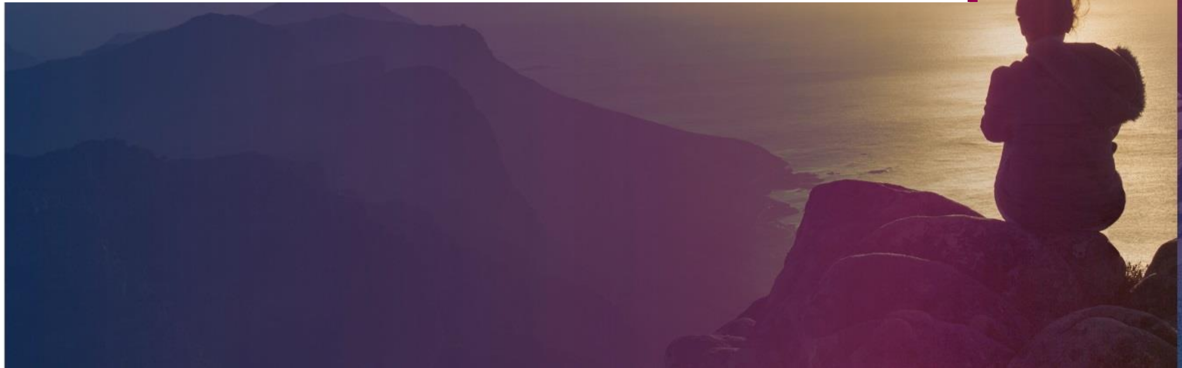
CASH
RESILIENCE
GROWTH

Interim Results 2020
6 August 2020

Andy Briggs

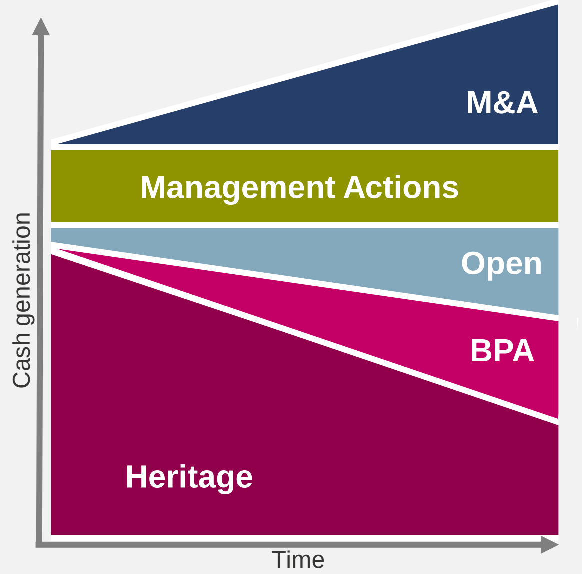
Group Chief Executive Officer



Phoenix Group: The UK's largest long-term savings and retirement business

A CLEAR STRATEGY

Heritage	Manage in-force business for cash and resilience and deliver customer outcomes
M&A	Complete value accretive M&A, accessing synergies through integration
Open	Grow through new business in Open and BPA



A broad range of savings and retirement products, managed to deliver...

CASH | **RESILIENCE** | **GROWTH**

Phoenix's business model has been resilient during the COVID-19 pandemic

Phoenix has proactively managed the numerous challenges caused by the pandemic

Financial

- Resilient solvency position through dynamic hedging
- Active management of high quality credit portfolio
- Cash generation continues to be predictable with targets on track
- Payment of dividend provides income stream to retail savers and the funds they invest in

Customer

- Strong customer service with customer satisfaction remaining above 90%
- Supporting customers through a range of customer initiatives
- Over 9 million log-ins in 1H 2020 and 40% increase in secure messaging
- Moratorium period removed for more recent SunLife life insurance customers

Colleagues and Communities

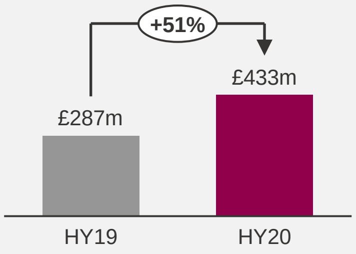
- 99% of employees working from home within 10 days
- 20 percentage point increase in colleague pride and advocacy to 73%
- Charitable donations and colleague volunteering
- No colleagues furloughed and no government support schemes accessed

Phoenix delivered a strong set of 1H 2020 results

Cash

£433 million

Cash generation



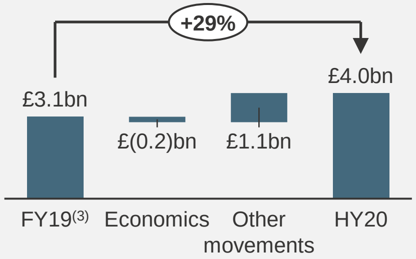
Resilience

£4.0 billion

PGH Solvency II surplus[1]

169%

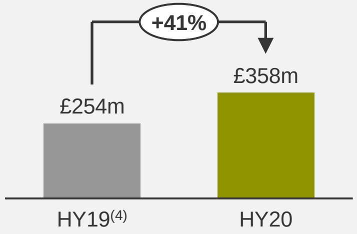
PGH Shareholder Capital Coverage Ratio[1,2]



Growth

£358 million

Incremental long-term cash generation from new business



See Appendix XII for footnotes

ReAssure transaction completed in July and strengthens our key attributes

Transaction highlights

£76 billion	3.9 million	£7 billion
AUA[5]	Policies[5]	Cash generation[6]

- ✓ Regulatory approval granted with no conditions
- ✓ £800 million synergy target set
- ✓ Supports 3% increase in 2020 final dividend

Pro-forma 1H 2020 results

£1.1 billion
Cash generation

£4.4 billion
PGH Solvency II surplus[7]

150%
PGH Shareholder Capital Coverage Ratio[8]

New 2020 cash generation target of £1.5 - £1.6 billion

See Appendix XII for footnotes

Resilient balance sheet supports payment of 2020 interim dividend

2020 interim dividend

Capital

- Solvency II surplus of £4.0 billion(1)
- £5.8 billion of SCR over and above best estimate liabilities

+

Resilience

- Our approach to risk management ensures we remain resilient under a range of stress scenarios

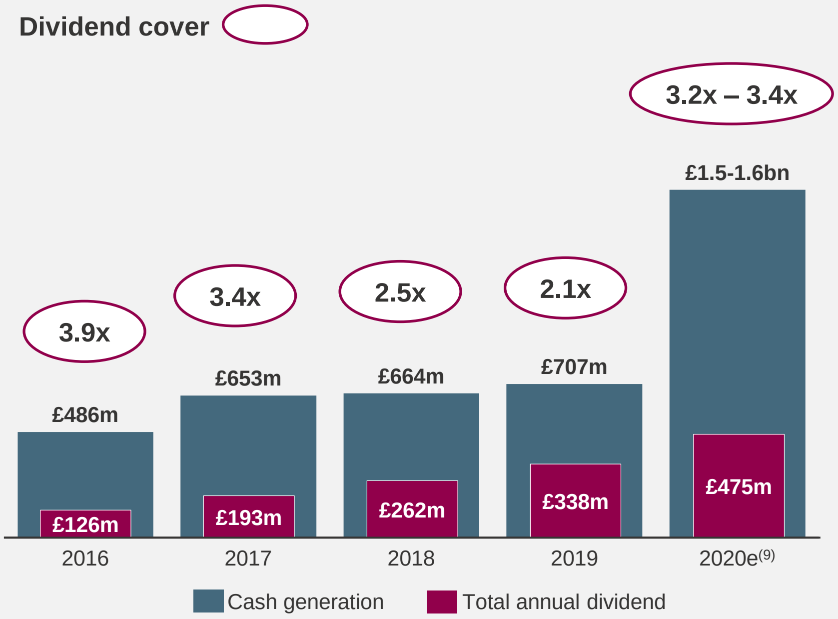
+

Liquidity

- Holdco cash of £1.8 billion
- Dependable future cash generation

PAYMENT OF 2020 INTERIM DIVIDEND OF £234 MILLION

Strong cash dividend cover



See Appendix XII for footnotes

Phoenix is delivering on its 2020 strategic priorities

Heritage	M&A and integration	Open
✓ £1.1 billion pro-forma cash generation from Combined Group	✓ ReAssure acquisition complete and £227 million of synergies delivered on Day 1	✓ £358 million incremental long-term cash generation from new business
✓ Dynamic hedging and active credit management ensured resilience of solvency position	✓ SLAL transition programme remains on track	✓ Launch of in-scheme draw down and passive core within Workplace schemes
✓ Exceeded all customer satisfaction metric targets	✓ Internal Model Harmonisation pre-application submitted	✓ Broadening proposition and illiquid asset origination underpinned strong BPA volumes

Investing in people ✓ New Executive Committee in place with market leading capabilities

Rakesh Thakrar

Group Chief Financial Officer

Financial highlights - Phoenix

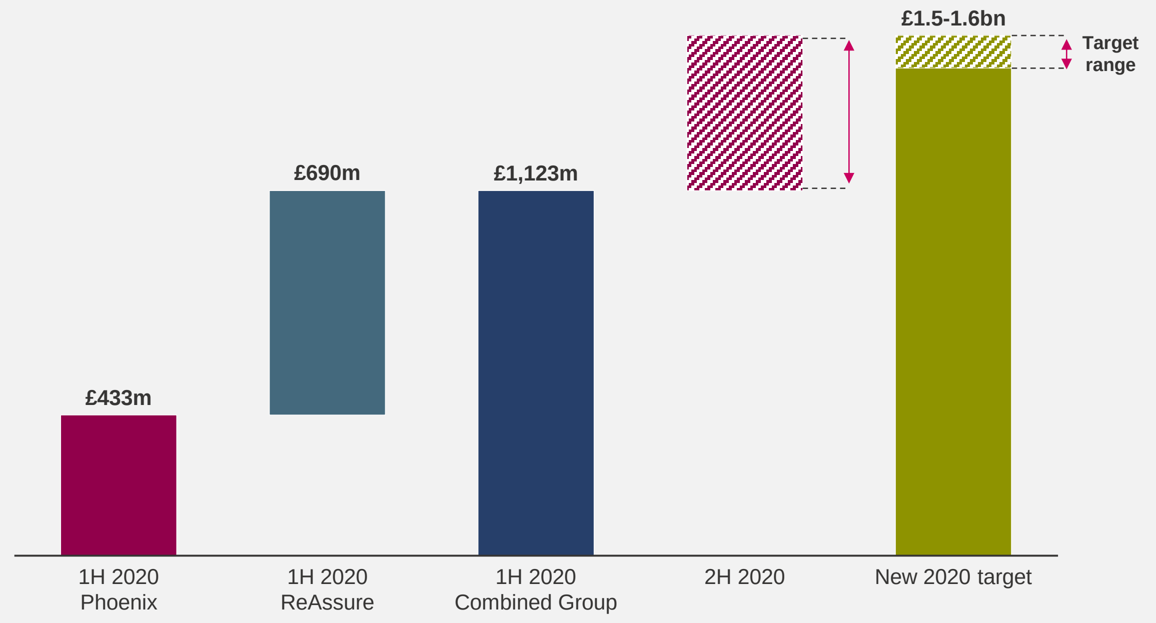
Financial performance:		HY20	HY19
Cash	Cash generation	£433m	£287m
Dividends	Dividend per share	23.4p	23.4p
IFRS	Operating profit before tax	£361m	£325m
New business	Incremental long-term cash generation	£358m	£254m[4]
	New business contribution[10] – UK Open and Europe	£70m	£119m[4]

