

**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 June 30, 2024

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 033-37587

**Pruco Life Insurance Company**

(Exact Name of Registrant as Specified in its Charter)

**Arizona**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**22-1944557**  
(I.R.S. Employer Identification Number)

213 Washington 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:**

| <u>Title of Each Class</u> | <u>Trading Symbol(s)</u> | <u>Name of Each Exchange on Which Registered</u> |
|----------------------------|--------------------------|--|
| Not Applicable             | Not Applicable           | Not Applicable                                   |

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 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 | <input type="checkbox"/>            | Accelerated Filer         | <input type="checkbox"/> |
| Non-accelerated Filer   | <input checked="" type="checkbox"/> | Smaller Reporting Company | <input type="checkbox"/> |
|                         |                                     | Emerging Growth Company   | <input type="checkbox"/> |

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 August 16, 2024, 250,000 shares of the registrant's Common Stock (par value \$10) were outstanding. As of such date, The Prudential Insurance Company of America, a New Jersey corporation, owned all of the registrant's Common Stock.

**Pruco Life Insurance Company meets the conditions set forth in General Instruction (H) (1) (a) and (b) on Form 10-Q and is therefore filing this Form 10-Q in the reduced disclosure format.**

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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 Pruco Life Insurance Company and its subsidiaries. There can be no assurance that future developments affecting Pruco Life Insurance Company 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 or policyholder behavior experience that differs significantly from our expectations when we price our products; (3) changes in interest rates and equity prices 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) state insurance laws and developments regarding group-wide supervision, capital and reserves, and (e) 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) ratings downgrades; (10) market conditions that may adversely affect the sales or persistency of our products; (11) competition; and (12) reputational damage. Pruco Life Insurance Company does not intend, and is under no obligation, 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, 2023 for discussion of certain risks relating to our business and investment in our securities.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

**PRUCO LIFE INSURANCE COMPANY**  
**Unaudited Interim Consolidated Statements of Financial Position**  
**June 30, 2024 and December 31, 2023 (in thousands, except share amounts)**

|  | June 30, 2024         | December 31, 2023     |
|--|-----------------------|-----------------------|
| <b>ASSETS</b>  |                       |                       |
| Fixed maturities, available for sale, at fair value (allowance for credit losses: 2024-\$3,348; 2023-\$2,008) (amortized cost: 2024-\$33,149,962; 2023-\$27,538,066) | \$ 31,110,763         | \$ 26,131,780         |
| Fixed maturities, trading, at fair value (amortized cost: 2024-\$3,594,538; 2023-\$3,476,746)  | 3,074,512             | 2,796,446             |
| Equity securities, at fair value (cost: 2024-\$575,874; 2023-\$824,270)  | 565,619               | 844,950               |
| Policy loans   | 1,511,288             | 1,472,677             |
| Short-term investments   | 416,658               | 380,366               |
| Commercial mortgage and other loans (net of \$41,572 and \$37,689 allowance for credit losses at June 30, 2024 and December 31, 2023, respectively)                  | 6,718,386             | 6,122,721             |
| Other invested assets (includes \$77,562 and \$85,025 of assets measured at fair value at June 30, 2024 and December 31, 2023, respectively)                         | 1,403,405             | 1,222,985             |
| Total investments  | 44,800,631            | 38,971,925            |
| Cash and cash equivalents  | 2,886,207             | 2,139,792             |
| Deferred policy acquisition costs  | 7,482,833             | 7,097,511             |
| Accrued investment income  | 426,302               | 333,838               |
| Reinsurance recoverables   | 40,693,991            | 38,709,651            |
| Receivables from parent and affiliates   | 416,539               | 332,583               |
| Deferred sales inducements   | 337,202               | 351,424               |
| Income tax assets  | 1,907,612             | 1,737,651             |
| Market risk benefit assets   | 2,550,164             | 2,367,243             |
| Other assets   | 2,596,292             | 2,078,938             |
| Separate account assets  | 119,980,906           | 119,188,485           |
| <b>TOTAL ASSETS</b>  | <b>\$ 224,078,679</b> | <b>\$ 213,309,041</b> |
| <b>LIABILITIES AND EQUITY</b>  |                       |                       |
| <b>LIABILITIES</b>   |                       |                       |
| Policyholders' account balances  | \$ 61,036,866         | \$ 53,012,800         |
| Future policy benefits   | 23,030,579            | 23,205,205            |
| Market risk benefit liabilities  | 4,370,960             | 5,144,401             |
| Cash collateral for loaned securities  | 19,397                | 218,310               |
| Short-term debt to affiliates  | 0                     | 180,411               |
| Payables to parent and affiliates  | 3,133,697             | 2,667,696             |
| Other liabilities  | 8,574,711             | 5,170,308             |
| Separate account liabilities   | 119,980,906           | 119,188,485           |
| Total liabilities  | 220,147,116           | 208,787,616           |
| <b>COMMITMENTS AND CONTINGENT LIABILITIES (See Note 15)</b>  |                       |                       |
| <b>EQUITY</b>  |                       |                       |
| Common stock (\$10 par value; 1,000,000 shares authorized; 250,000 shares issued and outstanding)  | 2,500                 | 2,500                 |
| Additional paid-in capital   | 4,508,290             | 5,052,602             |
| Retained earnings / (accumulated deficit)  | (189,104)             | (532,951)             |
| Accumulated other comprehensive income (loss)  | (498,247)             | (30,920)              |
| Total Pruco Life Insurance Company equity  | 3,823,439             | 4,491,231             |
| Noncontrolling interests   | 108,124               | 30,194                |
| Total equity   | 3,931,563             | 4,521,425             |
| <b>TOTAL LIABILITIES AND EQUITY</b>  | <b>\$ 224,078,679</b> | <b>\$ 213,309,041</b> |

See Notes to Unaudited Interim Consolidated Financial Statements

**PRUCO LIFE INSURANCE COMPANY**  
**Unaudited Interim Consolidated Statements of Operations and Comprehensive Income (Loss)**  
**Three and Six Months Ended June 30, 2024 and 2023 (in thousands)**

|  | Three Months Ended June 30, |                     | Six Months Ended June 30, |                   |
|--|-----------------------------|---------------------|---------------------------|-------------------|
|  | 2024                        | 2023                | 2024                      | 2023              |
| <b>REVENUES</b>  |                             |                     |                           |                   |
| Premiums (includes \$(2,192), \$4,141, \$(2,522) and \$5,092 of gains (losses) from change in estimates on deferred profit liability amortization for the three months ended June 30, 2024 and 2023 and the six months ended June 30, 2024 and 2023, respectively) | \$ 94,921                   | \$ 89,965           | \$ 187,103                | \$ 166,621        |
| Policy charges and fee income  | 388,834                     | 363,536             | 3,298,039                 | 750,027           |
| Net investment income  | 579,993                     | 393,075             | 1,085,313                 | 742,525           |
| Asset administration fees  | 55,113                      | 56,788              | 111,745                   | 120,990           |
| Other income (loss)  | 137,689                     | 105,458             | 351,174                   | 350,305           |
| Realized investment gains (losses), net  | 838,882                     | 7,694               | 861,882                   | (112,985)         |
| Change in value of market risk benefits, net of related hedging gain (loss)  | (282,183)                   | (38,887)            | (190,592)                 | (18,685)          |
| <b>TOTAL REVENUES</b>  | <b>1,813,249</b>            | <b>977,629</b>      | <b>5,704,664</b>          | <b>1,998,798</b>  |
| <b>BENEFITS AND EXPENSES</b>   |                             |                     |                           |                   |
| Policyholders' benefits  | 135,879                     | 146,961             | 4,242,287                 | 252,143           |
| Change in estimates of liability for future policy benefits  | (6,174)                     | (1,133)             | (18,179)                  | (5,535)           |
| Interest credited to policyholders' account balances   | 226,224                     | 143,816             | 450,774                   | 304,038           |
| Amortization of deferred policy acquisition costs  | 148,010                     | 129,147             | 16,995                    | 266,642           |
| General, administrative and other expenses   | 286,660                     | 300,689             | 594,838                   | 587,336           |
| <b>TOTAL BENEFITS AND EXPENSES</b>   | <b>790,599</b>              | <b>719,480</b>      | <b>5,286,715</b>          | <b>1,404,624</b>  |
| <b>INCOME (LOSS) FROM OPERATIONS BEFORE INCOME TAXES AND EQUITY IN EARNINGS OF OPERATING JOINT VENTURE</b>   | <b>1,022,650</b>            | <b>258,149</b>      | <b>417,949</b>            | <b>594,174</b>    |
| Income tax expense (benefit)   | 134,404                     | 40,326              | 70,787                    | 96,565            |
| <b>INCOME (LOSS) FROM OPERATIONS BEFORE EQUITY IN EARNINGS OF OPERATING JOINT VENTURE</b>  | <b>888,246</b>              | <b>217,823</b>      | <b>347,162</b>            | <b>497,609</b>    |
| Equity in earnings of operating joint venture, net of taxes  | (86)                        | (225)               | (243)                     | (332)             |
| <b>NET INCOME (LOSS)</b>   | <b>\$ 888,160</b>           | <b>\$ 217,598</b>   | <b>\$ 346,919</b>         | <b>\$ 497,277</b> |
| Less: Income (loss) attributable to noncontrolling interests   | 1,891                       | 0                   | 3,072                     | 0                 |
| <b>NET INCOME (LOSS) ATTRIBUTABLE TO PRUCO LIFE INSURANCE COMPANY</b>  | <b>\$ 886,269</b>           | <b>\$ 217,598</b>   | <b>\$ 343,847</b>         | <b>\$ 497,277</b> |
| Other comprehensive income (loss), before tax:   |                             |                     |                           |                   |
| Foreign currency translation adjustments   | (1,816)                     | 600                 | (4,178)                   | 3,266             |
| Net unrealized investment gains (losses)   | (155,693)                   | (263,227)           | (469,000)                 | 118,874           |
| Interest rate remeasurement of future policy benefits  | 33,385                      | 20,636              | 66,215                    | (17,588)          |
| Gain (loss) from changes in non-performance risk on market risk benefits   | 55,049                      | (247,746)           | (183,925)                 | (67,323)          |
| Total  | (69,075)                    | (489,737)           | (590,888)                 | 37,229            |
| Less: Income tax expense (benefit) related to other comprehensive income (loss)  | (14,270)                    | (102,846)           | (123,561)                 | 7,416             |
| Other comprehensive income (loss), net of taxes  | (54,805)                    | (386,891)           | (467,327)                 | 29,813            |
| Comprehensive income (loss)  | 833,355                     | (169,293)           | (120,408)                 | 527,090           |
| Less: Comprehensive income (loss) attributable to noncontrolling interests   | 1,891                       | 0                   | 3,072                     | 0                 |
| <b>Comprehensive income (loss) attributable to Pruco Life Insurance Company</b>  | <b>\$ 831,464</b>           | <b>\$ (169,293)</b> | <b>\$ (123,480)</b>       | <b>\$ 527,090</b> |

See Notes to Unaudited Interim Consolidated Financial Statements

**PRUCO LIFE INSURANCE COMPANY**  
**Unaudited Interim Consolidated Statements of Equity**  
**Three and Six Months Ended June 30, 2024 and 2023 (in thousands)**

|  | Common<br>Stock | Additional<br>Paid-in<br>Capital | Retained Earnings /<br>(Accumulated<br>Deficit) | Accumulated<br>Other<br>Comprehensive<br>Income (Loss) | Total Pruco Life<br>Insurance Company<br>Equity | Noncontrolling<br>Interests | Total<br>Equity     |
|--|-----------------|----------------------------------|---|--|---|-----------------------------|---------------------|
| <b>Balance, December 31, 2023</b>                              | \$ 2,500        | \$ 5,052,602                     | \$ (532,951)                                    | \$ (30,920)  | \$ 4,491,231                                    | \$ 30,194                   | \$ 4,521,425        |
| Contributions from noncontrolling interests                    |                 |                                  |   |  |   | 25,310                      | 25,310              |
| Contributed (distributed) capital-parent/child asset transfers |                 | 5,722                            |   |  | 5,722   |                             | 5,722               |
| Comprehensive income (loss):                                   |                 |                                  |   |  |   |                             |                     |
| Net income (loss)  |                 |                                  | (542,422)                                       |  | (542,422)                                       | 1,181                       | (541,241)           |
| Other comprehensive income (loss), net of tax                  |                 |                                  |   | (412,522)  | (412,522)                                       | 0                           | (412,522)           |
| Total comprehensive income (loss)                              |                 |                                  |   |  | (954,944)                                       | 1,181                       | (953,763)           |
| <b>Balance, March 31, 2024</b>                                 | <u>2,500</u>    | <u>5,058,324</u>                 | <u>(1,075,373)</u>                              | <u>(443,442)</u>                                       | <u>3,542,009</u>                                | <u>56,685</u>               | <u>3,598,694</u>    |
| Return of capital  |                 | (550,000)                        |   |  | (550,000)                                       |                             | (550,000)           |
| Contributions from noncontrolling interests                    |                 |                                  |   |  |   | 49,548                      | 49,548              |
| Contributed (distributed) capital-parent/child asset transfers |                 | (34)                             |   |  | (34)  |                             | (34)                |
| Comprehensive income (loss):                                   |                 |                                  |   |  |   |                             |                     |
| Net income (loss)  |                 |                                  | 886,269   |  | 886,269   | 1,891                       | 888,160             |
| Other comprehensive income (loss), net of taxes                |                 |                                  |   | (54,805)   | (54,805)  | 0                           | (54,805)            |
| Total comprehensive income (loss)                              |                 |                                  |   |  | 831,464   | 1,891                       | 833,355             |
| <b>Balance, June 30, 2024</b>                                  | <u>\$ 2,500</u> | <u>\$ 4,508,290</u>              | <u>\$ (189,104)</u>                             | <u>\$ (498,247)</u>                                    | <u>\$ 3,823,439</u>                             | <u>\$ 108,124</u>           | <u>\$ 3,931,563</u> |

|  | Common<br>Stock | Additional<br>Paid-in<br>Capital | Retained<br>Earnings /<br>(Accumulated<br>Deficit) | Accumulated<br>Other<br>Comprehensive<br>Income (Loss) | Total Pruco Life<br>Insurance Company<br>Equity | Noncontrolling<br>Interests | Total<br>Equity     |
|--|-----------------|----------------------------------|--|--|---|-----------------------------|---------------------|
| <b>Balance, December 31, 2022(1)</b>                           | \$ 2,500        | \$ 6,037,914                     | \$ (994,154)                                       | \$ (10,065)  | \$ 5,036,195                                    | \$ 0                        | \$ 5,036,195        |
| Contributed capital  |                 | 405,000                          |  |  | 405,000   |                             | 405,000             |
| Contributed (distributed) capital-parent/child asset transfers |                 | 1,870                            |  |  | 1,870   |                             | 1,870               |
| Comprehensive income (loss):                                   |                 |                                  |  |  |   |                             |                     |
| Net income (loss)  |                 |                                  | 279,679  |  | 279,679   |                             | 279,679             |
| Other comprehensive income (loss), net of tax                  |                 |                                  |  | 416,704  | 416,704   | 0                           | 416,704             |
| Total comprehensive income (loss)                              |                 |                                  |  |  | 696,383   | 0                           | 696,383             |
| <b>Balance, March 31, 2023</b>                                 | <u>2,500</u>    | <u>6,444,784</u>                 | <u>(714,475)</u>                                   | <u>406,639</u>   | <u>6,139,448</u>                                | <u>0</u>                    | <u>6,139,448</u>    |
| Return of capital  |                 | (300,000)                        |  |  | (300,000)                                       |                             | (300,000)           |
| Contributed (distributed) capital-parent/child asset transfers |                 | 498                              |  |  | 498   |                             | 498                 |
| Comprehensive income (loss):                                   |                 |                                  |  |  |   |                             |                     |
| Net income (loss)  |                 |                                  | 217,598  |  | 217,598   |                             | 217,598             |
| Other comprehensive income (loss), net of tax                  |                 |                                  |  | (386,891)  | (386,891)                                       | 0                           | (386,891)           |
| Total comprehensive income (loss)                              |                 |                                  |  |  | (169,293)                                       | 0                           | (169,293)           |
| <b>Balance, June 30, 2023</b>                                  | <u>\$ 2,500</u> | <u>\$ 6,145,282</u>              | <u>\$ (496,877)</u>                                | <u>\$ 19,748</u>                                       | <u>\$ 5,670,653</u>                             | <u>\$ 0</u>                 | <u>\$ 5,670,653</u> |

(1) Prior period amounts reflect the implementation of ASU 2018-12: Targeted Improvements to the Accounting for Long-Duration Contracts.

See Notes to Unaudited Interim Consolidated Financial Statements

**PRUCO LIFE INSURANCE COMPANY**  
**Unaudited Interim Consolidated Statements of Cash Flows**  
**Six Months Ended June 30, 2024 and 2023 (in thousands)**

|   | 2024               | 2023               |
|---|--------------------|--------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>  |                    |                    |
| Net income (loss)   | \$ 346,919         | \$ 497,277         |
| Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:    |                    |                    |
| Policy charges and fee income   | (2,391,091)        | 32,088             |
| Interest credited to policyholders' account balances  | 450,774            | 304,038            |
| Realized investment (gains) losses, net   | (861,882)          | 112,985            |
| Change in value of market risk benefits, net of related hedging (gains) losses                        | 190,592            | 18,685             |
| Change in:  |                    |                    |
| Future policy benefits and other insurance liabilities  | 1,319,243          | 1,114,998          |
| Reinsurance recoverables  | (371,039)          | (266,323)          |
| Accrued investment income   | (84,564)           | (61,627)           |
| Net payables to/receivables from parent and affiliates  | 34,767             | (62,810)           |
| Deferred policy acquisition costs   | (700,157)          | (247,251)          |
| Income taxes  | (47,971)           | (131,308)          |
| Derivatives, net  | 566,749            | (24,143)           |
| Other, net  | 3,465,543          | 22,671             |
| <b>Cash flows from (used in) operating activities</b>   | <b>1,917,883</b>   | <b>1,309,280</b>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>  |                    |                    |
| Proceeds from the sale/maturity/prepayment of:  |                    |                    |
| Fixed maturities, available-for-sale  | 1,508,920          | 668,943            |
| Fixed maturities, trading   | 634,302            | 28,720             |
| Equity securities   | 599,044            | 44,737             |
| Policy loans  | 90,999             | 96,630             |
| Ceded policy loans  | (53,663)           | (65,351)           |
| Short-term investments  | 751,272            | 188,767            |
| Commercial mortgage and other loans   | 206,032            | 65,695             |
| Other invested assets   | 28,981             | 6,890              |
| Payments for the purchase/origination of:   |                    |                    |
| Fixed maturities, available-for-sale  | (6,966,095)        | (4,639,830)        |
| Fixed maturities, trading   | (1,033,048)        | (508,352)          |
| Equity securities   | (355,520)          | (84,161)           |
| Policy loans  | (116,650)          | (1,039,549)        |
| Ceded policy loans  | 49,226             | 89,078             |
| Short-term investments  | (787,217)          | (352,450)          |
| Commercial mortgage and other loans   | (810,995)          | (499,642)          |
| Other invested assets   | (206,518)          | (92,315)           |
| Notes receivable from parent and affiliates, net  | (180,046)          | 3,380              |
| Derivatives, net  | 157,771            | (72,609)           |
| Other, net  | (7,632)            | (6,502)            |
| <b>Cash flows from (used in) investing activities</b>   | <b>(6,490,837)</b> | <b>(6,167,921)</b> |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>  |                    |                    |
| Policyholders' account deposits   | 8,432,668          | 6,380,420          |
| Ceded policyholders' account deposits   | (654,834)          | (590,643)          |
| Policyholders' account withdrawals  | (2,047,637)        | (1,904,078)        |
| Ceded policyholders' account withdrawals  | 410,169            | 317,163            |
| Net change in securities sold under agreement to repurchase and cash collateral for loaned securities | (198,908)          | 75,379             |
| Contributed / (return of) capital   | (550,000)          | 105,000            |
| Contributed (distributed) capital - parent/child asset transfers                                      | 7,481              | 2,997              |
| Net change in all other financing arrangements (maturities 90 days or less)                           | 0                  | (88)               |
| Repayments of debt (maturities longer than 90 days)   | (180,411)          | 0                  |
| Drafts outstanding  | (84,821)           | (83,568)           |
| Other, net  | 185,662            | (60,577)           |
| <b>Cash flows from (used in) financing activities</b>   | <b>5,319,369</b>   | <b>4,242,005</b>   |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>   | <b>746,415</b>     | <b>(616,636)</b>   |

|  |                     |                     |
|--|---------------------|---------------------|
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | 2,139,792           | 2,397,627           |
| CASH AND CASH EQUIVALENTS, END OF PERIOD     | <u>\$ 2,886,207</u> | <u>\$ 1,780,991</u> |

**Significant Non-Cash Transactions**

"Cash flows from (used in) operating activities" for the six months ended June 30, 2024 excludes certain non-cash activities in the amount of \$1,129 million related to the Company's affiliated reinsurance with Prudential Universal Reinsurance Entity Company ("PURE") and The Prudential Insurance Company of America ("Prudential Insurance"). See Note 11 for additional information.

"Cash flows from (used in) operating activities" for the six months ended June 30, 2023 excludes certain non-cash activities in the amount of \$335 million related to the novated indexed variable annuities under the reinsurance agreement with Fortitude Life Insurance & Annuity Company ("FLIAC"). See Note 11 for more details regarding this transaction.

**See Notes to Unaudited Interim Consolidated Financial Statements**

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements**

**1. BUSINESS AND BASIS OF PRESENTATION**

Pruco Life Insurance Company (“Pruco Life”) is a wholly-owned subsidiary of Prudential Insurance, which in turn is a direct wholly-owned subsidiary of Prudential Financial, Inc. (“Prudential Financial”). Pruco Life is a stock life insurance company organized in 1971 under the laws of the State of Arizona. It is licensed to sell life insurance and annuities in the District of Columbia, Guam and in all states except New York, and sells such products primarily through affiliated and unaffiliated distributors.

Pruco Life has one wholly-owned insurance subsidiary, Pruco Life Insurance Company of New Jersey (“PLNJ”). PLNJ is a stock life insurance company organized in 1982 under the laws of the State of New Jersey. It is licensed to sell life insurance and annuities in New Jersey and New York only. Pruco Life and its subsidiaries are together referred to as the “Company”, “we” or “our” and all financial information is shown on a consolidated basis.

***Prudential Financial Sale of PALAC***

Effective April 1, 2022, Prudential Financial completed the sale of Prudential Annuities Life Assurance Corporation (“PALAC”) to Fortitude Group Holdings, LLC (“Fortitude”). As such, PALAC is no longer an affiliate of Prudential Financial or the Company. Fortitude subsequently renamed the company Fortitude Life Insurance & Annuity Company (“FLIAC”).

***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 Pruco Life and entities over which the Company exercises control, including majority-owned subsidiaries. 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, 2023.

***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 and reinsurance 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 (“MRBs”); the valuation of investments including derivatives, the measurement of allowance for credit losses, and the recognition of other-than-temporary impairments; reinsurance recoverables; 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.

***Reclassifications***

Certain amounts in prior periods have been reclassified to conform to the current period presentation.

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

**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 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 June 30, 2024, 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 June 30, 2024*

| <b>Standard</b>  | <b>Description</b>   | <b>Effective date and method of adoption</b>  | <b>Effect on the financial statements or other significant matters</b>  |
|--|--|---|---|
| <i>ASU 2023-07 Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures</i> | This ASU requires entities, including those with a single operating or reportable segment, to provide more detailed information about significant segment expenses that are regularly provided to the chief operating decision maker. The ASU also clarifies that all of the disclosures required in the guidance apply to all public entities, including those with a single operating or reportable segment. | Effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted, using the retrospective method. | The Company is currently assessing the impact of the ASU on the Company's Consolidated Financial Statements and Notes to the Consolidated Financial Statements. |

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

**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:

|  | June 30, 2024        |                              |                               |                                |                      |
|--|----------------------|------------------------------|-------------------------------|--------------------------------|----------------------|
|  | Amortized<br>Cost    | Gross<br>Unrealized<br>Gains | Gross<br>Unrealized<br>Losses | Allowance for<br>Credit Losses | Fair<br>Value        |
|  | (in thousands)       |                              |                               |                                |                      |
| <b>Fixed maturities, available-for-sale:</b>   |                      |                              |                               |                                |                      |
| U.S. Treasury securities and obligations of U.S. government authorities and agencies | \$ 1,198,985         | \$ 13,506                    | \$ 91,356                     | \$ 0                           | \$ 1,121,135         |
| Obligations of U.S. states and their political subdivisions                          | 637,572              | 1,961                        | 27,051                        | 0                              | 612,482              |
| Foreign government bonds   | 326,497              | 855                          | 61,028                        | 0                              | 266,324              |
| U.S. public corporate securities   | 12,357,109           | 43,886                       | 987,257                       | 1,616                          | 11,412,122           |
| U.S. private corporate securities  | 5,540,730            | 11,550                       | 329,287                       | 1,588                          | 5,221,405            |
| Foreign public corporate securities  | 3,020,621            | 9,803                        | 133,192                       | 139                            | 2,897,093            |
| Foreign private corporate securities   | 5,357,655            | 48,506                       | 485,061                       | 0                              | 4,921,100            |
| Asset-backed securities(1)   | 3,403,884            | 31,590                       | 8,205                         | 0                              | 3,427,269            |
| Commercial mortgage-backed securities  | 922,301              | 3,193                        | 66,432                        | 0                              | 859,062              |
| Residential mortgage-backed securities(2)  | 384,608              | 606                          | 12,438                        | 5                              | 372,771              |
| Total fixed maturities, available-for-sale   | <u>\$ 33,149,962</u> | <u>\$ 165,456</u>            | <u>\$ 2,201,307</u>           | <u>\$ 3,348</u>                | <u>\$ 31,110,763</u> |

(1) Includes credit-tranched securities collateralized by loan obligations, education loans, auto loans and home equity.

(2) Includes publicly-traded agency pass-through securities and collateralized mortgage obligations.

|  | December 31, 2023    |                              |                               |                                |                      |
|--|----------------------|------------------------------|-------------------------------|--------------------------------|----------------------|
|  | Amortized<br>Cost    | Gross<br>Unrealized<br>Gains | Gross<br>Unrealized<br>Losses | Allowance for Credit<br>Losses | Fair<br>Value        |
|  | (in thousands)       |                              |                               |                                |                      |
| <b>Fixed maturities, available-for-sale:</b>   |                      |                              |                               |                                |                      |
| U.S. Treasury securities and obligations of U.S. government authorities and agencies | \$ 1,009,937         | \$ 38,858                    | \$ 73,508                     | \$ 0                           | \$ 975,287           |
| Obligations of U.S. states and their political subdivisions                          | 789,856              | 5,288                        | 18,517                        | 0                              | 776,627              |
| Foreign government bonds   | 330,830              | 1,840                        | 50,684                        | 0                              | 281,986              |
| U.S. public corporate securities   | 10,159,089           | 98,047                       | 760,274                       | 950                            | 9,495,912            |
| U.S. private corporate securities  | 5,207,699            | 37,435                       | 254,828                       | 812                            | 4,989,494            |
| Foreign public corporate securities  | 1,809,347            | 12,658                       | 115,673                       | 238                            | 1,706,094            |
| Foreign private corporate securities   | 4,902,391            | 109,806                      | 381,215                       | 0                              | 4,630,982            |
| Asset-backed securities(1)   | 2,016,028            | 23,035                       | 11,512                        | 1                              | 2,027,550            |
| Commercial mortgage-backed securities  | 913,347              | 4,776                        | 66,345                        | 0                              | 851,778              |
| Residential mortgage-backed securities(2)  | 399,542              | 4,016                        | 7,481                         | 7                              | 396,070              |
| Total fixed maturities, available-for-sale   | <u>\$ 27,538,066</u> | <u>\$ 335,759</u>            | <u>\$ 1,740,037</u>           | <u>\$ 2,008</u>                | <u>\$ 26,131,780</u> |

(1) Includes credit-tranched securities collateralized by loan obligations, education loans, auto loans and home equity.

(2) Includes publicly-traded agency pass-through securities and collateralized mortgage obligations.

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

The following tables set forth the fair value and gross unrealized losses on fixed maturity, available-for-sale 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:

|  | June 30, 2024           |                            |                       |                            |                      |                            |
|--|-------------------------|----------------------------|-----------------------|----------------------------|----------------------|----------------------------|
|  | Less Than Twelve Months |                            | Twelve Months or More |                            | Total                |                            |
|  | Fair Value              | Gross<br>Unrealized Losses | Fair Value            | Gross<br>Unrealized Losses | Fair Value           | Gross<br>Unrealized Losses |
|  | (in thousands)          |                            |                       |                            |                      |                            |
| <b>Fixed maturities, available-for-sale:</b>   |                         |                            |                       |                            |                      |                            |
| U.S. Treasury securities and obligations of U.S. government authorities and agencies | \$ 230,068              | \$ 2,572                   | \$ 294,783            | \$ 88,784                  | \$ 524,851           | \$ 91,356                  |
| Obligations of U.S. states and their political subdivisions                          | 223,788                 | 3,957                      | 234,192               | 23,094                     | 457,980              | 27,051                     |
| Foreign government bonds   | 22,104                  | 674                        | 226,215               | 60,354                     | 248,319              | 61,028                     |
| U.S. public corporate securities   | 2,763,982               | 57,470                     | 5,644,459             | 929,754                    | 8,408,441            | 987,224                    |
| U.S. private corporate securities  | 1,257,925               | 29,254                     | 3,114,266             | 300,033                    | 4,372,191            | 329,287                    |
| Foreign public corporate securities  | 891,965                 | 5,472                      | 988,534               | 127,696                    | 1,880,499            | 133,168                    |
| Foreign private corporate securities   | 1,238,396               | 29,092                     | 2,526,982             | 455,969                    | 3,765,378            | 485,061                    |
| Asset-backed securities  | 476,496                 | 1,994                      | 193,910               | 6,211                      | 670,406              | 8,205                      |
| Commercial mortgage-backed securities  | 69,386                  | 301                        | 568,747               | 66,131                     | 638,133              | 66,432                     |
| Residential mortgage-backed securities   | 129,727                 | 1,264                      | 151,836               | 11,174                     | 281,563              | 12,438                     |
| Total fixed maturities, available-for-sale   | <u>\$ 7,303,837</u>     | <u>\$ 132,050</u>          | <u>\$ 13,943,924</u>  | <u>\$ 2,069,200</u>        | <u>\$ 21,247,761</u> | <u>\$ 2,201,250</u>        |

|  | December 31, 2023       |                            |                       |                            |                      |                            |
|--|-------------------------|----------------------------|-----------------------|----------------------------|----------------------|----------------------------|
|  | Less Than Twelve Months |                            | Twelve Months or More |                            | Total                |                            |
|  | Fair Value              | Gross<br>Unrealized Losses | Fair Value            | Gross<br>Unrealized Losses | Fair Value           | Gross<br>Unrealized Losses |
|  | (in thousands)          |                            |                       |                            |                      |                            |
| <b>Fixed maturities, available-for-sale:</b>   |                         |                            |                       |                            |                      |                            |
| U.S. Treasury securities and obligations of U.S. government authorities and agencies | \$ 98,174               | \$ 945                     | \$ 214,889            | \$ 72,563                  | \$ 313,063           | \$ 73,508                  |
| Obligations of U.S. states and their political subdivisions                          | 83,729                  | 293                        | 218,375               | 18,224                     | 302,104              | 18,517                     |
| Foreign government bonds   | 10,226                  | 116                        | 233,757               | 50,568                     | 243,983              | 50,684                     |
| U.S. public corporate securities   | 782,904                 | 10,009                     | 5,201,353             | 750,265                    | 5,984,257            | 760,274                    |
| U.S. private corporate securities  | 707,674                 | 16,613                     | 2,794,697             | 238,181                    | 3,502,371            | 254,794                    |
| Foreign public corporate securities  | 92,955                  | 1,063                      | 948,963               | 114,169                    | 1,041,918            | 115,232                    |
| Foreign private corporate securities   | 429,212                 | 8,035                      | 2,461,367             | 373,180                    | 2,890,579            | 381,215                    |
| Asset-backed securities  | 208,970                 | 1,761                      | 532,814               | 9,750                      | 741,784              | 11,511                     |
| Commercial mortgage-backed securities  | 42,621                  | 298                        | 580,931               | 66,047                     | 623,552              | 66,345                     |
| Residential mortgage-backed securities   | 35,904                  | 435                        | 124,956               | 7,046                      | 160,860              | 7,481                      |
| Total fixed maturities, available-for-sale   | <u>\$ 2,492,369</u>     | <u>\$ 39,568</u>           | <u>\$ 13,312,102</u>  | <u>\$ 1,699,993</u>        | <u>\$ 15,804,471</u> | <u>\$ 1,739,561</u>        |

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

As of June 30, 2024 and December 31, 2023, the gross unrealized losses on fixed maturity, available-for-sale securities without an allowance of \$2,071 million and \$1,634 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 \$130 million and \$106 million, respectively, related to other than high or highest quality securities based on NAIC or equivalent rating. As of June 30, 2024, the \$2,069 million of gross unrealized losses of twelve months or more were concentrated in the Company’s corporate securities within the finance, consumer non-cyclical and utility sectors. As of December 31, 2023, the \$1,700 million of gross unrealized losses of twelve months or more were concentrated in the Company’s corporate securities within the finance, consumer non-cyclical and utility sectors.

