	March 31, 2025		December 31, 2024	
	Gross Carrying Value	% of Total	Gross Carrying Value	% of Total
	($ in millions)			
Commercial mortgage and agricultural property loans by property type:				
Industrial	$ 15,309	28.5 %	$ 15,314	28.7 %
Retail	4,465	8.3	4,547	8.5
Office	6,297	11.7	6,587	12.3
Apartments/Multi-Family	15,705	29.3	15,066	28.2
Agricultural properties	6,526	12.2	6,497	12.2
Hospitality	1,449	2.7	1,603	3.0
Self-Storage(1)	1,812	3.4	1,858	3.5
Health Care Senior Living(1)	1,631	3.0	1,635	3.1
Other(1)	502	0.9	277	0.5
Total commercial mortgage and agricultural property loans	$ 53,696	100.0 %	$ 53,384	100.0 %

(1) Prior period amounts have been updated to conform to current period presentation.

Loan-to-value and debt service coverage ratios are measures commonly used to assess the quality of commercial mortgage and agricultural property loans. The loan-to-value ratio compares the amount of the loan to the fair value of the underlying property collateralizing the loan and is commonly expressed as a percentage. A loan-to-value ratio less than 100% indicates an excess of collateral value over the loan amount. Loan-to-value ratios greater than 100% indicate that the loan amount exceeds the collateral value. The debt service coverage ratio compares a property's net operating income to its debt service payments. Debt service coverage ratios less than 1.0 times indicate that property operations do not generate enough income to cover the loan's current debt payments. A debt service coverage ratio greater than 1.0 times indicates an excess of net operating income over the debt service payments.

As of March 31, 2025, our commercial mortgage and agricultural property loans had a weighted-average debt service coverage ratio of 2.36 times and a weighted-average loan-to-value ratio of 59%. As of March 31, 2025, 95% of commercial mortgage and agricultural property loans were fixed rate loans. For those commercial mortgage and agricultural property loans that were originated in 2025, the weighted-average debt service coverage ratio was 1.44 times, and the weighted-average loan-to-value ratio was 59%.

The values utilized in calculating these loan-to-value ratios are developed as part of our periodic reviews of the commercial mortgage and agricultural property loan portfolio, which include internal evaluations of the underlying collateral values. Our periodic reviews also include a credit quality re-rating process, whereby we update the internal quality ratings originally assigned at underwriting based on the proprietary quality rating system mentioned above. As discussed below, the internal credit quality rating is a key input in determining our allowance for credit losses.

For loans with collateral under construction, renovation or lease-up, projected stabilized values and net operating income are used in the calculation of the loan-to-value and debt service coverage ratios. Our commercial mortgage and agricultural property loan portfolio included $2.2 billion and $1.8 billion of such loans as of March 31, 2025 and December 31, 2024, respectively. All else being equal, these loans are inherently riskier than those collateralized by properties that have already stabilized. As of both March 31, 2025 and December 31, 2024, there were less than $1 million of allowances related to these loans. In addition, these unstabilized loans are included in the calculation of our portfolio reserve, as discussed below.

The following table sets forth the gross carrying value of our commercial mortgage and agricultural property loans by loan-to-value and debt service coverage ratios, as of the date indicated:

	March 31, 2025			
	Debt Service Coverage Ratio			
Loan-to-Value Ratio	≥ 1.2x	1.0x to < 1.2x	< 1.0x	Total Commercial Mortgage and Agricultural Property Loans
	(in millions)			
0%-59.99%	$ 25,986	$ 868	$ 245	$ 27,099
60%-69.99%	14,558	789	140	15,487
70%-79.99%	5,518	352	290	6,160
80% or greater	2,717	1,165	1,068	4,950
Total commercial mortgage and agricultural property loans	$ 48,779	$ 3,174	$ 1,743	$ 53,696

The following table sets forth the breakdown of our commercial mortgage and agricultural property loans by year of origination, as of the date indicated:

	March 31, 2025	
Year of Origination	Gross Carrying Value	% of Total
	($ in millions)	
2025	$ 1,735	3.2 %
2024	7,395	13.8
2023	5,465	10.2
2022	4,479	8.3
2021	6,962	13.0
2020	3,262	6.1
2019	5,548	10.3
2018 & Prior	18,687	34.8
Revolving Loans	163	0.3
Total commercial mortgage and agricultural property loans	$ 53,696	100.0 %

Commercial Mortgage and Other Loans Quality

The commercial mortgage and other loans portfolio is monitored on an ongoing basis. If certain criteria are met, loans are assigned to either of the following "watch list" categories:

(1) "Closely Monitored," which includes a variety of considerations, such as when loan metrics fall below acceptable levels, the borrower is not cooperative or has requested a material modification, or the portfolio manager has directed a change in category; or
(2) "Not in Good Standing," which includes loans in default or with a high probability of loss of principal, such as when the loan is in the process of foreclosure or the borrower is in bankruptcy.

Our workout and special servicing professionals manage the loans on the watch list.

The current expected credit loss ("CECL") allowance represents the Company's best estimate of expected credit losses over the remaining life of the assets. The determination of the allowance considers historical credit loss experience, current conditions, and reasonable and supportable forecasts. The allowance is calculated separately for commercial mortgage loans, agricultural mortgage loans, uncollateralized loans, other collateralized loans and residential property loans.

For commercial mortgage and agricultural property loans, the allowance is calculated using an internally developed CECL model.

Key inputs to the CECL model include unpaid principal balances, internal credit ratings, annual expected loss factors, average lives of the loans adjusted for prepayment considerations, current and historical interest rate assumptions and other factors influencing the Company's view of the current stage of the economic cycle and future economic conditions. Subjective considerations include a review of whether historical loss experience is representative of current market conditions and the Company's view of the credit cycle. Model assumptions and factors are reviewed and updated as appropriate.

When individual loans no longer have the credit risk characteristics of the commercial or agricultural mortgage loan pools, they are removed from the pools and are evaluated individually for an allowance. The allowance is determined based on the outstanding loan balance less the present value of expected future cash flows discounted at the loan's effective interest rate or the fair value of the collateral if the loan is collateral dependent.

The CECL allowance for other collateralized and uncollateralized loans carried at amortized cost is determined based on probability of default and loss given default assumptions by sector, credit quality and average lives of the loans.

The following table sets forth the change in allowance for credit losses for our commercial mortgage and other loans portfolio, as of the dates indicated:

	March 31, 2025	December 31, 2024
	(in millions)	
Allowance, beginning of year	$ 468	$ 372
Addition to (release of) allowance for credit losses	42	207
Write-downs charged against the allowance	0	(107)
Other	1	(4)
Allowance, end of period	$ 511	$ 468

The allowance for credit losses as of March 31, 2025 increased in comparison to December 31, 2024 primarily related to increases in loan-specific reserves in commercial mortgage loans within the retail sector.

Equity Securities

The equity securities portfolio consists principally of investments in common and preferred stock of publicly-traded companies, as well as mutual fund shares. The following table sets forth the composition of our equity securities portfolio and the associated gross unrealized gains and losses, as of the dates indicated:

	March 31, 2025				December 31, 2024			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(in millions)							
Mutual funds	$ 869	$ 974	$ 6	$ 1,837	$ 903	$ 1,010	$ 9	$ 1,904
Other common stocks	4,558	599	207	4,950	4,728	684	122	5,290
Non-redeemable preferred stocks	38	35	19	54	43	36	19	60
Total equity securities, at fair value	$ 5,465	$ 1,608	$ 232	$ 6,841	$ 5,674	$ 1,730	$ 150	$ 7,254

The net change in unrealized gains (losses) from equity securities still held at period end, recorded within "Other income (loss)," was $(160) million and $295 million during the three months ended March 31, 2025 and 2024, respectively.