Financial position:		HY20	FY19
Group capital	PGH Solvency II surplus[1]	£4.0bn	£3.1bn[3]
	Shareholder Capital Coverage Ratio[1,2]	169%	161%[3]
AuA	Assets under Administration (see Appendix II)	£248bn	£248bn
Leverage	Leverage ratio (see Appendix I)	27%	22%

See Appendix XII for footnotes

Phoenix and ReAssure delivered £1.1 billion cash generation in 1H 2020 and are on track for new 2020 target

2020 cash generation



Key messages

- Strong cash generation evidences resilience in volatile markets
- On track to meet new 2020 cash generation target
- £433 million Phoenix cash generation is net of £50 million injection into SLIntL
- £690 million ReAssure cash generation includes £290 million from Old Mutual Wealth business on 31 December 2019

£19 billion of predictable long-term cash generation from Combined Group

Cash generation from in-force business

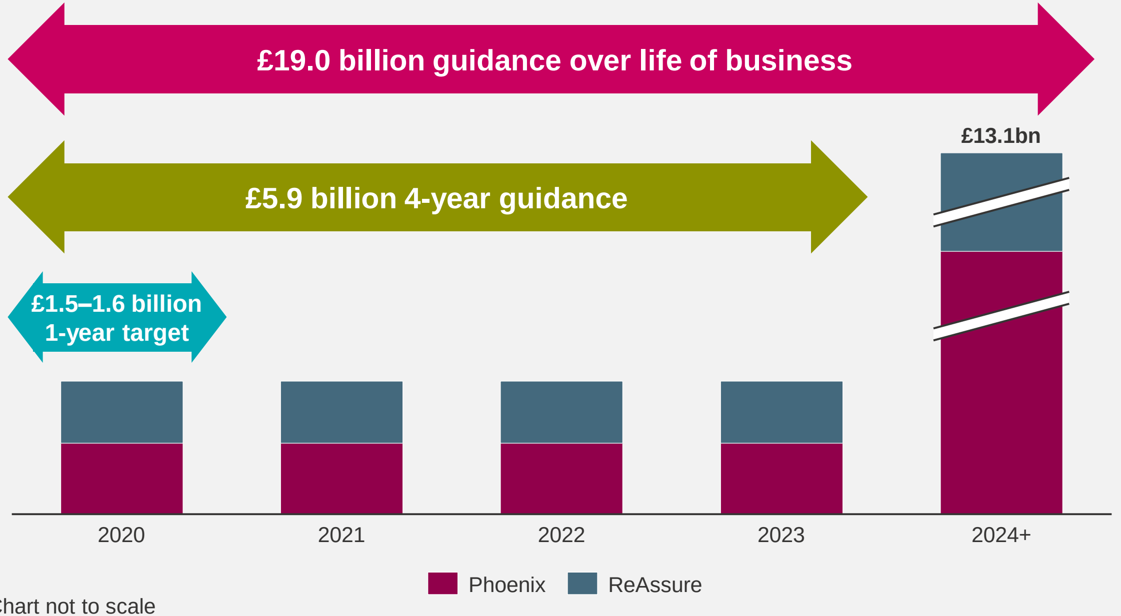


Chart not to scale

EXCLUDES

- New Open business;
- New BPA;
- Future M&A; and
- Management actions after 2023

Resilience of cash generation provides confidence in our dividend

Sensitivities for £5.9 billion 2020 - 2023 cash generation guidance[11]

Uses of cash	Op cost & interest: £1.4bn / Dividend: £1.9bn	Impact on cash generation
2020-23 cash generation guidance	£5.9bn	
Equities: 20% fall in markets	£5.9bn	£0.0bn
Property: 12% fall in values[12]	£5.7bn	£(0.2)bn
Rates: 73bps rise in interest rates[13]	£6.1bn	£0.2bn
Rates: 88bps fall in interest rates[13]	£5.6bn	£(0.3)bn
Credit: 120bps spread widening[14]	£5.7bn	£(0.2)bn
Credit: 20% portfolio full letter downgrade[15]	£5.2bn	£(0.7)bn
Lapse: 10% increase/decrease in rates[16]	£5.7bn	£(0.2)bn
Longevity: 6 months increase[17]	£5.1bn	£(0.8)bn

See Appendix XII for footnotes

Strong HY20 operating profit of £361 million

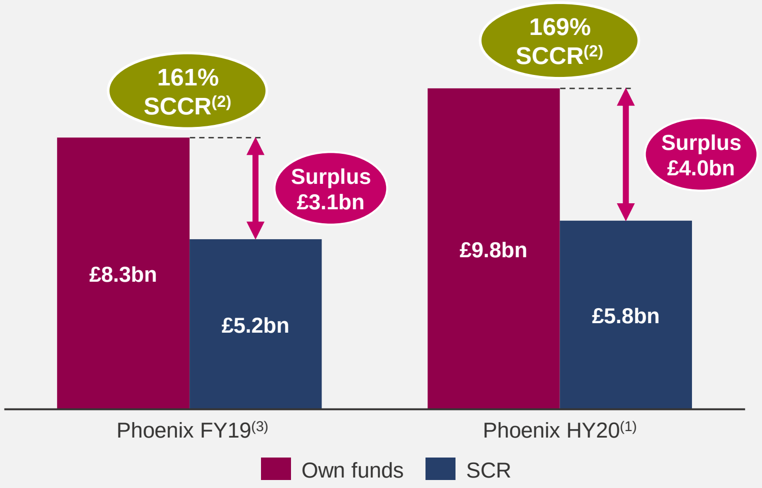
	HY20	HY19
UK Heritage	£281m	£257m
UK Open	£58m	£43m
Europe	£20m	£28m
Service company	£19m	£13m
Group costs	£(17)m	£(16)m
Operating profit before tax	**£361m**	**£325m**
Investment return variances and economic assumption changes	£627m	£(84)m
Amortisation of intangibles	£(184)m	£(199)m
Other non-operating items	£(65)m	£(32)m
Finance costs	£(76)m	£(63)m
(Loss)/profit before tax attributable to non-controlling interest	£(20)m	£2m
Profit/(loss) before tax attributable to owners	**£643m**	**£(51)m**
Tax (charge)/credit attributable to owners	£(157)m	£90m
Profit after tax attributable to owners	**£486m**	**£39m**

Key messages

- Increased Heritage operating profit reflecting higher new business profits on BPA transactions
- Increased UK Open operating profit due to higher SunLife volumes and positive persistency assumption changes
- Investment returns reflect gains on equity hedges and the impact of falling yields
- Other non-operating items include £48 million of costs associated with the SLAL transition

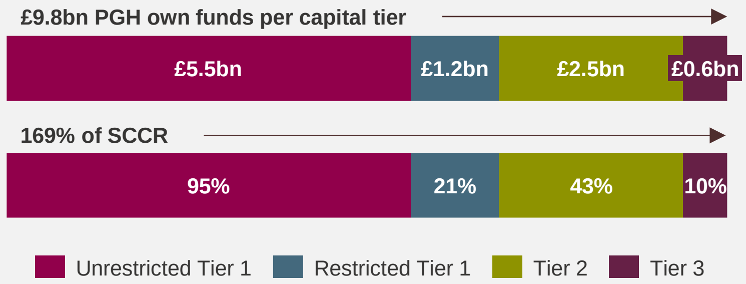
Phoenix maintains a strong capital position with a £4.0 billion Solvency II surplus

Estimated PGH Shareholder Capital Position



- £234 million 2020 interim dividend deducted from HY20 own funds
- £2.0 billion of surplus in unsupported with-profit funds and staff pension schemes is unrecognised

HY20 PGH own funds by capital tier



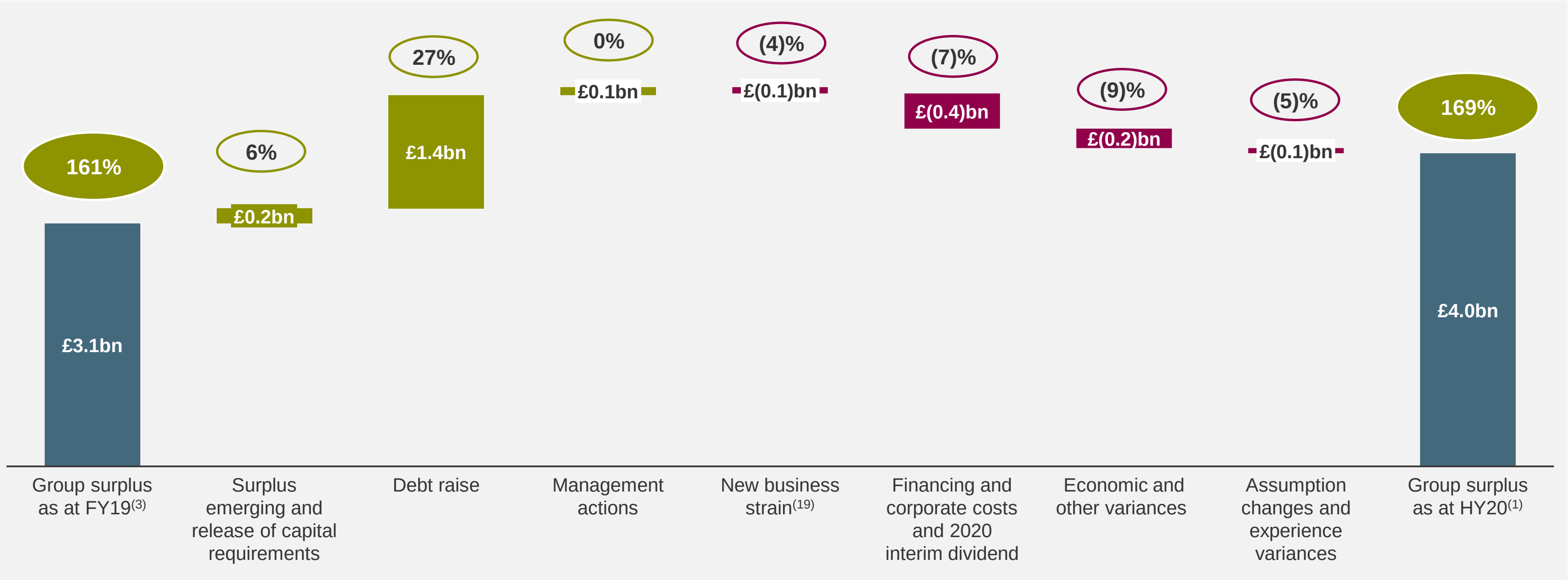
Shareholder own funds[18]	**£5.8bn**
Contract boundaries	£0.1bn
Shareholders share of with-profit estate	£0.2bn
Proxy to shareholder value	**£6.1bn**