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, 2023, the Company concluded that an adjustment to earnings for credit losses related to these fixed maturity securities was not warranted at June 30, 2024. This conclusion was based on a 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 June 30, 2024, 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 remaining amortized cost basis.

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

|  | June 30, 2024  |               |
|--|----------------|---------------|
|  | Amortized Cost | Fair Value    |
|  | (in thousands) |               |
| <b>Fixed maturities, available-for-sale:</b> |                |               |
| Due in one year or less                      | \$ 1,585,826   | \$ 1,549,703  |
| Due after one year through five years        | 10,560,134     | 10,212,123    |
| Due after five years through ten years       | 8,207,957      | 7,798,270     |
| Due after ten years                          | 8,085,252      | 6,891,565     |
| Asset-backed securities                      | 3,403,884      | 3,427,269     |
| Commercial mortgage-backed securities        | 922,301        | 859,062       |
| Residential mortgage-backed securities       | 384,608        | 372,771       |
| Total fixed maturities, available-for-sale   | \$ 33,149,962  | \$ 31,110,763 |

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, available-for-sale, for the periods indicated:

|  | Three Months Ended June 30, |           | Six Months Ended June 30, |            |
|--|-----------------------------|-----------|---------------------------|------------|
|  | 2024                        | 2023      | 2024                      | 2023       |
|  | (in thousands)              |           |                           |            |
| <b>Fixed maturities, available-for-sale:</b>         |                             |           |                           |            |
| Proceeds from sales(1)                               | \$ 321,870                  | \$ 68,308 | \$ 428,025                | \$ 128,681 |
| Proceeds from maturities/prepayments                 | 698,470                     | 193,205   | 1,135,913                 | 488,333    |
| Gross investment gains from sales and maturities     | 9,407                       | 6,777     | 10,344                    | 9,449      |
| Gross investment losses from sales and maturities    | (16,340)                    | (5,587)   | (24,472)                  | (17,525)   |
| Write-downs recognized in earnings(2)                | 0                           | 4         | 0                         | 7          |
| (Addition to) release of allowance for credit losses | (1,698)                     | (1,196)   | (1,340)                   | (154)      |

(1) Excludes activity from non-cash related proceeds due to the timing of trade settlements of \$(55.0) million and \$51.9 million for the six months ended June 30, 2024 and 2023, respectively.

(2) Amounts represent write-downs of credit adverse securities and securities actively marketed for sale.

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

The following tables set forth the activity in the allowance for credit losses for fixed maturity available-for-sale securities, as of the dates indicated:

| Three Months Ended June 30, 2024                                 |  |                                |   |                            |   |  |             |                 |
|--|--|--------------------------------|---|----------------------------|---|--|-------------|-----------------|
|  | U.S. Treasury<br>Securities and<br>Obligations of<br>U.S. States | Foreign<br>Government<br>Bonds | U.S. and Foreign<br>Corporate<br>Securities | Asset-Backed<br>Securities | Commercial<br>Mortgage-Backed<br>Securities | Residential<br>Mortgage-Backed<br>Securities | Total       |                 |
| (in thousands)   |  |                                |   |                            |   |  |             |                 |
| <b>Fixed maturities, available-for-sale:</b>                     |  |                                |   |                            |   |  |             |                 |
| Balance, beginning of period                                     | \$ 0   | \$ 0                           | \$ 1,650                                    | \$ 0                       | \$ 0  | \$ 0   | \$ 0        | \$ 1,650        |
| Additions to allowance for credit losses not previously recorded | 0  | 0                              | 339   | 0                          | 0   | 0  | 5           | 344             |
| Reductions for securities sold during the period                 | 0  | 0                              | (1)   | 0                          | 0   | 0  | 0           | (1)             |
| Additions (reductions) on securities with previous allowance     | 0  | 0                              | 1,355                                       | 0                          | 0   | 0  | 0           | 1,355           |
| Assets transferred to parent and affiliates                      | 0  | 0                              | 0   | 0                          | 0   | 0  | 0           | 0               |
| Balance, end of period   | <u>\$ 0</u>  | <u>\$ 0</u>                    | <u>\$ 3,343</u>                             | <u>\$ 0</u>                | <u>\$ 0</u>                                 | <u>\$ 0</u>                                  | <u>\$ 5</u> | <u>\$ 3,348</u> |

| Three Months Ended June 30, 2023                                 |  |                                |   |                            |   |  |             |                 |
|--|--|--------------------------------|---|----------------------------|---|--|-------------|-----------------|
|  | U.S. Treasury<br>Securities and<br>Obligations of<br>U.S. States | Foreign<br>Government<br>Bonds | U.S. and Foreign<br>Corporate<br>Securities | Asset-Backed<br>Securities | Commercial<br>Mortgage-Backed<br>Securities | Residential<br>Mortgage-Backed<br>Securities | Total       |                 |
| (in thousands)   |  |                                |   |                            |   |  |             |                 |
| <b>Fixed maturities, available-for-sale:</b>                     |  |                                |   |                            |   |  |             |                 |
| Balance, beginning of period                                     | \$ 0   | \$ 0                           | \$ 3,720                                    | \$ 0                       | \$ 0  | \$ 7   | \$ 7        | \$ 3,727        |
| Additions to allowance for credit losses not previously recorded | 0  | 0                              | 242   | 0                          | 0   | 0  | 0           | 242             |
| Reductions for securities sold during the period                 | 0  | 0                              | (41)  | 0                          | 0   | 0  | 0           | (41)            |
| Additions (reductions) on securities with previous allowance     | 0  | 0                              | 996   | 0                          | 0   | (1)  | (1)         | 995             |
| Balance, end of period   | <u>\$ 0</u>  | <u>\$ 0</u>                    | <u>\$ 4,917</u>                             | <u>\$ 0</u>                | <u>\$ 0</u>                                 | <u>\$ 6</u>                                  | <u>\$ 6</u> | <u>\$ 4,923</u> |

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

| Six Months Ended June 30, 2024                                   |                          |                                       |                         |                                       |  |             |                 |
|--|--------------------------|---------------------------------------|-------------------------|---------------------------------------|--|-------------|-----------------|
| U.S. Treasury Securities and Obligations of U.S. States          | Foreign Government Bonds | U.S. and Foreign Corporate Securities | Asset-Backed Securities | Commercial Mortgage-Backed Securities | Residential Mortgage-Backed Securities | Total       |                 |
| (in thousands)   |                          |                                       |                         |                                       |  |             |                 |
| <b>Fixed maturities, available-for-sale:</b>                     |                          |                                       |                         |                                       |  |             |                 |
| Balance, beginning of period                                     | \$ 0                     | \$ 0                                  | \$ 2,000                | \$ 1                                  | \$ 0                                   | \$ 7        | \$ 2,008        |
| Additions to allowance for credit losses not previously recorded | 0                        | 0                                     | 396                     | 0                                     | 0                                      | 5           | 401             |
| Reductions for securities sold during the period                 | 0                        | 0                                     | (42)                    | 0                                     | 0                                      | 0           | (42)            |
| Additions (reductions) on securities with previous allowance     | 0                        | 0                                     | 510                     | (1)                                   | 0                                      | (7)         | 502             |
| Assets transferred to parent and affiliates                      | 0                        | 0                                     | 479                     | 0                                     | 0                                      | 0           | 479             |
| Balance, end of period   | <u>\$ 0</u>              | <u>\$ 0</u>                           | <u>\$ 3,343</u>         | <u>\$ 0</u>                           | <u>\$ 0</u>                            | <u>\$ 5</u> | <u>\$ 3,348</u> |

| Six Months Ended June 30, 2023                                   |                          |                                       |                         |                                       |  |             |                 |
|--|--------------------------|---------------------------------------|-------------------------|---------------------------------------|--|-------------|-----------------|
| U.S. Treasury Securities and Obligations of U.S. States          | Foreign Government Bonds | U.S. and Foreign Corporate Securities | Asset-Backed Securities | Commercial Mortgage-Backed Securities | Residential Mortgage-Backed Securities | Total       |                 |
| (in thousands)   |                          |                                       |                         |                                       |  |             |                 |
| <b>Fixed maturities, available-for-sale:</b>                     |                          |                                       |                         |                                       |  |             |                 |
| Balance, beginning of period                                     | \$ 0                     | \$ 5                                  | \$ 4,755                | \$ 0                                  | \$ 0                                   | \$ 9        | \$ 4,769        |
| Additions to allowance for credit losses not previously recorded | 0                        | 0                                     | 3,165                   | 0                                     | 0                                      | 0           | 3,165           |
| Reductions for securities sold during the period                 | 0                        | (1)                                   | (3,774)                 | 0                                     | 0                                      | 0           | (3,775)         |
| Additions (reductions) on securities with previous allowance     | 0                        | (4)                                   | 771                     | 0                                     | 0                                      | (3)         | 764             |
| Balance, end of period   | <u>\$ 0</u>              | <u>\$ 0</u>                           | <u>\$ 4,917</u>         | <u>\$ 0</u>                           | <u>\$ 0</u>                            | <u>\$ 6</u> | <u>\$ 4,923</u> |

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, 2023 for additional information about the Company's methodology for developing our allowance and expected losses.

For the three months ended June 30, 2024, the net increase in the allowance for credit losses on available-for-sale securities was primarily related to net additions within the capital goods and finance sectors within corporate securities due to adverse projected cash flows. For the three months ended June 30, 2023, the net increase in the allowance for credit losses on available-for-sale securities was primarily related to net additions within the technology and communications sectors within corporate securities, due to adverse projected cash flows.

For the six months ended June 30, 2024, the net increase in the allowance for credit losses on available-for-sale securities was primarily related to net additions within the utility, capital goods and finance sectors within corporate securities. For the six months ended June 30, 2023, the net increase in the allowance for credit losses on available-for-sale securities was primarily related to net additions within the technology and communications sectors within corporate securities, partially offset by restructurings within the capital goods and transportation sectors within private corporate securities.

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

The Company did not have any fixed maturity securities purchased with credit deterioration, as of both June 30, 2024 and December 31, 2023.

**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 \$(50.9) million and \$(53.5) million during the three months ended June 30, 2024 and 2023, respectively, and \$(132.2) million and \$42.6 million during the six months ended June 30, 2024 and 2023, respectively.

**Equity Securities**

The net change in unrealized gains (losses) from equity securities still held at period end, recorded within “Other income (loss),” was \$(9.2) million and \$(1.1) million during the three months ended June 30, 2024 and 2023, respectively, and \$(21.4) million and \$8.1 million during the six months ended June 30, 2024 and 2023, respectively.

**Commercial Mortgage and Other Loans**

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

|  | June 30, 2024            |               | December 31, 2023        |               |
|--|--------------------------|---------------|--------------------------|---------------|
|  | Amount<br>(in thousands) | % of<br>Total | Amount<br>(in thousands) | % of<br>Total |
| <b>Commercial mortgage and agricultural property loans by property type:</b> |                          |               |                          |               |
| Apartments/Multi-Family  | \$ 1,776,234             | 26.3 %        | \$ 1,578,785             | 25.7 %        |
| Hospitality  | 99,596                   | 1.5           | 102,952                  | 1.7           |
| Industrial   | 2,701,470                | 40.0          | 2,486,230                | 40.4          |
| Office   | 587,978                  | 8.6           | 604,611                  | 9.8           |
| Other  | 666,349                  | 9.9           | 456,720                  | 7.4           |
| Retail   | 349,157                  | 5.2           | 363,706                  | 5.9           |
| Total commercial mortgage loans  | 6,180,784                | 91.5          | 5,593,004                | 90.9          |
| Agricultural property loans  | 571,962                  | 8.5           | 562,046                  | 9.1           |
| Total commercial mortgage and agricultural property loans                    | 6,752,746                | 100.0 %       | 6,155,050                | 100.0 %       |
| Allowance for credit losses  | (41,572)                 |               | (37,689)                 |               |
| Total net commercial mortgage and agricultural property loans                | 6,711,174                |               | 6,117,361                |               |
| <b>Other loans:</b>  |                          |               |                          |               |
| Other collateralized loans   | 7,212                    |               | 5,360                    |               |
| Total other loans  | 7,212                    |               | 5,360                    |               |
| Total net commercial mortgage and other loans                                | \$ 6,718,386             |               | \$ 6,122,721             |               |

As of June 30, 2024, the commercial mortgage and agricultural property loans were secured by properties geographically dispersed throughout the United States (with the largest concentrations in California (27%), Texas (9%) and Washington (7%)), and included loans secured by properties in Europe (10%), Mexico (1%) and Australia (1%).

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

The following tables set forth the activity in the allowance for credit losses for commercial mortgage and other loans, as of the dates indicated:

|  | Three Months Ended June 30,  |                                |                  |                              |                                |                  |
|--|------------------------------|--------------------------------|------------------|------------------------------|--------------------------------|------------------|
|  | 2024                         |                                |                  | 2023                         |                                |                  |
|  | Commercial<br>Mortgage Loans | Agricultural<br>Property Loans | Total            | Commercial<br>Mortgage Loans | Agricultural<br>Property Loans | Total            |
|  | (in thousands)               |                                |                  |                              |                                |                  |
| <b>Allowance, beginning of period</b>                  | \$ 41,769                    | \$ 913                         | \$ 42,682        | \$ 20,427                    | \$ 983                         | \$ 21,410        |
| Addition to (release of) allowance for expected losses | (1,077)                      | (33)                           | (1,110)          | 706                          | (23)                           | 683              |
| <b>Allowance, end of period</b>                        | <u>\$ 40,692</u>             | <u>\$ 880</u>                  | <u>\$ 41,572</u> | <u>\$ 21,133</u>             | <u>\$ 960</u>                  | <u>\$ 22,093</u> |

|  | Six Months Ended June 30,    |                                |                  |                              |                                |                  |
|--|------------------------------|--------------------------------|------------------|------------------------------|--------------------------------|------------------|
|  | 2024                         |                                |                  | 2023                         |                                |                  |
|  | Commercial<br>Mortgage Loans | Agricultural<br>Property Loans | Total            | Commercial<br>Mortgage Loans | Agricultural<br>Property Loans | Total            |
|  | (in thousands)               |                                |                  |                              |                                |                  |
| <b>Allowance, beginning of period</b>                  | \$ 36,758                    | \$ 931                         | \$ 37,689        | \$ 19,665                    | \$ 598                         | \$ 20,263        |
| Addition to (release of) allowance for expected losses | 3,934                        | (51)                           | 3,883            | 1,468                        | 362                            | 1,830            |
| <b>Allowance, end of period</b>                        | <u>\$ 40,692</u>             | <u>\$ 880</u>                  | <u>\$ 41,572</u> | <u>\$ 21,133</u>             | <u>\$ 960</u>                  | <u>\$ 22,093</u> |

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, 2023 for additional information about the Company's methodology for developing our allowance and expected losses.

For the three months ended June 30, 2024, the net decrease in the allowance for credit losses on commercial mortgage and other loans was in the general allowance primarily due to loan payoffs, partially offset by loan originations. For the three months ended June 30, 2023, the net increase in the allowance for credit losses on commercial mortgage and other loans was primarily related to an increase in the general allowance due to declining market conditions and loan originations.

For the six months ended June 30, 2024, the net increase in the allowance for credit losses on commercial mortgage and other loans was primarily related to an increase in the loan specific allowance within the office sector and in the general allowance due to loan originations, partially offset by loan payoffs. For the six months ended June 30, 2023, the net increase in the allowance for credit losses on commercial mortgage and other loans was primarily related to an increase in the general allowance due to declining market conditions and loan originations.

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

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:

|                                    |           | June 30, 2024                      |                     |                   |                     |                   |                     |                    |                     |  |
|------------------------------------|-----------|------------------------------------|---------------------|-------------------|---------------------|-------------------|---------------------|--------------------|---------------------|--|
|                                    |           | Amortized Cost by Origination Year |                     |                   |                     |                   |                     |                    |                     |  |
|                                    |           | 2024                               | 2023                | 2022              | 2021                | 2020              | Prior               | Revolving<br>Loans | Total               |  |
|                                    |           | (in thousands)                     |                     |                   |                     |                   |                     |                    |                     |  |
| <b>Commercial mortgage loans</b>   |           |                                    |                     |                   |                     |                   |                     |                    |                     |  |
| Loan-to-Value Ratio:               |           |                                    |                     |                   |                     |                   |                     |                    |                     |  |
| 0%-59.99%                          | \$        | 89,035                             | \$ 254,068          | \$ 230,308        | \$ 480,391          | \$ 94,393         | \$ 1,197,399        | \$ 0               | \$ 2,345,594        |  |
| 60%-69.99%                         |           | 541,378                            | 690,428             | 362,596           | 445,103             | 170,063           | 405,172             | 0                  | 2,614,740           |  |
| 70%-79.99%                         |           | 126,919                            | 210,883             | 121,583           | 257,377             | 77,219            | 57,912              | 0                  | 851,893             |  |
| 80% or greater                     |           | 2,130                              | 0                   | 57,764            | 84,140              | 3,850             | 220,673             | 0                  | 368,557             |  |
| <b>Total</b>                       | <b>\$</b> | <b>759,462</b>                     | <b>\$ 1,155,379</b> | <b>\$ 772,251</b> | <b>\$ 1,267,011</b> | <b>\$ 345,525</b> | <b>\$ 1,881,156</b> | <b>\$ 0</b>        | <b>\$ 6,180,784</b> |  |
| Debt Service Coverage Ratio:       |           |                                    |                     |                   |                     |                   |                     |                    |                     |  |
| Greater than 1.2x                  | \$        | 713,612                            | \$ 1,039,629        | \$ 768,777        | \$ 1,267,011        | \$ 275,080        | \$ 1,755,968        | \$ 0               | \$ 5,820,077        |  |
| 1.0 - 1.2x                         |           | 45,850                             | 115,750             | 3,474             | 0                   | 0                 | 49,352              | 0                  | 214,426             |  |
| Less than 1.0x                     |           | 0                                  | 0                   | 0                 | 0                   | 70,445            | 75,836              | 0                  | 146,281             |  |
| <b>Total</b>                       | <b>\$</b> | <b>759,462</b>                     | <b>\$ 1,155,379</b> | <b>\$ 772,251</b> | <b>\$ 1,267,011</b> | <b>\$ 345,525</b> | <b>\$ 1,881,156</b> | <b>\$ 0</b>        | <b>\$ 6,180,784</b> |  |
| <b>Agricultural property loans</b> |           |                                    |                     |                   |                     |                   |                     |                    |                     |  |
| Loan-to-Value Ratio:               |           |                                    |                     |                   |                     |                   |                     |                    |                     |  |
| 0%-59.99%                          | \$        | 19,587                             | \$ 89,733           | \$ 168,400        | \$ 131,887          | \$ 23,775         | \$ 43,900           | \$ 13,789          | \$ 491,071          |  |
| 60%-69.99%                         |           | 0                                  | 19,452              | 37,889            | 0                   | 0                 | 0                   | 0                  | 57,341              |  |
| 70%-79.99%                         |           | 0                                  | 0                   | 7,000             | 0                   | 0                 | 0                   | 14,815             | 21,815              |  |
| 80% or greater                     |           | 0                                  | 0                   | 0                 | 0                   | 1,735             | 0                   | 0                  | 1,735               |  |
| <b>Total</b>                       | <b>\$</b> | <b>19,587</b>                      | <b>\$ 109,185</b>   | <b>\$ 213,289</b> | <b>\$ 131,887</b>   | <b>\$ 25,510</b>  | <b>\$ 43,900</b>    | <b>\$ 28,604</b>   | <b>\$ 571,962</b>   |  |
| Debt Service Coverage Ratio:       |           |                                    |                     |                   |                     |                   |                     |                    |                     |  |
| Greater than 1.2x                  | \$        | 18,587                             | \$ 95,419           | \$ 211,289        | \$ 130,184          | \$ 23,775         | \$ 43,900           | \$ 28,604          | \$ 551,758          |  |
| 1.0 - 1.2x                         |           | 1,000                              | 13,766              | 2,000             | 0                   | 1,735             | 0                   | 0                  | 18,501              |  |
| Less than 1.0x                     |           | 0                                  | 0                   | 0                 | 1,703               | 0                 | 0                   | 0                  | 1,703               |  |
| <b>Total</b>                       | <b>\$</b> | <b>19,587</b>                      | <b>\$ 109,185</b>   | <b>\$ 213,289</b> | <b>\$ 131,887</b>   | <b>\$ 25,510</b>  | <b>\$ 43,900</b>    | <b>\$ 28,604</b>   | <b>\$ 571,962</b>   |  |

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

|                                    | December 31, 2023                  |                   |                     |                   |                   |                     |                     |
|------------------------------------|------------------------------------|-------------------|---------------------|-------------------|-------------------|---------------------|---------------------|
|                                    | Amortized Cost by Origination Year |                   |                     |                   |                   |                     |                     |
|                                    | 2023                               | 2022              | 2021                | 2020              | 2019              | Prior               | Total               |
|                                    | (in thousands)                     |                   |                     |                   |                   |                     |                     |
| <b>Commercial mortgage loans</b>   |                                    |                   |                     |                   |                   |                     |                     |
| Loan-to-Value Ratio:               |                                    |                   |                     |                   |                   |                     |                     |
| 0%-59.99%                          | \$ 249,037                         | \$ 245,914        | \$ 482,718          | \$ 109,249        | \$ 265,053        | \$ 1,068,763        | \$ 2,420,734        |
| 60%-69.99%                         | 675,153                            | 355,984           | 449,878             | 172,721           | 225,803           | 206,237             | 2,085,776           |
| 70%-79.99%                         | 218,015                            | 133,343           | 255,299             | 77,812            | 20,924            | 86,806              | 792,199             |
| 80% or greater                     | 0                                  | 47,555            | 73,702              | 3,817             | 16,508            | 152,713             | 294,295             |
| <b>Total</b>                       | <b>\$ 1,142,205</b>                | <b>\$ 782,796</b> | <b>\$ 1,261,597</b> | <b>\$ 363,599</b> | <b>\$ 528,288</b> | <b>\$ 1,514,519</b> | <b>\$ 5,593,004</b> |
| Debt Service Coverage Ratio:       |                                    |                   |                     |                   |                   |                     |                     |
| Greater than 1.2x                  | \$ 1,038,315                       | \$ 779,282        | \$ 1,261,597        | \$ 292,561        | \$ 497,407        | \$ 1,402,831        | \$ 5,271,993        |
| 1.0 - 1.2x                         | 103,890                            | 3,514             | 0                   | 0                 | 15,632            | 40,521              | 163,557             |
| Less than 1.0x                     | 0                                  | 0                 | 0                   | 71,038            | 15,249            | 71,167              | 157,454             |
| <b>Total</b>                       | <b>\$ 1,142,205</b>                | <b>\$ 782,796</b> | <b>\$ 1,261,597</b> | <b>\$ 363,599</b> | <b>\$ 528,288</b> | <b>\$ 1,514,519</b> | <b>\$ 5,593,004</b> |
| <b>Agricultural property loans</b> |                                    |                   |                     |                   |                   |                     |                     |
| Loan-to-Value Ratio:               |                                    |                   |                     |                   |                   |                     |                     |
| 0%-59.99%                          | \$ 73,774                          | \$ 179,375        | \$ 132,042          | \$ 25,875         | \$ 15,824         | \$ 25,771           | \$ 452,661          |
| 60%-69.99%                         | 47,489                             | 56,210            | 0                   | 0                 | 0                 | 0                   | 103,699             |
| 70%-79.99%                         | 5,686                              | 0                 | 0                   | 0                 | 0                 | 0                   | 5,686               |
| 80% or greater                     | 0                                  | 0                 | 0                   | 0                 | 0                 | 0                   | 0                   |
| <b>Total</b>                       | <b>\$ 126,949</b>                  | <b>\$ 235,585</b> | <b>\$ 132,042</b>   | <b>\$ 25,875</b>  | <b>\$ 15,824</b>  | <b>\$ 25,771</b>    | <b>\$ 562,046</b>   |
| Debt Service Coverage Ratio:       |                                    |                   |                     |                   |                   |                     |                     |
| Greater than 1.2x                  | \$ 126,949                         | \$ 233,585        | \$ 130,353          | \$ 24,063         | \$ 15,824         | \$ 25,771           | \$ 556,545          |
| 1.0 - 1.2x                         | 0                                  | 2,000             | 0                   | 1,812             | 0                 | 0                   | 3,812               |
| Less than 1.0x                     | 0                                  | 0                 | 1,689               | 0                 | 0                 | 0                   | 1,689               |
| <b>Total</b>                       | <b>\$ 126,949</b>                  | <b>\$ 235,585</b> | <b>\$ 132,042</b>   | <b>\$ 25,875</b>  | <b>\$ 15,824</b>  | <b>\$ 25,771</b>    | <b>\$ 562,046</b>   |

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, 2023 for additional information about the Company's commercial mortgage and other loans credit quality monitoring process.

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.

During the three and six months ended June 30, 2024, commercial mortgage and other loans with amortized cost of \$9 million and \$17 million, respectively, were granted term extensions with borrowers experiencing financial difficulties. The modified loans represent less than 1% of the portfolio. These modifications added less than one year to the weighted average life of loans in this portfolio.

During both the three and six months ended June 30, 2023, the Company did not modify any loans to borrowers experiencing financial difficulties.

For the six months ended June 30, 2024, all commercial mortgage and other loans that were modified to borrowers experiencing financial difficulties were current.

The Company did not have any commitments to lend additional funds to borrowers experiencing financial difficulties on modified loans as of June 30, 2024 and December 31, 2023.

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

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:

|                             | June 30, 2024       |                     |                     |                             |                     | Total Loans      | Non-Accrual Status(2) |
|-----------------------------|---------------------|---------------------|---------------------|-----------------------------|---------------------|------------------|-----------------------|
|                             | Current             | 30-59 Days Past Due | 60-89 Days Past Due | 90 Days or More Past Due(1) |                     |                  |                       |
|                             | (in thousands)      |                     |                     |                             |                     |                  |                       |
| Commercial mortgage loans   | \$ 6,167,492        | \$ 0                | \$ 0                | \$ 13,292                   | \$ 6,180,784        | \$ 15,422        |                       |
| Agricultural property loans | 571,962             | 0                   | 0                   | 0                           | 571,962             | 3,322            |                       |
| Other collateralized loans  | 7,212               | 0                   | 0                   | 0                           | 7,212               | 0                |                       |
| Total                       | <u>\$ 6,746,666</u> | <u>\$ 0</u>         | <u>\$ 0</u>         | <u>\$ 13,292</u>            | <u>\$ 6,759,958</u> | <u>\$ 18,744</u> |                       |

(1) As of June 30, 2024, there were no loans in this category accruing interest.

(2) 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, 2023.

|                             | December 31, 2023   |                     |                     |                             |                     | Total Loans     | Non-Accrual Status(2) |
|-----------------------------|---------------------|---------------------|---------------------|-----------------------------|---------------------|-----------------|-----------------------|
|                             | Current             | 30-59 Days Past Due | 60-89 Days Past Due | 90 Days or More Past Due(1) |                     |                 |                       |
|                             | (in thousands)      |                     |                     |                             |                     |                 |                       |
| Commercial mortgage loans   | \$ 5,593,004        | \$ 0                | \$ 0                | \$ 0                        | \$ 5,593,004        | \$ 0            |                       |
| Agricultural property loans | 562,046             | 0                   | 0                   | 0                           | 562,046             | 1,301           |                       |
| Other collateralized loans  | 5,360               | 0                   | 0                   | 0                           | 5,360               | 0               |                       |
| Total                       | <u>\$ 6,160,410</u> | <u>\$ 0</u>         | <u>\$ 0</u>         | <u>\$ 0</u>                 | <u>\$ 6,160,410</u> | <u>\$ 1,301</u> |                       |

(1) As of December 31, 2023, there were no loans in this category accruing interest.

(2) 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, 2023.

Loans on non-accrual status did not recognize any interest income for both the three and six months ended June 30, 2024. Loans on non-accrual status that did not have a related allowance for credit losses were \$3 million and \$0 million as of June 30, 2024 and December 31, 2023, respectively.

For both the three and six months ended June 30, 2024, there were \$14.1 million commercial mortgage and other loans acquired, other than those through direct origination, and there were no commercial mortgage and other loans sold.

For both the three and six months ended June 30, 2023, there were no commercial mortgage and other loans acquired, other than those through direct origination, and there were no commercial mortgage and other loans sold.

The Company did not have any commercial mortgage and other loans purchased with credit deterioration, as of both June 30, 2024 and December 31, 2023.

