

2023 Bonus Declaration

With-Profits Pension Annuity (excluding former Equitable Life With-Profits Annuities)

This document gives you information about the current bonuses for your With-Profits Pension Annuity plan. If you have any questions after reading this, please speak to your financial adviser or give us a call. You can also visit pru.co.uk/existing-customers

So how have we done?

In 2022, our globally diversified With-Profits Fund was able to perform very effectively in extremely challenging investment markets and provide some protection to our investors. Our With-Profits Pension Annuity customers have also benefitted from the application of smoothing to provide a more stable return from year-to-year.

We're also delighted to have additional money in our With-Profits Sub Fund to share with our With-Profits Pension Annuity customers at this bonus declaration. Because of this, we've increased the unsmoothed value of their plans by 1.25%. This is the third time in four years that we've shared additional money, and the total amount shared now stands at £3.5bn.

The additional money we've shared at this declaration, which is further to the additional money we shared in 2020 and 2022, is reflected in our Additional Bonuses from this year. There's a chance we might have to take back this extra money. You can find out more on our website at: pru.co.uk/aboutadditionalsurplus

In 2023, the team will continue to take decisions that allow them to manage the Fund prudently. We'll 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.

The table below shows our With-Profits Fund returns for this year and over the last 10 years.

Bonus Declaration Year										
Gross Fund Return in preceding year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	10.3%	8.3%	3.6%	14.5%	10.3%	-2.8%	11.5%	1.7%	12.0%	-1.5%

Source: Prudential. 'Gross' refers to before tax, charges and the effects of smoothing. Fund returns do not include the additional surplus shared as part of the PACL Final 2020, 2022 and 2023 Bonus Declaration

What does this mean for you?

The table below shows the bonuses we've announced from 6 April 2023.

Your yearly statement will show the change in your income as a result of these bonuses after taking into account your selected Anticipated Bonus Rate (ABR). It'll also tell you if you have the option to change your ABR or switch to a Prudential Guaranteed Pension Annuity. Please see your statement for more information.

The Regular Bonus for all our With-Profits Pension Annuity plans is 0.75%.

Date Annuity Started	Additional Bonuses %
1991/92	313
1992/93	349
1993/94	229
1994/95	267
1995/96	234
1996/97	224
1997/98	188
1998/99	175
1999/00	168
2000/01	144
2001/02	159
2002/03	203
2003/04	202
2004/05	167
2005/06	137
2006/07	109
2007/08	102
2008/09	135
2009/10	175

Source: Prudential.

We can't predict the future. Past performance isn't a guide to future performance. The rate of future bonuses can't be guaranteed. Additional Bonuses can be changed and are not guaranteed until becoming payable at your next plan anniversary. However, once in payment this will continue to apply until your next plan anniversary. The income payable can go up or down on your plan anniversary.

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What are the different types of bonus?

Regular Bonuses

Regular Bonus is added to your Plan annually. We don't guarantee that a Regular Bonus will be added each year, but once added it can't be removed.

When we set Regular Bonuses, the main thing we consider is the return we expect our investments to earn in the future. We hold back some of this return with the aim of paying a proportion of the investment return as Additional Bonus. By doing this we aim to keep the cost of the guaranteed benefit at a sustainable level, in order to maintain investment flexibility and to protect the financial strength of our With-Profits Fund.

Additional Bonuses

Any Additional Bonus is only payable for the 12 months following your Plan anniversary.

If the investment return has been low over the lifetime of your Plan, we may not pay an Additional Bonus.

Additional Bonus may be reduced or removed and isn't guaranteed.

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