Shareholder value per share: £8.45

See Appendix XII for footnotes

Phoenix's active approach to risk management limits impact of market volatility in 1H 2020 to £0.2 billion

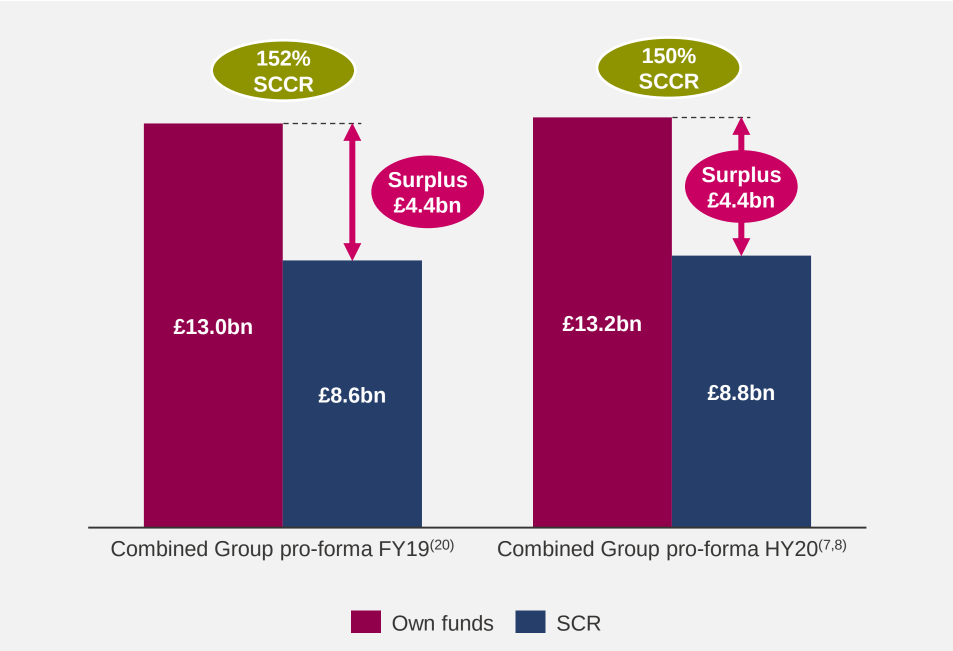
Change in PGH Solvency II Surplus



See Appendix XII for footnotes

Capital strength of the Combined Group is maintained with a £4.4 billion Solvency II surplus

Estimated pro-forma PGH Shareholder Capital Position



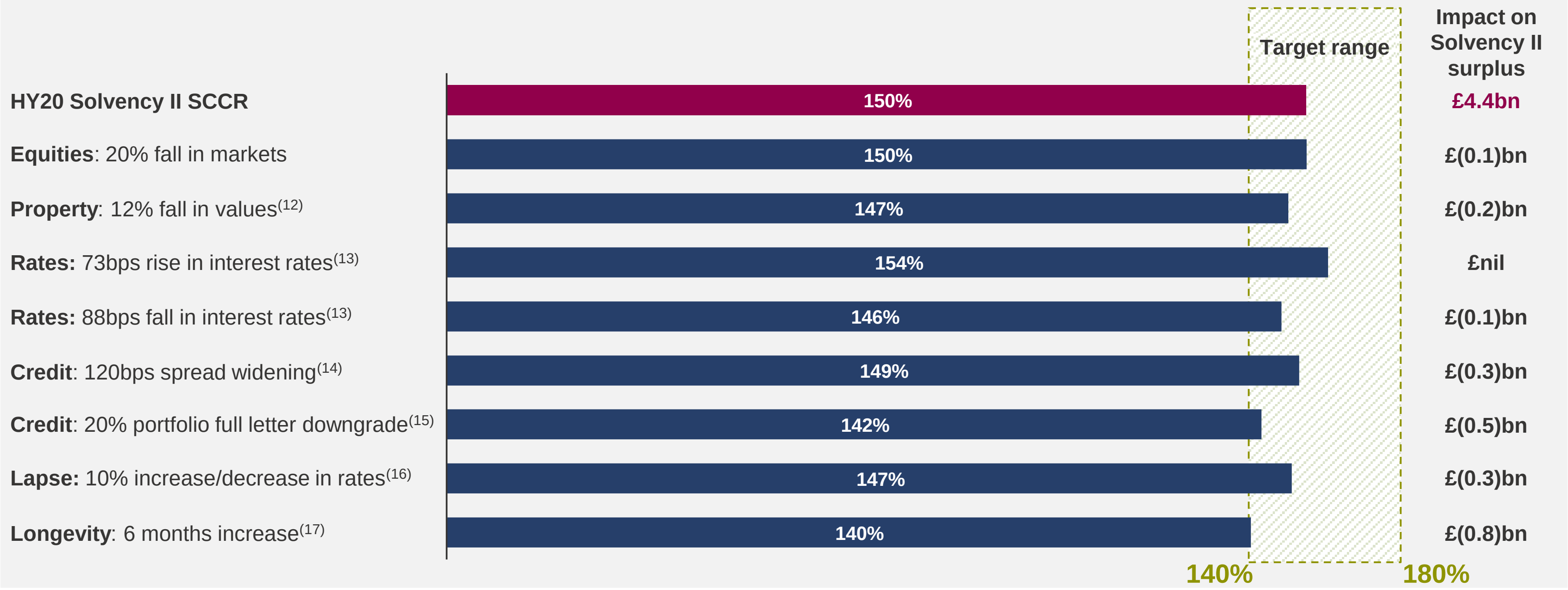
Key messages

- 150% solvency ratio is well within target range of 140% - 180%
- ReAssure Group included on a Standard Formula basis, with a Solvency II surplus[21] of £1.7 billion, SCCR of 157% and regulatory coverage ratio of 154%
- Pro-forma includes £120 million of capital synergies from delivery of equity hedging actions
- Pro-forma excludes the benefit of the L&G mature savings business Part VII – now expected in 2H 2020

See Appendix XII for footnotes

The Combined Group remains resilient to risk events

Combined Group Solvency II Shareholder Capital Coverage Ratio sensitivities[11]



See Appendix XII for footnotes

Phoenix has a diversified asset portfolio with high credit quality

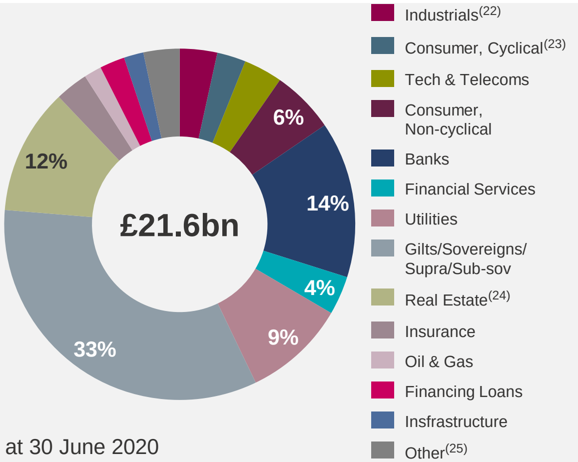
Shareholder asset portfolio

- 98% of shareholder debt portfolio is investment grade
- Only 16% is BBB

- 1.6% exposure to oil & gas sector
- 2.2% exposure to airlines, hotel, leisure & traditional retail

- 98% of illiquid assets are investment grade
- 100% of illiquid asset scheduled cashflows paid

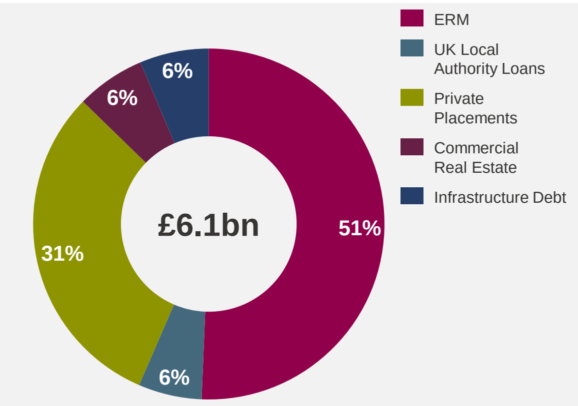
Debt portfolio by sector



at 30 June 2020

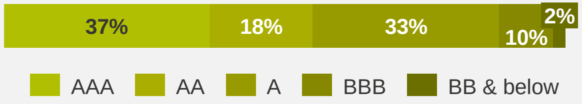
Credit quality

Illiquid assets



at 30 June 2020

Credit quality



See Appendix XII for footnotes

Our £6.1 billion illiquid asset portfolio is well diversified and 100% of scheduled cashflows were paid in 1H 2020

Equity Release Mortgages £3.1billion

- Broad regional spread
- Average AA credit rating
- 2.2% reduction to house price index made in HY20 valuation

Current portfolio

Average LTV	Average age	Av. time to redemption
34%	77 years	12 years

2020 origination

Average LTV	Average age	Av. time to redemption
26%-28%	71 years	14 years

Private Placements £1.9 billion

- 64% secured on a variety of assets
- Diversified portfolio across 41 exposures (counterparties)
- Average loan size of £46 million
- Average credit rating of A-

Commercial Real Estate £0.4 billion

- Structured with robust covenant protection
- Average credit rating of A-
- c. 85% of portfolio LTV ≤ 50%

UK Local Authority Loans £0.3 billion

- Unsecured but with implicit support of UK Government
- Average credit rating of A+
- Loans across 20 different local authorities
- Exposures ranging from £0.5 million - £63 million

Infrastructure Debt £0.4 billion

- Secured on cash flows from long-term contracts with highly rated counterparties
- 62% of portfolio backed by UK Government (directly or indirectly)

Active management of credit portfolio has led to limited downgrade experience

Average credit rating by sector (HY20 vs FY19)