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

**Other Invested Assets**

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

|                             | June 30, 2024  | December 31, 2023 |
|-----------------------------|----------------|-------------------|
|                             | (in thousands) |                   |
| <b>LPs/LLCs:</b>            |                |                   |
| Equity method:              |                |                   |
| Private equity              | \$ 358,116     | \$ 333,863        |
| Hedge funds                 | 869,690        | 720,360           |
| Real estate-related         | 97,597         | 83,339            |
| Subtotal equity method      | 1,325,403      | 1,137,562         |
| Fair value:                 |                |                   |
| Private equity              | 33,140         | 48,483            |
| Hedge funds                 | 25             | 137               |
| Real estate-related         | 17,153         | 18,687            |
| Subtotal fair value         | 50,318         | 67,307            |
| Total LPs/LLCs              | 1,375,721      | 1,204,869         |
| Derivative instruments      | 27,244         | 17,718            |
| Other (1)                   | 440            | 398               |
| Total other invested assets | \$ 1,403,405   | \$ 1,222,985      |

(1) Assets consist of investments in separate account funds.

**Accrued Investment Income**

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

|   | June 30, 2024  | December 31, 2023 |
|---|----------------|-------------------|
|   | (in thousands) |                   |
| Fixed maturities                            | \$ 343,332     | \$ 272,031        |
| Equity securities                           | 220            | 220               |
| Commercial mortgage and other loans         | 23,906         | 21,070            |
| Policy loans                                | 52,057         | 35,210            |
| Other invested assets                       | 0              | 43                |
| Short-term investments and cash equivalents | 6,787          | 5,264             |
| Total accrued investment income             | \$ 426,302     | \$ 333,838        |

There were no significant write-downs on accrued investment income for both the three and six months ended June 30, 2024 and 2023.

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

**Net Investment Income**

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

|   | Three Months Ended June 30, |                   | Six Months Ended June 30, |                   |
|---|-----------------------------|-------------------|---------------------------|-------------------|
|   | 2024                        | 2023              | 2024                      | 2023              |
|   | (in thousands)              |                   |                           |                   |
| Fixed maturities, available-for-sale        | \$ 393,930                  | \$ 275,718        | \$ 732,739                | \$ 510,528        |
| Fixed maturities, trading                   | 38,957                      | 21,761            | 70,626                    | 39,635            |
| Equity securities                           | 6,458                       | 2,543             | 10,205                    | 5,320             |
| Commercial mortgage and other loans         | 77,920                      | 56,317            | 151,678                   | 104,973           |
| Policy loans                                | 16,588                      | 10,622            | 31,033                    | 15,618            |
| Other invested assets                       | 28,747                      | 15,624            | 52,067                    | 41,723            |
| Short-term investments and cash equivalents | 41,007                      | 29,582            | 87,322                    | 60,758            |
| Gross investment income                     | 603,607                     | 412,167           | 1,135,670                 | 778,555           |
| Less: investment expenses                   | (23,614)                    | (19,092)          | (50,357)                  | (36,030)          |
| Net investment income                       | <u>\$ 579,993</u>           | <u>\$ 393,075</u> | <u>\$ 1,085,313</u>       | <u>\$ 742,525</u> |

**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 June 30, |                 | Six Months Ended June 30, |                     |
|---|-----------------------------|-----------------|---------------------------|---------------------|
|   | 2024                        | 2023            | 2024                      | 2023                |
|   | (in thousands)              |                 |                           |                     |
| Fixed maturities(1)                         | \$ (8,631)                  | \$ (2)          | \$ (15,468)               | \$ (8,223)          |
| Commercial mortgage and other loans         | 1,162                       | (806)           | (4,619)                   | (2,084)             |
| Other invested assets                       | 17,635                      | 7,569           | 33,146                    | 13,196              |
| Derivatives                                 | 828,449                     | 600             | 848,903                   | (117,670)           |
| Short-term investments and cash equivalents | 267                         | 333             | (80)                      | 1,796               |
| Realized investment gains (losses), net     | <u>\$ 838,882</u>           | <u>\$ 7,694</u> | <u>\$ 861,882</u>         | <u>\$ (112,985)</u> |

(1) Includes fixed maturity securities classified as available-for-sale and excludes fixed maturity securities classified as trading.

**Net Unrealized Gains (Losses) on Investments within AOCI**

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

|  | June 30, 2024         | December 31, 2023     |
|--|-----------------------|-----------------------|
|  | (in thousands)        |                       |
| Fixed maturity securities, available-for-sale with an allowance    | \$ 491                | \$ 1,987              |
| Fixed maturity securities, available-for-sale without an allowance | (2,036,342)           | (1,406,265)           |
| Derivatives designated as cash flow hedges(1)                      | 75,293                | 11,934                |
| Affiliated notes   | (6,791)               | (8,760)               |
| Other investments(2)   | (203)                 | (1,089)               |
| Net unrealized gains (losses) on investments                       | <u>\$ (1,967,552)</u> | <u>\$ (1,402,193)</u> |

(1) For more information on cash flow hedges, see Note 4.

(2) Includes net unrealized gains (losses) on certain joint ventures that are strategic in nature and are included in "Other assets".

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

***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. As of both June 30, 2024 and December 31, 2023, the Company had no repurchase agreements.

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:

|  | June 30, 2024   |                 |                  | December 31, 2023                                     |               |                   |
|--|---|-----------------|------------------|---|---------------|-------------------|
|  | Remaining Contractual Maturities of<br>the Agreements |                 |                  | Remaining Contractual Maturities of<br>the Agreements |               |                   |
|  | Overnight &<br>Continuous                             | Up to 30 Days   | Total            | Overnight &<br>Continuous                             | Up to 30 Days | Total             |
|  | (in thousands)  |                 |                  |   |               |                   |
| Foreign government bonds                       | \$ 0  | \$ 0            | \$ 0             | \$ 486  | \$ 0          | \$ 486            |
| U.S. public corporate securities               | 7,712   | 1,900           | 9,612            | 27,247  | 0             | 27,247            |
| U.S. private corporate securities              | 17  | 0               | 17               | 0   | 0             | 0                 |
| Foreign public corporate securities            | 9,768   | 0               | 9,768            | 13,101  | 0             | 13,101            |
| Equity securities                              | 0   | 0               | 0                | 177,476   | 0             | 177,476           |
| Total cash collateral for loaned securities(1) | <u>\$ 17,497</u>                                      | <u>\$ 1,900</u> | <u>\$ 19,397</u> | <u>\$ 218,310</u>                                     | <u>\$ 0</u>   | <u>\$ 218,310</u> |

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

**4. DERIVATIVES AND HEDGING**

***Types of Derivative Instruments and Derivative Strategies***

The Company utilizes various derivative instruments and strategies to manage its risk. Commonly used derivative instruments include, but are not necessarily limited to:

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

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

- Embedded derivatives and synthetic guaranteed investment contracts (“GICs”)

For detailed information on these contracts and the related strategies, 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, 2023.

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

**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, excluding embedded derivatives and associated reinsurance recoverables. 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.

| Primary Underlying Risk/Instrument Type                                 | June 30, 2024         |                      |                        | December 31, 2023     |                     |                        |
|---|-----------------------|----------------------|------------------------|-----------------------|---------------------|------------------------|
|   | Gross Notional        | Fair Value           |                        | Gross Notional        | Fair Value          |                        |
|   |                       | Assets               | Liabilities            |                       | Assets              | Liabilities            |
| (in thousands)  |                       |                      |                        |                       |                     |                        |
| <b>Derivatives Designated as Hedge Accounting Instruments:</b>          |                       |                      |                        |                       |                     |                        |
| <b>Currency/Interest Rate</b>   |                       |                      |                        |                       |                     |                        |
| Interest Rate Swaps   | \$ 2,975              | \$ 215               | \$ (491)               | \$ 3,064              | \$ 0                | \$ (238)               |
| Foreign Currency Swaps  | 2,725,643             | 165,873              | (32,245)               | 2,274,636             | 121,243             | (54,044)               |
| <b>Total Derivatives Designated as Hedge Accounting Instruments</b>     | <b>\$ 2,728,618</b>   | <b>\$ 166,088</b>    | <b>\$ (32,736)</b>     | <b>\$ 2,277,700</b>   | <b>\$ 121,243</b>   | <b>\$ (54,282)</b>     |
| <b>Derivatives Not Qualifying as Hedge Accounting Instruments:</b>      |                       |                      |                        |                       |                     |                        |
| <b>Interest Rate</b>  |                       |                      |                        |                       |                     |                        |
| Interest Rate Swaps   | \$ 167,487,864        | \$ 8,227,910         | \$ (19,877,550)        | \$ 163,179,764        | \$ 6,605,817        | \$ (17,820,436)        |
| Interest Rate Futures   | 859,000               | 2,964                | (291)                  | 1,332,600             | 3,055               | (210)                  |
| Interest Rate Options   | 29,503,000            | 227,324              | (1,181,463)            | 29,738,000            | 189,112             | (969,718)              |
| Interest Rate Forwards  | 1,458,000             | 55,415               | (57,927)               | 1,458,000             | 741                 | (3,196)                |
| <b>Foreign Currency</b>   |                       |                      |                        |                       |                     |                        |
| Foreign Currency Forwards   | 908,100               | 4,913                | (985)                  | 744,576               | 1,772               | (12,232)               |
| <b>Credit</b>   |                       |                      |                        |                       |                     |                        |
| Credit Default Swaps  | 520,600               | 4,830                | 0                      | 643,280               | 7,727               | 0                      |
| <b>Currency/Interest Rate</b>   |                       |                      |                        |                       |                     |                        |
| Foreign Currency Swaps  | 2,238,553             | 125,477              | (20,687)               | 2,237,331             | 96,618              | (31,294)               |
| <b>Equity</b>   |                       |                      |                        |                       |                     |                        |
| Total Return Swaps  | 15,885,233            | 599,846              | (803,880)              | 15,049,993            | 418,084             | (803,452)              |
| Equity Options  | 72,507,886            | 3,638,902            | (2,274,561)            | 49,247,510            | 1,600,335           | (1,552,706)            |
| Equity Futures  | 813,292               | 156                  | (3,041)                | 418,973               | 1,232               | (500)                  |
| Synthetic GICs  | 1,208,219             | 763                  | (208)                  | 311,302               | 1                   | 0                      |
| <b>Total Derivatives Not Qualifying as Hedge Accounting Instruments</b> | <b>\$ 293,389,747</b> | <b>\$ 12,888,500</b> | <b>\$ (24,220,593)</b> | <b>\$ 264,361,329</b> | <b>\$ 8,924,494</b> | <b>\$ (21,193,744)</b> |
| <b>Total Derivatives(1)(2)</b>  | <b>\$ 296,118,365</b> | <b>\$ 13,054,588</b> | <b>\$ (24,253,329)</b> | <b>\$ 266,639,029</b> | <b>\$ 9,045,737</b> | <b>\$ (21,248,026)</b> |

(1) Excludes embedded derivatives which contain multiple underlying risks. The fair value of these embedded derivatives was a net liability of \$9,606 million and \$7,402 million as of June 30, 2024 and December 31, 2023, respectively, primarily included in "Policyholders' account balances".

(2) Recorded in "Other invested assets" and "Payables to parent and affiliates" on the Unaudited Interim Consolidated Statements of Financial Position.

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

**Offsetting Assets and Liabilities**

The following table presents recognized derivative instruments (excluding embedded derivatives and associated reinsurance recoverables), 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.

| June 30, 2024                                   |   |   |   |  |                   |
|---|---|---|---|--|-------------------|
|   | Gross<br>Amounts of<br>Recognized<br>Financial<br>Instruments | Gross<br>Amounts<br>Offset in the<br>Consolidated<br>Statements of<br>Financial<br>Position | Net Amounts<br>Presented in<br>the Consolidated<br>Statements<br>of Financial<br>Position | Financial<br>Instruments/<br>Collateral(1) | Net<br>Amount     |
| (in thousands)                                  |   |   |   |  |                   |
| <b>Offsetting of Financial Assets:</b>          |   |   |   |  |                   |
| Derivatives                                     | \$ 13,053,807   | \$ (13,027,344)   | \$ 26,463   | \$ 0                                       | \$ 26,463         |
| Securities purchased under agreements to resell | 325,000   | 0   | 325,000   | 0  | 325,000           |
| Total Assets                                    | <u>\$ 13,378,807</u>  | <u>\$ (13,027,344)</u>  | <u>\$ 351,463</u>   | <u>\$ 0</u>                                | <u>\$ 351,463</u> |
| <b>Offsetting of Financial Liabilities:</b>     |   |   |   |  |                   |
| Derivatives                                     | \$ 24,253,121   | \$ (21,143,003)   | \$ 3,110,118  | \$ (3,110,118)                             | \$ 0              |
| Securities sold under agreements to repurchase  | 0   | 0   | 0   | 0  | 0                 |
| Total Liabilities                               | <u>\$ 24,253,121</u>  | <u>\$ (21,143,003)</u>  | <u>\$ 3,110,118</u>   | <u>\$ (3,110,118)</u>                      | <u>\$ 0</u>       |
| December 31, 2023                               |   |   |   |  |                   |
|   | Gross<br>Amounts of<br>Recognized<br>Financial<br>Instruments | Gross<br>Amounts<br>Offset in the<br>Consolidated<br>Statements of<br>Financial<br>Position | Net Amounts<br>Presented in<br>the Consolidated<br>Statements<br>of Financial<br>Position | Financial<br>Instruments/<br>Collateral(1) | Net<br>Amount     |
| (in thousands)                                  |   |   |   |  |                   |
| <b>Offsetting of Financial Assets:</b>          |   |   |   |  |                   |
| Derivatives                                     | \$ 9,045,718  | \$ (9,028,019)  | \$ 17,699   | \$ 0                                       | \$ 17,699         |
| Securities purchased under agreements to resell | 25,000  | 0   | 25,000  | 0  | 25,000            |
| Total Assets                                    | <u>\$ 9,070,718</u>   | <u>\$ (9,028,019)</u>   | <u>\$ 42,699</u>  | <u>\$ 0</u>                                | <u>\$ 42,699</u>  |
| <b>Offsetting of Financial Liabilities:</b>     |   |   |   |  |                   |
| Derivatives                                     | \$ 21,248,026   | \$ (18,596,679)   | \$ 2,651,347  | \$ (2,651,347)                             | \$ 0              |
| Securities sold under agreements to repurchase  | 0   | 0   | 0   | 0  | 0                 |
| Total Liabilities                               | <u>\$ 21,248,026</u>  | <u>\$ (18,596,679)</u>  | <u>\$ 2,651,347</u>   | <u>\$ (2,651,347)</u>                      | <u>\$ 0</u>       |

(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 “Credit Risk” below and Note 14. 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 on 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, 2023.

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

**Cash Flow Hedges**

The primary derivative instruments used by the Company in its cash flow hedge accounting relationships are currency swaps and interest rate swaps. 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 cash flow hedge accounting relationships.

The following tables provide the financial statement classification and impact of derivatives used in qualifying and non-qualifying hedge relationships, excluding the offset of the hedged item in an effective hedge relationship.

|   | Three Months Ended June 30, 2024         |  |                             |                 |                  |
|---|--|--|-----------------------------|-----------------|------------------|
|   | Realized<br>Investment<br>Gains (Losses) | Change in Value of<br>Market Risk Benefits,<br>Net of Related<br>Hedging Gain (Loss) | Net<br>Investment<br>Income | Other<br>Income | Change in AOCI   |
|   | (in thousands)                           |  |                             |                 |                  |
| <b>Derivatives Designated as Hedge Accounting Instruments:</b>          |  |  |                             |                 |                  |
| <b>Cash flow hedges</b>   |  |  |                             |                 |                  |
| Interest Rate   | \$ 1                                     | \$ 0   | \$ 2                        | \$ 0            | \$ (21)          |
| Currency/Interest Rate  | (569)                                    | 0  | 12,141                      | 1,258           | 36,201           |
| <b>Total cash flow hedges</b>   | <b>(568)</b>                             | <b>0</b>   | <b>12,143</b>               | <b>1,258</b>    | <b>36,180</b>    |
| <b>Derivatives Not Qualifying as Hedge Accounting Instruments:</b>      |  |  |                             |                 |                  |
| Interest Rate   | 28,037                                   | (410,527)  | 0                           | 0               | 0                |
| Currency  | 8,285                                    | 0  | 0                           | 0               | 0                |
| Currency/Interest Rate  | 1,556                                    | 0  | 0                           | (60)            | 0                |
| Credit  | (368)                                    | 0  | 0                           | 0               | 0                |
| Equity  | 596,834                                  | (58,063)   | 0                           | 0               | 0                |
| Embedded Derivatives  | 194,673                                  | 0  | 0                           | 0               | 0                |
| <b>Total Derivatives Not Qualifying as Hedge Accounting Instruments</b> | <b>829,017</b>                           | <b>(468,590)</b>   | <b>0</b>                    | <b>(60)</b>     | <b>0</b>         |
| <b>Total</b>  | <b>\$ 828,449</b>                        | <b>\$ (468,590)</b>  | <b>\$ 12,143</b>            | <b>\$ 1,198</b> | <b>\$ 36,180</b> |

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

| Six Months Ended June 30, 2024                                     |  |  |                             |                  |                  |
|--|--|--|-----------------------------|------------------|------------------|
|  | Realized<br>Investment<br>Gains (Losses) | Change in Value of<br>Market Risk Benefits,<br>Net of Related<br>Hedging Gain (Loss) | Net<br>Investment<br>Income | Other<br>Income  | Change in AOCI   |
| (in thousands)   |  |  |                             |                  |                  |
| <b>Derivatives Designated as Hedge Accounting Instruments:</b>     |  |  |                             |                  |                  |
| <b>Cash flow hedges</b>  |  |  |                             |                  |                  |
| Interest Rate  | \$ 1                                     | \$ 0   | \$ (62)                     | \$ 0             | \$ (10)          |
| Currency/Interest Rate   | (677)                                    | 0  | 22,869                      | 13,605           | 63,369           |
| Total cash flow hedges   | (676)                                    | 0  | 22,807                      | 13,605           | 63,359           |
| <b>Derivatives Not Qualifying as Hedge Accounting Instruments:</b> |  |  |                             |                  |                  |
| Interest Rate  | 72,509                                   | (1,266,452)  | 0                           | 0                | 0                |
| Currency   | 21,406                                   | 0  | 0                           | 0                | 0                |
| Currency/Interest Rate   | 33,532                                   | 0  | 0                           | 123              | 0                |
| Credit   | 7,518                                    | 0  | 0                           | 0                | 0                |
| Equity   | 2,023,011                                | (488,930)  | 0                           | 0                | 0                |
| Embedded Derivatives   | (1,308,397)                              | 0  | 0                           | 0                | 0                |
| Total Derivatives Not Qualifying as Hedge Accounting Instruments   | 849,579                                  | (1,755,382)  | 0                           | 123              | 0                |
| <b>Total</b>   | <b>\$ 848,903</b>                        | <b>\$ (1,755,382)</b>  | <b>\$ 22,807</b>            | <b>\$ 13,728</b> | <b>\$ 63,359</b> |

| Three Months Ended June 30, 2023                                   |  |  |                             |                   |                    |
|--|--|--|-----------------------------|-------------------|--------------------|
|  | Realized<br>Investment<br>Gains (Losses) | Change in Value of<br>Market Risk Benefits,<br>Net of Related<br>Hedging Gain (Loss) | Net<br>Investment<br>Income | Other<br>Income   | Change in AOCI     |
| (in thousands)   |  |  |                             |                   |                    |
| <b>Derivatives Designated as Hedge Accounting Instruments:</b>     |  |  |                             |                   |                    |
| <b>Cash flow hedges</b>  |  |  |                             |                   |                    |
| Interest Rate  | \$ 1                                     | \$ 0   | \$ (29)                     | \$ 0              | \$ (43)            |
| Currency/Interest Rate   | (1,944)                                  | 0  | 10,974                      | (7,027)           | (18,636)           |
| Total cash flow hedges   | (1,943)                                  | 0  | 10,945                      | (7,027)           | (18,679)           |
| <b>Derivatives Not Qualifying as Hedge Accounting Instruments:</b> |  |  |                             |                   |                    |
| Interest Rate  | 63,875                                   | (915,225)  | 0                           | 0                 | 0                  |
| Currency   | (5,416)                                  | 0  | 0                           | 0                 | 0                  |
| Currency/Interest Rate   | (23,601)                                 | 0  | 0                           | (54)              | 0                  |
| Credit   | 1,392                                    | 0  | 0                           | 0                 | 0                  |
| Equity   | 947,017                                  | (398,134)  | 0                           | 0                 | 0                  |
| Embedded Derivatives   | (980,724)                                | 0  | 0                           | 0                 | 0                  |
| Total Derivatives Not Qualifying as Hedge Accounting Instruments   | 2,543                                    | (1,313,359)  | 0                           | (54)              | 0                  |
| <b>Total</b>   | <b>\$ 600</b>                            | <b>\$ (1,313,359)</b>  | <b>\$ 10,945</b>            | <b>\$ (7,081)</b> | <b>\$ (18,679)</b> |

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

|  | Six Months Ended June 30, 2023           |  |                             |                    |                    |
|--|--|--|-----------------------------|--------------------|--------------------|
|  | Realized<br>Investment<br>Gains (Losses) | Change in Value of<br>Market Risk Benefits,<br>Net of Related<br>Hedging Gain (Loss) | Net<br>Investment<br>Income | Other<br>Income    | Change in AOCI     |
|  | (in thousands)                           |  |                             |                    |                    |
| <b>Derivatives Designated as Hedge Accounting Instruments:</b>     |  |  |                             |                    |                    |
| <b>Cash flow hedges</b>  |  |  |                             |                    |                    |
| Interest Rate  | \$ 1                                     | \$ 0   | \$ (54)                     | \$ 0               | \$ (2)             |
| Currency/Interest Rate   | 571                                      | 0  | 22,679                      | (17,453)           | (38,964)           |
| Total cash flow hedges   | 572                                      | 0  | 22,625                      | (17,453)           | (38,966)           |
| <b>Derivatives Not Qualifying as Hedge Accounting Instruments:</b> |  |  |                             |                    |                    |
| Interest Rate  | 15,712                                   | (707,165)  | 0                           | 0                  | 0                  |
| Currency   | (12,026)                                 | 0  | 0                           | 0                  | 0                  |
| Currency/Interest Rate   | (36,322)                                 | 0  | 0                           | (200)              | 0                  |
| Credit   | 2,326                                    | 0  | 0                           | 0                  | 0                  |
| Equity   | 1,143,892                                | (598,066)  | 0                           | 0                  | 0                  |
| Embedded Derivatives   | (1,228,711)                              | 0  | 0                           | 0                  | 0                  |
| Total Derivatives Not Qualifying as Hedge Accounting Instruments   | (115,129)                                | (1,305,231)  | 0                           | (200)              | 0                  |
| <b>Total</b>   | <b>\$ (114,557)</b>                      | <b>\$ (1,305,231)</b>  | <b>\$ 22,625</b>            | <b>\$ (17,653)</b> | <b>\$ (38,966)</b> |

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

|  | (in thousands)   |
|--|------------------|
| <b>Balance, December 31, 2023</b>                    | <b>\$ 11,934</b> |
| Amount recorded in AOCI                              |                  |
| Interest Rate  | (71)             |
| Currency/Interest Rate                               | 99,166           |
| <b>Total amount recorded in AOCI</b>                 | <b>99,095</b>    |
| Amount reclassified from AOCI to income              |                  |
| Interest Rate  | 61               |
| Currency/Interest Rate                               | (35,797)         |
| <b>Total amount reclassified from AOCI to income</b> | <b>(35,736)</b>  |
| <b>Balance, June 30, 2024</b>                        | <b>\$ 75,293</b> |

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 Operations and Comprehensive Income (Loss); these amounts are then reclassified to earnings when the hedged item affects earnings. Using June 30, 2024 values, it is estimated that a pre-tax gain of \$29 million is expected to be reclassified from AOCI to earnings during the subsequent twelve months ending June 30, 2025.

The exposures the Company is hedging with these qualifying cash flow hedges include the variability of the payment or receipt of interest or foreign currency amounts on existing financial instruments.

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.

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

***Credit Derivatives***

Credit Derivatives, where the Company has written credit protection on certain index references, have outstanding notional amounts of \$521 million and \$643 million as of June 30, 2024 and December 31, 2023, respectively. These credit derivatives are reported at fair value as an asset of \$5 million and \$8 million as of June 30, 2024 and December 31, 2023, respectively. As of June 30, 2024 the notional amount of these credit derivatives had the following NAIC ratings: \$483 million in NAIC 3 and \$38 million in NAIC 6.

The Company has no exposure on purchased credit protection as of June 30, 2024 and December 31, 2023.

***Counterparty Credit Risk***

The Company is exposed to credit-related losses in the event of non-performance by counterparties to financial derivative transactions with a positive fair value. The Company manages credit risk by entering into derivative transactions with regulated derivatives exchanges for exchange traded derivatives and its affiliate, Prudential Global Funding LLC ("PGF"), related to its over-the-counter ("OTC") derivatives. PGF, in turn, manages its credit risk by: (i) entering into derivative transactions with highly rated major international financial institutions and other creditworthy counterparties governed by master netting agreements, as applicable; (ii) trading through central clearing and 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.

**5. 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 5 to the Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

**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.

|  | June 30, 2024     |                       |                      |                        |                       |
|--|-------------------|-----------------------|----------------------|------------------------|-----------------------|
|  | Level 1           | Level 2               | Level 3              | Netting(1)             | Total                 |
|  | (in thousands)    |                       |                      |                        |                       |
| <b>Fixed maturities, available-for-sale:</b>   |                   |                       |                      |                        |                       |
| U.S. Treasury securities and obligations of U.S. government authorities and agencies | \$ 0              | \$ 1,121,135          | \$ 0                 | \$                     | \$ 1,121,135          |
| Obligations of U.S. states and their political subdivisions                          | 0                 | 612,482               | 0                    |                        | 612,482               |
| Foreign government bonds   | 0                 | 265,660               | 664                  |                        | 266,324               |
| U.S. corporate public securities   | 0                 | 11,412,122            | 0                    |                        | 11,412,122            |
| U.S. corporate private securities  | 0                 | 4,639,796             | 581,609              |                        | 5,221,405             |
| Foreign corporate public securities  | 0                 | 2,890,201             | 6,892                |                        | 2,897,093             |
| Foreign corporate private securities   | 0                 | 4,504,426             | 416,674              |                        | 4,921,100             |
| Asset-backed securities(2)   | 0                 | 2,835,605             | 591,664              |                        | 3,427,269             |
| Commercial mortgage-backed securities  | 0                 | 782,691               | 76,371               |                        | 859,062               |
| Residential mortgage-backed securities   | 0                 | 372,771               | 0                    |                        | 372,771               |
| Subtotal   | 0                 | 29,436,889            | 1,673,874            |                        | 31,110,763            |
| Market risk benefit assets   | 0                 | 0                     | 2,550,164            |                        | 2,550,164             |
| Fixed maturities, trading  | 0                 | 2,833,692             | 240,820              |                        | 3,074,512             |
| Equity securities  | 521,834           | 15,455                | 28,330               |                        | 565,619               |
| Short-term investments   | 7,942             | 347,940               | 2,674                |                        | 358,556               |
| Cash equivalents   | 0                 | 1,667,949             | 605                  |                        | 1,668,554             |
| Other invested assets(4)   | 15,921            | 13,037,904            | 763                  | (13,027,344)           | 27,244                |
| Other assets   | 0                 | 0                     | 363,440              |                        | 363,440               |
| Reinsurance recoverables   | 0                 | 0                     | 127,289              |                        | 127,289               |
| Receivables from parent and affiliates   | 0                 | 149,495               | 181,319              |                        | 330,814               |
| Subtotal excluding separate account assets   | 545,697           | 47,489,324            | 5,169,278            | (13,027,344)           | 40,176,955            |
| Separate account assets(5)(6)  | 209,537           | 114,021,411           | 9,799                |                        | 114,240,747           |
| Total assets   | <u>\$ 755,234</u> | <u>\$ 161,510,735</u> | <u>\$ 5,179,077</u>  | <u>\$ (13,027,344)</u> | <u>\$ 154,417,702</u> |
| Market risk benefit liabilities  | \$ 0              | \$ 0                  | \$ 4,370,960         | \$                     | \$ 4,370,960          |
| Policyholders' account balances  | 0                 | 0                     | 10,083,258           |                        | 10,083,258            |
| Payables to parent and affiliates  | 0                 | 24,249,436            | 0                    | (21,142,232)           | 3,107,204             |
| Other liabilities(7)   | 3,686             | 13,178                | 207                  | (771)                  | 16,300                |
| Total liabilities  | <u>\$ 3,686</u>   | <u>\$ 24,262,614</u>  | <u>\$ 14,454,425</u> | <u>\$ (21,143,003)</u> | <u>\$ 17,577,722</u>  |

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

|  | December 31, 2023 |                |               |                 |                |
|--|-------------------|----------------|---------------|-----------------|----------------|
|  | Level 1           | Level 2        | Level 3       | Netting(1)      | Total          |
|  | (in thousands)    |                |               |                 |                |
| Fixed maturities, available-for-sale:  |                   |                |               |                 |                |
| U.S. Treasury securities and obligations of U.S. government authorities and agencies | \$ 0              | \$ 975,287     | \$ 0          | \$              | \$ 975,287     |
| Obligations of U.S. states and their political subdivisions                          | 0                 | 776,627        | 0             |                 | 776,627        |
| Foreign government bonds   | 0                 | 281,304        | 682           |                 | 281,986        |
| U.S. corporate public securities   | 0                 | 9,495,912      | 0             |                 | 9,495,912      |
| U.S. corporate private securities  | 0                 | 4,476,258      | 513,236       |                 | 4,989,494      |
| Foreign corporate public securities  | 0                 | 1,698,965      | 7,129         |                 | 1,706,094      |
| Foreign corporate private securities   | 0                 | 4,137,004      | 493,978       |                 | 4,630,982      |
| Asset-backed securities(2)   | 0                 | 1,928,428      | 99,122        |                 | 2,027,550      |
| Commercial mortgage-backed securities  | 0                 | 773,663        | 78,115        |                 | 851,778        |
| Residential mortgage-backed securities   | 0                 | 396,070        | 0             |                 | 396,070        |
| Subtotal   | 0                 | 24,939,518     | 1,192,262     |                 | 26,131,780     |
| Market risk benefit assets   | 0                 | 0              | 2,367,243     |                 | 2,367,243      |
| Fixed maturities, trading  | 0                 | 2,762,398      | 34,048        |                 | 2,796,446      |
| Equity securities(3)   | 790,346           | 11,285         | 28,709        |                 | 830,340        |
| Short-term investments   | 31,879            | 280,228        | 1,759         |                 | 313,866        |
| Cash equivalents   | 447,396           | 1,196,729      | 0             |                 | 1,644,125      |
| Other invested assets(4)   | 23,432            | 9,022,304      | 1             | (9,028,019)     | 17,718         |
| Other assets   | 0                 | 0              | 224,019       |                 | 224,019        |
| Reinsurance recoverables   | 0                 | 0              | 69,745        |                 | 69,745         |
| Receivables from parent and affiliates   | 0                 | 147,984        | 0             |                 | 147,984        |
| Subtotal excluding separate account assets   | 1,293,053         | 38,360,446     | 3,917,786     | (9,028,019)     | 34,543,266     |
| Separate account assets(5)(6)  | 176,239           | 113,747,569    | 5,985         |                 | 113,929,793    |
| Total assets   | \$ 1,469,292      | \$ 152,108,015 | \$ 3,923,771  | \$ (9,028,019)  | \$ 148,473,059 |
| Market risk benefit liabilities  | \$ 0              | \$ 0           | \$ 5,144,401  | \$              | \$ 5,144,401   |
| Policyholders' account balances  | 0                 | 0              | 7,689,929     |                 | 7,689,929      |
| Payables to parent and affiliates  | 0                 | 21,239,770     | 0             | (18,588,647)    | 2,651,123      |
| Other liabilities(7)   | 8,032             | 6,340          | 0             | (8,032)         | 6,340          |
| Total liabilities  | \$ 8,032          | \$ 21,246,110  | \$ 12,834,330 | \$ (18,596,679) | \$ 15,491,793  |

(1) "Netting" amounts represent cash collateral of \$(8,116) million and \$(9,569) million as of June 30, 2024 and December 31, 2023, respectively.