Other Invested Assets

The following table sets forth the composition of "Other invested assets," as of the dates indicated:

	March 31, 2025	December 31, 2024
	(in millions)	
LPs/LLCs:		
Equity method:		
Private equity	$ 7,495	$ 7,535
Hedge funds	2,335	2,339
Real estate-related	1,577	1,586
Subtotal equity method	11,407	11,460
Fair value:		
Private equity	673	728
Hedge funds	1,294	1,308
Real estate-related	426	423
Subtotal fair value	2,393	2,459
Total LPs/LLCs	13,800	13,919
Real estate held through direct ownership(1)	1,418	1,426
Total alternative assets	15,218	15,345
Credit-like instruments(2)	1,070	933
Derivative instruments	(320)	(438)
Other(3)	986	941
Total other invested assets	$ 16,954	$ 16,781

The following table presents a reconciliation of "Total alternative assets" included in the table above to the "Total alternative assets of operating businesses":

	March 31, 2025	December 31, 2024
	(in millions)	
Total alternative assets	$ 15,218	$ 15,345
Less: Divested Businesses(4)	(875)	(799)
Less: Interests held by unaffiliated investors(5)	(1,250)	(1,209)
Total alternative assets of operating businesses	$ 13,093	$ 13,337

(1) As of March 31, 2025 and December 31, 2024, real estate held through direct ownership had mortgage debt of $187 million and $185 million, respectively.

(2) Includes structured debt investments in feeder funds that are consolidated, resulting in the Company reporting the consolidated feeder funds' proportionate share of the net assets of the master fund within Other invested assets.
(3) Primarily includes equity investments accounted for under the measurement alternative, tax advantaged investments, leveraged leases and member and activity stock held in the Federal Home Loan Bank of New York. For additional information regarding our holdings in the Federal Home Loan Bank of New York, see Note 18 to the Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.
(4) As of March 31, 2025 and December 31, 2024, interests held by Divested Businesses include private equity of $557 million and $520 million, hedge funds of $153 million and $117 million, real estate-related of $161 million and $156 million and real estate held through direct ownership of $4 million and $6 million, respectively.
(5) As of March 31, 2025 and December 31, 2024, interests held by unaffiliated investors that have been consolidated into the Statements of Financial Position include real estate held through direct ownership of $767 million and $741 million, hedge funds of $186 million and $177 million and real estate-related of $297 million and $291 million, respectively.

Invested Assets of Other Entities and Operations

"Invested Assets of Other Entities and Operations" presented below includes investments held outside the general account and primarily represents investments associated with our investment management operations and derivative operations. Our derivative operations act on behalf of affiliates primarily to manage interest rate, foreign currency, credit and equity exposures. Assets within our investment management operations that are managed for third parties and those assets classified as "Separate account assets" on our Unaudited Interim Consolidated Statements of Financial Position are not included.

	March 31, 2025	December 31, 2024
	(in millions)	
Fixed maturities:		
Public, available-for-sale, at fair value(1)	$ 352	$ 368
Private, available-for-sale, at fair value	5	5
Fixed maturities, trading, at fair value(1)	84	83
Equity securities, at fair value	411	521
Commercial mortgage and other loans, at book value(2)	493	469
Other invested assets	2,949	2,774
Short-term investments	9	13
Total investments	$ 4,303	$ 4,233

(1) As of March 31, 2025 and December 31, 2024, balances include investments in CLOs with fair value of $201 million and $224 million, respectively.
(2) Book value is generally based on unpaid principal balance, net of any allowance for credit losses, or at fair value when the fair value option has been elected.

Fixed Maturities, Trading

"Fixed maturities, trading, at fair value" is primarily related to assets associated with consolidated VIEs for which the Company is the investment manager. The assets of the consolidated VIEs are generally offset by liabilities for which the fair value option has been elected. For additional information regarding these consolidated VIEs, see Note 4 to the Unaudited Interim Consolidated Financial Statements.

Commercial Mortgage and Other Loans

Our investment management operations include our commercial mortgage operations, which provide mortgage origination, investment management and servicing for our general account, institutional clients, the Federal Housing Administration and government-sponsored entities such as Fannie Mae and Freddie Mac.

The mortgage loans of our commercial mortgage operations are included in "Commercial mortgage and other loans." Derivatives and other hedging instruments related to our commercial mortgage operations are primarily included in "Other invested assets."

Other Invested Assets

"Other invested assets" primarily includes assets of our derivative operations used to manage interest rate, foreign currency, credit, and equity exposures.

Furthermore, other invested assets include strategic investments made as part of our investment management operations. We make these strategic investments in real estate, as well as fixed income, public equity and real estate securities, including controlling interests. Certain of these investments are made primarily for purposes of co-investment in our managed funds and structured products. Other strategic investments are made with the intention to sell or syndicate to investors, including our general account, or for placement in funds and structured products that we offer and manage (seed investments). As part of our investment management operations, we also make loans to our managed funds that are secured by equity commitments from investors or assets of the funds. "Other invested assets" also includes certain assets in consolidated investment funds where the Company is deemed to exercise control over the funds.

Valuation of Assets and Liabilities

Fair Value of Assets and Liabilities

The authoritative guidance related to fair value measurement establishes a framework that includes a three-level hierarchy used to classify the inputs used in measuring fair value. The level in the hierarchy within which the fair value falls is determined based on the lowest level input that is significant to the measurement. The fair values of assets and liabilities classified as Level 3 include at least one significant unobservable input in the measurement. See Note 6 to the Unaudited Interim Consolidated Financial Statements for an additional description of the valuation hierarchy levels as well as for the balances of assets and liabilities measured at fair value on a recurring basis by hierarchy level presented on a consolidated basis.

The table below presents the balances of assets and liabilities measured at fair value on a recurring basis, as of the dates indicated, and the portion of such assets and liabilities that are classified in Level 3 of the valuation hierarchy. The table also provides details about these assets and liabilities excluding those held in the Closed Block division and Funds Withheld portfolios. We believe the amounts excluding the Closed Block division and Funds Withheld are most relevant to an understanding of our operations that are pertinent to investors in Prudential Financial, Inc. because (1) substantially all Closed Block division assets support obligations and liabilities relating to the Closed Block policies where the economics inure to those participating policies and not to shareholders of the Company's Common Stock and (2) the Funds Withheld assets support liabilities relating to reinsurance agreements where the economic benefits and associated investment risk of the Funds Withheld assets ultimately inure to the reinsurer. See Notes 12 and 13 to the Unaudited Interim Consolidated Financial Statements for additional information regarding our material reinsurance agreements and the Closed Block, respectively.

	As of March 31, 2025					
	PFI excluding Closed Block Division and Funds Withheld		Closed Block Division		Funds Withheld	
	Total at Fair Value	Total Level 3(1)	Total at Fair Value	Total Level 3(1)	Total at Fair Value	Total Level 3(1)
	(in millions)					
Fixed maturities, available-for-sale	$ 279,807	$ 7,971	$ 28,834	$ 948	$ 7,273	$ 587
Assets supporting experience-rated contractholder liabilities:						
Fixed maturities	888	0	0	0	0	0
Equity securities	2,881	0	0	0	0	0
All other(2)	0	0	0	0	0	0
Subtotal	3,769	0	0	0	0	0
Market risk benefit assets	2,139	2,139	0	0	0	0
Fixed maturities, trading	4,705	637	654	41	7,919	1,460
Equity securities	7,252	686	1,468	47	0	0
Commercial mortgage and other loans	494	0	0	0	263	263
Other invested assets(3)	2,678	961	4	4	28	0
Short-term investments	8,269	384	257	76	40	2
Cash equivalents	8,048	1	384	0	247	0
Reinsurance recoverables and deposit receivables	(65)	0	0	0	652	381
Separate account assets	161,140	253	0	0	0	0
Total assets	$ 478,236	$ 13,032	$ 31,601	$ 1,116	$ 16,422	$ 2,693
Market risk benefit liabilities	$ 5,021	$ 5,021	$ 0	$ 0	$ 0	$ 0
Policyholders' account balances	11,938	11,938	0	0	0	0
Reinsurance and funds withheld payables	(25)	0	0	0	56	0
Other liabilities(3)	5,182	13	0	0	0	0
Notes issued by consolidated variable interest entities (“VIEs”)	67	67	0	0	0	0
Total liabilities	$ 22,183	$ 17,039	$ 0	$ 0	$ 56	$ 0