Sector	HY20	AA	A	BBB	∆ vs FY19
Industrials[22]	£0.7bn		●	●	↓
Consumer, Cyclical[23]	£0.6bn		● ●		↔
Tech and Telecoms	£0.8bn			● ●	↔
Consumer, Non-cyclical	£1.3bn		● ●		↔
Banks	£3.1bn		● ●		↔
Financial Services	£0.8bn		● ●		↔
Utilities	£2.0bn		●	●	↓
Gilts /Sovereign/Supra/Sub-sov	£7.2bn	● ●			↔
Real Estate[24]	£2.5bn		● ●		↔
Insurance	£0.7bn		● ●		↔
Oil and Gas	£0.3bn		● ●		↔
Financing Loans	£0.5bn	● ●			↔
Infrastructure	£0.4bn			● ●	↔
Other[25]	£0.7bn		● ●		↔

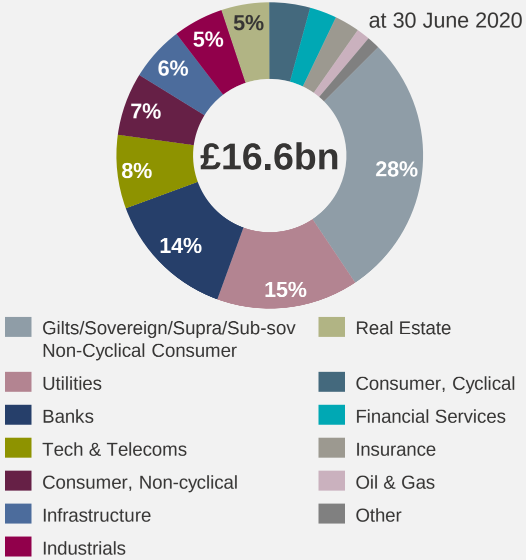
Key: FY19 ● HY20 ● See Appendix XII for footnotes

Key messages

- ✓ GBP to USD block trade prevented £60 million Solvency II strain from forecast downgrade
- ✓ Proactive rotation out of assets on ASI downgrade forecast and internal Watchlist
- ✓ Only £860 million (6.5%) of bonds in the Matching Adjustment portfolios subject to a letter rating downgrade
- ✓ £16 million of bonds (0.1%) in the Matching Adjustment portfolios downgraded to sub-investment grade
- ✓ There have been no defaults

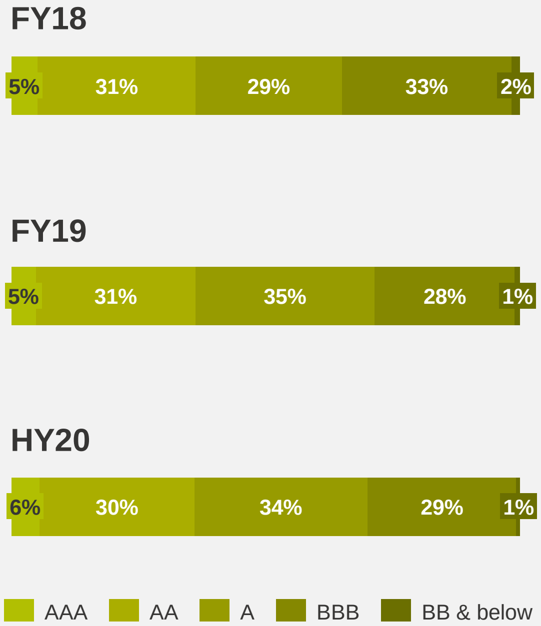
ReAssure also has a high quality credit portfolio

Sector analysis



- 2.7% exposure to airlines, hotel, leisure & traditional retail and 1.4% exposure to oil & gas sector

Credit quality



Key messages

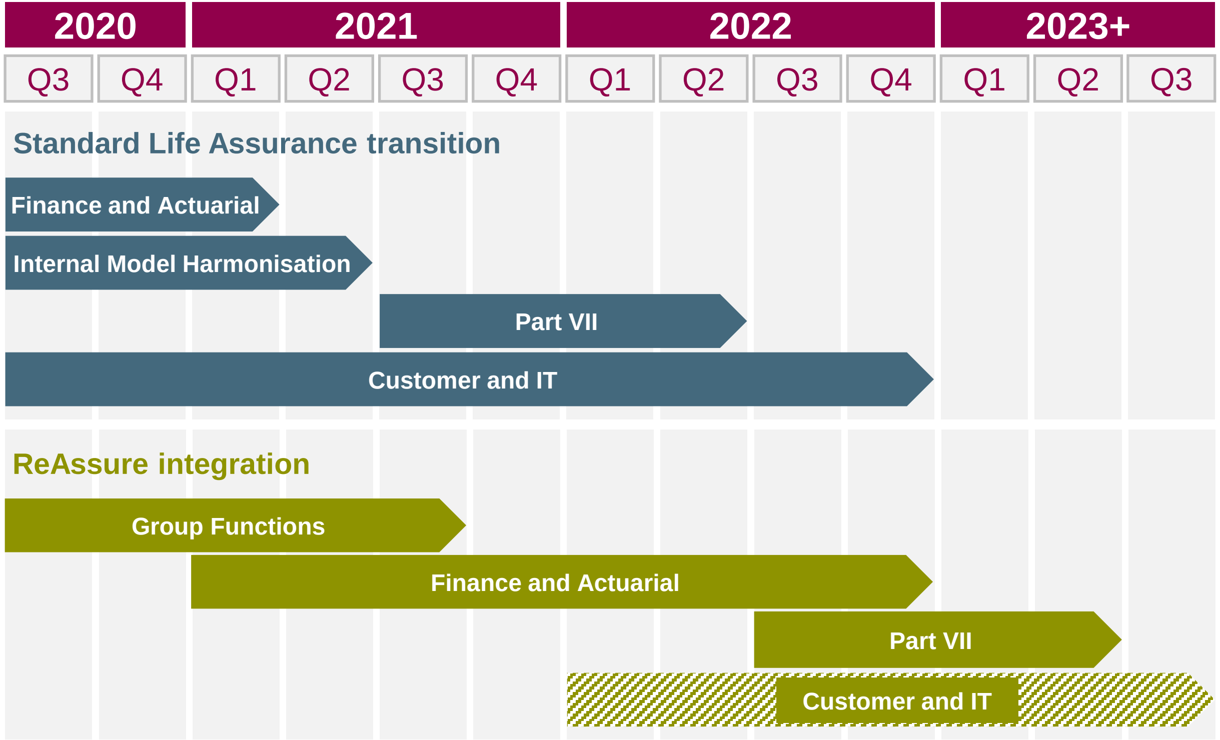
- Active management, using assets ‘watchlist’ for daily monitoring of sectors with most downgrade exposure
- Programme of trading out of UK BBB into USD A credit
- Only £575 million (5.5%) of bonds in the Matching Adjustment portfolios subject to a letter rating downgrade
- £22 million of bonds (0.2%) in the Matching Adjustment portfolios downgraded to sub-investment grade
- There have been no defaults

28% of synergy targets delivered for ReAssure on Day 1

	Standard Life Transition			ReAssure Integration		
	Delivered	Target	% of target	Delivered	Target	% of target
1 Capital synergies (net of costs)	£645m	£720m	90%	£120m	£450m	27%
2 Cost synergies[26] (per annum)	£36m	£75m	48%	£11m	£40m	28%
3 One-off cost synergies	£38m	£30m	127%	N/A	N/A	N/A
4 Transition / integration costs[26] (net of tax)	£35m	£150m	23%	£3m	£50m	6%
Total value[26]	**£946m**	**£1,220m**	**78%**	**£227m**	**£800m**	**28%**

See Appendix XII for footnotes

Our integration activity remains on track to deliver £2 billion synergy targets



Key messages

- Parallel running of internal models from Q1 2021
- SLAL capital synergy targets place no value on internal model harmonisation

- Significant cost synergies already delivered from integration of group functions
- No decision taken on end state customer and IT operating model

2020 new business has increased long-term cash generation by £358 million, enhancing the sustainability of our dividend

	HY20				HY19 Total
	BPA	UK Open	Europe	Total	
Long-term cash generation	**£236m**	**£108m**	**£14m**	**£358m**	**£254m(4)**
Gross inflows (on new business)	£1.1bn	£2.6bn	£0.5bn	£4.2bn	£4.0bn
Capital strain	£90m	£2m	£11m	£103m	£40m(4)

Key messages

1. New business cash generation is incremental to £19 billion guidance
2. 41% increase in long-term cash generation year-on-year
3. Additional cash generation from new business c. 1.5x 2020 interim dividend
4. Small capital strain financed from surplus capital generation

New business from UK Open and Europe increased long-term cash generation by £122 million

1H 2020 key messages

Workplace

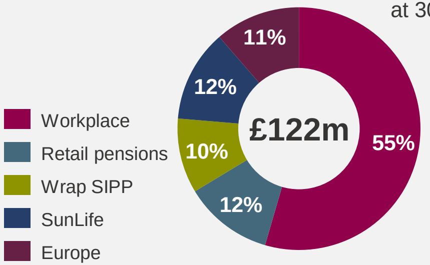
- Total gross inflows in line with 1H 2019 demonstrating resilience of this business
- Outflows c. 25% lower year-on-year, driven by significant reduction during pandemic
- £67 million long-term cash generation from new business

Retail / Wrap SIPP

- Both inflows and outflows down compared to 1H 2019 as people avoided making investment decisions in Q2 due to uncertainties driven by COVID-19
- £27 million long-term cash generation from new business

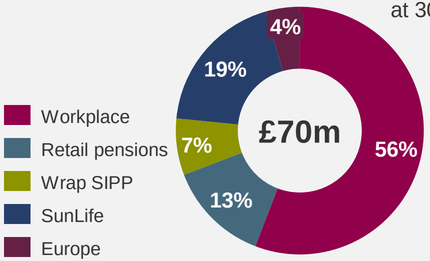
Incremental LTCG

at 30 June 2020



New business contribution(10)

at 30 June 2020



Looking ahead

- Expect continued pressure on inflows throughout 2H 2020
- Ongoing delivery of Workplace proposition development
- Expand our digital retirement service
- Continue to promote digital channels

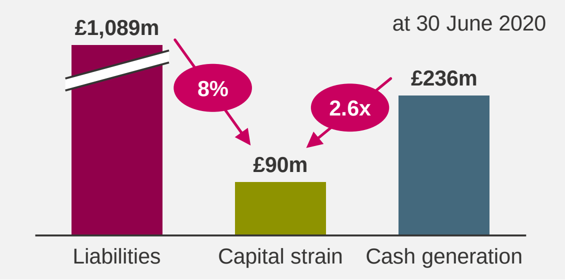
See Appendix XII for footnotes

BPA deals increased long-term cash generation by £236 million

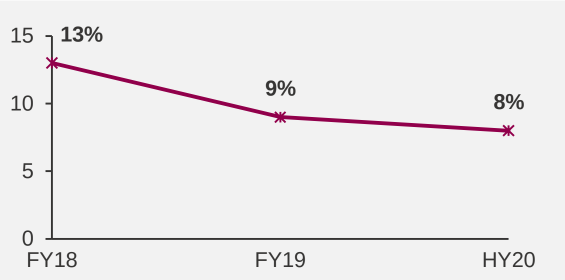
1H 2020 highlights

- Strong deal flow, with 3 deals completed in 1H 2020
- Improved deal economics with capital strain reduced to 8% and average payback[27] reduced to 5 years
- Completed £800 million buy-in with LV= pension scheme by converting an existing longevity swap between the scheme and ReAssure
- Strong illiquid asset origination supported competitive pricing