(2) Includes credit-tranched securities collateralized by syndicated bank loans, sub-prime mortgages, auto loans, credit cards, education loans and other asset types.

(3) Equity securities excluded from the fair value hierarchy include a fund for which fair value is measured at net asset value ("NAV") per share (or its equivalent) as a practical expedient. As of December 31, 2023, the fair value of this investment was \$14.6 million.

(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 NAV per share (or its equivalent) as a practical expedient. As of June 30, 2024 and December 31, 2023, the fair value of such investments was \$50 million and \$67 million, respectively.

(5) 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.

(6) 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 a corporate owned life insurance fund. As of June 30, 2024 and December 31, 2023, the fair value of such investments was \$5,740 million and \$5,259 million, respectively.

(7) Other liabilities includes embedded derivatives associated with reinsurance agreements.

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

**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.

| June 30, 2024                         |                |                       |                         |                               |         |                  |  |
|---------------------------------------|----------------|-----------------------|-------------------------|-------------------------------|---------|------------------|--|
|                                       | Fair Value     | Valuation Techniques  | Unobservable Inputs     | Minimum                       | Maximum | Weighted Average | Impact of Increase in Input on Fair Value(1) |
|                                       | (in thousands) |                       |                         |                               |         |                  |  |
| <b>Assets:</b>                        |                |                       |                         |                               |         |                  |  |
| Corporate securities(2)               | \$ 889,304     | Discounted cash flow  | Discount rate           | 7.42 %                        | 20 %    | 11.75 %          | Decrease                                     |
| Commercial mortgage-backed securities | \$ 76,371      | Discounted cash flow  | Liquidity premium       | 1.00 %                        | 1.00 %  | 1.00 %           | Decrease                                     |
| Market risk benefit assets(3)         | \$ 2,550,164   | Discounted cash flow  | Lapse rate(4)           | 1 %                           | 20 %    |                  | Increase                                     |
|                                       |                |                       | Spread over SOFR(5)     | 0.35 %                        | 1.92 %  |                  | Increase                                     |
|                                       |                |                       | Utilization rate(6)     | 37 %                          | 94 %    |                  | Decrease                                     |
|                                       |                |                       | Withdrawal rate         | See table footnote (7) below. |         |                  |  |
|                                       |                |                       | Mortality rate(8)       | 0 %                           | 16 %    |                  | Increase                                     |
|                                       |                |                       | Equity volatility curve | 15 %                          | 25 %    |                  | Decrease                                     |
| Other assets(9)                       | \$ 363,440     | Discounted cash flow  | Lapse rate(4)           | 0 %                           | 80 %    |                  | Increase                                     |
|                                       |                |                       | Spread over SOFR(5)     | 0.35 %                        | 1.90 %  |                  | Increase                                     |
|                                       |                |                       | Mortality rate(8)       | 0 %                           | 23 %    |                  | Increase                                     |
|                                       |                |                       | Option budget(11)       | (1)%                          | 7 %     |                  | Decrease                                     |
| Receivable from parent and affiliates | \$ 181,319     | Recent purchase price | Recent purchase price   |                               |         |                  |  |
| <b>Liabilities:</b>                   |                |                       |                         |                               |         |                  |  |
| Market risk benefit liabilities(3)    | \$ 4,370,960   | Discounted cash flow  | Lapse rate(4)           | 1 %                           | 20 %    |                  | Decrease                                     |
|                                       |                |                       | Spread over SOFR(5)     | 0.35 %                        | 1.92 %  |                  | Decrease                                     |
|                                       |                |                       | Utilization rate(6)     | 37 %                          | 94 %    |                  | Increase                                     |
|                                       |                |                       | Withdrawal rate         | See table footnote (7) below. |         |                  |  |
|                                       |                |                       | Mortality rate(8)       | 0 %                           | 16 %    |                  | Decrease                                     |
|                                       |                |                       | Equity volatility curve | 15 %                          | 25 %    |                  | Increase                                     |
| Policyholders' account balances(10)   | \$ 10,083,258  | Discounted cash flow  | Lapse rate(4)           | 0 %                           | 80 %    |                  | Decrease                                     |
|                                       |                |                       | Spread over SOFR(5)     | 0.35 %                        | 1.90 %  |                  | Decrease                                     |
|                                       |                |                       | Mortality rate(8)       | 0 %                           | 23 %    |                  | Decrease                                     |
|                                       |                |                       | Option budget(11)       | (1)%                          | 7 %     |                  | Increase                                     |

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**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

December 31, 2023

|                                       | Fair Value<br>(in thousands) | Valuation<br>Techniques | Unobservable<br>Inputs  | Minimum | Maximum                       | Weighted<br>Average | Impact of<br>Increase in<br>Input on<br>Fair Value(1) |
|---------------------------------------|------------------------------|-------------------------|-------------------------|---------|-------------------------------|---------------------|---|
| <b>Assets:</b>                        |                              |                         |                         |         |                               |                     |   |
| Corporate securities(2)               | \$ 81,635                    | Discounted cash flow    | Discount rate           | 6.98 %  | 20 %                          | 9.73 %              | Decrease  |
|                                       |                              | Liquidation             | Liquidation value       | 63.62 % | 63.62 %                       | 63.62 %             | Increase  |
| Commercial mortgage-backed securities | \$ 78,115                    | Discounted cash flow    | Liquidity premium       | 0.60 %  | 0.75 %                        | 0.71 %              | Decrease  |
| Market risk benefit assets(3)         | \$ 2,367,243                 | Discounted cash flow    | Lapse rate(4)           | 1 %     | 20 %                          |                     | Increase  |
|                                       |                              |                         | Spread over SOFR(5)     | 0.41 %  | 1.91 %                        |                     | Increase  |
|                                       |                              |                         | Utilization rate(6)     | 38 %    | 95 %                          |                     | Decrease  |
|                                       |                              |                         | Withdrawal rate         |         | See table footnote (7) below. |                     |   |
|                                       |                              |                         | Mortality rate(8)       | 0 %     | 15 %                          |                     | Increase  |
|                                       |                              |                         | Equity volatility curve | 15 %    | 25 %                          |                     | Decrease  |
| Other assets(9)                       | \$ 224,019                   | Discounted cash flow    | Lapse rate(4)           | 1 %     | 80 %                          |                     | Increase  |
|                                       |                              |                         | Spread over SOFR(5)     | 0.41 %  | 1.85 %                        |                     | Increase  |
|                                       |                              |                         | Mortality rate(8)       | 0 %     | 23 %                          |                     | Increase  |
|                                       |                              |                         | Option budget(11)       | (1)%    | 7 %                           |                     | Decrease  |
| <b>Liabilities:</b>                   |                              |                         |                         |         |                               |                     |   |
| Market risk benefit liabilities(3)    | \$ 5,144,401                 | Discounted cash flow    | Lapse rate(4)           | 1 %     | 20 %                          |                     | Decrease  |
|                                       |                              |                         | Spread over SOFR(5)     | 0.41 %  | 1.91 %                        |                     | Decrease  |
|                                       |                              |                         | Utilization rate(6)     | 38 %    | 95 %                          |                     | Increase  |
|                                       |                              |                         | Withdrawal rate         |         | See table footnote (7) below. |                     |   |
|                                       |                              |                         | Mortality rate(8)       | 0 %     | 15 %                          |                     | Decrease  |
|                                       |                              |                         | Equity volatility curve | 15 %    | 25 %                          |                     | Increase  |
| Policyholders' account balances(10)   | \$ 7,689,929                 | Discounted cash flow    | Lapse rate(4)           | 1 %     | 80 %                          |                     | Decrease  |
|                                       |                              |                         | Spread over SOFR(5)     | 0.41 %  | 1.85 %                        |                     | Decrease  |
|                                       |                              |                         | Mortality rate(8)       | 0 %     | 23 %                          |                     | Decrease  |
|                                       |                              |                         | Option budget(11)       | (1)%    | 7 %                           |                     | Increase  |

(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.

(3) 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.

(4) 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.

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

- (5) 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 June 30, 2024 and December 31, 2023, 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 Prudential Defined Income (“PDI”) traditional variable annuity contracts with guaranteed living and death benefits. See Note 11 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.
- (6) 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.
- (7) 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 June 30, 2024 and December 31, 2023, the minimum withdrawal rate assumption is 78% and 81%, respectively. As of June 30, 2024 and December 31, 2023 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%.
- (8) 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.
- (9) Includes deposit assets related to reinsurance agreements using deposit accounting, which include amounts representing the fair value of embedded derivative instruments associated with the index-linked features of certain annuity products.
- (10) 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.
- (11) 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.

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

**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 10). 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 June 30, 2024(6)**

|  | Fair Value,<br>beginning of<br>period | Total realized<br>and unrealized<br>gains (losses) | Purchases | Sales    | Issuances | Settlements | Other(1) | Transfers<br>into Level<br>3(7) | Transfers out<br>of Level 3(7) | Fair Value, end<br>of period | Unrealized<br>gains (losses)<br>for assets still<br>held(2) |
|--|---------------------------------------|--|-----------|----------|-----------|-------------|----------|---------------------------------|--------------------------------|------------------------------|---|
| (in thousands)                                   |                                       |  |           |          |           |             |          |                                 |                                |                              |   |
| <b>Fixed maturities,<br/>available-for-sale:</b> |                                       |  |           |          |           |             |          |                                 |                                |                              |   |
| Foreign government                               | \$ 671                                | \$ (7)   | \$ 0      | \$ 0     | \$ 0      | \$ 0        | \$ 0     | \$ 0                            | \$ 0                           | \$ 664                       | (11)  |
| Corporate securities(3)                          | 1,009,650                             | (6,128)  | 203,749   | (65,650) | 0         | (71,908)    | (65,480) | 942                             | 0                              | 1,005,175                    | (7,077)   |
| Structured securities(4)                         | 694,121                               | (254)  | 37,188    | 0        | 0         | (51,300)    | 65,480   | 0                               | (77,200)                       | 668,035                      | 380   |
| <b>Other assets:</b>                             |                                       |  |           |          |           |             |          |                                 |                                |                              |   |
| Fixed maturities, trading                        | 146,543                               | (50)   | 111,784   | 0        | 0         | (2,261)     | 0        | 0                               | (15,196)                       | 240,820                      | (42)  |
| Equity securities                                | 28,650                                | (320)  | 0         | 0        | 0         | 0           | 0        | 0                               | 0                              | 28,330                       | (320)   |
| Other invested assets                            | 1                                     | 761  | 1         | 0        | 0         | 0           | 0        | 0                               | 0                              | 763                          | 761   |
| Short-term investments                           | 3,351                                 | 320  | 304       | (8)      | 0         | (1,293)     | 0        | 0                               | 0                              | 2,674                        | 308   |
| Cash equivalents                                 | 0                                     | 0  | 605       | 0        | 0         | 0           | 0        | 0                               | 0                              | 605                          | 0   |
| Other assets                                     | 303,538                               | 14,418   | 58,326    | 0        | 0         | (12,842)    | 0        | 0                               | 0                              | 363,440                      | 1,575   |
| Receivables from parent and affiliates           | 121,378                               | 0  | 111,140   | (51,199) | 0         | 0           | 0        | 0                               | 0                              | 181,319                      | 0   |
| Reinsurance recoverables(5)                      | 96,442                                | (20,186)   | 51,033    | 0        | 0         | 0           | 0        | 0                               | 0                              | 127,289                      | (43,624)  |
| Separate account assets                          | 7,894                                 | 102  | 1,805     | (2)      | 0         | 0           | 0        | 0                               | 0                              | 9,799                        | 102   |
| <b>Liabilities:</b>                              |                                       |  |           |          |           |             |          |                                 |                                |                              |   |
| Policyholders' account balances(5)               | (9,752,538)                           | 213,839  | 0         | 0        | (545,676) | 0           | 1,117    | 0                               | 0                              | (10,083,258)                 | 973,682   |
| Other liabilities                                | (207)                                 | 0  | 0         | 0        | 0         | 0           | 0        | 0                               | 0                              | (207)                        | 0   |

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

|   | Three Months Ended June 30, 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 (loss) | Net investment income | Realized investment gains (losses), net            | Other income (loss) | Interest credited to policyholders' account balances | Included in other comprehensive income (loss) |            |
|   | (in thousands)                               |                     |  |   |                       |  |                     |  |   |            |
| <b>Fixed maturities, available-for-sale</b> | \$ (2,567)                                   | \$ 0                | \$ 0   | \$ (4,746)                                    | 924                   | \$ (1,404)   | \$ 0                | \$ 0   | \$ 0  | \$ (5,304) |
| <b>Other assets:</b>                        |  |                     |  |   |                       |  |                     |  |   |            |
| Fixed maturities, trading                   | 0  | (50)                | 0  | 0   | 0                     | 0  | (42)                | 0  | 0   | 0          |
| Equity securities                           | 0  | (320)               | 0  | 0   | 0                     | 0  | (320)               | 0  | 0   | 0          |
| Other invested assets                       | 761  | 0                   | 0  | 0   | 0                     | 761  | 0                   | 0  | 0   | 0          |
| Short-term investments                      | 308  | 0                   | 0  | 0   | 12                    | 308  | 0                   | 0  | 0   | 0          |
| Cash equivalents                            | 0  | 0                   | 0  | 0   | 0                     | 0  | 0                   | 0  | 0   | 0          |
| Other assets                                | 14,418                                       | 0                   | 0  | 0   | 0                     | 1,575  | 0                   | 0  | 0   | 0          |
| Receivables from parent and affiliates      | 0  | 0                   | 0  | 0   | 0                     | 0  | 0                   | 0  | 0   | 0          |
| Reinsurance recoverables                    | (20,186)                                     | 0                   | 0  | 0   | 0                     | (43,624)   | 0                   | 0  | 0   | 0          |
| Separate account assets                     | 0  | 0                   | 102  | 0   | 0                     | 0  | 0                   | 102  | 0   | 0          |
| <b>Liabilities:</b>                         |  |                     |  |   |                       |  |                     |  |   |            |
| Policyholders' account balances             | 213,839                                      | 0                   | 0  | 0   | 0                     | 973,682  | 0                   | 0  | 0   | 0          |
| Other liabilities                           | 0  | 0                   | 0  | 0   | 0                     | 0  | 0                   | 0  | 0   | 0          |

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

Six Months Ended June 30, 2024(6)

|  | Fair Value,<br>beginning of<br>period | Total realized<br>and unrealized<br>gains (losses) | Purchases | Sales     | Issuances   | Settlements | Other<br>(1) | Transfers<br>into Level<br>3(7) | Transfers out<br>of Level 3(7) | Fair Value, end<br>of period | Unrealized<br>gains (losses)<br>for assets still<br>held(2) |
|--|---------------------------------------|--|-----------|-----------|-------------|-------------|--------------|---------------------------------|--------------------------------|------------------------------|---|
| (in thousands)                               |                                       |  |           |           |             |             |              |                                 |                                |                              |   |
| <b>Fixed maturities, available-for-sale:</b> |                                       |  |           |           |             |             |              |                                 |                                |                              |   |
| Foreign government                           | \$ 682                                | \$ (18)  | \$ 0      | \$ 0      | \$ 0        | \$ 0        | \$ 0         | \$ 0                            | \$ 0                           | \$ 664                       | (24)  |
| Corporate securities(3)                      | 1,014,343                             | (16,918)   | 328,790   | (130,702) | 0           | (125,800)   | (65,480)     | 942                             | 0                              | 1,005,175                    | (16,678)  |
| Structured securities(4)                     | 177,237                               | (393)  | 521,528   | 0         | 0           | (53,195)    | 65,480       | 34,578                          | (77,200)                       | 668,035                      | 101   |
| <b>Other assets:</b>                         |                                       |  |           |           |             |             |              |                                 |                                |                              |   |
| Fixed maturities, trading                    | 34,048                                | (898)  | 225,127   | 0         | 0           | (2,261)     | 0            | 0                               | (15,196)                       | 240,820                      | (890)   |
| Equity securities                            | 28,709                                | (652)  | 273       | 0         | 0           | 0           | 0            | 0                               | 0                              | 28,330                       | (652)   |
| Other invested assets                        | 1                                     | 762  | 0         | 0         | 0           | 0           | 0            | 0                               | 0                              | 763                          | 762   |
| Short-term investments                       | 1,759                                 | 4  | 2,306     | (8)       | 0           | (1,387)     | 0            | 0                               | 0                              | 2,674                        | (8)   |
| Cash equivalents                             | 0                                     | 0  | 605       | 0         | 0           | 0           | 0            | 0                               | 0                              | 605                          | 0   |
| Other assets                                 | 224,019                               | 51,425   | 114,032   | 0         | 0           | (26,036)    | 0            | 0                               | 0                              | 363,440                      | 25,388  |
| Receivables from parent and affiliates       | 0                                     | 0  | 232,518   | (51,199)  | 0           | 0           | 0            | 0                               | 0                              | 181,319                      | 0   |
| Reinsurance recoverables                     | 69,745                                | (25,707)   | 83,251    | 0         | 0           | 0           | 0            | 0                               | 0                              | 127,289                      | (78,715)  |
| Separate account assets                      | 5,985                                 | 301  | 4,438     | (1,258)   | 0           | (125)       | 0            | 458                             | 0                              | 9,799                        | 302   |
| <b>Liabilities:</b>                          |                                       |  |           |           |             |             |              |                                 |                                |                              |   |
| Policyholders' account balances(5)           | (7,689,929)                           | (1,289,185)  | 0         | 0         | (1,106,074) | 0           | 1,930        | 0                               | 0                              | (10,083,258)                 | 831,176   |
| Other liabilities                            | 0                                     | (207)  | 0         | 0         | 0           | 0           | 0            | 0                               | 0                              | (207)                        | (207)   |

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

|   | Six Months Ended June 30, 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 (loss) | Net investment income | Realized investment gains (losses), net            | Other income (loss) | Interest credited to policyholders' account balances | Included in other comprehensive income (loss) |             |
|   | (in thousands)                               |                     |  |   |                       |  |                     |  |   |             |
| <b>Fixed maturities, available-for-sale</b> | \$ (4,263)                                   | \$ 0                | \$ 0   | \$ (14,588)                                   | \$ 1,522              | \$ (776)   | \$ 0                | \$ 0   | \$ 0  | \$ (15,825) |
| <b>Other assets:</b>                        |  |                     |  |   |                       |  |                     |  |   |             |
| Fixed maturities, trading                   | 0  | (898)               | 0  | 0   | 0                     | 0  | (890)               | 0  | 0   | 0           |
| Equity securities                           | 0  | (652)               | 0  | 0   | 0                     | 0  | (652)               | 0  | 0   | 0           |
| Other invested assets                       | 762  | 0                   | 0  | 0   | 0                     | 762  | 0                   | 0  | 0   | 0           |
| Short-term investments                      | (8)  | 0                   | 0  | 0   | 12                    | (8)  | 0                   | 0  | 0   | 0           |
| Cash equivalents                            | 0  | 0                   | 0  | 0   | 0                     | 0  | 0                   | 0  | 0   | 0           |
| Other assets                                | 51,425                                       | 0                   | 0  | 0   | 0                     | 25,388   | 0                   | 0  | 0   | 0           |
| Receivables from parent and affiliates      | 0  | 0                   | 0  | 0   | 0                     | 0  | 0                   | 0  | 0   | 0           |
| Reinsurance recoverables                    | (25,707)                                     | 0                   | 0  | 0   | 0                     | (78,715)   | 0                   | 0  | 0   | 0           |
| Separate account assets                     | 0  | 0                   | 301  | 0   | 0                     | 0  | 0                   | 302  | 0   | 0           |
| <b>Liabilities:</b>                         |  |                     |  |   |                       |  |                     |  |   |             |
| Policyholders' account balances             | (1,289,185)                                  | 0                   | 0  | 0   | 0                     | 831,176  | 0                   | 0  | 0   | 0           |
| Other liabilities                           | (207)  | 0                   | 0  | 0   | 0                     | (207)  | 0                   | 0  | 0   | 0           |

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

**Three Months Ended June 30, 2023(6)**

|  | Fair Value,<br>beginning of<br>period | Total realized<br>and unrealized<br>gains (losses) | Purchases | Sales   | Issuances | Settlements | Other(1) | Transfers<br>into Level<br>3(7) | Transfers out<br>of Level 3(7) | Fair Value,<br>end of period | Unrealized<br>gains (losses)<br>for assets still<br>held(2) |
|--|---------------------------------------|--|-----------|---------|-----------|-------------|----------|---------------------------------|--------------------------------|------------------------------|---|
| (in thousands)                               |                                       |  |           |         |           |             |          |                                 |                                |                              |   |
| <b>Fixed maturities, available-for-sale:</b> |                                       |  |           |         |           |             |          |                                 |                                |                              |   |
| Foreign government                           | \$ 714                                | \$ (13)  | \$ 0      | \$ 0    | \$ 0      | \$ 0        | \$ 0     | \$ 0                            | \$ 0                           | \$ 701                       | \$ (16)   |
| Corporate securities(3)                      | 535,893                               | 1,876  | 216,778   | (9,241) | 0         | (25,418)    | 1,359    | 0                               | 0                              | 721,247                      | 1,773   |
| Structured securities(4)                     | 228,869                               | 436  | 1,291     | 0       | 0         | (725)       | 0        | 0                               | (83,532)                       | 146,339                      | 484   |
| <b>Other assets:</b>                         |                                       |  |           |         |           |             |          |                                 |                                |                              |   |
| Fixed maturities, trading                    | 6,250                                 | 0  | 0         | 0       | 0         | 0           | 0        | 0                               | (6,250)                        | 0                            | 0   |
| Equity securities                            | 43,174                                | 19   | 0         | 0       | 0         | 0           | 181      | 0                               | 0                              | 43,374                       | 19  |
| Short-term investments                       | 14,416                                | 717  | 1,146     | 0       | 0         | (13,711)    | (1,359)  | 0                               | 0                              | 1,209                        | 0   |
| Other assets                                 | 155,763                               | 26,381   | 38,983    | 0       | 0         | (3,514)     | 0        | 0                               | 0                              | 217,613                      | 19,779  |
| Receivables from parent and affiliates       | 0                                     | 0  | 0         | 0       | 0         | 0           | 0        | 0                               | 0                              | 0                            | 0   |
| Reinsurance recoverables                     | 1,357                                 | 108  | 0         | 0       | 0         | 0           | 0        | 0                               | 0                              | 1,465                        | 108   |
| Separate account assets                      | 4,553                                 | 159  | 840       | (420)   | 0         | (150)       | 0        | 0                               | 0                              | 4,982                        | 159   |
| <b>Liabilities:</b>                          |                                       |  |           |         |           |             |          |                                 |                                |                              |   |
| Policyholders' account balances(5)           | (4,129,043)                           | (1,017,564)  | 0         | 0       | (439,615) | 0           | 72,773   | 0                               | 0                              | (5,513,449)                  | (150,676)   |

**Three Months Ended June 30, 2023**

|   | 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 (loss) | Net investment income | Realized investment gains (losses), net            | Other income (loss) | Interest credited to policyholders' account balances | Included in other comprehensive income (loss) |          |
| (in thousands)                              |  |                     |  |   |                       |  |                     |  |   |          |
| <b>Fixed maturities, available-for-sale</b> | \$ (1,138)                                   | \$ 0                | \$ 0   | \$ 3,476                                      | \$ (39)               | \$ (1,118)   | \$ 0                | \$ 0   | \$ 0  | \$ 3,359 |
| <b>Other assets:</b>                        |  |                     |  |   |                       |  |                     |  |   |          |
| Fixed maturities, trading                   | 0  | 0                   | 0  | 0   | 0                     | 0  | 0                   | 0  | 0   | 0        |
| Equity securities                           | 0  | 19                  | 0  | 0   | 0                     | 0  | 19                  | 0  | 0   | 0        |
| Short-term investments                      | 423  | 0                   | 0  | (124)   | 418                   | 0  | 0                   | 0  | 0   | 0        |
| Other assets                                | 26,381                                       | 0                   | 0  | 0   | 0                     | 19,779   | 0                   | 0  | 0   | 0        |
| Receivables from parent and affiliates      | 0  | 0                   | 0  | 0   | 0                     | 0  | 0                   | 0  | 0   | 0        |
| Reinsurance recoverables                    | 108  | 0                   | 0  | 0   | 0                     | 108  | 0                   | 0  | 0   | 0        |
| Separate account assets                     | 0  | 0                   | 159  | 0   | 0                     | 0  | 0                   | 159  | 0   | 0        |
| <b>Liabilities:</b>                         |  |                     |  |   |                       |  |                     |  |   |          |
| Policyholders' account balances             | (1,017,564)                                  | 0                   | 0  | 0   | 0                     | (150,676)  | 0                   | 0  | 0   | 0        |

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

**Six Months Ended June 30, 2023(6)**

|  | Fair Value,<br>beginning of<br>period | Total realized<br>and unrealized<br>gains (losses) | Purchases | Sales    | Issuances | Settlements | Other(1) | Transfers<br>into Level<br>3(7) | Transfers out<br>of Level 3(7) | Fair Value,<br>end of period | Unrealized<br>gains (losses)<br>for assets still<br>held(2) |
|--|---------------------------------------|--|-----------|----------|-----------|-------------|----------|---------------------------------|--------------------------------|------------------------------|---|
| (in thousands)                               |                                       |  |           |          |           |             |          |                                 |                                |                              |   |
| <b>Fixed maturities, available-for-sale:</b> |                                       |  |           |          |           |             |          |                                 |                                |                              |   |
| Foreign government                           | \$ 724                                | \$ (23)  | \$ 0      | \$ 0     | \$ 0      | \$ 0        | \$ 0     | \$ 0                            | \$ 0                           | \$ 701                       | \$ (28)   |
| Corporate securities(3)                      | 507,496                               | 7,199  | 310,874   | (28,839) | 0         | (76,842)    | 1,359    | 0                               | 0                              | 721,247                      | 6,413   |
| Structured securities(4)                     | 104,724                               | (3,199)  | 147,307   | (27)     | 0         | (1,338)     | 0        | 2,240                           | (103,368)                      | 146,339                      | (3,129)   |
| <b>Other assets:</b>                         |                                       |  |           |          |           |             |          |                                 |                                |                              |   |
| Fixed maturities, trading                    | 0                                     | 0  | 6,250     | 0        | 0         | 0           | 0        | 0                               | (6,250)                        | 0                            | 0   |
| Equity securities                            | 28,593                                | (811)  | 0         | 0        | 0         | 0           | 15,592   | 0                               | 0                              | 43,374                       | (811)   |
| Short-term investments                       | 16,945                                | 2,573  | 2,688     | 0        | 0         | (19,638)    | (1,359)  | 0                               | 0                              | 1,209                        | 51  |
| Other assets                                 | 141,041                               | 8,020  | 73,603    | 0        | 0         | (5,051)     | 0        | 0                               | 0                              | 217,613                      | 2,969   |
| Receivables from parent and affiliates       | 0                                     | 0  | 0         | 0        | 0         | 0           | 0        | 0                               | 0                              | 0                            | 0   |
| Reinsurance recoverables                     | 0                                     | 1,465  | 0         | 0        | 0         | 0           | 0        | 0                               | 0                              | 1,465                        | 1,465   |
| Separate account assets                      | 4,645                                 | 257  | 840       | (600)    | 0         | (160)       | 0        | 0                               | 0                              | 4,982                        | 255   |
| <b>Liabilities:</b>                          |                                       |  |           |          |           |             |          |                                 |                                |                              |   |
| Policyholders' account balances(5)           | (3,502,096)                           | (1,247,483)  | 0         | 0        | (838,238) | 0           | 74,368   | 0                               | 0                              | (5,513,449)                  | (234,970)   |

**Six Months Ended June 30, 2023**

|   | 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 (loss) | Net investment income | Realized investment gains (losses), net            | Other income (loss) | Interest credited to policyholders' account balances | Included in other comprehensive income (loss) |          |
| (in thousands)                              |  |                     |  |   |                       |  |                     |  |   |          |
| <b>Fixed maturities, available-for-sale</b> | \$ (813)                                     | \$ 0                | \$ 0   | \$ 4,440                                      | \$ 350                | \$ (2,019)   | \$ 0                | \$ 0   | \$ 0  | \$ 5,275 |
| <b>Other assets:</b>                        |  |                     |  |   |                       |  |                     |  |   |          |
| Fixed maturities, trading                   | 0  | 0                   | 0  | 0   | 0                     | 0  | 0                   | 0  | 0   | 0        |
| Equity securities                           | 0  | (811)               | 0  | 0   | 0                     | 0  | (811)               | 0  | 0   | 0        |
| Short-term investments                      | 1,857  | 0                   | 0  | (73)  | 789                   | 0  | 0                   | 0  | 0   | 51       |
| Other assets                                | 8,020  | 0                   | 0  | 0   | 0                     | 2,969  | 0                   | 0  | 0   | 0        |
| Receivables from parent and affiliates      | 0  | 0                   | 0  | 0   | 0                     | 0  | 0                   | 0  | 0   | 0        |
| Reinsurance recoverables                    | 1,465  | 0                   | 0  | 0   | 0                     | 1,465  | 0                   | 0  | 0   | 0        |
| Separate account assets                     | 0  | 0                   | 257  | 0   | 0                     | 0  | 0                   | 255  | 0   | 0        |
| <b>Liabilities:</b>                         |  |                     |  |   |                       |  |                     |  |   |          |
| Policyholders' account balances             | (1,247,483)                                  | 0                   | 0  | 0   | 0                     | (234,970)  | 0                   | 0  | 0   | 0        |

- (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 private, foreign corporate public, and foreign corporate private securities.  
(4) Includes asset-backed and commercial mortgage-backed securities.  
(5) Purchases/issuances and settlements for Policyholders' account balances and Reinsurance recoverables are presented net in the rollforward.

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

- (6) Excludes MRB assets of \$2,550 million and \$2,340 million and MRB liabilities of \$4,371 million and \$5,090 million for the periods ended June 30, 2024 and 2023, respectively. See Note 10 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.