	As of December 31, 2024					
	PFI excluding Closed Block Division and Funds Withheld		Closed Block Division		Funds Withheld	
	Total at Fair Value	Total Level 3(1)	Total at Fair Value	Total Level 3(1)	Total at Fair Value	Total Level 3(1)
	(in millions)					
Fixed maturities, available-for-sale	$ 275,210	$ 6,712	$ 28,728	$ 914	$ 7,632	$ 551
Assets supporting experience-rated contractholder liabilities:						
Fixed maturities	826	0	0	0	0	0
Equity securities	2,881	0	0	0	0	0
All other(2)	0	0	0	0	0	0
Subtotal	3,707	0	0	0	0	0
Market risk benefit assets	2,331	2,331	0	0	0	0
Fixed maturities, trading	4,151	467	647	15	7,732	1,504
Equity securities	7,776	479	1,641	39	0	0
Commercial mortgage and other loans	469	0	0	0	233	233
Other invested assets(3)	2,526	952	2	1	25	0
Short-term investments	8,091	383	460	76	44	2
Cash equivalents	10,144	0	346	0	201	0
Reinsurance recoverables and deposit receivables	(75)	0	0	0	924	613
Separate account assets	166,672	232	0	0	0	0
Total assets	$ 481,002	$ 11,556	$ 31,824	$ 1,045	$ 16,791	$ 2,903
Market risk benefit liabilities	$ 4,455	$ 4,455	$ 0	$ 0	$ 0	$ 0
Policyholders' account balances	12,746	12,746	0	0	0	0
Reinsurance and funds withheld payables	(27)	0	0	0	(91)	0
Other liabilities(3)	4,749	1	0	0	2	0
Notes issued by consolidated variable interest entities ("VIEs")	60	60	0	0	0	0
Total liabilities	$ 21,983	$ 17,262	$ 0	$ 0	$ (89)	$ 0

(1) Level 3 assets expressed as a percentage of total assets measured at fair value on a recurring basis for PFI excluding the Closed Block division and Funds Withheld, the Closed Block division and Funds Withheld totaled 2.7%, 3.5%, and 16.4%, respectively, as of March 31, 2025, and 2.4%, 3.3%, and 17.3%, respectively, as of December 31, 2024.
(2) "All other" represents cash equivalents and short-term investments.
(3) "Other invested assets" and "Other liabilities" primarily include derivatives. The amounts include the impact of netting subject to master netting agreements.

The determination of fair value, which for certain assets and liabilities is dependent on the application of estimates and assumptions, can have a significant impact on our results of operations and may require the application of a greater degree of judgment depending on market conditions, as the ability to value assets and liabilities can be significantly impacted by a decrease in market activity or a lack of transactions executed in an orderly manner.

Fixed maturity securities included in Level 3 in our fair value hierarchy are generally priced based on internally-developed valuations or indicative broker quotes. For certain private fixed maturity and equity securities, the internal valuation models use significant unobservable inputs and, accordingly, such securities are included in Level 3 in our fair value hierarchy. Level 3 fixed maturity securities for PFI excluding the Closed Block division and Funds Withheld included approximately $1,435 million of public fixed maturities as of March 31, 2025, with values primarily based on indicative broker quotes, and approximately $9,218 million of private fixed maturities, with values primarily based on internally-developed models. Significant unobservable inputs used in their valuation included: issue specific spread adjustments, material non-public financial information, management judgment, estimation of future earnings and cash flows, default rate assumptions, liquidity assumptions and indicative quotes from market makers. Separate account assets included in Level 3 in our fair value hierarchy primarily include corporate securities and commercial mortgage loans.

Contracts or contract features reported in "Market risk benefit assets" and "Market risk benefit liabilities" and embedded derivatives reported in “Policyholders’ account balances” that are included in Level 3 of our fair value hierarchy represent general account assets and liabilities pertaining to living benefit features of the Company’s variable annuity contracts and the index-linked interest credited features on certain life and annuity products. “Market risk benefit assets” and “Market risk benefit liabilities” are carried at fair value with changes in fair value included in “Change in value of market risk benefits, net of related hedging gains (losses)” except for the portion of the change attributable to changes in the Company’s NPR that is recorded in OCI. Embedded derivatives included in “Policyholders’ account balances” are carried at fair value with changes in fair value included in “Realized investment gains (losses), net.” These assets and liabilities are valued using internally-developed models that require significant estimates and assumptions developed by management. Changes in these estimates and assumptions can have a significant impact on the results of our operations. For additional information, see Note 6 to the Unaudited Interim Consolidated Financial Statements.

For additional information regarding the valuation techniques and the key estimates and assumptions used in our determination of fair value, see Note 6 to the Consolidated Financial Statements included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024.

Liquidity and Capital Resources

Overview

Liquidity refers to the ability to generate sufficient cash resources to meet the payment obligations of the Company. Capital refers to the long-term financial resources available to support the operations of our businesses, fund business growth, and provide a cushion to withstand adverse circumstances. Our ability to generate and maintain sufficient liquidity and capital depends on the profitability of our businesses, general economic conditions and our access to the capital markets and the alternate sources of liquidity and capital described herein.

Effective and prudent liquidity and capital management is a priority across the Company. Management monitors the liquidity of Prudential Financial and its subsidiaries on a daily basis and projects borrowing and capital needs over a multi-year time horizon. We use a Risk Appetite Framework (“RAF”) to ensure that all risks taken across the Company align with our capacity and willingness to take those risks. The RAF provides a dynamic assessment of capital and liquidity stress impacts and is intended to ensure that sufficient resources are available to absorb those impacts. We believe that our capital and liquidity resources are sufficient to satisfy the capital and liquidity requirements of Prudential Financial and its subsidiaries.

Our businesses are subject to comprehensive regulation and supervision by domestic and international regulators. These regulations currently include requirements (many of which are the subject of ongoing rule-making) relating to capital and liquidity management. For information regarding these regulatory initiatives and their potential impact on us, see “Business—Regulation” and “Risk Factors” included in our Annual Report on Form 10-K for the year ended December 31, 2024.

From the beginning of 2025 through the date of this report, we took the following significant actions that have impacted, or are expected to impact, our liquidity and capital positions:

- In March, we issued $750 million of senior unsecured notes. We intend to use these proceeds for general corporate purposes, which may include refinancing medium-term notes maturing through 2026.

- In March, we entered into a reinsurance agreement with Prismic Re International, a wholly-owned subsidiary of Prismic, to reinsure approximately $7 billion of reserves for certain USD-denominated Japanese whole life policies originated by our Japanese insurance subsidiaries. We also made an additional equity investment in Prismic of approximately $100 million to maintain our equity interest at approximately 20 percent. The value of the reinsurance transaction is estimated to be $400 million, which includes a release of capital, ceding commission, taxes, and the net present value of future income, of which a portion was used to fund the equity investment in Prismic, with the remaining amount to be released over time.

- In April, we announced that the Company will redeem, in full, $1.0 billion in aggregate principal amount of 5.375% junior subordinated notes due in 2045.

Capital

The primary components of the Company's capitalization consist of equity and outstanding capital debt, including junior subordinated debt. As shown in the table below, as of March 31, 2025, the Company had $48.7 billion in capital, all of which was available to support the aggregate capital requirements of its businesses and its Corporate and Other operations. Based on our assessment of these businesses and operations, we believe this level of capital is consistent with our ratings targets.

	March 31, 2025	December 31, 2024
	(in millions)	
Equity(1)	$ 34,624	$ 34,583
Junior subordinated debt (including hybrid securities)	7,591	7,588
Other capital debt	6,534	6,237
Total capital	$ 48,749	$ 48,408

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(1) Amounts attributable to Prudential Financial, excluding AOCI.

We manage PICA, The Prudential Life Insurance Company, Ltd. ("Prudential of Japan"), The Gibraltar Life Insurance Co., Ltd. ("Gibraltar Life"), and other significant insurance subsidiaries to regulatory capital levels consistent with our "AA" ratings targets. We utilize the risk-based capital ("RBC") ratio as a primary measure of the capital adequacy of our domestic insurance subsidiaries and the solvency margin ratio as a primary measure of the capital adequacy of our Japanese insurance subsidiaries.

RBC ratio calculations are intended to assist insurance regulators in measuring an insurer's solvency and ability to pay future claims. The reporting of RBC measures is not intended for the purpose of ranking any insurance company or for use in connection with any marketing, advertising or promotional activities, but is available to the public.