Deal economics



Capital strain



Looking ahead

- Strong pipeline with 2020 BPA market estimated to be £20 - £25 billion
- Further selective and proportionate participation if achieving attractive deal economics
- Able to deliver increasingly complex transactions
- Continued focus on illiquid asset origination and improving capital efficiency

See Appendix XII for footnotes

Phoenix continues to have a strong pipeline of management actions

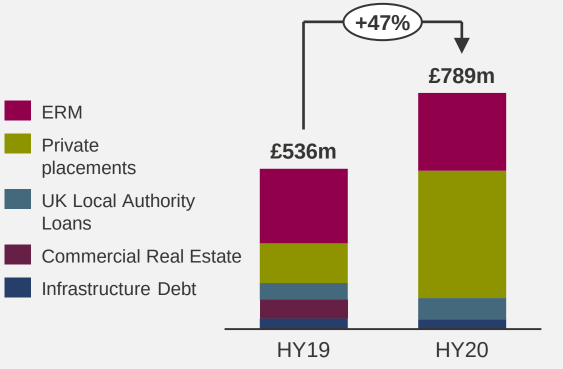
1H 2020 management actions increased surplus by £0.1 billion

- **£0.2 billion increase in Own Funds**
- **£0.1 billion increase in SCR**

Investment of annuity backing assets in illiquid asset classes

Swapping credit/gilts for US municipals to take advantage of a higher spread

H1 2020 illiquid investment origination



- Illiquid investments comprise 27% of asset backing annuity liabilities
- Target of 40% illiquid assets backing annuity liabilities
- Average credit rating of HY20 origination: A+
- £340 million of ESG investments

2H 2020 management actions

- Part VII transfer of L&G mature savings business to ReAssure
- Circa 1.2 million legacy Phoenix policies to be transferred to Diligenta
- Securitisation of c. £600 million of ERM portfolio
- Origination of illiquid investments
- Matching Adjustment approval of Infrastructure loans
- Further credit trades

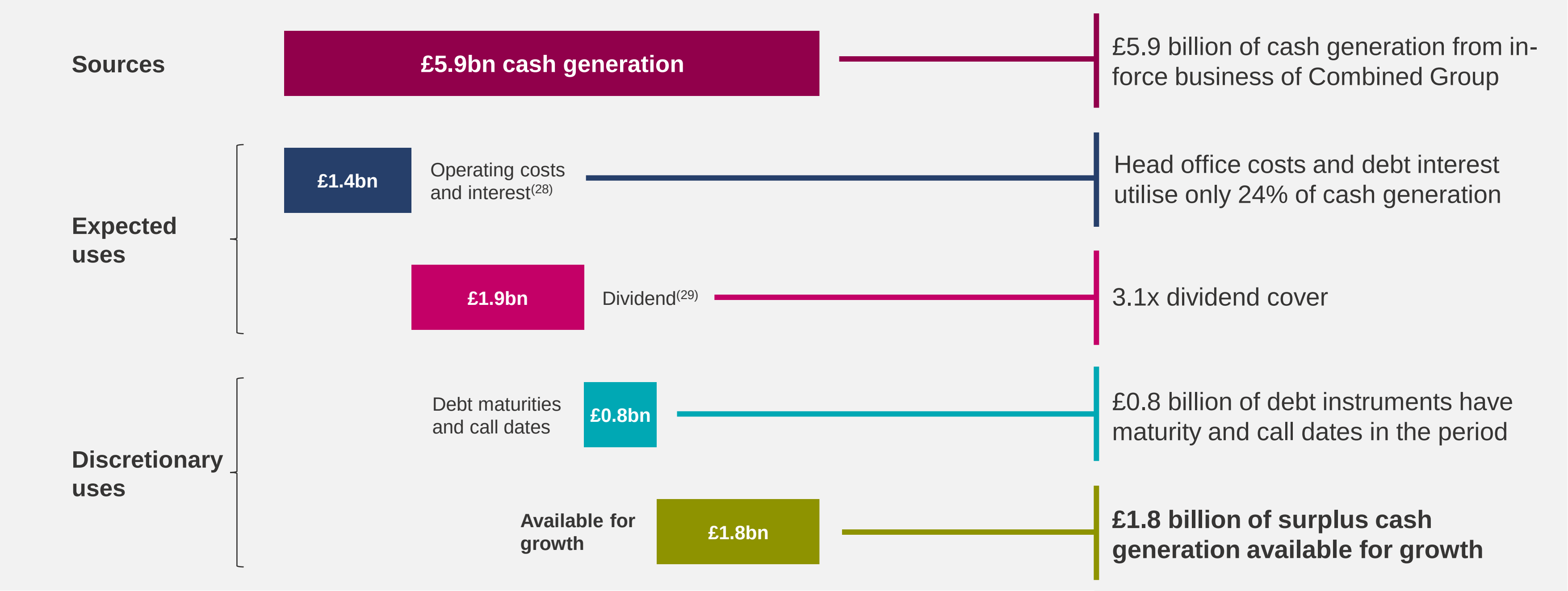
Andy Briggs

Group Chief Executive Officer

PHOENIX GROUP

£1.8 billion of surplus cash available to self-fund growth options over next 4 years

Illustrative 2020-2023 sources and uses of cash



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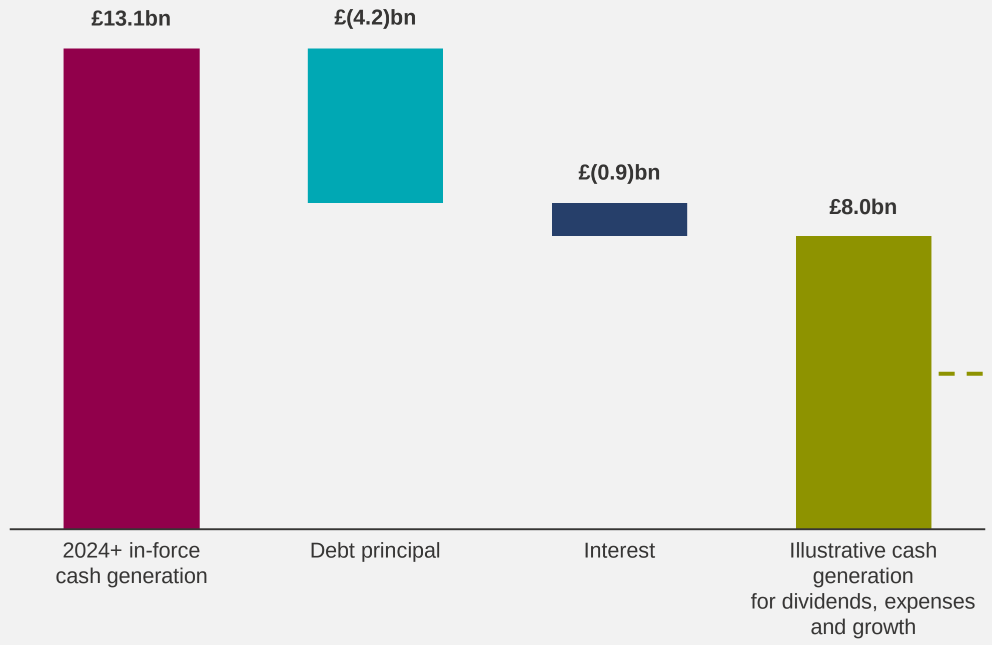
PHOENIX GROUP

Phoenix's in-force business supports the dividend for many years

2024+ cash generation from in-force business

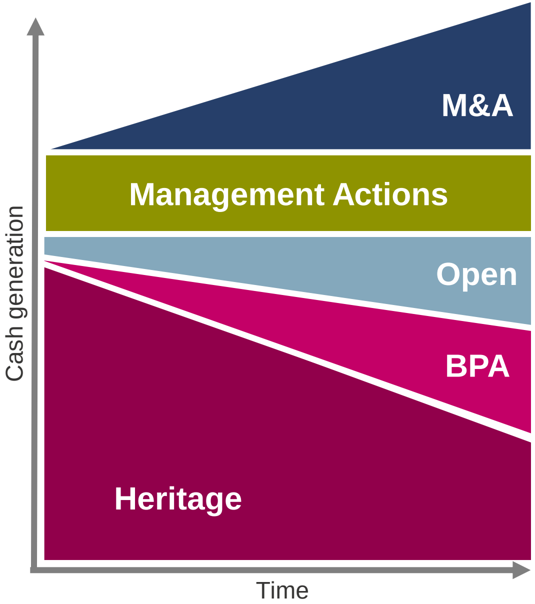


£8 billion supports a stable and sustainable dividend till 2040...