**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.

|  | June 30, 2024     |                     |                     |                      | Carrying<br>Amount(1) |
|--|-------------------|---------------------|---------------------|----------------------|-----------------------|
|  | Fair Value        |                     |                     | Total                |                       |
|  | Level 1           | Level 2             | Level 3             |                      |                       |
|  | (in thousands)    |                     |                     |                      | Total                 |
| <b>Assets:</b>   |                   |                     |                     |                      |                       |
| Commercial mortgage and other loans                    | \$ 0              | \$ 0                | \$ 6,465,057        | \$ 6,465,057         | \$ 6,718,386          |
| Policy loans   | 0                 | 0                   | 1,511,288           | 1,511,288            | 1,511,288             |
| Short-term investments                                 | 58,102            | 0                   | 0                   | 58,102               | 58,102                |
| Cash and cash equivalents                              | 892,653           | 325,000             | 0                   | 1,217,653            | 1,217,653             |
| Accrued investment income                              | 0                 | 426,302             | 0                   | 426,302              | 426,302               |
| Reinsurance recoverables                               | 0                 | 0                   | 21,733              | 21,733               | 23,508                |
| Receivables from parent and affiliates                 | 0                 | 85,725              | 0                   | 85,725               | 85,725                |
| Other assets   | 0                 | 89,182              | 1,910,626           | 1,999,808            | 1,999,808             |
| <b>Total assets</b>                                    | <b>\$ 950,755</b> | <b>\$ 926,209</b>   | <b>\$ 9,908,704</b> | <b>\$ 11,785,668</b> | <b>\$ 12,040,772</b>  |
| <b>Liabilities:</b>                                    |                   |                     |                     |                      |                       |
| Policyholders' account balances - investment contracts | \$ 0              | \$ 872,062          | \$ 7,849,872        | \$ 8,721,934         | \$ 8,739,221          |
| Cash collateral for loaned securities                  | 0                 | 19,397              | 0                   | 19,397               | 19,397                |
| Payables to parent and affiliates                      | 0                 | 26,493              | 0                   | 26,493               | 26,493                |
| Other liabilities                                      | 0                 | 2,582,917           | 31,606              | 2,614,523            | 2,614,523             |
| <b>Total liabilities</b>                               | <b>\$ 0</b>       | <b>\$ 3,500,869</b> | <b>\$ 7,881,478</b> | <b>\$ 11,382,347</b> | <b>\$ 11,399,634</b>  |

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

|  | December 31, 2023 |                     |                     |                      |                      | Carrying<br>Amount(1) |       |
|--|-------------------|---------------------|---------------------|----------------------|----------------------|-----------------------|-------|
|  | Fair Value        |                     |                     |                      | Total                |                       | Total |
|  | Level 1           | Level 2             | Level 3             | Total                |                      |                       |       |
| (in thousands)   |                   |                     |                     |                      |                      |                       |       |
| <b>Assets:</b>   |                   |                     |                     |                      |                      |                       |       |
| Commercial mortgage and other loans                    | \$ 0              | \$ 0                | \$ 5,918,386        | \$ 5,918,386         | \$ 6,122,721         |                       |       |
| Policy loans   | 0                 | 0                   | 1,472,677           | 1,472,677            | 1,472,677            |                       |       |
| Short-term investments                                 | 66,500            | 0                   | 0                   | 66,500               | 66,500               |                       |       |
| Cash and cash equivalents                              | 470,668           | 24,999              | 0                   | 495,667              | 495,667              |                       |       |
| Accrued investment income                              | 0                 | 333,838             | 0                   | 333,838              | 333,838              |                       |       |
| Reinsurance recoverables                               | 0                 | 0                   | 22,155              | 22,155               | 23,537               |                       |       |
| Receivables from parent and affiliates                 | 0                 | 184,599             | 0                   | 184,599              | 184,599              |                       |       |
| Other assets   | 0                 | 80,646              | 1,489,983           | 1,570,629            | 1,570,629            |                       |       |
| <b>Total assets</b>                                    | <b>\$ 537,168</b> | <b>\$ 624,082</b>   | <b>\$ 8,903,201</b> | <b>\$ 10,064,451</b> | <b>\$ 10,270,168</b> |                       |       |
| <b>Liabilities:</b>                                    |                   |                     |                     |                      |                      |                       |       |
| Policyholders' account balances - investment contracts | \$ 0              | \$ 955,647          | \$ 5,396,885        | \$ 6,352,532         | \$ 6,368,061         |                       |       |
| Cash collateral for loaned securities                  | 0                 | 218,310             | 0                   | 218,310              | 218,310              |                       |       |
| Short-term debt to affiliates                          | 0                 | 176,110             | 0                   | 176,110              | 180,411              |                       |       |
| Payables to parent and affiliates                      | 0                 | 16,573              | 0                   | 16,573               | 16,573               |                       |       |
| Other liabilities                                      | 0                 | 2,121,861           | 32,423              | 2,154,284            | 2,154,283            |                       |       |
| <b>Total liabilities</b>                               | <b>\$ 0</b>       | <b>\$ 3,488,501</b> | <b>\$ 5,429,308</b> | <b>\$ 8,917,809</b>  | <b>\$ 8,937,638</b>  |                       |       |

(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 out of scope under authoritative guidance relating to disclosures of the fair value of financial instruments.

## 6. DEFERRED POLICY ACQUISITION COSTS, DEFERRED REINSURANCE AND DEFERRED SALES INDUCEMENTS

### Deferred Policy Acquisition Costs ("DAC")

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

|                              | Six Months Ended June 30, 2024 |                     |                   |                           |                     |
|------------------------------|--------------------------------|---------------------|-------------------|---------------------------|---------------------|
|                              | Fixed Annuities                | Variable Annuities  | Term Life         | Variable / Universal Life | Total               |
|                              | (in thousands)                 |                     |                   |                           |                     |
| Balance, beginning of period | \$ 197,937                     | \$ 3,257,761        | \$ 743,888        | \$ 2,897,925              | \$ 7,097,511        |
| Capitalization               | 120,883                        | 175,313             | 90,283            | 311,263                   | 697,742             |
| Amortization expense         | (18,538)                       | (170,567)           | (36,597)          | (68,114)                  | (293,816)           |
| Other(1)                     | 0                              | 0                   | (97)              | (18,507)                  | (18,604)            |
| Balance, end of period       | <b>\$ 300,282</b>              | <b>\$ 3,262,507</b> | <b>\$ 797,477</b> | <b>\$ 3,122,567</b>       | <b>\$ 7,482,833</b> |

(1) Other includes the impact of the Universal Life reinsurance transaction with Prudential Arizona Reinsurance Universal Company ("PAR U") and PURE. See Note 11 for additional information.

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

|                              | Six Months Ended June 30, 2023 |                     |                   |                           |                     |
|------------------------------|--------------------------------|---------------------|-------------------|---------------------------|---------------------|
|                              | Fixed Annuities                | Variable Annuities  | Term Life         | Variable / Universal Life | Total               |
|                              | (in thousands)                 |                     |                   |                           |                     |
| Balance, beginning of period | \$ 102,251                     | \$ 3,736,454        | \$ 648,837        | \$ 2,442,883              | \$ 6,930,425        |
| Capitalization               | 48,552                         | 117,342             | 72,216            | 275,783                   | 513,893             |
| Amortization expense         | (9,490)                        | (166,332)           | (31,084)          | (59,736)                  | (266,642)           |
| Other(1)                     | 0                              | (393,385)           | 0                 | 0                         | (393,385)           |
| Balance, end of period       | <u>\$ 141,313</u>              | <u>\$ 3,294,079</u> | <u>\$ 689,969</u> | <u>\$ 2,658,930</u>       | <u>\$ 6,784,291</u> |

(1) Other includes the impact of the reinsurance agreement with AuguStar. See Note 11 for additional information.

**Deferred Reinsurance Losses ("DRL")**

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

|                              | Six Months Ended June 30, 2024 |                  |                   |
|------------------------------|--------------------------------|------------------|-------------------|
|                              | Variable Annuities             | Term Life        | Total             |
|                              | (in thousands)                 |                  |                   |
| Balance, beginning of period | \$ 194,110                     | \$ 61,003        | \$ 255,113        |
| Amortization expense         | (14,824)                       | (3,870)          | (18,694)          |
| Other                        | 1                              | 0                | 1                 |
| Balance, end of period       | <u>\$ 179,287</u>              | <u>\$ 57,133</u> | <u>\$ 236,420</u> |

|                              | Six Months Ended June 30, 2023 |                  |                   |
|------------------------------|--------------------------------|------------------|-------------------|
|                              | Variable Annuities             | Term Life        | Total             |
|                              | (in thousands)                 |                  |                   |
| Balance, beginning of period | \$ 223,515                     | \$ 69,378        | \$ 292,893        |
| Amortization expense         | (15,113)                       | (4,280)          | (19,393)          |
| Balance, end of period       | <u>\$ 208,402</u>              | <u>\$ 65,098</u> | <u>\$ 273,500</u> |

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

**Deferred Reinsurance Gains ("DRG")**

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

|                              | Six Months Ended June 30, 2024 |                    |                           |                     |
|------------------------------|--------------------------------|--------------------|---------------------------|---------------------|
|                              | Fixed Annuities                | Variable Annuities | Variable / Universal Life | Total               |
|                              | (in thousands)                 |                    |                           |                     |
| Balance, beginning of period | \$ 48,073                      | \$ 261,721         | \$ 1,363,496              | \$ 1,673,290        |
| Amortization                 | (5,444)                        | (10,119)           | (58,690)                  | (74,253)            |
| Other(1)                     | (8)                            | (40)               | 1,092,199                 | 1,092,151           |
| Balance, end of period       | <u>\$ 42,621</u>               | <u>\$ 251,562</u>  | <u>\$ 2,397,005</u>       | <u>\$ 2,691,188</u> |

(1) Other includes the impact of the Universal Life reinsurance transaction with PAR U, PURE and Prudential Insurance, including \$1,207 million of DRG, partially offset by a \$116 million write-off. See Note 11 for additional information.

|                              | Six Months Ended June 30, 2023 |                    |                           |                     |
|------------------------------|--------------------------------|--------------------|---------------------------|---------------------|
|                              | Fixed Annuities                | Variable Annuities | Variable / Universal Life | Total               |
|                              | (in thousands)                 |                    |                           |                     |
| Balance, beginning of period | \$ 57,898                      | \$ 0               | \$ 1,434,958              | \$ 1,492,856        |
| Amortization                 | (4,406)                        | (5,209)            | (36,032)                  | (45,647)            |
| Other(1)                     | 0                              | 277,262            | 0                         | 277,262             |
| Balance, end of period       | <u>\$ 53,492</u>               | <u>\$ 272,053</u>  | <u>\$ 1,398,926</u>       | <u>\$ 1,724,471</u> |

(1) Other includes the impact of the reinsurance agreement with AuguStar. See Note 11 for additional information.

**Deferred Sales Inducements ("DSI")**

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

|                              | Six Months Ended June 30, |                   |
|------------------------------|---------------------------|-------------------|
|                              | 2024                      | 2023              |
|                              | (in thousands)            |                   |
| Balance, beginning of period | \$ 351,424                | \$ 381,504        |
| Capitalization               | 1,214                     | 1,503             |
| Amortization expense         | (15,436)                  | (16,088)          |
| Other                        | 0                         | (3)               |
| Balance, end of period       | <u>\$ 337,202</u>         | <u>\$ 366,916</u> |

**7. 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 9 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 benefits. 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 "Realized investment gains (losses), net".

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

**Separate Account Assets**

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

| Asset Type:  | June 30, 2024         | December 31, 2023     |
|--|-----------------------|-----------------------|
|  | (in thousands)        |                       |
| U.S. Treasury securities and obligations of U.S. government authorities and agencies | \$ 4,925              | \$ 2,954              |
| Obligations of U.S. states and their political subdivisions authorities              | 65                    | 0                     |
| U.S. corporate securities  | 11,788                | 9,504                 |
| Foreign corporate securities   | 2,237                 | 1,763                 |
| Asset-backed securities  | 1,016                 | 0                     |
| Mortgage-backed securities   | 175                   | 186                   |
| Mutual funds:  |                       |                       |
| Equity   | 75,066,834            | 72,614,821            |
| Fixed Income   | 34,707,360            | 37,065,162            |
| Other  | 4,324,051             | 4,101,661             |
| Equity securities  | 99,581                | 104,159               |
| Other invested assets  | 5,740,307             | 5,258,900             |
| Short-term investments   | 574                   | 2,126                 |
| Cash and cash equivalents  | 21,993                | 27,249                |
| Total  | <u>\$ 119,980,906</u> | <u>\$ 119,188,485</u> |

For the six months ended June 30, 2024 and year ended December 31, 2023, 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 indicated are as follows:

|   | Six Months Ended June 30, 2024 |                      |                       |
|---|--------------------------------|----------------------|-----------------------|
|   | Variable Annuities             | Variable Life        | Total                 |
|   | (in thousands)                 |                      |                       |
| Balance, beginning of period            | \$ 92,383,121                  | \$ 26,805,364        | \$ 119,188,485        |
| Deposits                                | 291,602                        | 1,506,531            | 1,798,133             |
| Investment performance                  | 5,034,082                      | 2,795,950            | 7,830,032             |
| Policy charges                          | (1,112,504)                    | (447,119)            | (1,559,623)           |
| Surrenders and withdrawals              | (6,694,864)                    | (235,991)            | (6,930,855)           |
| Benefit payments                        | (33,831)                       | (131,243)            | (165,074)             |
| Net transfers (to) from general account | (41,403)                       | (169,366)            | (210,769)             |
| Other                                   | 2,825                          | 27,752               | 30,577                |
| Balance, end of period                  | <u>\$ 89,829,028</u>           | <u>\$ 30,151,878</u> | <u>\$ 119,980,906</u> |
| Cash surrender value(2)                 | \$ 88,793,191                  | \$ 26,797,766        | \$ 115,590,957        |

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

|  | Six Months Ended June 30, 2023 |                      |                       |
|--|--------------------------------|----------------------|-----------------------|
|  | Variable Annuities             | Variable Life        | Total                 |
|  | (in thousands)                 |                      |                       |
| Balance, beginning of period               | \$ 91,785,448                  | \$ 22,265,798        | \$ 114,051,246        |
| Deposits                                   | 200,961                        | 1,376,552            | 1,577,513             |
| Investment performance                     | 7,184,460                      | 2,535,342            | 9,719,802             |
| Policy charges                             | (1,171,455)                    | (405,108)            | (1,576,563)           |
| Surrenders and withdrawals                 | (4,561,633)                    | (214,686)            | (4,776,319)           |
| Benefit payments                           | (43,056)                       | (107,641)            | (150,697)             |
| Net transfers (to) from general account(1) | (4,995)                        | (1,035,554)          | (1,040,549)           |
| Other                                      | 5,405                          | 30,317               | 35,722                |
| Balance, end of period                     | <u>\$ 93,395,135</u>           | <u>\$ 24,445,020</u> | <u>\$ 117,840,155</u> |
| Cash surrender value(2)                    | \$ 92,036,034                  | \$ 21,526,262        | \$ 113,562,296        |

(1) Variable life includes \$900 million of funding for a policy loan to an affiliated irrevocable trust. See Note 14 for additional information.

(2) Represents the amount of the contractholder's account balances distributable at the balance sheet date less certain surrender charges.

## 8. 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")

In 2024, the Company recognized an impact to net income attributable to our annual reviews and update of assumptions and other refinements. Overall impact is immaterial for direct and assumed Benefit Reserves and DPL, net of the impact of flooring these liabilities at zero for each issue year cohort. Additionally, for direct and assumed AIR, the Company recognized an unfavorable impact primarily due to updates to policyholder behavior assumptions on universal life policies with secondary guarantees.

In 2023, the Company recognized an impact to net income attributable to the annual reviews and update of assumptions and other refinements. Overall impact is immaterial for direct and assumed Benefit Reserves and DPL, net of the impact of flooring these liabilities at zero for each issue year cohort. Additionally, for direct and assumed AIR, the Company recognized an unfavorable impact primarily due to unfavorable model refinements, partially offset by updates to economic assumptions, including expected future rates of returns on universal life policies with secondary guarantees.

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

**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.

|  | Six Months Ended June 30, 2024         |                 |               |
|--|--|-----------------|---------------|
|  | Present Value of Expected Net Premiums |                 |               |
|  | Term Life                              | Fixed Annuities | Total         |
|  | (in thousands)                         |                 |               |
| Balance, beginning of period   | \$ 10,927,833                          | \$ 0            | \$ 10,927,833 |
| Effect of cumulative changes in discount rate assumptions, beginning of period | 225,711                                | 0               | 225,711       |
| Balance at original discount rate, beginning of period                         | 11,153,544                             | 0               | 11,153,544    |
| Effect of assumption update  | 21,466                                 | 0               | 21,466        |
| Effect of actual variances from expected experience and other activity         | (127,507)                              | (380)           | (127,887)     |
| Adjusted balance, beginning of period  | 11,047,503                             | (380)           | 11,047,123    |
| Issuances  | 403,742                                | 18,328          | 422,070       |
| Net premiums / considerations collected  | (661,611)                              | (17,948)        | (679,559)     |
| Interest accrual   | 254,945                                | 0               | 254,945       |
| Other adjustments  | (78)                                   | 0               | (78)          |
| Balance at original discount rate, end of period                               | 11,044,501                             | 0               | 11,044,501    |
| Effect of cumulative changes in discount rate assumptions, end of period       | (577,768)                              | 0               | (577,768)     |
| Balance, end of period   | \$ 10,466,733                          | \$ 0            | \$ 10,466,733 |

|  | Six Months Ended June 30, 2024                   |                 |               |
|--|--|-----------------|---------------|
|  | Present Value of Expected Future Policy Benefits |                 |               |
|  | Term Life  | Fixed Annuities | Total         |
|  | (in thousands)                                   |                 |               |
| Balance, beginning of period   | \$ 18,426,207                                    | \$ 228,788      | \$ 18,654,995 |
| Effect of cumulative changes in discount rate assumptions, beginning of period | 331,571  | 19,521          | 351,092       |
| Balance at original discount rate, beginning of period                         | 18,757,778                                       | 248,309         | 19,006,087    |
| Effect of assumption update  | 21,480   | (3,643)         | 17,837        |
| Effect of actual variances from expected experience and other activity         | (153,025)  | (130)           | (153,155)     |
| Adjusted balance, beginning of period  | 18,626,233                                       | 244,536         | 18,870,769    |
| Issuances  | 403,742  | 18,328          | 422,070       |
| Interest accrual   | 444,536  | 4,453           | 448,989       |
| Benefit payments   | (721,798)  | (15,519)        | (737,317)     |
| Other adjustments  | 1,103  | (150)           | 953           |
| Balance at original discount rate, end of period                               | 18,753,816                                       | 251,648         | 19,005,464    |
| Effect of cumulative changes in discount rate assumptions, end of period       | (1,064,363)                                      | (24,870)        | (1,089,233)   |
| Balance, end of period   | \$ 17,689,453                                    | \$ 226,778      | \$ 17,916,231 |
| Other, end of period   |  |                 | 1,633         |
| Total balance, end of period   |  |                 | \$ 17,917,864 |

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

|  | Six Months Ended June 30, 2024                              |                   |                   |
|--|---|-------------------|-------------------|
|  | Net Liability for Future Policy Benefits (Benefit Reserves) |                   |                   |
|  | Term Life   | Fixed Annuities   | Total             |
|  | (in thousands)  |                   |                   |
| Balance, end of period, pre-flooring                                 | \$ 7,222,720  | \$ 226,778        | \$ 7,449,498      |
| Flooring impact, end of period                                       | 44  | 0                 | 44                |
| Balance, end of period, post-flooring                                | 7,222,764   | 226,778           | 7,449,542         |
| Less: Reinsurance recoverables                                       | 6,518,048   | 18,453            | 6,536,501         |
| Balance after reinsurance recoverables, end of period, post-flooring | <u>\$ 704,716</u>   | <u>\$ 208,325</u> | <u>\$ 913,041</u> |

|  | Six Months Ended June 30, 2023         |                 |                      |
|--|--|-----------------|----------------------|
|  | Present Value of Expected Net Premiums |                 |                      |
|  | Term Life                              | Fixed Annuities | Total                |
|  | (in thousands)                         |                 |                      |
| Balance, beginning of period   | \$ 10,911,794                          | \$ 0            | \$ 10,911,794        |
| Effect of cumulative changes in discount rate assumptions, beginning of period | 554,896                                | 0               | 554,896              |
| Balance at original discount rate, beginning of period                         | 11,466,690                             | 0               | 11,466,690           |
| Effect of assumption update  | (790)                                  | 0               | (790)                |
| Effect of actual variances from expected experience and other activity         | (65,230)                               | (1,257)         | (66,487)             |
| Adjusted balance, beginning of period  | 11,400,670                             | (1,257)         | 11,399,413           |
| Issuances  | 318,867                                | 23,211          | 342,078              |
| Net premiums / considerations collected  | (674,147)                              | (21,954)        | (696,101)            |
| Interest accrual   | 261,862                                | 0               | 261,862              |
| Balance at original discount rate, end of period                               | 11,307,252                             | 0               | 11,307,252           |
| Effect of cumulative changes in discount rate assumptions, end of period       | (484,287)                              | 0               | (484,287)            |
| Balance, end of period   | <u>\$ 10,822,965</u>                   | <u>\$ 0</u>     | <u>\$ 10,822,965</u> |

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

|  | Six Months Ended June 30, 2023                   |                 |               |
|--|--|-----------------|---------------|
|  | Present Value of Expected Future Policy Benefits |                 |               |
|  | Term Life  | Fixed Annuities | Total         |
|  | (in thousands)                                   |                 |               |
| Balance, beginning of period   | \$ 17,835,251                                    | \$ 204,727      | \$ 18,039,978 |
| Effect of cumulative changes in discount rate assumptions, beginning of period | 962,034  | 24,876          | 986,910       |
| Balance at original discount rate, beginning of period                         | 18,797,285                                       | 229,603         | 19,026,888    |
| Effect of assumption update  | (1,044)  | 0               | (1,044)       |
| Effect of actual variances from expected experience and other activity         | (87,110)   | 4,195           | (82,915)      |
| Adjusted balance, beginning of period  | 18,709,131                                       | 233,798         | 18,942,929    |
| Issuances  | 318,867  | 23,211          | 342,078       |
| Interest accrual   | 447,387  | 4,201           | 451,588       |
| Benefit payments   | (716,919)  | (14,838)        | (731,757)     |
| Other adjustments  | 1,558  | (33)            | 1,525         |
| Balance at original discount rate, end of period                               | 18,760,024                                       | 246,339         | 19,006,363    |
| Effect of cumulative changes in discount rate assumptions, end of period       | (791,413)  | (26,245)        | (817,658)     |
| Balance, end of period   | \$ 17,968,611                                    | \$ 220,094      | \$ 18,188,705 |
| Other, end of period   |  |                 | 1,941         |
| Total balance, end of period   |  |                 | \$ 18,190,646 |

|  | Six Months Ended June 30, 2023                              |                 |              |
|--|---|-----------------|--------------|
|  | Net Liability for Future Policy Benefits (Benefit Reserves) |                 |              |
|  | Term Life   | Fixed Annuities | Total        |
|  | (in thousands)  |                 |              |
| Balance, end of period, pre-flooring                                 | \$ 7,145,646  | \$ 220,094      | \$ 7,365,740 |
| Flooring impact, end of period                                       | 0   | 0               | 0            |
| Balance, end of period, post-flooring                                | \$ 7,145,646  | \$ 220,094      | \$ 7,365,740 |
| Less: Reinsurance recoverables                                       | 6,614,071   | 17,835          | 6,631,906    |
| Balance after reinsurance recoverables, end of period, post-flooring | \$ 531,575  | \$ 202,259      | \$ 733,834   |

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 periods indicated:

|   | Six Months Ended June 30, 2024 |                 |         |
|---|--------------------------------|-----------------|---------|
|   | Term Life                      | Fixed Annuities |         |
|   | (\$ in thousands)              |                 |         |
| Undiscounted expected future gross premiums                                     | \$ 21,795,982                  | \$              | 0       |
| Discounted expected future gross premiums (at original discount rate)           | \$ 14,920,888                  | \$              | 0       |
| Discounted expected future gross premiums (at current discount rate)            | \$ 14,173,894                  | \$              | 0       |
| Undiscounted expected future benefits and expenses                              | \$ 29,155,998                  | \$              | 337,236 |
| Interest accrual  | \$ 189,591                     | \$              | 4,453   |
| Gross premiums  | \$ 901,158                     | \$              | 21,461  |
| Weighted-average duration of the liability in years (at original discount rate) |                                | 10              | 7       |
| Weighted-average duration of the liability in years (at current discount rate)  |                                | 9               | 6       |
| Weighted-average interest rate (at original discount rate)                      | 5.15 %                         |                 | 3.83 %  |
| Weighted-average interest rate (at current discount rate)                       | 5.53 %                         |                 | 5.47 %  |

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

|   | Six Months Ended June 30, 2023 |                 |
|---|--------------------------------|-----------------|
|   | Term Life                      | Fixed Annuities |
|   | (\$ in thousands)              |                 |
| Undiscounted expected future gross premiums                                     | \$ 21,948,491                  | \$ 0            |
| Discounted expected future gross premiums (at original discount rate)           | \$ 15,125,847                  | \$ 0            |
| Discounted expected future gross premiums (at current discount rate)            | \$ 14,493,623                  | \$ 0            |
| Undiscounted expected future benefits and expenses                              | \$ 29,156,389                  | \$ 328,414      |
| Interest accrual  | \$ 185,524                     | \$ 4,201        |
| Gross premiums  | \$ 900,634                     | \$ 24,200       |
| Weighted-average duration of the liability in years (at original discount rate) | 10                             | 7               |
| Weighted-average duration of the liability in years (at current discount rate)  | 10                             | 6               |
| Weighted-average interest rate (at original discount rate)                      | 5.20 %                         | 3.57 %          |
| Weighted-average interest rate (at current discount rate)                       | 5.28 %                         | 5.27 %          |

For additional information regarding observable market information and the techniques used to determine the interest rate assumptions seen above, see Note 2 to the Company's Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

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.

In the first six months of 2024, there was a \$22 million gain in net income for non-participating traditional and limited-payment products, where net premiums exceeded gross premiums for certain issue-year cohorts, which was offset by a \$21 million charge, reflecting the impact of ceded reinsurance on the affected cohorts.

In the first six months of 2023, there was a \$30 million gain in net income for non-participating traditional and limited-payment products, where net premiums exceeded gross premiums for certain issue-year cohorts, which was offset by a \$30 million charge, reflecting the impact of ceded reinsurance on the affected cohorts.