PICA's RBC ratio as of December 31, 2024, its most recent statutory fiscal year-end and RBC reporting date, was 409%. PICA's RBC ratio is calculated on a consolidated basis and included Pruco Life Insurance Company ("Pruco Life"), Pruco Life Insurance Company of New Jersey ("PLNJ"), which is a subsidiary of Pruco Life, and Prudential Legacy Insurance Company of New Jersey ("PLIC").

Similar to the RBC ratios that are employed by U.S. insurance regulators, regulatory authorities in the international jurisdictions in which we operate generally establish some form of minimum solvency margin requirements for insurance companies based on local statutory accounting practices. These solvency margins are a primary measure of the capital adequacy of our international insurance operations. Maintenance of our solvency margins at certain levels is also important to our competitive positioning, as in certain jurisdictions, such as Japan, these solvency margins are required to be disclosed to the public and therefore impact the public perception of an insurer's financial strength.

The table below presents the solvency margin ratios of our most significant international insurance subsidiaries as of December 31, 2024, the most recent date for which this information is available.

	Ratio
Prudential of Japan consolidated(1)	763 %
Gibraltar Life consolidated(2)	973 %

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(1) Includes Prudential Trust Co., Ltd., a subsidiary of Prudential of Japan.
(2) Includes Prudential Gibraltar Financial Life Insurance Co., Ltd. ("PGFL"), a subsidiary of Gibraltar Life.

All of our domestic and significant international insurance subsidiaries have capital levels that substantially exceed the minimum level required by applicable insurance regulations. The statutory capital of our insurance companies and our overall capital flexibility could be impacted by, among other things, market conditions and changes in insurance reserves, including those stemming from updates to our actuarial assumptions. Our regulatory capital levels also may be affected in the future by changes to the applicable regulations, proposals for which are currently under consideration by both domestic and international insurance regulators. The FSA has developed a new market-based alternative to the solvency margin ratio framework called the Economic Solvency Ratio ("ESR") that will apply to our Japanese insurance subsidiaries. The ESR framework became effective April 1, 2025, with disclosure under the new framework required beginning in 2026. For additional information regarding the calculation of RBC and solvency margin ratios, as well as regulatory minimums, see Note 20 to the Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

Captive Reinsurance Companies

See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Capital—Captive Reinsurance Companies" included in our Annual Report on Form 10-K for the year ended December 31, 2024, for a discussion of our use of captive reinsurance companies.

Shareholder Distributions

Share Repurchase Program and Shareholder Dividends

In December 2024, Prudential Financial's Board of Directors authorized the Company to repurchase, at management's discretion, up to $1.0 billion of its outstanding Common Stock during the period from January 1, 2025 through December 31, 2025. In general, the timing and amount of share repurchases are determined by management based on market conditions and other considerations, including compliance with applicable laws and any increased capital needs of our businesses due to, among other things, credit migration and losses in our investment portfolio, changes in regulatory capital requirements and opportunities for growth and acquisitions. Repurchases may be executed in the open market, through derivative, accelerated repurchase and other negotiated transactions and through plans designed to comply with Rule 10b5-1(c) under the Securities Exchange Act of 1934, as amended.

The following table sets forth information about declarations of Common Stock dividends, as well as repurchases of shares of Prudential Financial's Common Stock, for the three months ended March 31, 2025:

	Dividend Amount		Shares Repurchased	
Three months ended:	Per Share	Aggregate	Shares	Total Cost
	(in millions, except per share data)			
March 31, 2025	$ 1.35	$ 486	2.2	$ 250

Liquidity

Liquidity management and stress testing are performed on a legal entity basis as the ability to transfer funds between subsidiaries is limited due in part to regulatory restrictions. Liquidity needs are determined through daily and quarterly cash flow forecasting at the holding company and within our operating subsidiaries. We seek to maintain a minimum balance of highly liquid assets to ensure that adequate liquidity is available at Prudential Financial to cover fixed expenses in the event that we experience reduced cash flows from our operating subsidiaries at a time when access to capital markets is also not available.

We seek to mitigate the risk of having limited or no access to financing due to stressed market conditions by generally pre-funding debt in advance of maturity. We mitigate the refinancing risk associated with our debt that is used to fund operating needs by matching the term of debt with the assets financed. To ensure adequate liquidity in stress scenarios, stress testing is performed for our major operating subsidiaries. We seek to further mitigate liquidity risk by maintaining our access to alternative sources of liquidity, as discussed below.

Liquidity of Prudential Financial

The principal sources of funds available to Prudential Financial, the parent holding company, are dividends, returns of capital and loans from subsidiaries, and proceeds from debt issuances and certain stock-based compensation activity. These sources of funds may be supplemented by Prudential Financial's access to the capital markets as well as the "—Alternative Sources of Liquidity" described below.

The primary uses of funds at Prudential Financial include servicing debt, making capital contributions and loans to subsidiaries, making acquisitions, paying declared shareholder dividends and repurchasing outstanding shares of Common Stock executed under authority from the Board.

As of March 31, 2025, Prudential Financial had highly liquid assets with a carrying value totaling $6,470 million, an increase of $206 million from December 31, 2024. Highly liquid assets predominantly include cash, short-term investments, U.S. Treasury securities, obligations of other U.S. government authorities and agencies, and/or foreign government bonds. We maintain an intercompany liquidity account that is designed to optimize the use of cash by facilitating the lending and borrowing of funds between Prudential Financial and its subsidiaries on a daily basis. Excluding the net borrowings from this intercompany liquidity account, Prudential Financial had highly liquid assets of $4,920 million as of March 31, 2025, an increase of $279 million from December 31, 2024.

The following table sets forth Prudential Financial’s principal sources and uses of highly liquid assets, excluding net borrowings from our intercompany liquidity account, for the periods indicated:

	Three Months Ended March 31,	
	2025	2024
	(in millions)	
Highly Liquid Assets, beginning of period	$ 4,641	$ 4,095
Dividends and/or returns of capital from subsidiaries(1)	606	326
Affiliated (borrowings)/loans - (capital activities)(2)	11	702
Capital contributions to subsidiaries(3)	(16)	(46)
Total Business Capital Activity(4)	601	982
Share repurchases(5)	(246)	(242)
Common Stock dividends(6)	(491)	(483)
Total Share Repurchases, Dividends and Business Disposition Activity	(737)	(725)
Proceeds from the issuance of debt(7)	794	990
Repayments of debt	(2)	(504)
Total Debt Activity	792	486
Net interest expense	(340)	(278)
Affiliated (borrowings)/loans - (operating activities)(8)	(94)	(354)
Tax cash flows(4)	29	10
Other corporate cash flows(4)	(51)	(57)
Share issuances for employee stock purchases and other(4)	79	89
Total Other Activity	(377)	(590)
Net increase/(decrease) in highly liquid assets	279	153
Highly Liquid Assets, end of period	$ 4,920	$ 4,248

(1) 2025 includes $500 million from Individual Life insurance captives, $53 million from international insurance subsidiaries and $53 million from PGIM subsidiaries. 2024 includes $250 million from PICA, $60 million from international subsidiaries and $16 million from PGIM subsidiaries.
(2) Represents loans to and from subsidiaries made for capital management purposes. 2025 includes $11 million from captive reinsurance subsidiaries. 2024 includes $502 million from international insurance subsidiaries and $200 million from captive reinsurance subsidiaries.
(3) 2025 includes capital contributions of $10 million to other subsidiaries and $6 million to PICA. 2024 includes capital contributions of $39 million to international insurance subsidiaries and $7 million to other subsidiaries.
(4) 2025 “Total Business Capital Activity” includes segment inflows of $508 million from U.S. Businesses, $137 million from PGIM, $117 million from International Businesses, and outflows of $161 million to Corporate and Other operations. 2024 “Total Business Capital Activity” includes segment inflows of $585 million from International Businesses, $400 million from U.S. Businesses, $125 million from PGIM, and outflows of $128 million to Corporate and Other operations. In addition, Corporate and Other operations had net inflows of $57 million and $42 million in 2025 and 2024, respectively, from “Tax cash flows,” “Other corporate cash flows,” and “Share issuances for employee stock purchases and other,” as shown within this table.
(5) Excludes cash payments made on trades that settled in the subsequent period.
(6) Includes cash payments made on dividends declared in prior periods.
(7) 2025 includes $50 million of proceeds from the issuance of retail medium-term notes that were used exclusively to purchase funding agreements from PICA.
(8) Represents loans to and from subsidiaries to support business operating needs.