...but we can grow the dividend and / or enhance dividend sustainability through:

- ✓ New Open business
- ✓ Further BPA
- ✓ Additional M&A
- ✓ Management actions in 2024 and beyond

Phoenix is well placed to benefit strategically from the industry drivers of change, which COVID-19 has accelerated



Industry driver	Drivers are accelerating	Phoenix's advantages
Insurers are consolidating: **>£600 billion** across the UK, Germany and Ireland	• More pressure on insurer balance sheets • Greater need to free up trapped capital from Heritage books	✓ Differentiated capability in Heritage management ✓ Unrivalled scalable operating model and financing capability ✓ Leading capability in M&A and integration delivery
Strong DC pension growth: **£24 billion** DC contributions p.a.	• Increased demand for protection and financial security • More willingness to engage directly and seek guidance	✓ UK's largest long-term savings and retirement business ✓ Top 3 Workplace pension provider ✓ Market leading partnership with TCS
Corporates are de-risking: **£25 billion** p.a. and growing	• Short-term dislocation in pricing in favour of insurers • Continued demand for de-risking from FDs	✓ Better diversification as a result of annuities making up only circa 10% of our UK balance sheet

Phoenix has a clear set of strategic priorities for 2H 2020

Heritage	M&A and integration	Open
Deliver new 2020 cash generation target range of £1.5 - £1.6 billion	Submit Internal Model Harmonisation final application	Deepen illiquid asset origination capabilities and further improve BPA capital efficiency
Focus on delivery of key management actions and ongoing capital resilience	Complete L&G mature savings business Part VII	Expand our digital retirement service for customers
Exceed customer satisfaction metric targets and improve customer outcomes	Complete integration of ReAssure group functions	Launch of ESG passive default fund in Workplace proposition

Sustainability			
Deliver for our customers	Foster responsible investment	Reduce our environmental impact	Be a good corporate citizen

Dates for your diary

Record date for 2020 interim dividend — **14 August 2020**

Payment of 2020 interim dividend — **4 September 2020**

Capital Markets Day — **3 December 2020**

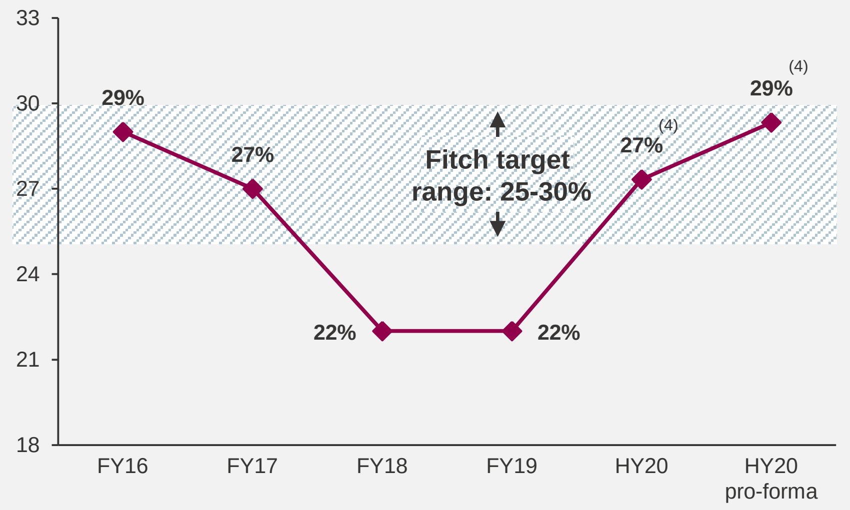
Full Year Results 2020 — **8 March 2021**

Q&A

Appendices

Appendix I: Leverage ratios

Fitch leverage ratio(1)



HY20 leverage ratios

Fitch basis[1]	27%
IFRS basis[2]	44%
SII leverage[3]	33%

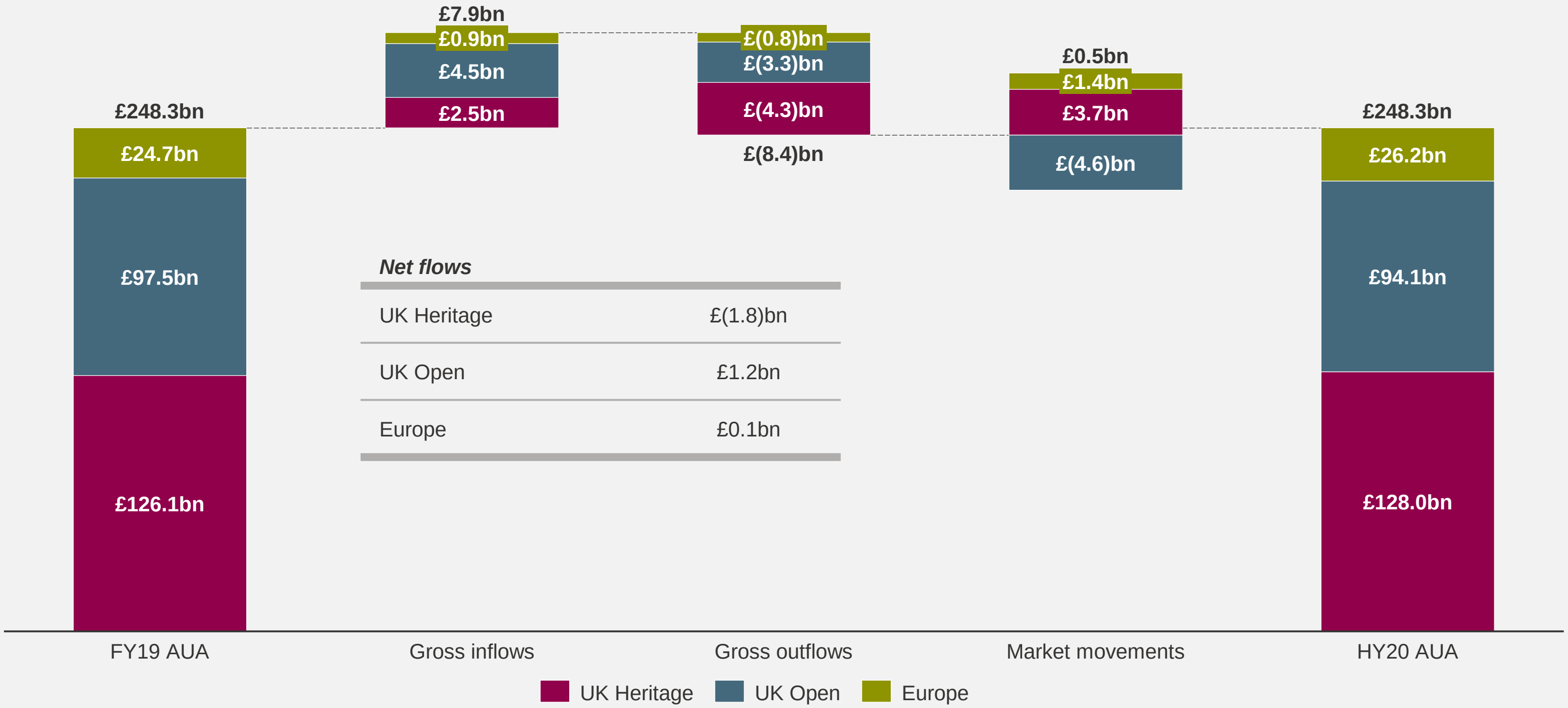
- IFRS leverage ratio classifies RT1 as debt

Funding capacity

- Our funding capacity is driven by a combination of own cash, leverage capacity and our target solvency range
- We estimate a funding capacity for inorganic growth as at FY21 of c. £1.6 billion

(1) The Fitch leverage calculation = debt (senior debt + RCF + T2 bonds + T3 bonds) / debt + equity (Shareholder equity + Unallocated surplus + RT1)
(2) IFRS leverage calculation = debt (all debt including RT1) / debt + equity (Shareholder equity only)
(3) SII leverage calculation = debt (all debt including RT1) / SII regulatory own funds
(4) Phoenix calculated

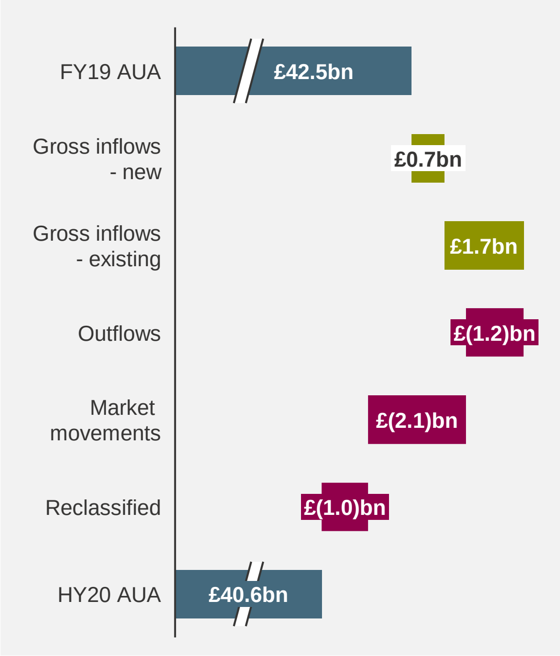
Appendix II: Movement in assets under administration



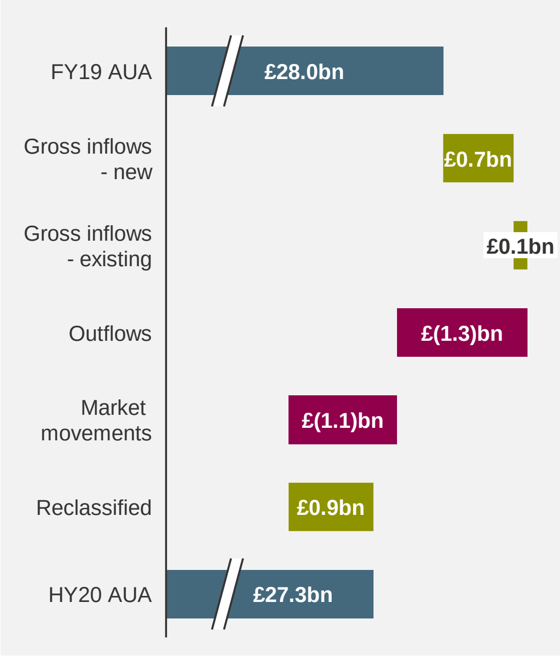
Net flows	
UK Heritage	£(1.8)bn
UK Open	£1.2bn
Europe	£0.1bn

Appendix III: UK Open – movement in AUA by product type

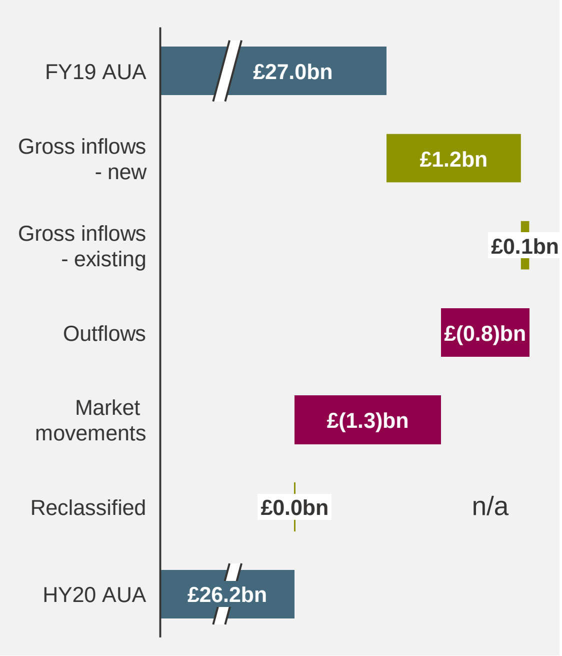
Workplace



Retail



Wrap SIPP



Appendix IV: Movements in holding company cash and cash equivalents

£m	HY20	HY19	FY19
Opening cash and cash equivalents	**275**	**346**	**346**
Total cash receipts	**433**	**287**	**707**
Uses of cash			
Operating expenses	(19)	(19)	(43)
Pension scheme contributions	(23)	(23)	(50)
Non-operating cash inflows/(outflows)	50	(41)	(137)
Debt interest	(56)	(34)	(112)
Shareholder dividend	(169)	(169)	(338)
Total cash outflows	**(217)**	**(286)**	**(680)**
Equity and debt raisings (net of fees)	1,445	-	-
Support BPA activity	(90)	(32)	(98)
Closing cash and cash equivalents	**1,846**	**315**	**275**

Non-operating net cash inflows include:

- £54 million from the close out of derivative instruments entered into by the holding companies to hedge the Group's exposure to currency risk as well as equity risk arising from the Group's acquisition of the ReAssure Group;
- £61 million of favourable movement on currency and equity risk hedges;
- £2 million of net other inflows; and
- Was offset by £67 million of recharged staff costs and Group expenses associated with corporate related projects.