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

**Deferred Profit Liability**

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

|  | Six Months Ended June 30, |           |
|--|---------------------------|-----------|
|  | 2024                      | 2023      |
|  | <b>Fixed Annuities</b>    |           |
|  | <b>(in thousands)</b>     |           |
| Balance, beginning of period, post-flooring                            | \$ 14,818                 | \$ 18,193 |
| Effect of assumption update  | 2,110                     | 0         |
| Effect of actual variances from expected experience and other activity | 412                       | (5,092)   |
| Adjusted balance, beginning of period                                  | 17,340                    | 13,101    |
| Profits deferred   | 3,389                     | 2,088     |
| Interest accrual   | 319                       | 294       |
| Amortization   | (1,025)                   | (973)     |
| Other adjustments  | (16)                      | (8)       |
| Balance, end of period, post-flooring                                  | 20,007                    | 14,502    |
| Less: Reinsurance recoverables   | 1,439                     | 1,558     |
| Balance after reinsurance recoverables, end of period                  | \$ 18,568                 | \$ 12,944 |

**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 for the periods indicated:

|  | Six Months Ended June 30, |               |
|--|---------------------------|---------------|
|  | 2024                      | 2023          |
|  | <b>(in thousands)</b>     |               |
| Balance, including amounts in AOCI, beginning of period, post-flooring           | \$ 14,280,793             | \$ 12,664,445 |
| Flooring impact and amounts in AOCI  | 831,583                   | 1,269,237     |
| Balance, excluding amounts in AOCI, beginning of period, pre-flooring            | 15,112,376                | 13,933,682    |
| Effect of assumption update  | 154,058                   | 22,910        |
| Effect of actual variances from expected experience and other activity           | 161,320                   | 26,204        |
| Adjusted balance, beginning of period  | 15,427,754                | 13,982,796    |
| Assessments collected(1)   | 586,734                   | 513,593       |
| Interest accrual   | 261,019                   | 237,869       |
| Benefits paid  | (158,757)                 | (151,097)     |
| Balance, excluding amounts in AOCI, end of period, pre-flooring                  | 16,116,750                | 14,583,161    |
| Flooring impact and amounts in AOCI  | (1,642,621)               | (1,094,298)   |
| Balance, including amounts in AOCI, end of period, post-flooring                 | 14,474,129                | 13,488,863    |
| Less: Reinsurance recoverables   | 14,286,902                | 13,268,534    |
| Balance after reinsurance recoverables, including amounts in AOCI, end of period | \$ 187,227                | \$ 220,329    |

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

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

|   | Six Months Ended June 30, |            |
|---|---------------------------|------------|
|   | 2024                      | 2023       |
|   | (\$ in thousands)         |            |
| Interest accrual  | \$ 261,019                | \$ 237,869 |
| Gross assessments   | \$ 903,426                | \$ 785,370 |
| Weighted-average duration of the liability in years (at original discount rate) | 22                        | 22         |
| Weighted-average interest rate (at original discount rate)                      | 3.40 %                    | 3.39 %     |

**Future Policy Benefits Reconciliation**

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

|  | Six Months Ended June 30, |               |
|--|---------------------------|---------------|
|  | 2024                      | 2023          |
|  | (in thousands)            |               |
| Benefit reserves, end of period, post-flooring   | \$ 7,449,542              | \$ 7,365,740  |
| Deferred profit liability, end of period, post-flooring                                | 20,007                    | 14,502        |
| Additional insurance reserves, including amounts in AOCI, end of period, post-flooring | 14,474,129                | 13,488,863    |
| Subtotal of amounts disclosed above  | 21,943,678                | 20,869,105    |
| Other Future policy benefits reserves(1)   | 1,086,901                 | 1,108,889     |
| Total Future policy benefits   | \$ 23,030,579             | \$ 21,977,994 |

(1) Primarily represents balances for which disaggregated rollforward disclosures are not required, including 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, as well as related revenue and interest expense not presented in the above supplemental tables, in the Company's Consolidated Statement of Operations for the periods indicated:

|                               | Six Months Ended June 30, 2024 |                             |                 |              |
|-------------------------------|--------------------------------|-----------------------------|-----------------|--------------|
|                               | Revenues(1)                    |                             |                 |              |
|                               | Term Life                      | Variable/<br>Universal Life | Fixed Annuities | Total        |
|                               | (in thousands)                 |                             |                 |              |
| Benefit reserves              | \$ 901,158                     | \$ 0                        | \$ 21,461       | \$ 922,619   |
| Deferred profit liability     | 0                              | 0                           | (5,187)         | (5,187)      |
| Additional insurance reserves | 0                              | 903,426                     | 0               | 903,426      |
| Total                         | \$ 901,158                     | \$ 903,426                  | \$ 16,274       | \$ 1,820,858 |

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

| <b>Six Months Ended June 30, 2023</b> |                                     |                        |                  |                     |
|---------------------------------------|-------------------------------------|------------------------|------------------|---------------------|
| <b>Revenues(1)</b>                    |                                     |                        |                  |                     |
| <b>Term Life</b>                      | <b>Variable/<br/>Universal Life</b> | <b>Fixed Annuities</b> | <b>Total</b>     |                     |
| <b>(in thousands)</b>                 |                                     |                        |                  |                     |
| Benefit reserves                      | \$ 900,634                          | \$ 0                   | \$ 24,200        | \$ 924,834          |
| Deferred profit liability             | 0                                   | 0                      | 3,691            | 3,691               |
| Additional insurance reserves         | 0                                   | 785,370                | 0                | 785,370             |
| <b>Total</b>                          | <b>\$ 900,634</b>                   | <b>\$ 785,370</b>      | <b>\$ 27,891</b> | <b>\$ 1,713,895</b> |

(1) Represents "Gross premiums" for benefit reserves; "Revenue" for DPL and "Gross assessments" for AIR.

| <b>Six Months Ended June 30, 2024</b> |                                     |                        |                 |                   |
|---------------------------------------|-------------------------------------|------------------------|-----------------|-------------------|
| <b>Interest Expense</b>               |                                     |                        |                 |                   |
| <b>Term Life</b>                      | <b>Variable/<br/>Universal Life</b> | <b>Fixed Annuities</b> | <b>Total</b>    |                   |
| <b>(in thousands)</b>                 |                                     |                        |                 |                   |
| Benefit reserves                      | \$ 189,591                          | \$ 0                   | \$ 4,453        | \$ 194,044        |
| Deferred profit liability             | 0                                   | 0                      | 319             | 319               |
| Additional insurance reserves         | 0                                   | 261,019                | 0               | 261,019           |
| <b>Total</b>                          | <b>\$ 189,591</b>                   | <b>\$ 261,019</b>      | <b>\$ 4,772</b> | <b>\$ 455,382</b> |

| <b>Six Months Ended June 30, 2023</b> |                                     |                        |                 |                   |
|---------------------------------------|-------------------------------------|------------------------|-----------------|-------------------|
| <b>Interest Expense</b>               |                                     |                        |                 |                   |
| <b>Term Life</b>                      | <b>Variable/<br/>Universal Life</b> | <b>Fixed Annuities</b> | <b>Total</b>    |                   |
| <b>(in thousands)</b>                 |                                     |                        |                 |                   |
| Benefit reserves                      | \$ 185,524                          | \$ 0                   | \$ 4,201        | \$ 189,725        |
| Deferred profit liability             | 0                                   | 0                      | 294             | 294               |
| Additional insurance reserves         | 0                                   | 237,869                | 0               | 237,869           |
| <b>Total</b>                          | <b>\$ 185,524</b>                   | <b>\$ 237,869</b>      | <b>\$ 4,495</b> | <b>\$ 427,888</b> |

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

**9. POLICYHOLDERS' ACCOUNT BALANCES****Policyholders' Account Balances**

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

|   | Six Months Ended June 30, 2024 |                    |                                |                |
|---|--------------------------------|--------------------|--------------------------------|----------------|
|   | Fixed Annuities                | Variable Annuities | Variable Life / Universal Life | Total          |
|   | (\$ in thousands)              |                    |                                |                |
| Balance, beginning of period                    | \$ 6,164,313                   | \$ 22,836,765      | \$ 20,167,713                  | \$ 49,168,791  |
| Deposits  | 2,787,898                      | 3,752,999          | 1,062,220                      | 7,603,117      |
| Interest credited                               | 90,612                         | 207,176            | 279,382                        | 577,170        |
| Policy charges                                  | (87)                           | (12,007)           | (910,191)                      | (922,285)      |
| Surrenders and withdrawals                      | (251,521)                      | (370,351)          | (376,600)                      | (998,472)      |
| Benefit payments                                | (24,948)                       | (12,688)           | (33,912)                       | (71,548)       |
| Net transfers (to) from separate account        | 0                              | 41,403             | 169,366                        | 210,769        |
| Change in market value and other adjustments(1) | 124,805                        | 1,092,901          | 65,431                         | 1,283,137      |
| Balance, end of period                          | 8,891,072                      | 27,536,198         | 20,423,409                     | 56,850,679     |
| Unearned revenue reserve                        |                                |                    |                                | 4,082,015      |
| Other   |                                |                    |                                | 104,172        |
| Total Policyholders' account balance            |                                |                    |                                | \$ 61,036,866  |
| Weighted-average crediting rate                 | 2.41 %                         | 1.65 %             | 2.75 %                         | 2.18 %         |
| Net amount at risk(2)                           | \$ 20                          | \$ 0               | \$ 332,247,799                 | \$ 332,247,819 |
| Cash surrender value(3)                         | \$ 7,711,710                   | \$ 25,912,600      | \$ 19,133,660                  | \$ 52,757,970  |

|   | Six Months Ended June 30, 2023 |                    |                                |                |
|---|--------------------------------|--------------------|--------------------------------|----------------|
|   | Fixed Annuities(4)             | Variable Annuities | Variable Life / Universal Life | Total          |
|   | (\$ in thousands)              |                    |                                |                |
| Balance, beginning of period                    | \$ 3,575,824                   | \$ 16,432,032      | \$ 18,736,365                  | \$ 38,744,221  |
| Deposits  | 1,180,342                      | 2,225,558          | 1,030,843                      | 4,436,743      |
| Interest credited                               | 44,970                         | 131,119            | 278,886                        | 454,975        |
| Policy charges                                  | (3,078)                        | (10,684)           | (903,228)                      | (916,990)      |
| Surrenders and withdrawals                      | (101,470)                      | (233,470)          | (400,194)                      | (735,134)      |
| Benefit payments                                | (25,668)                       | (15,067)           | (42,131)                       | (82,866)       |
| Net transfers (to) from separate account        | 0                              | 4,995              | 1,035,554                      | 1,040,549      |
| Change in market value and other adjustments(1) | 69,817                         | 954,563            | 139,608                        | 1,163,988      |
| Balance, end of period                          | 4,740,737                      | 19,489,046         | 19,875,703                     | 44,105,486     |
| Unearned revenue reserve                        |                                |                    |                                | 3,401,994      |
| Other(4)  |                                |                    |                                | 100,675        |
| Total Policyholders' account balance            |                                |                    |                                | \$ 47,608,155  |
| Weighted-average crediting rate                 | 2.15 %                         | 1.46 %             | 2.89 %                         | 2.20 %         |
| Net amount at risk(2)                           | \$ 38                          | \$ 0               | \$ 313,218,977                 | \$ 313,219,015 |
| Cash surrender value(3)                         | \$ 3,975,581                   | \$ 17,391,104      | \$ 18,341,323                  | \$ 39,708,008  |

- (1) Primarily relates to changes in the value of embedded derivative instruments associated with the indexed options of certain products.  
(2) The net amount at risk calculation includes both general and separate account balances.  
(3) Represents the amount of the contractholder's account balances distributable at the balance sheet date less certain surrender charges.  
(4) Prior period amounts have been updated to conform to current period presentation.

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

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 10 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, between rates being credited to policyholders and the respective guaranteed minimums are as follows:

| Range of Guaranteed Minimum Crediting Rate (1) | June 30, 2024         |                                    |                                      |   | Total                |
|--|-----------------------|------------------------------------|--------------------------------------|---|----------------------|
|  | At guaranteed minimum | 1 -50 bps above guaranteed minimum | 51 -150 bps above guaranteed minimum | Greater than 150 bps above guaranteed minimum |                      |
| (in thousands)                                 |                       |                                    |                                      |   |                      |
| <b>Fixed Annuities</b>                         |                       |                                    |                                      |   |                      |
| Less than 1.00%                                | \$ 412                | \$ 3,827                           | \$ 9,924                             | \$ 707,366                                    | \$ 721,529           |
| 1.00% - 1.99%                                  | 448,198               | 69,557                             | 200,379                              | 78,195  | 796,329              |
| 2.00% - 2.99%                                  | 303,024               | 461,269                            | 562,666                              | 16,064  | 1,343,023            |
| 3.00% - 4.00%                                  | 825,027               | 5,007                              | 7,862                                | 2,261   | 840,157              |
| Greater than 4.00%                             | 0                     | 0                                  | 0                                    | 0   | 0                    |
| <b>Total</b>                                   | <b>\$ 1,576,661</b>   | <b>\$ 539,660</b>                  | <b>\$ 780,831</b>                    | <b>\$ 803,886</b>                             | <b>\$ 3,701,038</b>  |
| <b>Variable Annuities</b>                      |                       |                                    |                                      |   |                      |
| Less than 1.00%                                | \$ 618,306            | \$ 651,182                         | \$ 253,768                           | \$ 178  | \$ 1,523,434         |
| 1.00% - 1.99%                                  | 184,745               | 118,146                            | 2,380                                | 0   | 305,271              |
| 2.00% - 2.99%                                  | 19,218                | 4,138                              | 4,185                                | 0   | 27,541               |
| 3.00% - 4.00%                                  | 856,020               | 5,501                              | 2                                    | 0   | 861,523              |
| Greater than 4.00%                             | 2,059                 | 0                                  | 0                                    | 0   | 2,059                |
| <b>Total</b>                                   | <b>\$ 1,680,348</b>   | <b>\$ 778,967</b>                  | <b>\$ 260,335</b>                    | <b>\$ 178</b>                                 | <b>\$ 2,719,828</b>  |
| <b>Variable Life / Universal Life</b>          |                       |                                    |                                      |   |                      |
| Less than 1.00%                                | \$ 0                  | \$ 0                               | \$ 0                                 | \$ 171,754                                    | \$ 171,754           |
| 1.00% - 1.99%                                  | 246,886               | 0                                  | 1,678,254                            | 1,580,722                                     | 3,505,862            |
| 2.00% - 2.99%                                  | 28,501                | 1,479,940                          | 2,693,293                            | 371,908                                       | 4,573,642            |
| 3.00% - 4.00%                                  | 3,841,175             | 2,170,158                          | 1,107,301                            | 0   | 7,118,634            |
| Greater than 4.00%                             | 2,114,438             | 0                                  | 0                                    | 0   | 2,114,438            |
| <b>Total</b>                                   | <b>\$ 6,231,000</b>   | <b>\$ 3,650,098</b>                | <b>\$ 5,478,848</b>                  | <b>\$ 2,124,384</b>                           | <b>\$ 17,484,330</b> |

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

| Range of Guaranteed Minimum Crediting Rate (1) | June 30, 2023         |                                     |  |   | Total                |
|--|-----------------------|-------------------------------------|--|---|----------------------|
|  | At guaranteed minimum | 1 - 50 bps above guaranteed minimum | 51 -150 bps above guaranteed minimum<br>(in thousands) | Greater than 150 bps above guaranteed minimum |                      |
| <b>Fixed Annuities(2)</b>                      |                       |                                     |  |   |                      |
| Less than 1.00%                                | \$ 0                  | \$ 94                               | \$ 27  | \$ 180  | \$ 301               |
| 1.00% - 1.99%                                  | 504,431               | 75,476                              | 242,780  | 83,650  | 906,337              |
| 2.00% - 2.99%                                  | 261,482               | 466,971                             | 47,851   | 10,920  | 787,224              |
| 3.00% - 4.00%                                  | 32,738                | 0                                   | 0  | 0   | 32,738               |
| Greater than 4.00%                             | 0                     | 0                                   | 0  | 0   | 0                    |
| Total  | <u>\$ 798,651</u>     | <u>\$ 542,541</u>                   | <u>\$ 290,658</u>                                      | <u>\$ 94,750</u>                              | <u>\$ 1,726,600</u>  |
| <b>Variable Annuities</b>                      |                       |                                     |  |   |                      |
| Less than 1.00%                                | \$ 972,976            | \$ 833,696                          | \$ 18,454  | \$ 2  | \$ 1,825,128         |
| 1.00% - 1.99%                                  | 229,049               | 2,126                               | 1,094  | 0   | 232,269              |
| 2.00% - 2.99%                                  | 24,531                | 4,090                               | 0  | 0   | 28,621               |
| 3.00% - 4.00%                                  | 990,408               | 2,859                               | 0  | 0   | 993,267              |
| Greater than 4.00%                             | 2,091                 | 0                                   | 0  | 0   | 2,091                |
| Total  | <u>\$ 2,219,055</u>   | <u>\$ 842,771</u>                   | <u>\$ 19,548</u>                                       | <u>\$ 2</u>                                   | <u>\$ 3,081,376</u>  |
| <b>Variable Life / Universal Life</b>          |                       |                                     |  |   |                      |
| Less than 1.00%                                | \$ 0                  | \$ 0                                | \$ 0   | \$ 9,078                                      | \$ 9,078             |
| 1.00% - 1.99%                                  | 163,616               | 0                                   | 2,706,552  | 363,119                                       | 3,233,287            |
| 2.00% - 2.99%                                  | 21,001                | 1,399,691                           | 2,765,577  | 267,001                                       | 4,453,270            |
| 3.00% - 4.00%                                  | 4,555,992             | 1,985,262                           | 1,110,457  | 0   | 7,651,711            |
| Greater than 4.00%                             | 2,159,217             | 0                                   | 0  | 0   | 2,159,217            |
| Total  | <u>\$ 6,899,826</u>   | <u>\$ 3,384,953</u>                 | <u>\$ 6,582,586</u>                                    | <u>\$ 639,198</u>                             | <u>\$ 17,506,563</u> |

(1) Excludes contracts without minimum guaranteed crediting rates, such as funds with indexed-linked crediting options.

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

### Unearned Revenue Reserve ("URR")

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

|   | Six Months Ended June 30,      |                     |
|---|--------------------------------|---------------------|
|   | 2024                           | 2023                |
|   | Variable Life / Universal Life |                     |
|   | (in thousands)                 |                     |
| Balance, beginning of period                          | \$ 3,741,426                   | \$ 3,067,336        |
| Unearned revenue                                      | 430,230                        | 405,732             |
| Amortization expense                                  | (89,640)                       | (70,981)            |
| Other adjustments                                     | (1)                            | (93)                |
| Balance, end of period                                | <u>\$ 4,082,015</u>            | <u>\$ 3,401,994</u> |
| Less: Reinsurance recoverables                        | 1,794,071                      | 1,621,229           |
| Balance after reinsurance recoverables, end of period | <u>\$ 2,287,944</u>            | <u>\$ 1,780,765</u> |

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

**10. MARKET RISK BENEFITS**

The following tables show a rollforward of MRB balances for variable annuity products, along with a reconciliation to the Company's total net MRB positions as of the following dates:

|  | Six Months Ended June 30, 2024 |   |                           |
|--|--------------------------------|---|---------------------------|
|  | Variable Annuities             | Less: Reinsured<br>Market Risk Benefits | Total, Net of Reinsurance |
|  | (in thousands)                 |   |                           |
| Balance, beginning of period   | \$ 3,694,950                   | \$ (917,792)                            | \$ 2,777,158              |
| Effect of cumulative changes in non-performance risk                           | 1,068,035                      | 0                                       | 1,068,035                 |
| Balance, beginning of period, before effect of changes in non-performance risk | 4,762,985                      | (917,792)                               | 3,845,193                 |
| Attributed fees collected  | 556,055                        | (131,047)                               | 425,008                   |
| Claims paid  | (31,466)                       | 3,110                                   | (28,356)                  |
| Interest accrual   | 119,334                        | (28,372)                                | 90,962                    |
| Actual in force different from expected  | (2,637)                        | (10,203)                                | (12,840)                  |
| Effect of changes in interest rates  | (870,637)                      | 126,966                                 | (743,671)                 |
| Effect of changes in equity markets  | (1,112,214)                    | 115,601                                 | (996,613)                 |
| Effect of assumption update  | 85,619                         | 3,984                                   | 89,603                    |
| Issuances  | 28,190                         | (1,654)                                 | 26,536                    |
| Other adjustments  | 14,784                         | 398                                     | 15,182                    |
| Effect of changes in current period counterparty non-performance risk          | 0                              | (6,098)                                 | (6,098)                   |
| Balance, end of period, before effect of changes in non-performance risk       | 3,550,013                      | (845,107)                               | 2,704,906                 |
| Effect of cumulative changes in non-performance risk                           | (884,110)                      | 0                                       | (884,110)                 |
| Balance, end of period   | <u>\$ 2,665,903</u>            | <u>\$ (845,107)</u>                     | <u>\$ 1,820,796</u>       |

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

|  | Six Months Ended June 30, 2023 |   |                           |
|--|--------------------------------|---|---------------------------|
|  | Variable Annuities             | Less: Reinsured<br>Market Risk Benefits<br>(in thousands) | Total, Net of Reinsurance |
|  |                                |   |                           |
| Balance, beginning of period   | \$ 4,550,625                   | \$ (422,261)  | \$ 4,128,364              |
| Effect of cumulative changes in non-performance risk                           | 1,727,910                      | 0   | 1,727,910                 |
| Balance, beginning of period, before effect of changes in non-performance risk | 6,278,535                      | (422,261)   | 5,856,274                 |
| Attributed fees collected  | 587,663                        | (107,425)   | 480,238                   |
| Claims paid  | (43,782)                       | 3,681   | (40,101)                  |
| Interest accrual   | 160,106                        | (20,505)  | 139,601                   |
| Actual in force different from expected  | 36,193                         | (6,069)   | 30,124                    |
| Effect of changes in interest rates  | (671,989)                      | 169,229   | (502,760)                 |
| Effect of changes in equity markets  | (1,314,461)                    | 127,157   | (1,187,304)               |
| Effect of assumption update  | 330,769                        | (54,067)  | 276,702                   |
| Issuances  | 11,403                         | 9,025   | 20,428                    |
| Other adjustments(1)   | (17,436)                       | (638,198)   | (655,634)                 |
| Effect of changes in current period counterparty non-performance risk          | 0                              | (7,445)   | (7,445)                   |
| Balance, end of period, before effect of changes in non-performance risk       | 5,357,001                      | (946,878)   | 4,410,123                 |
| Effect of cumulative changes in non-performance risk                           | (1,660,587)                    | 0   | (1,660,587)               |
| Balance, end of period   | <u>\$ 3,696,414</u>            | <u>\$ (946,878)</u>                                       | <u>\$ 2,749,536</u>       |

(1) Other adjustments for June 30, 2023 primarily includes \$638 million related to the reinsurance transaction with AuguStar. See Note 11 for additional information.

In both 2024 and 2023, the Company recognized an unfavorable impact to net income attributable to the actuarial assumption update for direct and assumed MRBs, primarily due to updates to policyholder behavior assumptions on certain variable annuities.

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.

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

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.

|  | June 30, 2024      | June 30, 2023 |
|--|--------------------|---------------|
|  | Variable Annuities |               |
|  | (\$ in thousands)  |               |
| Net amount at risk(1)                            | \$ 8,732,024       | \$ 10,067,522 |
| Weighted-average attained age of contractholders | 71                 | 69            |

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

The table below reconciles MRB asset and liability positions as of the following dates:

|                                       | June 30, 2024      | June 30, 2023 |
|---------------------------------------|--------------------|---------------|
|                                       | Variable Annuities |               |
|                                       | (in thousands)     |               |
| Direct and assumed                    | \$ 1,419,114       | \$ 1,165,762  |
| Ceded                                 | 1,131,050          | 1,174,468     |
| Total market risk benefit assets      | \$ 2,550,164       | \$ 2,340,230  |
| Direct and assumed                    | \$ 4,085,018       | \$ 4,862,177  |
| Ceded                                 | 285,942            | 227,589       |
| Total market risk benefit liabilities | \$ 4,370,960       | \$ 5,089,766  |
| Net liability                         | \$ 1,820,796       | \$ 2,749,536  |

**11. REINSURANCE**

The Company participates in reinsurance with its affiliates Prudential Arizona Reinsurance Captive Company (“PARCC”), Prudential Arizona Reinsurance Term Company (“PAR Term”), PAR U, PURE, Prudential Term Reinsurance Company (“Term Re”), Dryden Arizona Reinsurance Term Company (“DART”), Lotus Reinsurance Company Ltd. (“Lotus Re”), PALAC, a former subsidiary of Prudential Financial that was sold to Fortitude on April 1, 2022, and prior to January 1, 2024 with its affiliates Prudential Universal Reinsurance Company (“PURC”) and Gibraltar Universal Life Reinsurance Company (“GUL Re”). The Company also participates in reinsurance with its parent company Prudential Insurance, as well as third parties. The reinsurance agreements provide risk diversification and additional capacity for future growth, limit the maximum net loss potential, manage statutory capital, and facilitate the Company’s capital market hedging program. Life reinsurance is accomplished through various plans of reinsurance, primarily yearly renewable term (“YRT”) and coinsurance. Reinsurance ceded arrangements do not discharge the Company as the primary insurer. Ceded balances would represent a liability of the Company in the event the reinsurers were unable to meet their obligations to the Company under the terms of the reinsurance agreements. The Company believes a material reinsurance liability resulting from such inability of reinsurers to meet their obligations is unlikely.

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

Effective January 2024, the Company entered into an agreement with Somerset Reinsurance Ltd. (“Somerset Re”) to coinsure a closed block of guaranteed universal life (“GUL”) policies to PURE, a wholly-owned subsidiary of Prudential Insurance, with retrocession by PURE of such liabilities on a modified coinsurance basis, to Somerset Re. This transaction is effective as of January 1, 2024, whereby, the Company recaptured all risks associated with the subject GUL policies from PAR U, PURC and GUL Re and subsequently established YRT reinsurance for the subject GUL business with Prudential Insurance. As a result of the transactions, the Company recognized a \$990 million pre-tax recapture loss and a \$1,207 million DRG that will be amortized into income over the estimated remaining life of the reinsured policies.

Reserves related to reinsured long-duration contracts are accounted for using assumptions consistent with those used to account for the underlying contracts. Amounts recoverable from reinsurers for long-duration reinsurance arrangements are estimated in a manner consistent with the claim liabilities and policy benefits associated with the reinsured policies. Reinsurance policy charges and fee income ceded for universal life and variable annuity products are accounted for as a reduction of policy charges and fee income. Reinsurance premiums ceded for term insurance products are accounted for as a reduction of premiums.

Reinsurance agreements that do not expose the Company to a reasonable possibility of a significant loss from insurance risk are recorded using the deposit method of accounting. The deposit assets on reinsurance are recorded within “Other assets” and the corresponding funds withheld liability for assets retained under these reinsurance agreements are recorded within “Other liabilities.” Balances associated with these agreements are included in the tables below.

“Change in value of market risk benefits, net of related hedging gain (loss)” include the impact of reinsurance agreements, particularly reinsurance agreements involving living benefit guarantees. The Company has entered into reinsurance agreements to transfer the risk related to the living benefit guarantees on variable annuities within the PLNJ business to Prudential Insurance. These reinsurance agreements are market risk benefits and have been accounted for in the same manner.

Reinsurance amounts included in the Company’s Unaudited Interim Consolidated Statements of Financial Position were as follows:

|                                   | June 30, 2024  | December 31, 2023 |
|-----------------------------------|----------------|-------------------|
|                                   | (in thousands) |                   |
| Reinsurance recoverables          | \$ 40,693,991  | \$ 38,709,651     |
| Policy loans                      | (1,098,752)    | (1,082,584)       |
| Deferred policy acquisition costs | (3,154,068)    | (3,195,161)       |
| Deferred sales inducements        | (33,943)       | (35,313)          |
| Market risk benefit assets        | 1,131,482      | 1,165,378         |
| Other assets                      | 2,413,087      | 1,897,410         |
| Policyholders’ account balances   | 5,746,173      | 5,977,108         |
| Future policy benefits            | 7,197,282      | 7,026,209         |
| Market risk benefit liabilities   | 287,741        | 249,538           |
| Other liabilities                 | 7,830,608      | 4,397,862         |

Unaffiliated reinsurance amounts included in the table above and in the Company's Unaudited Interim Consolidated Statements of Financial Position were as follows:

|                                   | June 30, 2024  | December 31, 2023 |
|-----------------------------------|----------------|-------------------|
|                                   | (in thousands) |                   |
| Deferred policy acquisition costs | \$ 65,299      | \$ 71,315         |
| Market risk benefit assets        | 780,056        | 745,662           |
| Other assets                      | 2,313,943      | 1,795,422         |
| Policyholders’ account balances   | 1,726,686      | 1,830,579         |
| Future policy benefits            | 185            | 453               |
| Market risk benefit liabilities   | 146,676        | 131,594           |
| Other liabilities                 | 2,352,382      | 1,915,205         |

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

Reinsurance recoverables by counterparty are as follows:

|                                | June 30, 2024        | December 31, 2023    |
|--------------------------------|----------------------|----------------------|
|                                | (in thousands)       |                      |
| PAR U                          | \$ 18,630,892        | \$ 15,722,061        |
| PURC                           | 0                    | 7,565,968            |
| PARCC                          | 2,123,485            | 2,304,270            |
| GUL Re                         | 0                    | 3,211,899            |
| PAR Term                       | 1,987,253            | 2,101,004            |
| Prudential Insurance           | 4,164,836            | 1,311,525            |
| Term Re                        | 1,980,014            | 2,080,564            |
| Lotus Re                       | 2,077,391            | 2,051,831            |
| DART                           | 765,376              | 744,043              |
| PURE                           | 7,383,771            | 0                    |
| Unaffiliated                   | 1,580,973            | 1,616,486            |
| Total reinsurance recoverables | <u>\$ 40,693,991</u> | <u>\$ 38,709,651</u> |

Reinsurance amounts, included in the Company's Unaudited Interim Consolidated Statements of Operations and Comprehensive Income (Loss) for the three and six months ended June 30, were as follows:

|                                       | Three Months Ended June 30, |                | Six Months Ended June 30, |                |
|---------------------------------------|-----------------------------|----------------|---------------------------|----------------|
|                                       | 2024                        | 2023           | 2024                      | 2023           |
|                                       | (in thousands)              |                |                           |                |
| <b>Premiums:</b>                      |                             |                |                           |                |
| Direct                                | \$ 462,458                  | \$ 476,472     | \$ 922,086                | \$ 938,539     |
| Assumed                               | 30                          | 34             | 63                        | (122)          |
| Ceded                                 | (367,567)                   | (386,541)      | (735,046)                 | (771,796)      |
| Net premiums                          | <u>94,921</u>               | <u>89,965</u>  | <u>187,103</u>            | <u>166,621</u> |
| <b>Policy charges and fee income:</b> |                             |                |                           |                |
| Direct                                | 785,299                     | 749,037        | 1,556,488                 | 1,484,975      |
| Assumed                               | 239,838                     | 148,479        | 498,608                   | 301,079        |
| Ceded                                 | (636,303)                   | (533,980)      | 1,242,943                 | (1,036,027)    |
| Net policy charges and fee income     | <u>388,834</u>              | <u>363,536</u> | <u>3,298,039</u>          | <u>750,027</u> |
| <b>Net investment income:</b>         |                             |                |                           |                |
| Direct                                | 592,448                     | 402,761        | 1,111,500                 | 753,084        |
| Assumed                               | 333                         | 343            | 663                       | 686            |
| Ceded                                 | (12,788)                    | (10,029)       | (26,850)                  | (11,245)       |
| Net investment income(1)              | <u>579,993</u>              | <u>393,075</u> | <u>1,085,313</u>          | <u>742,525</u> |
| <b>Asset administration fees:</b>     |                             |                |                           |                |
| Direct                                | 79,776                      | 80,952         | 162,464                   | 161,308        |
| Assumed                               | 0                           | 0              | 0                         | 0              |
| Ceded                                 | (24,663)                    | (24,164)       | (50,719)                  | (40,318)       |
| Net asset administration fees         | <u>55,113</u>               | <u>56,788</u>  | <u>111,745</u>            | <u>120,990</u> |
| <b>Other income (loss):</b>           |                             |                |                           |                |
| Direct                                | 84,931                      | 79,657         | 129,747                   | 305,391        |
| Assumed                               | 24                          | (56)           | 349                       | (349)          |
| Ceded                                 | 52,734                      | 25,857         | 221,078                   | 45,263         |
| Net other income (loss)(1)            | <u>137,689</u>              | <u>105,458</u> | <u>351,174</u>            | <u>350,305</u> |

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

|   | Three Months Ended June 30, |             | Six Months Ended June 30, |             |
|---|-----------------------------|-------------|---------------------------|-------------|
|   | 2024                        | 2023        | 2024                      | 2023        |
| <b>Realized investment gains (losses), net:</b>   |                             |             |                           |             |
| Direct  | 765,146                     | (88,715)    | 777,502                   | (334,638)   |
| Assumed   | 72,351                      | 82,278      | 63,184                    | 220,944     |
| Ceded   | 1,385                       | 14,131      | 21,196                    | 709         |
| Realized investment gains (losses), net(1)  | 838,882                     | 7,694       | 861,882                   | (112,985)   |
| <b>Change in value of market risk benefits, net of related hedging gain (loss):</b>                                   |                             |             |                           |             |
| Direct  | (298,559)                   | 174,084     | 15,327                    | 207,204     |
| Assumed   | 1,072                       | 2,774       | 606                       | (3,443)     |
| Ceded   | 15,304                      | (215,745)   | (206,525)                 | (222,446)   |
| Net change in value of market risk benefits, net of related hedging gain (loss)                                       | (282,183)                   | (38,887)    | (190,592)                 | (18,685)    |
| <b>Policyholders' benefits (including change in reserves):</b>  |                             |             |                           |             |
| Direct  | 909,374                     | 848,495     | 1,910,820                 | 1,727,280   |
| Assumed   | 245,810                     | 332,048     | 533,221                   | 649,335     |
| Ceded   | (1,019,305)                 | (1,033,582) | 1,798,246                 | (2,124,472) |
| Net policyholders' benefits (including change in reserves)(1)   | 135,879                     | 146,961     | 4,242,287                 | 252,143     |
| <b>Change in estimates of liability for future policy benefits:</b>   |                             |             |                           |             |
| Direct  | 72,870                      | 31,146      | 212,456                   | (17,355)    |
| Assumed   | 74,378                      | 23,844      | 64,868                    | 25,651      |
| Ceded   | (153,422)                   | (56,123)    | (295,503)                 | (13,831)    |
| Net change in estimates of liability for future policy benefits   | (6,174)                     | (1,133)     | (18,179)                  | (5,535)     |
| <b>Interest credited to policyholders' account balances:</b>  |                             |             |                           |             |
| Direct  | 297,194                     | 215,973     | 575,584                   | 438,548     |
| Assumed   | 36,344                      | 27,957      | 82,492                    | 66,463      |
| Ceded   | (107,314)                   | (100,114)   | (207,302)                 | (200,973)   |
| Net interest credited to policyholders' account balances  | 226,224                     | 143,816     | 450,774                   | 304,038     |
| <b>Reinsurance expense allowances and general and administrative expenses, net of capitalization and amortization</b> | (116,030)                   | (105,195)   | (506,173)                 | (223,025)   |

(1) Amounts include reinsurance agreements using the deposit method of accounting.