Dividends and Returns of Capital from Subsidiaries

Domestic insurance subsidiaries. During the first three months of 2025, Prudential Financial did not receive dividends from its domestic insurance subsidiaries. In addition to paying Common Stock dividends, our domestic insurance operations may return capital to Prudential Financial by other means, such as affiliated lending, and reinsurance with Bermuda-based affiliates. In the first quarter of 2025, Prudential Financial received a return of capital of $500 million from a holding company funded by a domestic captive insurance subsidiary.

International insurance subsidiaries. During the first three months of 2025, Prudential Financial received dividends of $53 million from its international insurance subsidiaries. In addition to paying Common Stock dividends, our international insurance operations may return capital to Prudential Financial by other means, such as the repayment of preferred stock obligations held by Prudential Financial or other affiliates, affiliated lending, affiliated derivatives and reinsurance with U.S.- and Bermuda-based affiliates.

Other subsidiaries. During the first three months of 2025, Prudential Financial received dividends of $53 million from PGIM subsidiaries.

Restriction on dividends and returns of capital from subsidiaries. Our insurance companies are subject to limitations on the payment of dividends and other transfers of funds to Prudential Financial and other affiliates under applicable insurance law and regulation. Further, market conditions could negatively impact capital positions of our insurance companies, which could further restrict their ability to pay dividends. More generally, the payment of dividends by any of our subsidiaries is subject to declaration by their Board of Directors and can be affected by market conditions and other factors.

With respect to our domestic insurance subsidiaries, PICA is permitted to pay ordinary dividends based on calculations specified under New Jersey insurance law, subject to prior notification to the New Jersey Department of Banking and Insurance (“NJDOBI”). Any distributions above this amount in any twelve-month period are considered to be “extraordinary” dividends, and the approval of the NJDOBI is required prior to payment. The laws regulating dividends of the states where our other domestic insurance companies are domiciled are similar, but not identical, to those of New Jersey.

Capital redeployment from our international insurance subsidiaries is subject to local regulatory requirements in the international jurisdictions in which they operate. Our most significant international insurance subsidiaries, Prudential of Japan and Gibraltar Life, are permitted to pay Common Stock dividends based on calculations specified by Japanese insurance business law. Dividends in excess of these amounts and other forms of capital distribution may require the prior approval of the FSA. The regulatory fiscal year end for both Prudential of Japan and Gibraltar Life is March 31, after which time the Common Stock dividend amount permitted to be paid without prior approval from the FSA can be determined.

The ability of our PGIM subsidiaries and the majority of our other operating subsidiaries to pay dividends is largely unrestricted from a regulatory standpoint.

See Note 20 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2024, for information regarding specific dividend restrictions.

Liquidity of Insurance Subsidiaries

We manage the liquidity of our insurance operations to ensure stable, reliable and cost-effective sources of cash flows to meet all of our obligations. Liquidity within each of our insurance subsidiaries is provided by a variety of sources, including portfolios of liquid assets. The investment portfolios of our subsidiaries are integral to the overall liquidity of our insurance operations. We segment our investment portfolios and employ an asset/liability management approach specific to the requirements of each of our product lines. This enhances the discipline applied in managing the liquidity, as well as the interest rate and credit risk profiles, of each portfolio in a manner consistent with the unique characteristics of the product liabilities.

Liquidity is measured against internally-developed benchmarks that take into account the characteristics of both the asset portfolio and the liabilities that they support. We consider attributes of the various categories of liquid assets (for example, type of asset and credit quality) in calculating internal liquidity measures to evaluate our insurance operations’ liquidity under various stress scenarios, including company-specific and market-wide events. We continue to believe that cash generated by ongoing operations and the profile of our assets provide sufficient liquidity under reasonably foreseeable stress scenarios for each of our insurance subsidiaries.

The principal sources of liquidity for our insurance subsidiaries are premiums, investment and fee income, investment maturities, sales of investments, and sales associated with our insurance and annuity operations, as well as internal and external borrowings. The principal uses of liquidity include benefits, claims and dividends paid to policyholders, and payments to policyholders and contractholders in connection with surrenders, withdrawals and net policy loan activity. Other uses of liquidity may include commissions, general and administrative expenses, purchases of investments, the payment of dividends to the parent holding company, hedging and reinsurance activity and payments in connection with financing activities.

The following table sets forth the fair value of certain of our domestic insurance operations' portfolio of liquid assets, as of the dates indicated:

	March 31, 2025				December 31, 2024
	Prudential Insurance(1)	PLIC	Pruco Life	Total	
	(in billions)				
Cash and short-term investments	$ 5.5	$ 0.8	$ 2.6	$ 8.9	$ 12.5
Fixed maturity investments(2):					
High or highest quality	119.8	26.2	40.5	186.5	180.3
Other than high or highest quality	8.1	2.3	2.8	13.2	12.1
Subtotal	127.9	28.5	43.3	199.7	192.4
Public equity securities, at fair value	0.9	1.5	2.4	4.8	5.4
Total	$ 134.3	$ 30.8	$ 48.3	$ 213.4	$ 210.3

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(1) Represents legal entity view and as such includes both domestic and international activity.
(2) Credit quality is based on NAIC or equivalent rating.

The following table sets forth the fair value of our international insurance operations' portfolio of liquid assets, as of the dates indicated:

	March 31, 2025				December 31, 2024
	Prudential of Japan	Gibraltar Life(1)	All Other(2)	Total	
	(in billions)				
Cash and short-term investments	$ 1.0	$ 4.7	$ 2.8	$ 8.5	$ 7.4
Fixed maturity investments(3):					
High or highest quality(4)	27.3	50.5	22.0	99.8	102.6
Other than high or highest quality	0.4	0.5	3.1	4.0	3.6
Subtotal	27.7	51.0	25.1	103.8	106.2
Public equity securities	3.1	0.7	0.4	4.2	4.2
Total	$ 31.8	$ 56.4	$ 28.3	$ 116.5	$ 117.8

____
(1) Includes PGFL.
(2) Represents our international insurance operations, excluding Japan.
(3) Credit quality is based on NAIC or equivalent rating.
(4) As of March 31, 2025, $63.3 billion, or 63%, were invested in government or government agency bonds.

Liquidity associated with other activities

Hedging activities associated with Individual Retirement Strategies

For the portion of our Individual Retirement Strategies' ALM strategy executed through hedging, we enter into a range of exchange-traded, cleared and other OTC equity and interest rate derivatives in order to hedge certain capital market risks related to more severe market conditions. For a full discussion of our Individual Retirement Strategies' risk management strategy, see "—Results of Operations by Segment—Retirement Strategies." This portion of our Individual Retirement Strategies' ALM strategy requires access to liquidity to meet payment obligations relating to these derivatives, such as payments for periodic settlements, purchases, maturities and terminations. These liquidity needs can vary materially due to, among other items, changes in interest rates, equity markets, mortality and policyholder behavior.

The hedging portion of our Individual Retirement Strategies' ALM strategy may also result in derivative related collateral postings to (when we are in a net post position) or from (when we are in a net receive position) counterparties. The net collateral position depends on changes in interest rates and equity markets related to the amount of the exposures hedged. Depending on market conditions, the collateral posting requirements can result in material liquidity needs when we are in a net post position.

Foreign exchange hedging activities

We employ various hedging strategies to manage potential exposure to foreign currency exchange rate movements, particularly those associated with the yen. Our overall yen hedging strategy calibrates the hedge level to preserve the relative contribution of our yen-based business to the Company's overall return on equity on a leverage neutral basis.

We hold both internal and external hedges primarily to hedge our USD-equivalent equity. These hedges also mitigate volatility in the solvency margins of yen-based subsidiaries resulting from changes in the market value of their USD-denominated investments hedging our USD-equivalent equity attributable to changes in the yen-USD exchange rate.