Appendix V: Change in Life Company Free Surplus

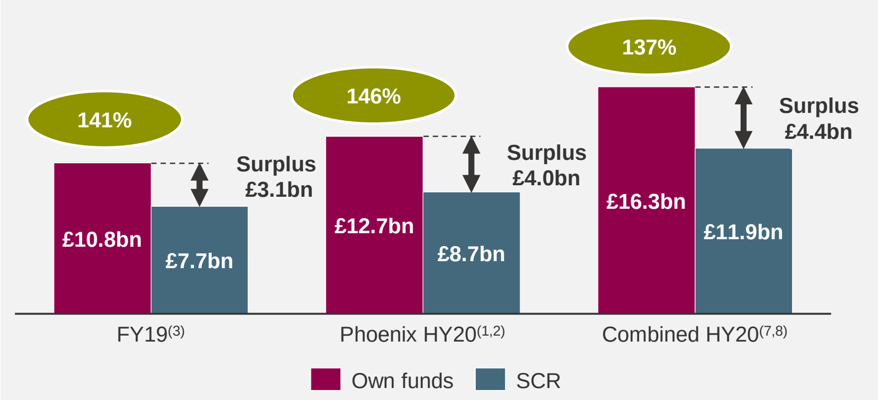
Change in Life Company Free Surplus in 1H 2020

(1) The opening Life Company Free Surplus reflects the impact of a regulator approved recalculation of transitionals as at 31 December 2019.

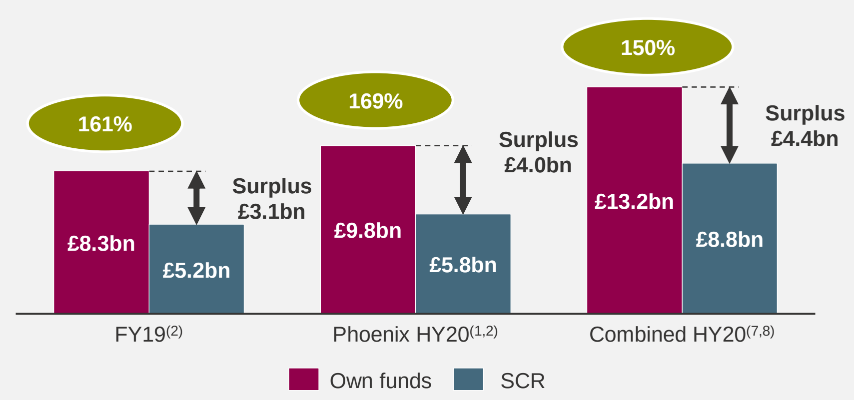
(2) The closing Life Company Free Surplus is an estimated position and reflects a dynamic recalculation of transitionals for the Group’s Life companies. Had the dynamic recalculation not been assumed, the Life Company Free Surplus would decrease by £0.4bn.

Appendix VI: Estimated PGH Solvency II surplus and coverage ratios

PGH Solvency II coverage ratio



PGH Shareholder capital coverage ratio

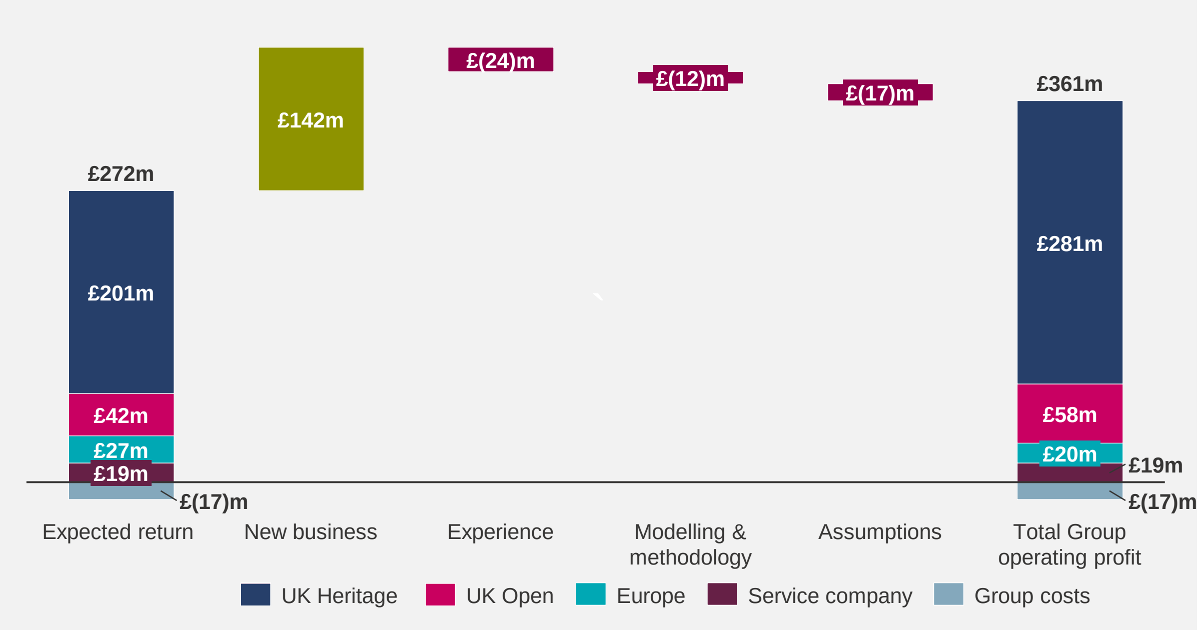


£bn	Combined Group HY20	Phoenix HY20	Phoenix FY19
PGH Solvency II own funds	16.3	12.7	10.8
Less: Unsupported with-profit funds	(2.6)	(2.5)	(2.0)
Less: Unsupported pension schemes	(0.5)	(0.4)	(0.5)
PGH Shareholder own funds	13.2	9.8	8.3

See Appendix XII for footnotes

Appendix VII: Operating profit analysis

1H 2020 operating profit drivers



Key messages

- New business profits driven by 1H 2020 BPA deals and higher volumes in SunLife business
- Favourable longevity experience more than offset by negative mortality and expense experience
- Assumption changes include strengthening of late retirement assumptions on products with valuable guarantees

Basic operating earnings net of financing costs per share(1): **31.1p**

(1) Basic operating earnings net of financing costs per share is calculated using the weighted average number of ordinary shares in issue during the year.

Appendix VIII: Asset mix of life companies

At 30 June 2020 £m	Total shareholder, non-profit and supported with-profits[2]	Policyholder funds[3]			Total assets[1]
		Non-supported with-profits funds	Unit-linked	Total policyholder	
Cash deposits	5,898	5,766	8,012	**13,778**	**19,676**
Debt securities					
Debt securities – gilts	4,907	13,981	5,344	19,325	24,232
Debt securities – other bonds	14,065	24,032	29,215	53,247	67,312
Debt securities – illiquid assets	2,643	135	17	152	2,795
Total debt securities	**21,615**	**38,148**	**34,576**	**72,724**	**94,339**
Equity securities	152	14,391	69,422	83,813	83,965
Property investments	113	1,591	5,087	6,678	6,791
Commercial real estate loans	389	-	-	-	389
Equity release mortgages	3,111	-	-	-	3,111
Other investments[4]	1,196	5,354	9,388	14,742	15,938
Total	**32,474**	**65,250**	**126,485**	**191,735**	**224,209**

(1) The analysis of the asset portfolio comprises assets held by the Group's life companies. It excludes other Group assets such as cash held in holding companies and service companies, and is net of derivative liabilities. This information is presented on a look through basis to underlying holdings where available.

(2) Includes assets where shareholders of the life companies bear the investment risk.

(3) Includes assets where policyholders bear most of the investment risk.

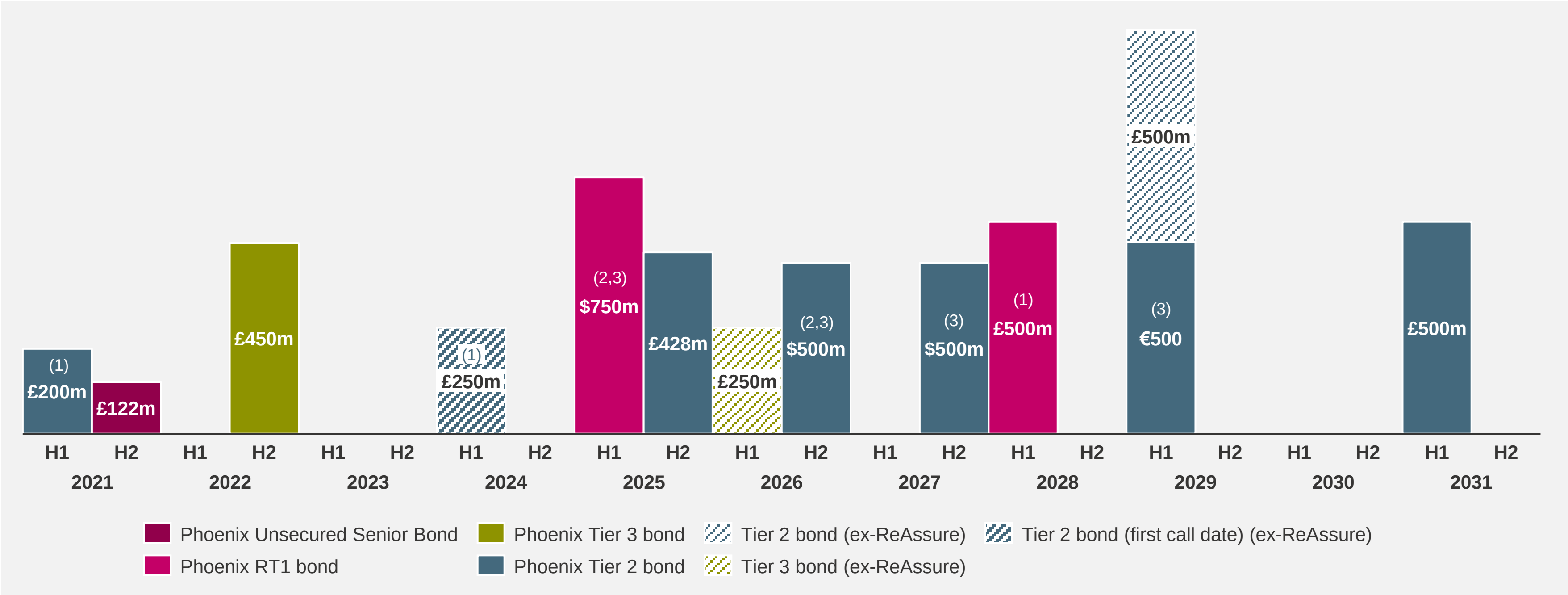
(4) Includes policy loans of £9 million, other loans of £309 million, net derivative assets of £5,827 million, reinsurers' share of investment contracts of £8,523 million, income strips of £693 million and other investments of £577 million.