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

Unaffiliated reinsurance assumed and ceded amounts included in the table above and in the Company's Unaudited Interim Consolidated Statements of Operations and Comprehensive Income (Loss) were as follows:

|   | Three Months Ended June 30, |          | Six Months Ended June 30, |          |
|---|-----------------------------|----------|---------------------------|----------|
|   | 2024                        | 2023(1)  | 2024                      | 2023     |
|   | (in thousands)              |          |                           |          |
| <b>Premiums:</b>  |                             |          |                           |          |
| Assumed   | \$ 30                       | \$ 34    | \$ 60                     | \$ (132) |
| Ceded   | (26,827)                    | (16,802) | (51,979)                  | (33,377) |
| <b>Policy charges and fee income:</b>   |                             |          |                           |          |
| Assumed   | 356                         | 383      | 628                       | 923      |
| Ceded   | (44,958)                    | (38,338) | (86,970)                  | (62,276) |
| <b>Net investment income(1):</b>  |                             |          |                           |          |
| Ceded   | 0                           | 1,993    | 0                         | 12,913   |
| <b>Asset administration fees:</b>   |                             |          |                           |          |
| Ceded   | (7,007)                     | (7,740)  | (14,323)                  | (7,740)  |
| <b>Other income (loss)(1):</b>  |                             |          |                           |          |
| Assumed   | 24                          | 55       | 453                       | (238)    |
| Ceded   | 26,002                      | 8,031    | 47,806                    | 9,653    |
| <b>Realized investment gains (losses), net(1):</b>                                  |                             |          |                           |          |
| Assumed   | 72,351                      | 82,278   | 63,184                    | 220,944  |
| Ceded   | 21,774                      | 13,952   | 46,999                    | (629)    |
| <b>Change in value of market risk benefits, net of related hedging gain (loss):</b> |                             |          |                           |          |
| Assumed   | 1,072                       | 2,774    | 606                       | (3,443)  |
| Ceded   | 34,461                      | (75,325) | (63,547)                  | (80,098) |
| <b>Policyholders' benefits (including change in reserves)(1):</b>                   |                             |          |                           |          |
| Assumed   | 28                          | 189      | 361                       | 280      |
| Ceded   | (64,243)                    | (36,118) | (211,071)                 | (63,820) |
| <b>Change in estimates of liability for future policy benefits:</b>                 |                             |          |                           |          |
| Ceded   | 29                          | (416)    | 91,902                    | (416)    |
| <b>Interest credited to policyholders' account balances:</b>                        |                             |          |                           |          |
| Assumed   | 7,657                       | (2,370)  | 25,116                    | 5,099    |
| Ceded   | (1)                         | (85)     | (1)                       | (85)     |

(1) Amounts include reinsurance agreements using the deposit method of accounting.

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

The gross and net amounts of life insurance face amount in force as of June 30, 2024 and 2023 were as follows:

|   | 2024             | 2023             |
|---|------------------|------------------|
|   | (in thousands)   |                  |
| Direct gross life insurance face amount in force  | \$ 1,147,562,454 | \$ 1,107,571,392 |
| Assumed gross life insurance face amount in force | 35,029,437       | 36,059,164       |
| Reinsurance ceded                                 | (1,041,974,560)  | (1,015,213,859)  |
| Net life insurance face amount in force           | \$ 140,617,331   | \$ 128,416,697   |

***Significant Affiliated Reinsurance Agreements***

**PAR U**

Pruco Life reinsures 70% of all the risks associated with Universal Protector policies having no-lapse guarantees as well as certain other universal life policies, with effective dates prior to January 1, 2011.

Effective July 1, 2012, PLNJ reinsures 95% of all the risks associated with Universal Protector policies having no-lapse guarantees as well as certain other universal life policies, with effective dates through December 31, 2019, excluding those policies that are subject to principle-based reserving.

On January 2, 2013, Pruco Life began to assume GUL business from Prudential Insurance in connection with the acquisition of the Hartford Life Business. The GUL business assumed from Prudential Insurance was subsequently retroceded to PAR U.

Effective January 1, 2024, Pruco Life recaptured the policies equal to 70% of all the risks associated with Universal Protector policies having no-lapse guarantees as well as certain other universal life policies, with effective dates prior to January 1, 2011. Effective January 1, 2024, Pruco Life reinsures 25% of the risks associated with universal life policies with effective dates prior to January 1, 2015 and 100% of the risks associated with universal life policies with effective dates beginning January 1, 2015.

Effective January 1, 2024, PLNJ recaptured the policies previously reinsured by PAR U with effective dates prior to January 1, 2015. Effective January 1, 2024, PLNJ reinsures 100% of the risks associated with universal life policies, with effective dates from January 1, 2015 to December 31, 2019.

On March 28, 2024, PURC and GUL Re merged into PAR U.

**PURE**

Effective January 1, 2024, Pruco Life reinsures 75% of the risks associated with Universal Protector policies having no-lapse guarantees as well as certain other universal life policies, with effective dates prior to January 1, 2015.

Effective January 1, 2024, PLNJ reinsures 100% of the risks associated with Universal Protector policies having no-lapse guarantees as well as certain other universal life policies, with effective dates prior to January 1, 2015.

**PURC**

Pruco Life reinsures 70% of all the risks associated with Universal Protector policies having no-lapse guarantees as well as certain other universal life policies, with effective dates from January 1, 2011 through December 31, 2013, with PURC and 95% of all the risks associated with Universal Protector policies having no-lapse guarantees, as well as certain other universal life policies, with effective dates from January 1, 2014 through December 31, 2016.

Effective January 1, 2024, the Company recaptured the policies previously reinsured by PURC. As a result of the recapture, the Company recorded a write-off of \$116 million of DRG that was recognized with the previous reinsurance agreement.

On March 28, 2024, PURC merged into PAR U.

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

**PARCC**

Prior to July 1, 2019, the Company reinsured 90% of the risks under its term life insurance policies, with effective dates prior to January 1, 2010 through an automatic coinsurance agreement with PARCC. Effective July 1, 2019, the Company amended the coinsurance agreement to increase the percentage from 90% to 100% of the policy risk amount reinsured. The amended agreement does not impact contracts issued by PLNJ, which remain at the original percentage.

**GUL Re**

Effective January 1, 2017, Pruco Life entered into an automatic coinsurance agreement with GUL Re to reinsure 95% of all the risks associated with Universal Protector policies having no-lapse guarantees, as well as certain other universal life policies, with effective dates on or after January 1, 2017 through December 31, 2019, excluding those policies that are subject to principle-based reserving.

Effective July 1, 2017, Pruco Life amended this agreement to include 30% of Universal Protector policies having no-lapse guarantees as well as certain other universal life policies with effective dates prior to January 1, 2014.

Effective January 1, 2024, the Company recaptured the policies previously reinsured by GUL Re.

On March 28, 2024, GUL Re merged into PAR U.

**PAR Term**

Prior to July 1, 2019, the Company reinsures 95% of the risks under its term life insurance policies with effective dates January 1, 2010 through December 31, 2013, through an automatic coinsurance agreement with PAR Term. Effective July 1, 2019, the Company amended the coinsurance agreement to increase the percentage from 95% to 100% of the policy risk amount reinsured. The amended agreement does not impact contracts issued by PLNJ, which remain at the original percentage.

**Term Re**

The Company reinsures 95% of the risks under its term life insurance policies, with effective dates on or after January 1, 2014 through December 31, 2017, through an automatic coinsurance agreement with Term Re.

**Prudential Insurance**

The Company has a YRT reinsurance agreement with Prudential Insurance and reinsures the majority of all mortality risks not otherwise reinsured. This agreement was terminated for new business effective January 1, 2020, with certain new business (primarily universal life policies) terminated as early as 2017. The Company now reinsures a portion of the mortality risk directly to third-party reinsurers and retains all of the non-reinsured portion of the mortality risk. Effective July 1, 2019, certain term life insurance policies were recaptured and subsequently reinsured to PARCC and PAR Term as noted above. As of January 1, 2022, most of the variable life insurance policies were recaptured resulting in a \$305 million loss recorded through "Policy charges and fee income." Those policies were then reinsured to Lotus Re as mentioned below. Effective January 1, 2024, the Company recaptured all GUL policies with Prudential Insurance and subsequently entered into a YRT reinsurance agreement with Prudential Insurance to reinsure the mortality risk for the totality of GUL policies reinsured to PURE.

On January 2, 2013, Pruco Life began to assume GUL business from Prudential Insurance in connection with the acquisition of the Hartford Financial Services Group, Inc. ("Hartford Financial"). The GUL business assumed from Prudential Insurance was subsequently retroceded to PAR U. In May 2018, Hartford Financial sold a group of operating subsidiaries, which includes two of Prudential Insurance's counterparties to these reinsurance arrangements. There was no impact to the terms, rights or obligations of Prudential Insurance, or operation of these reinsurance arrangements, as a result of this change in control of such counterparties. Similarly, there was no impact to the Company's reinsurance arrangements with respect to such GUL business as a result of this change in control. In January 2021, there was a definitive agreement announced to subsequently sell the two counterparties mentioned above, which were then 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 this change in control of such counterparties.

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

The Company has reinsured a group annuity contract with Prudential Insurance, in consideration for a single premium payment by the Company, providing reinsurance equal to 100% of all payments due under the contract.

Effective April 1, 2016, PLNJ entered into a reinsurance agreement to reinsure its variable annuity base contracts, along with the living benefit guarantees to Prudential Insurance. This reinsurance agreement covers new and in force business. Effective February 1, 2023, PLNJ began selling indexed variable annuities products, which is reinsured to Prudential Insurance through the existing reinsurance agreement. The reinsurance of the indexed variable annuities transfers all significant risks, including mortality risk, embedded in the reinsured contracts to Prudential Insurance. As a result of the agreement, reinsurance payables includes the ceded modified coinsurance arrangement, which reflects the value of the invested assets retained by the Company and the associated asset returns.

**Lotus Re**

Effective October 1, 2021, the Company entered into an automatic coinsurance agreement with Lotus Re to reinsure \$32 million of liabilities associated with the risks associated with a portion of its variable life policies in the extended term policy status.

Effective January 1, 2022 the Company recaptured the risks that were previously ceded to Lotus Re from October 1, 2021 through December 31, 2021. Immediately thereafter, the Company entered into a reinsurance agreement with Lotus Re to cede 100% of the risks associated with a closed block of variable life business on a coinsurance and modified coinsurance basis including policies in the extended term policy status. The amount of the net liabilities associated with the transaction for coinsurance and modified coinsurance were \$1,387 million and \$14,037 million, respectively. As part of the consideration, the Company also ceded to Lotus Re \$855 million of policy loan assets associated with the reinsured policies while receiving \$820 million in cash from Lotus Re. As a result, the Company recorded a \$1,352 million deferred gain, which will be recognized over the remaining life of the underlying policies. In tandem with the transaction, effective January 1, 2022, Lotus Re established an automatic YRT agreement with the Company to cede back a portion of the mortality risks associated with the reinsured policies for the purposes of the Company maintaining YRT reinsurance with external counterparties.

**DART**

Effective January 1, 2018, the Company entered into an automatic coinsurance agreement with DART to reinsure 95% of the risks associated with its term life insurance policies with effective dates on or after January 1, 2018 through December 31, 2019, excluding those policies that are subject to principle-based reserving.

***Significant Third-Party Reinsurance Arrangements***

**AuguStar Life Insurance Company (Formerly Known as The Ohio National Life Insurance Company)**

Effective April 1, 2023, the Company entered into an agreement with 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. 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 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. As a result of the transaction, the Company recognized a \$277 million DRG that will be amortized into income over the estimated remaining life of the reinsured policies.

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

**FLIAC**

Effective December 1, 2021, 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 to the Company. 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 and fixed annuities with a guaranteed lifetime withdrawal income feature which are accounted for under deposit 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. As of June 30, 2024, the total account value of contracts novated from FLIAC to the Company were \$5.3 billion for indexed variable annuities contracts and \$2.0 billion for fixed annuities and fixed indexed annuities contracts, which is approximately 80% of the total reinsured block.

**Somerset Re**

Effective October 1, 2021, the Company entered into a reinsurance agreement with Somerset Re to coinsure business, on a quota share funds withheld basis, related to fixed index annuities. Under the reinsurance agreement, the Company cedes to Somerset Re its quota share of the insurance liabilities with respect to the reinsured contracts. The deposit assets on reinsurance totaled \$2,152 million and \$1,618 million at June 30, 2024 and December 31, 2023, respectively. The funds withheld liabilities totaled \$1,974 million and \$1,518 million at June 30, 2024 and December 31, 2023, respectively.

**Union Hamilton**

Between April 1, 2015 and December 31, 2016, the Company, excluding its subsidiary, reinsured approximately 50% of the new business related to "highest daily" living benefits rider guarantees on HDI v.3.0 product, available with Prudential Premier® Retirement Variable Annuity, to Union Hamilton. This reinsurance remains in force for the duration of the underlying annuity contracts. New sales of HDI v.3.0 subsequent to December 31, 2016 are not covered by this external reinsurance agreement. As of June 30, 2024, \$2.1 billion of HDI v.3.0 account values are reinsured to Union Hamilton.

**12. INCOME TAXES**

The Company uses a full year projected effective tax rate approach to calculate year-to-date taxes. In determining the full year projected tax rate, 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. In addition, certain items impacting total income tax expense are recorded in the periods in which they occur. The projected effective tax rate is the ratio of projected "Income tax expense (benefit)" divided by projected "Income (loss) from operations before income taxes and equity in earnings of operating joint venture". Taxes attributable to operating joint venture are recorded within "Equity in earnings of operating joint venture, 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 \$70.8 million, or 16.94% of income (loss) from operations before income taxes and equity in earnings of operating joint venture, in the first six months of 2024, compared to \$96.6 million, or 16.25%, in the first six months of 2023. The Company's current and prior effective tax rates differed from the U.S. statutory tax rate of 21% primarily due to non-taxable investment income and tax credits.

**Inflation Reduction Act.** On August 16, 2022, President Biden signed into law the Inflation Reduction Act of 2022 (the "Inflation Reduction Act"), (House of Representatives, 5376). One of the most significant provisions of the Inflation Reduction Act is a 15% corporate alternative minimum tax (CAMT) based on the Company's GAAP income, with certain adjustments. This provision, which is applicable only to companies with average applicable financial statement income in excess of \$1 billion for any three-year period ending in 2022 or later, is effective in taxable years beginning after December 31, 2022. The impact of the book-income alternative minimum tax, if any, will vary from year to year based on the relationship of the Company's GAAP income to the Company's taxable income. Any tax paid pursuant to this provision is available as a tax credit in future years when the Company's tax rate exceeds the 15% minimum tax threshold. The Company is subject to CAMT for 2024 which may or may not result in a CAMT cash tax liability and will have no impact to the full year effective tax rate.

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

**13. EQUITY****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 Operations and Comprehensive Income (Loss). The balance of and changes in each component of AOCI as of and for the six months ended June 30, 2024 and 2023, are as follows:

|  | Accumulated Other Comprehensive Income (Loss)    |   |   |  |  |
|--|--|---|---|--|--|
|  | Foreign<br>Currency<br>Translation<br>Adjustment | Net Unrealized<br>Investment Gains<br>(Losses)(1) | Interest Rate<br>Remeasurement of<br>Future Policy Benefits | Gain (Loss) from<br>Changes in Non-<br>Performance Risk on<br>Market Risk Benefits | Total Accumulated<br>Other<br>Comprehensive<br>Income (Loss) |
|  | (in thousands)                                   |   |   |  |  |
| Balance, December 31, 2023             | \$ (18,085)                                      | \$ (927,778)                                      | \$ 71,195   | \$ 843,748   | \$ (30,920)  |
| Change in OCI before reclassifications | (4,178)  | (448,732)   | 66,215  | (183,925)  | (570,620)  |
| Amounts reclassified from AOCI         | 0  | (20,268)  | 0   | 0  | (20,268)   |
| Income tax benefit (expense)           | 275  | 98,567  | (13,905)  | 38,624   | 123,561  |
| Balance, June 30, 2024                 | <u>\$ (21,988)</u>                               | <u>\$ (1,298,211)</u>                             | <u>\$ 123,505</u>   | <u>\$ 698,447</u>  | <u>\$ (498,247)</u>  |

|  | Accumulated Other Comprehensive Income (Loss)    |   |   |  |  |
|--|--|---|---|--|--|
|  | Foreign<br>Currency<br>Translation<br>Adjustment | Net Unrealized<br>Investment Gains<br>(Losses)(1) | Interest Rate<br>Remeasurement of<br>Future Policy Benefits | Gain (Loss) from<br>Changes in Non-<br>Performance Risk on<br>Market Risk Benefits | Total Accumulated<br>Other<br>Comprehensive<br>Income (Loss) |
|  | (in thousands)                                   |   |   |  |  |
| Balance, December 31, 2022             | \$ (20,007)                                      | \$ (1,474,475)                                    | \$ 119,368  | \$ 1,365,049   | \$ (10,065)  |
| Change in OCI before reclassifications | 3,266  | 116,395   | (17,588)  | (67,323)   | 34,750   |
| Amounts reclassified from AOCI         | 0  | 2,479   | 0   | 0  | 2,479  |
| Income tax benefit (expense)           | (363)  | (24,884)  | 3,693   | 14,138   | (7,416)  |
| Balance, June 30, 2023                 | <u>\$ (17,104)</u>                               | <u>\$ (1,380,485)</u>                             | <u>\$ 105,473</u>   | <u>\$ 1,311,864</u>  | <u>\$ 19,748</u>   |

(1) Includes cash flow hedges of \$75 million and \$12 million as of June 30, 2024 and December 31, 2023, respectively, and \$100 million and \$139 million as of June 30, 2023 and December 31, 2022, respectively.

**Reclassifications out of Accumulated Other Comprehensive Income (Loss)**

|   | Three Months Ended<br>June 30, |                 | Six Months Ended<br>June 30, |                   |
|---|--------------------------------|-----------------|------------------------------|-------------------|
|   | 2024                           | 2023            | 2024                         | 2023              |
|   | (in thousands)                 |                 |                              |                   |
| <b>Amounts reclassified from AOCI(1)(2):</b>                              |                                |                 |                              |                   |
| Net unrealized investment gains (losses):                                 |                                |                 |                              |                   |
| Cash flow hedges - Currency/Interest rate(3)                              | \$ 12,832                      | \$ 1,974        | \$ 35,736                    | \$ 5,744          |
| Net unrealized investment gains (losses) on available-for-sale securities | (8,631)                        | (2)             | (15,468)                     | (8,223)           |
| <b>Total net unrealized investment gains (losses)(4)</b>                  | <u>4,201</u>                   | <u>1,972</u>    | <u>20,268</u>                | <u>(2,479)</u>    |
| Total reclassifications for the period                                    | <u>\$ 4,201</u>                | <u>\$ 1,972</u> | <u>\$ 20,268</u>             | <u>\$ (2,479)</u> |

(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 4 for additional information on cash flow hedges.

(4) See table below for additional information on unrealized investment gains (losses), including the impact on future policy benefits, policyholders' account balances and other liabilities.

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

**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 OCI those items that are included as part of "Net income (loss)" for a period that had been part of OCI in earlier periods. The amounts for the periods indicated below, split between amounts related to net unrealized investment gains (losses) on available-for-sale fixed maturity securities on which an allowance for credit losses has been recognized, and all other net unrealized investment gains (losses), are as follows:

|  | Net Unrealized<br>Investment Gains<br>(Losses) on<br>Available-for-Sale<br>Fixed Maturity<br>Securities on Which<br>an Allowance for<br>Credit Losses has<br>been Recognized | Net Unrealized<br>Gains (Losses)<br>on All Other<br>Investments(1) | Other Costs(2)        | Future Policy<br>Benefits,<br>Policyholders'<br>Account Balances<br>and Other<br>Liabilities(3) | Income Tax<br>Benefit<br>(Expense) | Accumulated<br>Other<br>Comprehensive<br>Income (Loss)<br>Related to Net<br>Unrealized<br>Investment<br>Gains (Losses) |
|--|--|--|-----------------------|---|------------------------------------|--|
| (in thousands)   |  |  |                       |   |                                    |  |
| Balance, December 31, 2023   | \$ 1,987   | \$ (1,404,180)   | \$ (801,351)          | \$ 1,029,098  | \$ 246,668                         | \$ (927,778)   |
| Net investment gains (losses) on investments arising during the period         | (1,461)  | (543,630)  | 0                     | 0   | 114,566                            | (430,525)  |
| Reclassification adjustment for (gains) losses included in net income          | (9)  | (20,259)   | 0                     | 0   | 4,260                              | (16,008)   |
| Reclassification due to allowance for credit losses recorded during the period | (26)   | 26   | 0                     | 0   | 0                                  | 0  |
| Impact of net unrealized investment (gains) losses                             | 0  | 0  | (797,795)             | 894,154   | (20,259)                           | 76,100   |
| Balance, June 30, 2024   | <u>\$ 491</u>  | <u>\$ (1,968,043)</u>  | <u>\$ (1,599,146)</u> | <u>\$ 1,923,252</u>   | <u>\$ 345,235</u>                  | <u>\$ (1,298,211)</u>  |

(1) Includes cash flow hedges. See Note 4 for information on cash flow hedges.

(2) "Other costs" primarily includes reinsurance recoverables and DRL.

(3) "Other liabilities" primarily includes reinsurance payables.

**Noncontrolling interests**

For certain subsidiaries, the Company owns a controlling interest that is less than 100% ownership of the subsidiary but must consolidate 100% of the subsidiary's financial statements in accordance with U.S. GAAP. Noncontrolling interests represent the portion of equity ownership in a consolidated subsidiary that is not attributable to the Company.

**14. RELATED PARTY TRANSACTIONS**

The Company has extensive transactions and relationships with Prudential Insurance and other affiliates. Although we seek to ensure that these transactions and relationships are fair and reasonable, it is possible that the terms of these transactions are not the same as those that would result from transactions among unrelated parties.

**Expense Charges and Allocations**

The majority of the Company's expenses are allocations or charges from Prudential Insurance or other affiliates. These expenses can be grouped into general and administrative expenses and agency distribution expenses.

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

The Company's general and administrative expenses are charged to the Company using allocation methodologies based on business production processes. Management believes that the methodology is reasonable and reflects costs incurred by Prudential Insurance to process transactions on behalf of the Company. The Company operates under service and lease agreements whereby services of officers and employees, supplies, use of equipment and office space are provided by Prudential Insurance. The Company reviews its allocation methodology periodically which it may adjust accordingly. General and administrative expenses include allocations of stock compensation expenses related to a stock-based awards program and a deferred compensation program issued by Prudential Financial. The expense charged to the Company for the stock-based awards program was \$0.4 million for both the three months ended June 30, 2024 and 2023, and \$0.6 million and \$0.5 million for the six months ended June 30, 2024 and 2023, respectively. The expense charged to the Company for the deferred compensation program was \$0.8 million and \$0.7 million for the three months ended June 30, 2024 and 2023, respectively, and \$4.1 million and \$3.4 million for the six months ended June 30, 2024 and 2023, respectively.

The Company is charged for its share of employee benefit expenses. These expenses include costs for funded and non-funded, non-contributory defined benefit pension plans. Some of these benefits are based on final earnings and length of service while others are based on an account balance, which takes into consideration age, service and earnings during a career. The Company's share of net expense for the pension plans was \$2 million and \$4 million for the three months ended June 30, 2024 and 2023, respectively, and \$5 million and \$7 million for the six months ended June 30, 2024 and 2023, respectively.

The Company is also charged for its share of the costs associated with welfare plans issued by Prudential Insurance. These expenses include costs related to medical, dental, life insurance and disability. The Company's share of net expense for the welfare plans was \$5 million and \$3 million for the three months ended June 30, 2024 and 2023, respectively, and \$9 million and \$7 million for the six months ended June 30, 2024 and 2023, respectively.

Prudential Insurance sponsors voluntary savings plans for its employee 401(k) plans. The plans provide for salary reduction contributions by employees and matching contributions by the Company of up to 4% of annual salary. The Company's expense for its share of the voluntary savings plan was \$2 million for both the three months ended June 30, 2024 and 2023, and \$4 million for both the six months ended June 30, 2024 and 2023.

The Company is charged distribution expenses from Prudential's proprietary nationwide sales organization, "Prudential Advisors" through a transfer pricing agreement, which is intended to reflect a market-based pricing arrangement. Prudential Advisors distributes Prudential life insurance, annuities, and investment products with proprietary and non-proprietary product options.

The Company pays commissions and certain other fees to Prudential Annuities Distributors, Inc. ("PAD") in consideration for PAD's marketing and underwriting of the Company's annuity products. Commissions and fees are paid by PAD to broker-dealers who sell the Company's annuity products. Commissions and fees paid by the Company to PAD were \$211 million and \$147 million for the three months ended June 30, 2024 and 2023, respectively, and \$389 million and \$287 million for the six months ended June 30, 2024 and 2023, respectively.

The Company is charged for its share of corporate expenses incurred by Prudential Financial to benefit its businesses, such as advertising, executive oversight, external affairs and philanthropic activity. The Company's share of corporate expenses was \$32 million and \$34 million for the three months ended June 30, 2024 and 2023, respectively, and \$68 million and \$73 million six months ended June 30, 2024 and 2023, respectively.

#### ***Corporate-Owned Life Insurance***

The Company has sold five Corporate-Owned Life Insurance ("COLI") policies to Prudential Insurance, and one to Prudential Financial. The cash surrender value included in separate accounts for these COLI policies was \$4,410 million and \$4,156 million at June 30, 2024 and December 31, 2023, respectively. Fees related to these COLI policies were \$14 million and \$12 million for the three months ended June 30, 2024 and 2023, respectively, and \$27 million and \$25 million for the six months ended June 30, 2024 and 2023, respectively. The Company reinsures the risk associated with these COLI policies to an affiliate reinsurer as part of a broader program related to variable insurance policies.

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

In May 2023, the Company funded a policy loan from the Prudential Financial COLI policy noted above in an amount of \$900 million to an affiliated irrevocable trust, commonly referred to as a “rabbi trust”, which Prudential Financial created to support certain non-qualified retirement plans. The outstanding balance of the policy loan with the rabbi trust was \$897 million and \$898 million as of June 30, 2024 and December 31, 2023, respectively. Interest income related to the policy loan was \$11 million and \$5 million for the three months ended June 30, 2024 and 2023, respectively, and \$21 million and \$5 million for the six months ended June 30, 2024 and 2023, respectively.

***Affiliated Investment Management Expenses***

In accordance with an agreement with PGIM, Inc. (“PGIM”), the Company pays investment management expenses to PGIM who acts as investment manager to certain Company general account and separate account assets. Investment management expenses paid to PGIM related to this agreement were \$17 million and \$13 million for the three months ended June 30, 2024 and 2023, respectively, and \$32 million and \$25 million for the six months ended June 30, 2024 and 2023, respectively. These expenses are recorded as “Net investment income” in the Unaudited Interim Consolidated Statements of Operations and Comprehensive Income (Loss).

***Derivative Trades***

In its ordinary course of business, the Company enters into OTC derivative contracts with an affiliate, PGF. For these OTC derivative contracts, PGF has a substantially equal and offsetting position with an external counterparty. See Note 4 for additional information.

The interest income to the Company from PGF related to affiliated cash collateral was \$127 million and \$120 million for the three months ended June 30, 2024 and 2023, respectively, and \$254 million and \$230 million for the six months ended June 30, 2024 and 2023, respectively, and are included in “Other income (loss)”.

***Joint Ventures***

The Company has made investments in joint ventures with certain subsidiaries of Prudential Financial. “Other invested assets” includes \$936 million and \$754 million of investments in joint ventures as of June 30, 2024 and December 31, 2023, respectively. “Net investment income” related to these ventures includes gains (losses) of \$10 million and \$(6) million for the three months ended June 30, 2024 and 2023, respectively, and \$19 million and \$(4) million for the six months ended June 30, 2024 and 2023, respectively.

***Affiliated Asset Administration Fee Income***

The Company has a revenue sharing agreement with AST Investment Services, Inc. (“ASTISI”) and PGIM Investments LLC (“PGIM Investments”) whereby the Company receives fee income based on policyholders’ separate account balances invested in the Advanced Series Trust. Income received from ASTISI and PGIM Investments related to this agreement was \$67 million and \$70 million for the three months ended June 30, 2024 and 2023, respectively, and \$136 million and \$139 million for the six months ended June 30, 2024 and 2023, respectively. These revenues are recorded as “Asset administration fees” in the Unaudited Interim Consolidated Statements of Operations and Comprehensive Income (Loss).

The Company has a revenue sharing agreement with PGIM Investments, whereby the Company receives fee income based on policyholders’ separate account balances invested in The Prudential Series Fund. Income received from PGIM Investments related to this agreement was \$11 million and \$9 million for the three months ended June 30, 2024 and 2023, respectively, and \$22 million and \$18 million for the six months ended June 30, 2024 and 2023, respectively. These revenues are recorded as “Asset administration fees” in the Unaudited Interim Consolidated Statements of Operations and Comprehensive Income (Loss).

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

***Affiliated Notes Receivable***

Affiliated notes receivable included in “Receivables from parent and affiliates” at June 30, 2024 and December 31, 2023 is as follows:

|  | Maturity Dates |        | Interest Rates |           | June 30, 2024  | December 31, 2023 |
|--|----------------|--------|----------------|-----------|----------------|-------------------|
|  |                |        |                |           | (in thousands) |                   |
| U.S. dollar fixed rate notes           | 2025           | - 2032 | 0.00%          | - 14.85 % | \$ 330,814     | \$ 147,984        |
| Total notes receivable - affiliated(1) |                |        |                |           | \$ 330,814     | \$ 147,984        |

(1) All notes receivable may be called for prepayment prior to the respective maturity dates under specified circumstances.

The affiliated notes receivable shown above are classified as available-for-sale securities and other trading assets carried at fair value. The Company monitors the internal and external credit ratings of these loans and loan performance. The Company also considers any guarantees made by Prudential Insurance for loans due from affiliates.

Accrued interest receivable related to these loans was \$1 million at both June 30, 2024 and December 31, 2023, and is included in “Other assets”. Revenues related to these loans were \$0 million and \$1 million for the three months ended June 30, 2024 and 2023, respectively, and \$1 million and \$2 million for the six months ended June 30, 2024 and 2023, respectively, and are included in “Other income (loss)”.

***Affiliated Commercial Mortgage Loan***

The affiliated commercial mortgage loan included in "Commercial mortgage and other loans" at June 30, 2024 and December 31, 2023 were as follows:

|                                     | Maturity Date  | Interest Rate | June 30, 2024 | December 31, 2023 |
|-------------------------------------|----------------|---------------|---------------|-------------------|
|                                     | (in thousands) |               |               |                   |
| Affiliated Commercial Mortgage Loan | 2025           | 9.83 %        | \$ 70,445     | \$ 71,038         |

The commercial mortgage loan shown above is carried at unpaid principal balance, net of unamortized deferred loan origination fees and expenses, and net of an allowance for losses. The Company reviews the performance and credit quality of the commercial mortgage loan on an on-going basis.

