

2025 Bonus Declaration

Former Equitable Life With-Profits Annuity

This document gives you information about the current bonus rates for your former Equitable Life 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 2024, the ability of our multi asset, globally diversified With-Profits Fund gave us the advantage to be able to seek out and benefit from opportunities across a wide range of different asset types. The Fund was able to invest across different regions, in both public and private markets, in which many saw growth despite uncertain economic conditions. As a result, a positive return of 7.3% (gross of tax) was achieved before charges and the effects of smoothing*.

In 2025, our With-Profits Fund managers will continue to evolve 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 ELAS customers. Please see information specific to your Plan to find out more.

What does this mean for you?

The 2025 bonus rates to be applied to your With-Profits Annuity on your next Plan anniversary falling on or after 1 April 2025 are:

Overall Rate of Return	6.0%
Interim Rate of Return	6.5%
Regular Bonus	0.5%

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 2025 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 6.0%?

The Overall Rate of Return (ORR) is applied on your Plan anniversary falling on or after 1 April 2025. It's designed to give credit for the investment return earned by the With-Profits Fund during 2024, allowing for smoothing and charges. The same ORR applies to all Plans and can be negative.

Why have we declared an Interim Rate of Return (IRR) of 6.5%?

The Interim Rate of Return (IRR) is applied on your Plan anniversary and is intended to give credit for the expected future investment return on the With-Profits Fund from 1 January 2025 until your Plan anniversary falling before 31 March 2026, allowing for smoothing and charges. Our expectation for the future return on the With-Profits Fund remains unchanged and the IRR has been maintained accordingly. The IRR is reviewed every year, and can change or be removed at any time.

Why has the Regular Bonus remained at 0.5%?

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 products at a sustainable level.

The cost of providing the guarantees on former Equitable Life With-Profits Annuities has remained at a level that enables us to declare a Regular Bonus, which will add to the guaranteed benefits of the Plan.

Why is your income linked to the performance of our With-Profits Fund?

By linking the income from your former Equitable Life With-Profits Annuity to the performance of our With-Profits Fund, your income has the potential to increase during your retirement, although as with any investment, it could also fall.

We 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. In addition, we use our bonus process to smooth some of the highs and lows of investment performance.

Your level of income at the start of your Plan depended on your Anticipated Bonus Rate (ABR) and whether your Plan had a Guaranteed Interest Rate (GIR). The higher your combined ABR and GIR, the higher your initial income. This combination also meant a higher chance of falls in income in the future.

Your future level of income depends on the combination of:

- The level of your Total Annuity income, which depends on the Overall Rate of Return (ORR) and Interim Rate of Return (IRR) we declare relative to your ABR and any GIR.
- The level of your Guaranteed Annuity income, which depends on the level of the Regular Bonus we declare relative to your ABR.

The combination of the ORR and IRR we declare represents your fair share of the profits, after charges and smoothing, earned on the With-Profits Fund since the transfer of your Plan to Prudential on 31 December 2007.

We promise to pay you the higher of either your Guaranteed Annuity income or your Total Annuity income.

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