For additional information regarding our hedging strategy, see "—Results of Operations—Impact of Foreign Currency Exchange Rates."

Cash settlements from these hedging activities result in cash flows between subsidiaries of Prudential Financial and either international-based subsidiaries or external parties. The cash flows are dependent on changes in foreign currency exchange rates and the notional amount of the exposures hedged. For example, a significant yen depreciation over an extended period of time could result in net cash inflows, while a significant yen appreciation could result in net cash outflows. The following tables set forth information about net cash settlements and the net asset or liability resulting from these hedging activities related to the yen and other currencies for the periods indicated:

	Three Months Ended March 31,	
Cash Settlements Received (Paid):	**2025**	**2024**
	(in millions)	
Internal Hedges(1)	$ 109	$ 137
External Hedges(2)	46	(86)
Total Cash Settlements	$ 155	$ 51

Assets (Liabilities):	**March 31, 2025**	**December 31, 2024**
	(in millions)	
Internal Hedges(1)	$ 719	$ 968
External Hedges(3)	275	341
Total Assets (Liabilities)(4)	$ 994	$ 1,309

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(1) Represents internal transactions between international-based and U.S.-based entities. Amounts noted are from the U.S.-based entities' perspectives.
(2) Includes non-yen related cash settlements received (paid) of $3 million, primarily denominated in Brazilian real, Australian dollar and Chilean peso, and $(4) million, primarily denominated in Brazilian real, Chilean peso and Australian dollar for the three months ended March 31, 2025 and 2024, respectively.
(3) Includes non-yen related assets (liabilities) of $30 million, primarily denominated in Brazilian real, Australian dollar and Chilean Peso as of March 31, 2025 and $91 million, primarily denominated in Brazilian real, Chilean peso and Australian dollar, as of December 31, 2024.
(4) As of March 31, 2025, approximately $427 million, $180 million, $135 million and $252 million of the net market values are scheduled to settle in 2025, 2026, 2027, and thereafter, respectively. The net market value of the assets (liabilities) will vary with changing market conditions to the extent there are no corresponding offsetting positions.

PGIM operations

The principal sources of liquidity for our fee-based PGIM businesses include cash flows from asset management, commercial mortgage origination and servicing activities, and internal and external funding facilities. The principal uses of liquidity for our fee-based PGIM businesses include general and administrative expenses, facilitating our commercial mortgage loan business, funding needs of our seed and co-investment portfolio and distributions of dividends and returns of capital to Prudential Financial. The primary liquidity risks for our fee-based PGIM businesses relate to their profitability, which is impacted by market conditions, our investment management performance and client redemptions. We believe the cash flows from our fee-based PGIM businesses are adequate to satisfy the current liquidity requirements of these operations, as well as requirements that could arise under reasonably foreseeable stress scenarios, which are monitored through the use of internal measures.

The principal sources of liquidity for our seed and co-investments held in our PGIM businesses are cash flows from investments, cash flows from our fee-based businesses, as described above, borrowing lines from internal sources, including Prudential Financial and Prudential Funding, LLC ("Prudential Funding"), a wholly-owned subsidiary of PICA, and external sources, including PGIM's limited-recourse credit facility. The principal uses of liquidity for our seed and co-investments include making investments to support business growth and paying interest expense from the internal and external borrowings used to fund those investments. The primary liquidity risks include the inability to sell assets in a timely manner, declines in the value of assets and credit defaults.

There have been no material changes to the liquidity position of our PGIM operations since December 31, 2024.

Alternative Sources of Liquidity

In addition to asset-based financing as discussed below, Prudential Financial and certain subsidiaries have access to other sources of liquidity, including syndicated, unsecured committed credit facilities, membership in the Federal Home Loan Bank of New York, a funding agreement facility with Farmer Mac, commercial paper programs and contingent financing facilities in the form of facility agreements. For additional information regarding these sources of liquidity, see Note 15 to the Unaudited Interim Consolidated Financial Statements contained herein and Note 18 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2024.

Asset-based Financing

We conduct asset-based or secured financing within our insurance and other subsidiaries, including transactions such as securities lending, committed and uncommitted repurchase agreements and mortgage dollar rolls, to earn spread income, to borrow funds, or to facilitate trading activity. These programs are primarily driven by portfolio holdings of securities that are lendable based on counterparty demand for these securities in the marketplace. The collateral received in connection with these programs is primarily used to purchase securities in the short-term spread portfolios of our insurance entities. Investments held in the short-term spread portfolios include cash and cash equivalents, short-term investments (primarily corporate bonds), mortgage loans and fixed maturities (primarily collateralized loan obligations and other structured securities), with a weighted average life at time of purchase by the short-term portfolios of four years or less. Floating rate assets comprise the majority of our short-term spread portfolio. These short-term portfolios are subject to specific investment policy statements, which among other things, do not allow for significant asset/liability interest rate duration mismatch.

The following table sets forth our liabilities under asset-based or secured financing programs as of the dates indicated:

	March 31, 2025			December 31, 2024		
	PFI Excluding Closed Block Division	Closed Block Division	Consolidated	PFI Excluding Closed Block Division	Closed Block Division	Consolidated
	($ in millions)					
Securities sold under agreements to repurchase	$ 5,381	$ 2,168	$ 7,549	$ 4,779	$ 2,017	$ 6,796
Cash collateral for loaned securities	8,512	995	9,507	8,315	1,306	9,621
Securities sold but not yet purchased	0	0	0	0	0	0
Total(1)(2)	$ 13,893	$ 3,163	$ 17,056	$ 13,094	$ 3,323	$ 16,417
Portion of above securities that may be returned to the Company overnight requiring immediate return of the cash collateral	$ 13,231	$ 3,106	$ 16,337	$ 12,325	$ 3,220	$ 15,545
Weighted average maturity, in days(3)	5	2		5	4	

(1) The daily average outstanding balance for the three months ended March 31, 2025 was $13,743 million for PFI excluding the Closed Block division, and $3,335 million for the Closed Block division.
(2) Includes utilization of external funding facilities for PGIM's commercial mortgage origination business.
(3) Excludes securities that may be returned to the Company overnight.

As of March 31, 2025, our domestic insurance entities had assets eligible for the asset-based or secured financing programs of $97.9 billion, of which $16.7 billion were on loan. Taking into account market conditions and outstanding loan balances as of March 31, 2025, we believe approximately $13.3 billion of the remaining eligible assets are readily lendable, including approximately $10.7 billion relating to PFI excluding the Closed Block division, of which $4.0 billion relates to certain separate accounts and may only be used for financing activities related to those accounts, and the remaining $2.6 billion relating to the Closed Block division.

Financing Activities

As of March 31, 2025, total short-term and long-term debt of the Company on a consolidated basis was $20.9 billion, an increase of $0.8 billion from December 31, 2024. The following table sets forth total consolidated borrowings of the Company as of the dates indicated. We may, from time to time, seek to redeem or repurchase our outstanding debt securities through open market purchases, individually negotiated transactions or otherwise. Any such actions will depend on prevailing market conditions, our liquidity position, and other factors.

	March 31, 2025			December 31, 2024		
Borrowings:	Prudential Financial	Subsidiaries	Consolidated	Prudential Financial	Subsidiaries	Consolidated
	(in millions)					
General obligation short-term debt:						
Commercial paper	$ 25	$ 500	$ 525	$ 25	$ 496	$ 521
Current portion of long-term debt	499	347	846	0	347	347
Subtotal	524	847	1,371	25	843	868
General obligation long-term debt:						
Senior debt	10,541	0	10,541	10,245		10,245
Junior subordinated debt	8,550	41	8,591	8,548	39	8,587
Surplus notes(1)	0	0	0	0	0	0
Subtotal	19,091	41	19,132	18,793	39	18,832
Total general obligations	19,615	888	20,503	18,818	882	19,700
Limited and non-recourse borrowings(2):						
Short-term debt	0	0	0	0		0
Current portion of long-term debt	0	35	35	0	85	85
Long-term debt	0	408	408	0	355	355
Total limited and non-recourse borrowings	0	443	443	0	440	440
Total borrowings	$ 19,615	$ 1,331	$ 20,946	$ 18,818	$ 1,322	$ 20,140

(1) Amounts are net of assets under set-off arrangements of $15,044 million and $14,748 million as of March 31, 2025 and December 31, 2024, respectively. Amounts include credit-linked note structures used to finance Guideline AXXX reserves for business reinsured to Somerset Re in March 2024.
(2) Limited and non-recourse borrowing primarily represents mortgage debt of our subsidiaries that has recourse only to real estate investment property of $188 million and $185 million as of March 31, 2025 and December 31, 2024, respectively, and a draw on a credit facility that has recourse only to collateral pledged by the Company of $255 million as of both March 31, 2025 and December 31, 2024.