Appendix IX: Credit quality by sector for shareholder debt portfolio

At 30 June 2020 £m	AAA	AA	A	BBB	BB & below and unrated	Total	
Industrials[22]	-	148	116	460	21	**745**	3%
Consumer, Cyclical[23]	-	209	177	167	21	**574**	3%
Tech and Telecoms	44	154	183	362	28	**771**	4%
Consumer, Non-cyclical	123	209	570	317	33	**1,252**	6%
Banks	525	429	1,492	589	79	**3,114**	14%
Financial Services	66	253	360	84	7	**770**	4%
Utilities	28	33	1,181	751	48	**2,041**	9%
Gilts/Sovereign/Supra/sub-sov	1,160	5,743	270	2	51	**7,226**	33%
Real Estate[24]	33	123	2,062	229	62	**2,509**	12%
Insurance	-	346	232	51	24	**653**	3%
Oil and Gas	-	121	135	82	13	**351**	2%
Financing Loans	-	450	49	-	-	**499**	2%
Infrastructure	-	-	59	311	21	**391**	2%
Other[25]	422	109	126	49	13	**719**	3%
Total	**2,401**	**8,327**	**7,012**	**3,454**	**421**	**21,615**	**100%**
Total %	**11%**	**39%**	**32%**	**16%**	**2%**	**100%**	

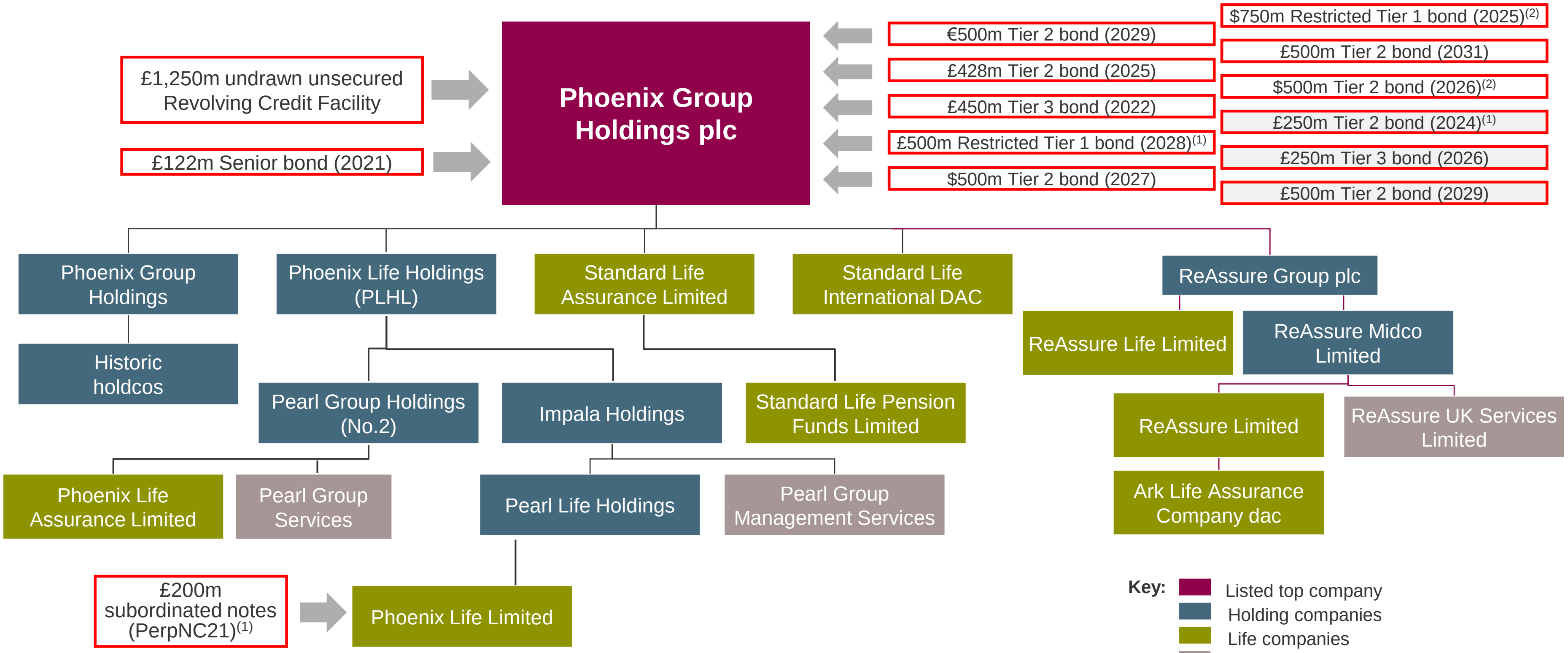
See Appendix XII for footnotes

Appendix X: Outline of debt maturity profile as at 6 August 2020



(1) First call date
(2) First reset date
(3) All currency debt converted into GBP based on the closing 30 June 2020 exchange rates

Appendix XI: Corporate structure as at 6 August 2020



(1) First call date
(2) First reset date

Key:
- Listed top company
- Holding companies
- Life companies
- Management services
- Ex-ReAssure bond

PHOENIX GROUP

Appendix XII: Footnotes

(1) The HY20 Solvency II capital position is an estimated position and reflects a dynamic recalculation of transitionals for the Group's Life companies. Had the dynamic recalculation not been assumed, the Solvency II surplus and the Shareholder Capital Coverage Ratio would decrease by £0.3 billion and 6% respectively.
(2) The Shareholder Capital Coverage Ratio excludes Solvency II own funds and Solvency Capital Requirements of unsupported with-profit funds and the PGL and Pearl Pension Schemes.
(3) The FY19 Solvency II capital position reflects a regulator approved recalculation of transitionals as at 31 December 2019.
(4) HY19 figures have been restated to include SunLife new business contribution of £3 million, incremental long-term cash generation of £4 million and capital strain of £3 million.
(5) ReAssure's assets under administration and number of policies as at 30 June 2020 assume completion of the Part VII transfer of the mature savings business of the L&G Group.
(6) Incremental cash generation arising from the acquisition of ReAssure is calculated using Phoenix's assumptions and reporting bases.
(7) The pro-forma position for the Combined Group assumes the acquisition of ReAssure and the novation of equity hedging instruments from the Group's holding companies to ReAssure Assurance Limited took place on 30 June 2020.
(8) The Shareholder Capital Coverage Ratio excludes Solvency II own funds and Solvency Capital Requirements of the unsupported with-profit funds and the unsupported pension schemes of the Combined Group.
(9) 2020e reflects expected dividend based on application of proposed 3% increase announced for ReAssure transaction.
(10) "New business contribution" is the increase in Solvency II own funds arising from new business written in the period excluding risk margin and contract boundary restrictions and stated net of taxation.
(11) Sensitivity assumes stress occurs on Day 1 and that there is no market recovery.
(12) Property stress represents an overall average fall in property values of 12%.
(13) Assumes the impact of a dynamic recalculation of transitionals and an element of dynamic hedging which is performed on a continuous basis to minimise exposure to the interaction of rates with other correlated risks including longevity.
(14) Credit stress varies by rating and term and is equivalent to an average 120bps spread widening (full range of spread widening is 49bps to 204bps). It assumes the impact of a dynamic recalculation of transitionals and makes no allowance for the cost of defaults/downgrades.
(15) Impact of an immediate full letter downgrade across 20% of the shareholder exposure to the bond portfolio (e.g. from AAA to AA, AA to A, etc). This sensitivity assumes no management actions are taken to rebalance the annuity portfolio back to the original average credit rating and makes no allowance for the spread widening which would be associated with a downgrade.
(16) Assumes most onerous impact of a 10% increase/decrease in lapse rates across different product groups.
(17) Applied to the annuity portfolio.
(18) Shareholder Own Funds is defined as Group Solvency II eligible own funds, adjusted to exclude own funds related to unsupported with profit funds and Group pension schemes, and is stated after deduction of the principal value of the Group's capital qualifying debt.
(19) New business strain comprises BPA £(90) million, vesting annuities £nil, UK Open business £(2) million and European business £(11) million.
(20) The pro-forma position for the Combined Group assumes the acquisition of ReAssure took place on 31 December 2019.

Appendix XII: Footnotes (continued)

(21) The HY20 Solvency II capital position for ReAssure is an estimated position and reflects a dynamic recalculation of transitionals for the ReAssure Life companies. It also reflects a change in methodology in the transitionals recalculation that is subject to regulatory approval. Had this not been assumed, the Solvency II surplus and Shareholder Capital Coverage Ratio would decrease by £0.1 billion and 1%.
(22) Industrials: Includes £237 million exposure to airports and £4 million to leisure.
(23) Consumer, cyclical: Includes £266 million exposure to traditional retail, £34 million to airlines, £13 million to leisure and £184 million to automobiles.
(24) Real estate: Includes £18 million exposure to shopping malls, £54 million to shopping centres and £82 million to leisure.
(25) Other: Includes Basic Materials, Structure Finance, Diversified, Investment Companies and CDOs.
(26) Cost synergies delivered to date reflect actual reduction in underlying cost base. Transition costs incurred to date excludes amounts provided for and reflects actual costs incurred to date. Total value includes the capitalised amount of per annum cost synergies calculated on a net of tax basis.
(27) Average payback is stated excluding capital management policy.
(28) Illustrative combined group operating expenses of £45 million p.a. over 2020 to 2023. Phoenix pension scheme contributions estimated in line with current funding agreements, comprising £70 million in respect of the Pearl Scheme and £39 million in respect of the Abbey Life Scheme. Assumes integration costs of c. £200 million net of tax, split c. £150 million on Standard Life integration and c. £50 million on Reassure integration. Includes interest on the combined Group's listed debt and senior debt, but excludes interest on the PLL Tier 2 bond which is incurred directly by Phoenix Life Limited.
(29) Illustrative dividend allowing for the issue of equity and 3% increase.

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