Accrued interest receivable related to the loan was \$0.5 million at both June 30, 2024 and December 31, 2023, and is included in "Accrued investment income". Revenues were \$2 million and \$1 million for the three months ended June 30, 2024 and 2023, respectively, and \$4 million and \$3 million for the six months ended June 30, 2024 and 2023, respectively, and are included in "Net investment income".

***Affiliated Asset Transfers***

The Company participates in affiliated asset trades with parent and sister companies. Book and market value differences for trades with a parent and sister are recognized within "Additional paid-in capital" (“APIC”) and "Realized investment gains (losses), net", respectively. The table below shows affiliated asset trades for the six months ended June 30, 2024 and for the year ended December 31, 2023.

| Affiliate            | Date         | Transaction | Security Type    | Fair Value | Book Value | APIC, Net of Tax Increase/(Decrease) |      | Realized Investment Gain (Loss) |
|----------------------|--------------|-------------|------------------|------------|------------|--------------------------------------|------|---------------------------------|
|                      |              |             |                  |            |            | (in thousands)                       |      |                                 |
| Prudential Insurance | January 2023 | Purchase    | Fixed Maturities | \$ 48,329  | \$ 50,372  | \$ 1,614                             | \$ 0 |                                 |
| Prudential Insurance | March 2023   | Purchase    | Fixed Maturities | \$ 7,175   | \$ 7,500   | \$ 256                               | \$ 0 |                                 |
| PURC                 | April 2023   | Purchase    | Fixed Maturities | \$ 102,804 | \$ 102,804 | \$ 0                                 | \$ 0 |                                 |

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

|                      |                |              |   |              |              |          |          |
|----------------------|----------------|--------------|---|--------------|--------------|----------|----------|
| Term Re              | June 2023      | Purchase     | Fixed Maturities                          | \$ 115,573   | \$ 115,573   | \$ 0     | \$ 0     |
| Prudential Insurance | June 2023      | Purchase     | Fixed Maturities                          | \$ 4,298     | \$ 4,443     | \$ 114   | \$ 0     |
| Prudential Insurance | June 2023      | Purchase     | Fixed Maturities                          | \$ 4,394     | \$ 4,494     | \$ 80    | \$ 0     |
| Prudential Insurance | June 2023      | Purchase     | Fixed Maturities                          | \$ 19,453    | \$ 19,203    | \$ (198) | \$ 0     |
| Prudential Insurance | June 2023      | Purchase     | Fixed Maturities                          | \$ 14,452    | \$ 15,086    | \$ 502   | \$ 0     |
| Prudential Insurance | September 2023 | Purchase     | Fixed Maturities                          | \$ 15,880    | \$ 15,801    | \$ (62)  | \$ 0     |
|                      |                |              | Commercial<br>Mortgage and Other<br>Loans |              |              |          |          |
| PURC                 | December 2023  | Sale         |   | \$ 762       | \$ 754       | \$ 0     | \$ 8     |
| PAR U                | January 2024   | Transfer in  | Fixed Maturities                          | \$ 1,598,161 | \$ 1,598,161 | \$ 0     | \$ 0     |
| PAR U                | January 2024   | Transfer in  | Fixed Maturities                          | \$ 778,745   | \$ 778,745   | \$ 0     | \$ 0     |
| PURC                 | January 2024   | Transfer in  | Fixed Maturities                          | \$ 2,155,560 | \$ 2,155,560 | \$ 0     | \$ 0     |
| GUL Re               | January 2024   | Transfer in  | Fixed Maturities                          | \$ 1,685,582 | \$ 1,685,582 | \$ 0     | \$ 0     |
| GUL Re               | January 2024   | Transfer in  | Fixed Maturities                          | \$ 4,976     | \$ 4,976     | \$ 0     | \$ 0     |
| PURE                 | January 2024   | Transfer out | Fixed Maturities                          | \$ 1,598,161 | \$ 1,598,161 | \$ 0     | \$ 0     |
| PURE                 | January 2024   | Transfer out | Fixed Maturities                          | \$ 778,745   | \$ 778,745   | \$ 0     | \$ 0     |
| PURE                 | January 2024   | Transfer out | Fixed Maturities                          | \$ 2,155,560 | \$ 2,155,560 | \$ 0     | \$ 0     |
| PURE                 | January 2024   | Transfer out | Fixed Maturities                          | \$ 1,685,582 | \$ 1,685,582 | \$ 0     | \$ 0     |
| PURE                 | January 2024   | Transfer out | Fixed Maturities                          | \$ 4,976     | \$ 4,976     | \$ 0     | \$ 0     |
|                      |                |              | Other Invested<br>Assets                  |              |              |          |          |
| Ironbound            | January 2024   | Purchase     |   | \$ 60,414    | \$ 60,414    | \$ 0     | \$ 0     |
| Windhill CLO 1, Ltd. | February 2024  | Sale         | Fixed Maturities                          | \$ 18,428    | \$ 18,858    | \$ 0     | \$ (430) |
| Windhill CLO 2, Ltd. | February 2024  | Sale         | Fixed Maturities                          | \$ 19,652    | \$ 20,057    | \$ 0     | \$ (405) |
| PAR Term             | February 2024  | Purchase     | Fixed Maturities                          | \$ 43,084    | \$ 43,084    | \$ 0     | \$ 0     |
| Windhill CLO 1, Ltd. | March 2024     | Sale         | Fixed Maturities                          | \$ 10,148    | \$ 10,387    | \$ 0     | \$ (239) |
| Windhill CLO 2, Ltd. | March 2024     | Sale         | Fixed Maturities                          | \$ 14,763    | \$ 15,091    | \$ 0     | \$ (328) |
| Prudential Insurance | March 2024     | Purchase     | Fixed Maturities                          | \$ 198,804   | \$ 206,285   | \$ 5,910 | \$ 0     |
|                      |                |              | Other Invested<br>Assets                  |              |              |          |          |
| PAR U                | March 2024     | Transfer in  |   | \$ 188,500   | \$ 188,500   | \$ 0     | \$ 0     |
|                      |                |              | Other Invested<br>Assets                  |              |              |          |          |
| PURE                 | March 2024     | Transfer out |   | \$ 188,500   | \$ 188,500   | \$ 0     | \$ 0     |
| Windhill CLO 1, Ltd. | April 2024     | Sale         | Fixed Maturities                          | \$ 2,261     | \$ 2,300     | \$ 0     | \$ (39)  |
| Windhill CLO 2, Ltd. | May 2024       | Sale         | Fixed Maturities                          | \$ 14,034    | \$ 14,415    | \$ 0     | \$ (381) |

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

|                      |           |              |                                     |           |           |      |          |
|----------------------|-----------|--------------|-------------------------------------|-----------|-----------|------|----------|
| Windhill CLO 1, Ltd. | June 2024 | Sale         | Fixed Maturities                    | \$ 2,045  | \$ 2,100  | \$ 0 | \$ (55)  |
| Windhill CLO 2, Ltd. | June 2024 | Sale         | Fixed Maturities                    | \$ 23,342 | \$ 23,743 | \$ 0 | \$ (401) |
| PAR U                | June 2024 | Transfer in  | Other Invested Assets               | \$ 326    | \$ 326    | \$ 0 | \$ 0     |
| PURE                 | June 2024 | Transfer out | Other Invested Assets               | \$ 326    | \$ 326    | \$ 0 | \$ 0     |
| PAR U                | June 2024 | Purchase     | Commercial Mortgage and Other Loans | \$ 12,555 | \$ 12,555 | \$ 0 | \$ 0     |

**Debt Agreements**

The Company is authorized to borrow funds up to \$7 billion from affiliates to meet its capital and other funding needs. The following table provides the breakout of the Company's short-term debt. There is no long-term debt to affiliates as of June 30, 2024 and December 31, 2023.

| Affiliate                            | Date Issued | Amount of Notes -<br>June 30, 2024 | Amount of Notes -<br>December 31, 2023 | Interest Rate | Date of Maturity |
|--------------------------------------|-------------|------------------------------------|--|---------------|------------------|
| (in thousands)                       |             |                                    |  |               |                  |
| Prudential Insurance                 | 8/13/2021   | \$ 0                               | \$ 94,953                              | 3.95 %        | 6/20/2024        |
| Prudential Insurance                 | 8/13/2021   | 0                                  | 37,981                                 | 3.95 %        | 6/20/2024        |
| Prudential Insurance                 | 8/13/2021   | 0                                  | 47,477                                 | 3.95 %        | 6/20/2024        |
| Total Loans Payable to Affiliates(1) |             | \$ 0                               | \$ 180,411                             |               |                  |

(1) Includes \$180 million of loans reclassified as current portion of long-term debt as of December 31, 2023.

The total interest expense to the Company related to affiliated loans and cash collateral with PGF was \$7 million and \$2 million for the three months ended June 30, 2024 and 2023, respectively, and \$11 million and \$5 million for the six months ended June 30, 2024 and 2023, respectively.

All debt outstanding as of December 31, 2023 is that of Pruco Life.

**Contributed Capital and Dividends**

In February and December 2023, the Company received capital contributions in the amount of \$405 million and \$7 million, respectively, from Prudential Insurance.

In June 2024, there was a \$550 million return of capital to Prudential Insurance. In June, September, and December 2023, there was a \$300 million, \$650 million and \$450 million return of capital, respectively, to Prudential Insurance.

Through June 2024 and December 2023, the Company did not pay any dividends to Prudential Insurance.

**Reinsurance with Affiliates**

As discussed in Note 11, the Company participates in reinsurance transactions with certain affiliates.

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

**15. COMMITMENTS AND CONTINGENT LIABILITIES***Commitments*

The Company has made commitments to fund commercial mortgage loans. As of June 30, 2024 and December 31, 2023, the outstanding balances on these commitments were \$235 million and \$270 million, respectively. These amounts include unfunded commitments that are not unconditionally cancellable. For related credit exposure, there was an allowance for credit losses of \$0.2 million and \$0.3 million as of June 30, 2024 and December 31, 2023, respectively. There was a change in allowance of \$0.0 million and \$0.1 million for the three and six months ended June 30, 2024, respectively and \$0.1 million for both the three and six months ended June 30, 2023. The Company also made commitments to purchase or fund investments, mostly fund investments and private fixed maturities, 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. As of June 30, 2024 and December 31, 2023, \$1,167 million and \$1,182 million, respectively, of these commitments were outstanding. These amounts include unfunded commitments that are not unconditionally cancellable. There were no related charges for credit losses for either the three or six months ended June 30, 2024 or 2023.

*Guarantees*

In July 2017, Pruco Life formed a joint venture with CT Corp to provide life insurance solutions in Indonesia. Pruco Life owns a 49% interest in the joint venture and has entered into a shareholders agreement with CT Corp that sets out their respective rights and obligations with respect to the joint venture. Among other things, the shareholders agreement obligates Pruco Life and CT Corp to provide capital to the joint venture, as necessary to comply with applicable law or to maintain a specified minimum amount of capital in the joint venture. This obligation is not limited to a maximum amount. Pruco Life does not expect to make any payments on this guarantee and is not carrying any liabilities associated with the guarantee.

Since 2001, Pruco Life entered into an arrangement with Prudential of Taiwan. In June 2021, PIIH completed the sale of Prudential of Taiwan. As a result of the sale, Pruco Life has a financial guarantee to stand ready to perform in an event that both Prudential of Taiwan and the Buyer default and fail to perform their obligations to make payments to the policyholders. Pruco Life has a liability of \$32 million as of both June 30, 2024 and December 31, 2023, which represents the fair value of the guarantee and is amortized in revenue over a period which approximates the life of the underlying insurance in force. Since this obligation is not subject to limitations, it is not possible to determine the maximum potential amount due under this guarantee.

*Guarantees of Asset Values*

|  | June 30, 2024  | December 31, 2023 |
|--|----------------|-------------------|
|  | (in thousands) |                   |
| Guaranteed value of third-parties' assets                          | \$ 1,208,219   | \$ 311,302        |
| Fair value of collateral supporting these assets                   | \$ 1,047,957   | \$ 287,621        |
| Asset (liability) associated with guarantee, carried at fair value | \$ 762         | \$ 1              |

Certain contracts underwritten by Pruco Life 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.

*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.

**PRUCO LIFE INSURANCE COMPANY**  
**Notes to Unaudited Interim Consolidated Financial Statements—(Continued)**

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 flows 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 flows 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 business. Pending legal and regulatory actions include proceedings specific to the Company and proceedings generally applicable to business practices in the industry in which it operates. The Company is subject to class action lawsuits and other litigation involving a variety of issues and allegations involving sales practices, claims payments and procedures, premium charges, policy servicing and breach of fiduciary duty to customers. The Company is also subject to litigation arising out of its general business activities, such as its investments, contracts, leases and labor and employment relationships, including claims of discrimination and harassment, and could be exposed to claims or litigation concerning certain business or process patents. In addition, the Company, along with other participants in the businesses in which it engages, may be subject from time to time to investigations, examinations and inquiries, in some cases industry-wide, concerning issues or matters upon which such regulators have determined to focus. In some of the Company's pending legal and regulatory actions, parties 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 material, is disclosed. The Company estimates that as of June 30, 2024, 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 \$100 million. This 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 16 to the Company's Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023, and should be read in conjunction with the complete descriptions provided in the Form 10-K.

#### **Individual Annuities and Individual Life**

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

In February 2024, defendants removed the action from California state court to the United States District Court for the Northern District of California.

#### ***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 flows 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 flows 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**

*Management’s Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”) addresses the consolidated financial condition of Pruco Life Insurance Company, or the “Company,” as of June 30, 2024, compared with December 31, 2023, and its consolidated results of operations for the three and six months ended June 30, 2024 and 2023. 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, 2023, 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**

The Company sells variable annuities, indexed variable annuities, fixed annuities, universal life insurance, variable life insurance and term life insurance primarily through affiliated and unaffiliated distributors in the United States.

Effective January 2024, the Company entered into an agreement with Somerset Reinsurance Ltd. (“Somerset Re”) to coinsure a closed block of guaranteed universal life (“GUL”) policies to Prudential Universal Reinsurance Entity Company (“PURE”), a wholly-owned subsidiary of The Prudential Insurance Company of America (“Prudential Insurance”), with retrocession by PURE of such liabilities on a modified coinsurance basis, to Somerset Re. This transaction is effective as of January 1, 2024, whereby, the Company recaptured all risks associated with the subject GUL policies from Prudential Arizona Reinsurance Universal Company (“PAR U”), Prudential Universal Reinsurance Company (“PURC”) and Gibraltar Universal Life Reinsurance Company (“GUL Re”) and subsequently established yearly renewable term (“YRT”) reinsurance for the subject GUL business with Prudential Insurance. See Note 11 to the Unaudited Interim Consolidated Financial Statements for additional information.

In May 2023, the Company entered into an agreement with AuguStar Life Insurance Company (formerly known as The Ohio National Life Insurance Company), an affiliate of Constellation Insurance Holdings, Inc., to reinsure approximately \$10 billion of account values of Prudential Defined Income (“PDI”) traditional variable annuity contracts with guaranteed living and death benefits. The transaction was completed on June 30, 2023 with an effective date of April 1, 2023. See Note 11 to the Unaudited Interim Consolidated Financial Statements for additional information.

### **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; and
- product offerings, design features, crediting rates and sales mix.

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, 2023.

### **Revenues and Expenses**

The Company earns revenues principally from insurance premiums, mortality and expense fees, asset administration fees from insurance and investment products, and from net investment income on the investment of general account and other funds. The Company receives premiums primarily from the sale of individual life insurance and annuity products. The Company earns mortality and expense fees, and asset administration fees, primarily from the sale and servicing of universal life insurance and separate account products including variable life insurance and variable annuities. The Company’s operating expenses principally consist of insurance benefits provided and reserves established for anticipated future insurance benefits, general business expenses, reinsurance premiums, commissions and other costs of selling and servicing the various products sold and interest credited on general account liabilities.

## Accounting Policies & Pronouncements

### Application of Critical Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America ("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;
- Valuation of investments including derivatives, measurement of allowance for credit losses, and recognition of other-than-temporary impairments ("OTTI");
- Reinsurance recoverables;
- 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 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 June 30, 2024, our variable life insurance businesses assume an 8.0% long-term equity expected rate of return and a 3.2% 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 generally 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 the 10-year U.S. Treasury rate by 25 basis points and now grade to a rate of 3.50% 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, 2023.

## **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.

### **Changes in Financial Position**

Total assets increased \$10.8 billion from \$213.3 billion at December 31, 2023 to \$224.1 billion at June 30, 2024. Significant components were:

- Total investments increased \$5.8 billion driven by new sales of general account annuity products;
- Reinsurance recoverables increased \$2.0 billion primarily driven by the reinsurance of the Company's guaranteed universal life block to PURE; and
- Separate account assets increased \$0.8 billion primarily driven by favorable equity market performance, partially offset by net outflows.

Total liabilities increased \$11.3 billion from \$208.8 billion at December 31, 2023 to \$220.1 billion at June 30, 2024. Significant components were:

- Policyholders' account balances increased \$8.0 billion primarily driven by incremental indexed product sales;
- Other liabilities increased \$3.4 billion primarily driven by the additional reinsurance of the Company's guaranteed universal life mortality risk ceded to Prudential Insurance and deferred gains associated with the reinsurance of the Company's guaranteed universal life block to PURE; and
- Separate account liabilities increased \$0.8 billion corresponding to the increase in separate account assets, as discussed above.

Total equity decreased \$0.6 billion primarily driven by \$0.5 billion of returns of capital and \$0.5 billion in unrealized losses on investments due to rising rates and changes direct NPR spreads, partially offset by net income of \$0.3 billion.

### **Results of Operations**

#### **Income (loss) from Operations before Income Taxes**

##### ***Three Months Comparison***

Income (loss) from operations before income taxes increased \$765 million from income of \$258 million for the three months ended June 30, 2023 to a gain of \$1,023 million for the three months ended June 30, 2024. The impact from our annual reviews and update of assumptions and other refinements was a net gain of \$1,060 million. Excluding the comparative impact of our annual reviews and update of assumptions and other refinements, income (loss) from operations before income taxes decreased \$295 million primarily driven by:

- Higher loss in Change in value of market risk benefits, net of related hedging gain (loss) due to net losses from higher interest rates in the second quarter of 2024; and
- Higher Interest credited to policyholders' account balances due to growth in variable indexed annuities.

Partially offset by:

- Higher gain in Net investment income due to higher market rates and net business growth by incremental indexed product sales.

### ***Six Months Comparison***

Income (loss) from operations before income taxes decreased \$176 million from income of \$594 million for the six months ended June 30, 2023 to income of \$418 million for the six months ended June 30, 2024. Excluding the comparative impact of our annual reviews and update of assumptions and other refinements, as mentioned above, income (loss) from operations decreased \$1,236 million primarily driven by:

- Higher Policyholders' benefits driven by the reinsurance recapture of the Company's guaranteed universal life insurance policies.

Partially offset by:

- Higher Policy charges and fee income driven by the reinsurance recapture of the Company's guaranteed universal life insurance policies.

### **Revenues, Benefits and Expenses**

#### ***Three Months Comparison***

Revenues increased \$835 million from \$978 million for the three months ended June 30, 2023 to \$1,813 million for the three months ended June 30, 2024. This includes a favorable comparative increase of \$1,023 million from our annual reviews and update of assumptions and other refinements. Excluding the comparative impact of our annual reviews and update of assumptions and other refinements, revenues decreased \$188 million primarily driven by:

- Higher loss in Change in value of market risk benefits, net of related hedging gain (loss) due to net losses from higher interest rates in the second quarter of 2024;

Partially offset by:

- Higher gain in Net investment income due to higher market rates and net business growth by incremental indexed product sales.

Benefits and expenses increased \$72 million from \$719 million for the three months ended June 30, 2023 to \$791 million for the three months ended June 30, 2024. This includes a favorable comparative decrease of \$37 million from our annual reviews and update of assumptions and other refinements. Excluding the comparative impact of our annual reviews and update of assumptions and other refinements, benefits and expenses increased \$109 million primarily driven by:

- Higher Interest credited to policyholders' account balances due to growth in variable indexed annuities.

#### ***Six Months Comparison***

Revenues increased \$3,706 million from \$1,999 million for the six months ended June 30, 2023 to \$5,705 million for the six months ended June 30, 2024. Excluding the comparative impact of our annual review and update of assumptions and other refinements, as mentioned above, revenues increased \$2,683 million primarily driven by the items mentioned above in Income (loss) from operations before income taxes.

Benefits and expenses increased \$3,882 million from \$1,405 million for the six months ended June 30, 2023 to \$5,287 million for the six months ended June 30, 2024. Excluding the comparative impact of our annual reviews and update of assumptions and other refinements, as mentioned above, benefits and expenses increased \$3,919 million primarily driven by the items mentioned above in Income (loss) from operations before income taxes.

#### **Risks and Risk Mitigants:**

***Fixed Annuity Risks and Risk Mitigants.*** The primary risk exposure of these 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 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 annuity 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.

*Indexed Variable Annuity Risks and Risk Mitigants.* The primary risk exposure of these 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 including 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 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. Prudential Financial manages 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 ("ALM"), as discussed below. The Company also manages these risk exposures through external reinsurance for certain of our variable annuity products. For additional information regarding our external reinsurance agreements, see Note 1 of the Consolidated Financial Statements. Sales of traditional variable annuities with guaranteed living benefit riders were discontinued as of December 31, 2020, and, in April 2022, the sale of a portion of our in force traditional variable annuity block was completed, as discussed in Note 1.

*Product Design Features:*

A portion of the variable annuity contracts that we offer include 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 account. The objective of the asset transfer feature is to reduce our exposure to equity market risk and market volatility. The asset transfer feature associated with highest daily living benefit products uses a designated bond fund sub-account within the separate account. The transfers are based on a static mathematical formula used with the particular benefit which considers a number of factors, including, but not limited to, the impact of investment performance on the contractholder's total account value. 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.

*Asset Liability Management 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. 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 Prudential Defined Income 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 MRB, excluding the changes in the Company's 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 MRB 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 MRB 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 MRB 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 MRB we seek to hedge.

### **Income Taxes**

For information regarding income taxes, see Note 12 to the Unaudited Interim Consolidated Financial Statements.

## **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 business, 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 business, general economic conditions, our ability to borrow from affiliates and our access to the capital markets through affiliates as described herein.

Effective and prudent liquidity and capital management is a priority across the organization. Management monitors the liquidity of the Company 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 by the Company align with our capacity and willingness to take those risks. The RAF provides a dynamic assessment of capital and liquidity stress impacts, including scenarios similar to, and more severe than, those occurring due to COVID-19, 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 the Company.

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 on 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, 2023.

### **Capital**

We manage the Company to regulatory capital levels consistent with our "AA" ratings targets. We utilize the risk-based capital ("RBC") ratio as a primary measure of capital adequacy. RBC is calculated based on statutory financial statements and risk formulas consistent with the practices of the National Association of Insurance Commissioners ("NAIC"). RBC considers, among other things, risks related to the type and quality of the invested assets, insurance-related risks associated with an insurer's products and liabilities, interest rate risks, and general business risks. 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. The Company's capital levels substantially exceed the minimum level required by applicable insurance regulations. Our regulatory capital levels 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 regulatory capital level of the Company can be materially impacted by interest rate and equity market fluctuations, changes in the values of derivatives, the level of impairments recorded, and credit quality migration of the investment portfolio, among other items. In addition, the reinsurance of business or the recapture of business subject to reinsurance arrangements due to defaults by, or credit quality migration affecting, the reinsurers or for other reasons could negatively impact regulatory capital levels. The Company's regulatory capital level is also affected by statutory accounting rules, which are subject to change by each applicable insurance regulator. For information regarding the NAIC's August 2023 adoption of changes to the treatment of negative interest maintenance reserves, see "Regulatory Developments" above.

#### *Captive Reinsurance Companies:*

See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Capital—Affiliated Captive Reinsurance Companies" included in our Annual Report on Form 10-K for the year ended December 31, 2023, for a discussion of our use of captive reinsurance companies.

## **Liquidity**

Our liquidity is managed to ensure stable, reliable and cost-effective sources of cash flows to meet all of our obligations. Liquidity is provided by a variety of sources, as described more fully below, including portfolios of liquid assets. Our investment portfolios are integral to the overall liquidity of the Company. We use a projection process for cash flows from operations to ensure sufficient liquidity to meet projected cash outflows, including claims. The impact of Prudential Funding, LLC's ("Prudential Funding"), a wholly-owned subsidiary of Prudential Insurance, financing capacity on liquidity (as described below) is considered in the internal liquidity measures of the Company.

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 liquidity under various stress scenarios, including company-specific and market-wide events. We continue to believe that cash generated by ongoing operations and the liquidity profile of our assets provide sufficient liquidity under reasonably foreseeable stress scenarios.

The principal sources of the Company's liquidity are premiums and certain annuity considerations, investment and fee income, investment maturities, sales of investments and internal borrowings. The principal uses of that liquidity include benefits, claims, and payments to policyholders and contractholders in connection with surrenders, withdrawals and net policy loan activity. Other uses of liquidity include commissions, general and administrative expenses, purchases of investments, the payment of dividends and returns of capital to the parent company, hedging and reinsurance activity and payments in connection with financing activities.

In managing liquidity, we consider the risk of policyholder and contractholder withdrawals of funds earlier than our assumptions when selecting assets to support these contractual obligations. We use surrender charges and other contract provisions to mitigate the extent, timing and profitability impact of withdrawals of funds by customers.

### *Liquid Assets*

Liquid assets include cash and cash equivalents, short-term investments, U.S. Treasury fixed maturities, and fixed maturities that are not designated as held-to-maturity and public equity securities. As of June 30, 2024 and December 31, 2023, the Company had liquid assets of \$38.1 billion and \$32.3 billion, respectively. The portion of liquid assets comprised of cash and cash equivalents and short-term investments was \$3.3 billion and \$2.5 billion as of June 30, 2024 and December 31, 2023, respectively. As of June 30, 2024, \$28.7 billion, or 92%, of the fixed maturity investments in the Company's general account portfolios, were rated high or highest quality based on NAIC or equivalent rating.

### *Prudential Funding, LLC*

Prudential Financial and Prudential Funding borrow funds in the capital markets primarily through the direct issuance of commercial paper. The borrowings serve as an additional source of financing to meet our working capital needs. Prudential Funding operates under a support agreement with Prudential Insurance whereby Prudential Insurance has agreed to maintain Prudential Funding's positive tangible net worth at all times.

### *Hedging activities associated with Annuities*

For the portion of the risk management 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. This portion of our 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 ALM strategy may also result in derivative-related collateral postings to (when we are in a net pay 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.

### *Term and Universal Life Reserve Financing*

The Company uses captive reinsurance subsidiaries to finance the portion of the statutory reserves required to be held under Regulation XXX and Guideline AXXX that is considered to be non-economic. The financing arrangements involve the reinsurance of term and universal life business to our affiliated captive reinsurers and the issuance of surplus notes by those affiliated 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.

As of June 30, 2024 the affiliated captive reinsurance companies have entered into agreements with external counterparties providing for the issuance of up to an aggregate of \$11,250 million of surplus notes by our affiliated captive reinsurers in return for the receipt of credit-linked notes (“Credit-Linked Note Structures”), of which \$8,780 million of surplus notes was outstanding, as compared to an aggregate issuance capacity of \$15,700 million, of which \$13,820 million was outstanding as of

December 31, 2023. Under the agreements, the affiliated 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 affiliated captive holds the credit-linked notes as assets supporting Regulation XXX or Guideline AXXX non-economic reserves, as applicable.

As of June 30, 2024, our affiliated captive reinsurance companies had outstanding an aggregate of \$2,600 million of debt issued for the purpose of financing Regulation XXX and Guideline AXXX non-economic reserves, of which approximately \$700 million relates to Regulation XXX reserves and approximately \$1,900 million relates to Guideline AXXX reserves. In addition, as of June 30, 2024, for purposes of financing Guideline AXXX reserves, one of our affiliated captives had approximately \$3,982 million of surplus notes outstanding that were issued to affiliates.

The Company has 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.

#### **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 Securities Exchange Act of 1934, as amended (“Exchange Act”) Rule 15d-15(e), as of June 30, 2024. Based on such evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that, as of June 30, 2024, our disclosure controls and procedures were not effective due to the identification of the material weakness, as reported in the Company’s Quarterly Report on Form 10-Q/A for the quarterly period ended March 31, 2024, filed with the Securities and Exchange Commission on August 16, 2024. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the Company’s annual or interim financial statements will not be prevented or detected on a timely basis. Based on this definition, management has concluded that the material weakness reported previously continued to exist in the Company’s internal control over financial reporting as of June 30, 2024 as management’s remediation plans have not yet been completed.

#### **Material Weakness in Internal Control over Financial Reporting**

As previously reported, the Company did not design and maintain effective controls over the completeness, accuracy, and timeliness of the review of the manual calculations and related adjustments for the Policyholder Account Balance liability for variable annuity products. This material weakness continued to exist as of June 30, 2024.

#### **Remediation plan**

Management’s initial remediation plans to address the material weakness include, (i) enhanced communications across impacted stakeholders with respect to the set-up of new investment strategy funds, (ii) enhancements to the valuation model to eliminate the need for the manual adjustment in the short term, and (iii) review of the end-to-end process with enhancements to the current attribution review threshold. The material weakness cannot be considered remediated until after the applicable control operates for a sufficient period of time, and management has concluded, through testing, that the control is operating effectively.

#### **Changes in Internal Control Over Financial Reporting**

No change in our internal control over financial reporting, as defined in Exchange Act Rule 15d-15(f), occurred during the quarter ended June 30, 2024, 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 15 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 business 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, 2023. These risks could materially affect our business, results of operations or financial condition 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 6. Exhibits**

**EXHIBIT INDEX**

[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)

**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.

Pruco Life Insurance Company

By: /s/ Elizabeth Dietrich

Name: Elizabeth Dietrich  
Vice President, Chief Financial Officer and Chief Accounting Officer  
(Authorized Signatory and Principal Financial Officer)

Date: August 16, 2024

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER**

I, Dylan J. Tyson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Pruco Life Insurance Company;
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: August 16, 2024

/s/ Dylan J. Tyson

Dylan J. Tyson

President and Chief Executive Officer

**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER**

I, Elizabeth Dietrich, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Pruco Life Insurance Company;
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: August 16, 2024

/s/ Elizabeth Dietrich

Elizabeth Dietrich

Vice President, Chief Financial Officer and Chief Accounting Officer

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER**

Pursuant to 18 U.S.C. § 1350, I, Dylan J. Tyson, President and Chief Executive Officer of Pruco Life Insurance Company (the “Company”), hereby certify that the Company’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 (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.

Dated: August 16, 2024

/s/ Dylan J. Tyson

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Dylan J. Tyson

President and Chief 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.

**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER**

Pursuant to 18 U.S.C. § 1350, I, Elizabeth Dietrich, Vice President, Chief Financial Officer and Chief Accounting Officer of Pruco Life Insurance Company (the "Company"), hereby certify that the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 (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.

Dated: August 16, 2024

/s/ Elizabeth Dietrich

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Elizabeth Dietrich

Vice President, Chief Financial Officer and Chief Accounting 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.