As of March 31, 2025, and December 31, 2024, the Company was in compliance with all debt covenants related to the borrowings in the table above. For additional information regarding the Company's short- and long-term debt obligations, see Note 15 to the Unaudited Interim Consolidated Financial Statements contained herein and Note 18 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2024.

Prudential Financial's consolidated borrowings increased $0.8 billion from December 31, 2024. In March 2025, the Company issued $750 million in aggregate principal amount of 5.20% medium-term notes due in March 2035.

Term and Universal Life Reserve Financing

We use captive reinsurance subsidiaries to finance the portion of the statutory reserves required to be held by our domestic life insurance companies under Regulation XXX and Guideline AXXX that we consider to be non-economic. The financing arrangements involve the reinsurance of term and universal life business to our captive reinsurers and the issuance of surplus notes by those captives that are treated as capital for statutory purposes. These surplus notes are subordinated to policyholder obligations, and the payment of principal and interest on the surplus notes can only be made with prior insurance regulatory approval.

We have entered into agreements with external counterparties providing for the issuance of surplus notes by our captive reinsurers in return for the receipt of credit-linked notes ("Credit-Linked Note Structures"). As of both March 31, 2025 and December 31,2024, we had Credit-Linked Note Structures with an aggregate issuance capacity of $8,000 million to support Regulation XXX reserves, of which $7,560 million was outstanding and matures in 2044. These amounts exclude credit-linked note structures used to finance Guideline AXXX reserves for business reinsured to Somerset Re in March 2024. Under the agreements, the captive receives in exchange for the surplus notes one or more credit-linked notes issued by a special-purpose affiliate of the Company with an aggregate principal amount equal to the surplus notes outstanding. The captive holds the credit-linked notes as assets supporting Regulation XXX or Guideline AXXX non-economic reserves, as applicable. For additional information regarding our Credit-Linked Note Structures, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Financing Activities" in our Annual Report on Form 10-K for the year ended December 31, 2024.

As of March 31, 2025, we also had outstanding an aggregate of $200 million of debt issued for the purpose of financing Regulation XXX non-economic reserves. In addition, as of March 31, 2025, for purposes of financing Guideline AXXX non-economic reserves, one captive had $3,982 million of surplus notes outstanding that were issued to affiliates.

The Company introduced updated versions of its individual life products in conjunction with the requirement to adopt principle-based reserving by January 1, 2020. These updated products are currently priced to support the principle-based statutory reserve level without the need for reserve financing.

Off-Balance Sheet Arrangements

See additional information regarding off-balance sheet arrangements in Note 15 and other commitments in Note 21 to the Unaudited Interim Consolidated Financial Statements.

We do not have retained or contingent interests in assets transferred to unconsolidated entities, or variable interests in unconsolidated entities or other similar transactions, arrangements or relationships that serve as credit, liquidity or market risk support, that we believe are reasonably likely to have a material effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or our access to or requirements for capital resources. In addition, we do not have relationships with any unconsolidated entities that are contractually limited to narrow activities that facilitate our transfer of or access to associated assets.

Ratings

See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Ratings" in our Annual Report on Form 10-K for the year ended December 31, 2024, for a discussion of our financial strength and credit ratings and their impact on our business.

There have been no significant changes or actions in ratings or ratings outlooks for the Company that have occurred since the filing of our Form 10-K for the year ended December 31, 2024.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the risk of fluctuations in the value of financial instruments as a result of absolute or relative changes in interest rates, foreign currency exchange rates, equity prices or commodity prices. To varying degrees, our products and services, and the investment activities supporting them, generate exposure to market risk. The market risk incurred, and our strategies for managing this risk, vary by product. As of March 31, 2025, there have been no material changes in our economic exposure to market risk from December 31, 2024, a description of which may be found in our Annual Report on Form 10-K, for the year ended December 31, 2024, "Item 7A. Quantitative and Qualitative Disclosures about Market Risk," filed with the Securities and Exchange Commission. See "Item 1A. Risk Factors" included in the Annual Report on Form 10-K for the year ended December 31, 2024, for a discussion of how difficult conditions in the financial markets and the economy generally may materially adversely affect our business and results of our operations.

ITEM 4. CONTROLS AND PROCEDURES

In order to ensure that the information we must disclose in our filings with the SEC is recorded, processed, summarized, and reported on a timely basis, the Company’s management, including our Chief Executive Officer and Chief Financial Officer, have reviewed and evaluated the effectiveness of our disclosure controls and procedures, as defined in Exchange Act Rule 13a-15(e), as of March 31, 2025. Based on such evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that, as of March 31, 2025, our disclosure controls and procedures were effective. No change in our internal control over financial reporting, as defined in Exchange Act Rule 13a-15(f), occurred during the quarter ended March 31, 2025, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

See Note 21 to the Unaudited Interim Consolidated Financial Statements under "—Litigation and Regulatory Matters" for a description of certain pending litigation and regulatory matters affecting us, and certain risks to our businesses presented by such matters, which is incorporated herein by reference.

ITEM 1A. RISK FACTORS

You should carefully consider the risks described under "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2024. These risks could materially affect our business, results of operations or financial condition, cause the trading price of our Common Stock to decline materially or cause our actual results to differ materially from those expected or those expressed in any forward-looking statements made by, or on behalf of, the Company. These risks are not exclusive, and additional risks to which we are subject include, but are not limited to, the factors mentioned under "Forward-Looking Statements" and the risks of our businesses described elsewhere in this Quarterly Report on Form 10-Q.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

(c) The following table provides information about purchases by the Company during the three months ended March 31, 2025, of its Common Stock:

Period	Total Number of Shares Purchased(1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program(2)	Approximate Dollar Value of Shares that May Yet Be Purchased under the Program(2)
January 1, 2025 through January 31, 2025	707,994	$ 119.04	699,882	
February 1, 2025 through February 28, 2025	1,517,761	$ 113.47	740,316	
March 1, 2025 through March 31, 2025	761,202	$ 110.36	755,607	
Total	2,986,957		2,195,805	$ 750,000,000

(1) Includes shares of Common Stock withheld from participants for income tax withholding purposes whose shares of restricted stock units vested during the period. Such restricted stock units were originally issued to participants pursuant to the Prudential Financial, Inc. Omnibus Incentive Plan.
(2) In December 2024, Prudential Financial's Board of Directors authorized the Company to repurchase, at management's discretion, up to $1.0 billion of its outstanding Common Stock during the period from January 1, 2025 through December 31, 2025.

The approximate dollar value of shares that may yet be purchased under the program does not reflect any applicable excise tax payable in connection with share repurchases, which is recorded as part of the cost basis of treasury stock and is assessed on the fair value of stock repurchases, reduced by the fair value of any shares issued during the period.

ITEM 5. OTHER INFORMATION

Company Trading Plans or other Arrangements

Our directors and officers (as defined in Exchange Act Rule 16a-1(f)) may from time to time enter into plans or other arrangements for the purchase or sale of our shares that are intended to satisfy the affirmative defense conditions of Rule 10b5–1(c) or may represent a non-Rule 10b5-1 trading arrangement under the Exchange Act. During the quarter ended March 31, 2025, no such plans or other arrangements were adopted or terminated.

