

2026 Bonus Declaration

Former Equitable Life Assurance Society (ELAS) With-Profits Annuity

This document gives you information about the current bonus rates for your former ELAS With-Profits Annuity plan. If you have any questions after reading this, please give us a call. You can also visit pru.co.uk/existing-customers

Where the words 'Prudential', 'we' and 'our' are used, they refer to The Prudential Assurance Company Limited (PAC). For those Plans transferred to Prudential International Assurance (PIA) on 1 January 2019, your insurer is PIA and not PAC.

So how have we done?

In 2025, broadly positive but uncertain and volatile market conditions, combined with the With-Profits Fund's ability to invest across regions and in both public and private markets, helped support strong performance. As a result, a positive return of 11.6% (gross of tax) was achieved before charges and the effects of smoothing*.

In 2026, our With-Profits Fund managers will continue to evolve our savings and investment asset portfolios and capture new investment opportunities from around the world. Our managers aim to secure the highest total return for the Fund (after any tax and investment expenses) while maintaining an acceptable level of risk and protecting our customers.

* This describes the main asset pool in our With-Profits Sub-Fund, which is relevant to all of our former ELAS customers. Please see information specific to your Plan to find out more.

What does this mean for you?

The 2026 bonus rates to be applied to your With-Profits Annuity on your next Plan anniversary falling on or after 1 April 2026 are:

Overall Rate of Return (ORR)	Interim Rate of Return (IRR)	Regular Bonus (RB)
16%	6%	1%

We can't predict the future. Past performance isn't a guide to future performance. The rate of future Regular Bonus, Overall Rate of Return and Interim Rate of Return can't be guaranteed. The change in your income each year won't reflect exactly the performance of the With-Profits Fund, because of the effects of smoothing and charges. Your yearly statement shows the change in your income because of the February 2026 Bonus Declaration, after taking into account your Anticipated Bonus Rate (ABR) and any Guaranteed Interest Rate (GIR) for your Plan.

Why have we declared an Overall Rate of Return (ORR) of 16.0%?

The 2026 ORR is applied on your Plan anniversary. It reflects the positive return achieved by our With-Profits Fund over 2025, together with a further upwards adjustment that we have made with the aim of distributing the balance of the Bonus Smoothing Account (BSA)* that we operate specifically for our former ELAS customers, over the lifetime of their Plans.

* The smoothing profits and losses for all our former ELAS customers are monitored through a specific BSA, and we review the balance of the BSA and whether we need to make any adjustments to distribute it, ahead of each Bonus Declaration.

Why have we declared an Interim Rate of Return (IRR) of 6.0%?

The 2026 IRR is applied on your Plan anniversary and is generally intended to give credit for the expected future investment performance of the With-Profits Fund from 1 January 2026 until your Plan anniversary falling before 31 March 2027, after allowing for smoothing and charges. When we set the IRR, the main thing we consider is the return we expect our investments to earn in the future. Our latest view is that the expected future return on the With-Profits Fund has reduced slightly, and reflecting this we have reduced the IRR from 6.5% to 6.0%. The IRR is reviewed every year, and can change or be removed at any time.

Why has the Regular Bonus (RB) increased to 1.0%?

In order to maintain investment flexibility and to protect our customers, we aim to keep the cost of all guaranteed benefits on all our with-profits savings and investment products at a sustainable level.

The cost of providing the guarantees on former ELAS With-Profits Annuities has remained at a level that enables us to declare a Regular Bonus, which will add to your Guaranteed Annuity income.

What is the ELAS Bonus Smoothing Account (BSA)?

Our With-Profits Fund aims to smooth some of the highs and lows of investment performance for our savings and investment customers, like our former ELAS customers. We achieve this by holding back some of the investment returns in good years (generating a smoothing profit for the Fund), with the aim of using these profits to support bonus rates in years when investment returns are lower (and smoothing losses would be generated). The smoothing profits and losses for all our former ELAS customers are monitored through a specific BSA, which was set up when these Plans transferred across to us on 31 December 2007. We operate the BSA with the ongoing aim that it should tend to a zero balance over the lifetime of our former ELAS customers, subject to managing short-term smoothing profits and/or losses. We review the balance of the BSA ahead of each Bonus Declaration. This year, the balance is such that we have been able to make a further upwards adjustment to the 2026 ORR from the BSA. The balance of the BSA will continue to be reviewed ahead of each Bonus Declaration, and further adjustments to the ORR at future Bonus Declarations may be made as part of our prudent ongoing management of our former ELAS business.

If you'd like to know more please read the Customer Friendly Principles and Practices of Financial Management (CFPPFM) relevant to your Plan. You can also read our Asset Mix and Investment Returns documents as they may be useful to you.

All are available on pru.co.uk/ppfm

There's also a glossary of terms that you might find useful. This is available on mandg.com/bonus-dec/glossary

pru.co.uk

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