ITEM 6. EXHIBITS

EXHIBIT INDEX

3.1	Amended and Restated Certificate of Incorporation of Prudential Financial, Inc. Incorporated by reference to Exhibit 3.1 to the Registrant’s January 22, 2015 Current Report on Form 8-K.
3.2	Amended and Restated By-Laws of Prudential Financial, Inc., effective September 12, 2023. Incorporated by reference to Exhibit 3.1 to the Registrant’s September 13, 2023 Current Report on Form 8-K.
31.1	Section 302 Certification of the Chief Executive Officer.
31.2	Section 302 Certification of the Chief Financial Officer.
32.1	Section 906 Certification of the Chief Executive Officer.
32.2	Section 906 Certification of the Chief Financial Officer.
101.INS - XBRL	Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH - XBRL	Taxonomy Extension Schema Document.
101.CAL - XBRL	Taxonomy Extension Calculation Linkbase Document.
101.LAB - XBRL	Taxonomy Extension Label Linkbase Document.
101.PRE - XBRL	Taxonomy Extension Presentation Linkbase Document.
101.DEF - XBRL	Taxonomy Extension Definition Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

GLOSSARY

Throughout this Quarterly Report on Form 10-Q, the Company may use certain abbreviations, acronyms and terms which are defined below.

Prudential Entities

Company	Prudential Financial, Inc. and its subsidiaries	PLNJ	Pruco Life Insurance Company of New Jersey
Gibraltar Life	The Gibraltar Life Insurance Co., Ltd.	Pruco Life	Pruco Life Insurance Company
PFI	Prudential Financial, Inc. and its subsidiaries	Prudential	Prudential Financial, Inc. and its subsidiaries
PGFL	Prudential Gibraltar Financial Life Insurance Co., Ltd.	Prudential Financial	Prudential Financial, Inc.
PGIM	The global investment management business of Prudential Financial, Inc.	Prudential Funding	Prudential Funding, LLC
PGIMW	PGIM Wadhwani LLP	Prudential Insurance/PICA	The Prudential Insurance Company of America
PIIH	Prudential International Insurance Holdings, Ltd.	Prudential of Japan	The Prudential Life Insurance Company, Ltd.
PLIC	Prudential Legacy Insurance Company of New Jersey	Registrant	Prudential Financial, Inc.

Defined Terms

Allstate	The Allstate Corporation	Morningstar	Morningstar, Inc.
AuguStar	AuguStar Life Insurance Company, formerly known as The Ohio National Life Insurance Company	Other Postretirement Benefits	Certain health care and life insurance benefits provided by the Company for its retired employees, their beneficiaries and covered dependents
Board	Prudential Financial's Board of Directors	Pension Benefits	Funded and non-funded non-contributory defined benefit pension plans which cover substantially all of the Company's employees
Closed Block	Certain in-force participating insurance policies and annuity products, along with corresponding assets used for the payment of benefits and policyholders' dividends on these products	Prismic	Prismic Life Holding Company LP
Credit-Linked Note Structures	Agreements with external counterparties providing for the issuance of surplus notes by our captive reinsurers in return for the receipt of credit-linked notes	Prismic Re	Prismic Life Reinsurance, Ltd.
Empower Annuity Insurance Company of America	Formerly known as Great-West	Prismic Re International	Prismic Life Reinsurance International, Ltd.
Empower Life & Annuity Insurance Company of New York	Formerly known as Great-West Life & Annuity Insurance Company of New York	Regulation XXX	Valuation of Life Insurance Policies Model Regulation
Exchange Act	The Securities Exchange Act of 1934	S&P	Standard & Poor's Rating Services
Farmer Mac	Federal Agricultural Mortgage Corporation	Somerset Re	Somerset Reinsurance Ltd.
Fitch	Fitch Ratings Inc.	Star and Edison Businesses	AIG Star Life Insurance Co., Ltd, AIG Edison Life Insurance Company, AIG Financial Assurance Japan K.K. and AIG Edison Service Co., Ltd. (former subsidiaries of American International Group, Inc., or AIG), collectively
Funds Withheld	Assets the Company retains the legal ownership of under certain reinsurance arrangements	Talcott Resolution	Talcott Resolution Life Insurance Company
Guideline AXXX	The Application of the Valuation of Life Insurance Policies Model Regulation	U.S. GAAP	Generally accepted accounting principles in the United States of America
Hartford Financial	Hartford Financial Services Group, Inc.	Union Hamilton	Union Hamilton Reinsurance, Ltd.
Moody's	Moody's Investors Service, Inc.	Wilton Re	Wilton Reassurance Company and Wilton Reinsurance Bermuda Limited

Acronyms

ACL	Allowance for Credit Losses	MD&A	Management's Discussion and Analysis of Financial Condition and Results of Operations
AIR	Additional Insurance Reserves	MRBs	Market Risk Benefits
ALM	Asset Liability Management	NAIC	National Association of Insurance Commissioners
AOCI	Accumulated Other Comprehensive Income (Loss)	NAV	Net Asset Value
ASC	Accounting Standards Codification	NJDOBI	New Jersey Department of Banking and Insurance
ASU	Accounting Standards Update	NPR	Non-Performance Risk
AUD	Australian Dollar	OCI	Other Comprehensive Income (Loss)
bps	Basis Points	OTC	Over-The-Counter
CECL	Current Expected Credit Loss	OTTI	Other-Than-Temporary Impairments
CLO	Collateralized Loan Obligations	PALAC	Prudential Annuities Life Assurance Corporation
CODM	Chief Operating Decision Maker	PDI	Prudential Defined Income
DAC	Deferred Policy Acquisition Costs	PHJ	Prudential Holdings of Japan, Inc.
DOL	U.S. Department of Labor	POA	Prudential of Argentina
DPL	Deferred Profit Liability	POT	The Prudential Life Insurance Company of Taiwan Inc.
DSI	Deferred Sales Inducements	PRIAC	Prudential Retirement Insurance and Annuity Company
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization	PTE	Prohibited Transaction Class Exemptions
ESR	Economic Solvency Ratio	RAF	Risk Appetite Framework
FANIP	Funding Agreement Notes Issuance Program	RBC	Risk-Based Capital
FASB	Financial Accounting Standards Board	SEC	Securities and Exchange Commission
FHLBNY	Federal Home Loan Bank of New York	SOFR	Secured Overnight Financing Rate
FLIAC	Fortitude Life Insurance and Annuity Company	SVO	Securities Valuation Office
FSA	Financial Services Agency (an agency of the Japanese government)	TBA	To-Be-Announced
GICs	Guaranteed Investment Contracts	TDR	Troubled Debt Restructuring
GILTI	Global Intangible Low-Taxed Income	U.S.	The United States of America
GMDB	Guaranteed Minimum Death Benefits	URR	Unearned Revenue Reserve
GMIB	Guaranteed Minimum Income Benefits	USD	U.S. Dollar
HDI	Highest Daily Lifetime Income	VIEs	Variable Interest Entities
LPs/LLCs	Limited Partnerships and Limited Liability Companies	VOBA	Value of Business Acquired

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Prudential Financial, Inc.

By: /S/ YANELA C. FRIAS

Yanela C. Frias
Executive Vice President and Chief Financial Officer
(Authorized signatory and principal financial officer)

Date: May 1, 2025

Exhibit 31.1

CERTIFICATIONS OF THE CHIEF EXECUTIVE OFFICER PURSUANT TO

SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Andrew F. Sullivan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Prudential Financial, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 1, 2025

/s/ Andrew F. Sullivan

Andrew F. Sullivan
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATIONS OF THE CHIEF FINANCIAL OFFICER PURSUANT TO

SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Yanela C. Frias, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Prudential Financial, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 1, 2025

/s/ Yanela C. Frias

Yanela C. Frias
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to 18 U.S.C. § 1350, I, Andrew F. Sullivan, Chief Executive Officer of Prudential Financial, Inc. (the "Company"), hereby certify that the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2025 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 1, 2025	/s/ Andrew F. Sullivan
	Name: Andrew F. Sullivan Title: Chief Executive Officer (Principal Executive Officer)

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document.

Exhibit 32.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to 18 U.S.C. § 1350, I, Yanela C. Frias, Chief Financial Officer of Prudential Financial, Inc. (the "Company"), hereby certify that the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2025 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 1, 2025	/s/ Yanela C. Frias
	Name: Yanela C. Frias Title: Executive Vice President and Chief Financial Officer (Principal Financial Officer)

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document.