PHOENIX GROUP

Interim Results 2015

20 August 2015

Agenda

Introduction	Howard Davies | Chairman
Business update	Clive Bannister | Group Chief Executive
Financial review	Jim McConville | Group Finance Director
Phoenix Life	Andy Moss | Chief Executive, Phoenix Life
Outlook and Q&A	Clive Bannister | Group Chief Executive

Introduction

Howard Davies

Business update
Clive Bannister

Continued financial and operational delivery

- ✓ Cash generation of £110 million in HY15
- ✓ Solvency II Internal Model submitted for approval in June 2015
- ✓ Incremental MCEV from management actions of £84 million
- ✓ Exchange of Tier 1 bonds into new subordinated notes in January 2015
- ✓ Investment grade rating achieved from Fitch Ratings
- ✓ Simplification of corporate structure in HY15
- ✓ Financial Leverage ratio of 39.2%
- ✓ On track to meet all financial targets
- ✓ MCEV of £2,575 million
- ✓ 2015 interim dividend of 26.7p per share

Significant progress achieved in 2015

	Delivery	Target	
Cash generation	£110m	£200m to £250m in 2015	✓ Achieved around half the FY target during the first 6 months of 2015 ✓ On track to meet long term cash generation target of £2.8 billion between 2014-19
MCEV enhancement	£345m to date	£400m 2014 – 2016[(1)]	✓ £84 million of incremental value delivered through management actions in HY15 ✓ On track to meet £400 million cumulative target
Financial Leverage	39.2%	Consistent with IG rating	✓ Achieved investment grade credit rating from Fitch Ratings ✓ 50bps reduction in bank facility margin

Notes: (1) Target increased from £300 million at time of FY14 results

Phoenix remains well positioned for industry changes

Pension freedoms	• New pension freedoms effective, with full range of options provided either by Phoenix Group or through partnerships • Wrote £208 million of annuities in HY15, with 79% having Guaranteed Annuity Rates ('GARs')
Regulatory reviews	• FCA review into legacy customers expected to conclude in H2 2015 • Other ongoing reviews, including HM Treasury consultation on pension transfers and early exit charges • Consultation on secondary annuity market delayed to 2017
Solvency II	• Internal Model Approval Process (IMAP) application submitted in June • PRA approval process expected to complete in December • The Group expects to be well capitalised, with the Group capital position under Solvency II as calculated at PLHL expected to be in excess of the current PLHL ICA surplus, subject to regulatory approval

Financial review

Jim McConville

Financial highlights

£		HY15	HY14	FY14
Cash	Operating companies cash generation	110m	332m	957m[3]
	Holding company cash	916m	1,081m	988m
IFRS	Group operating profit	135m	266m[1]	483m[1]
MCEV	Group MCEV	2.6bn	2.3bn	2.6bn
Financial Leverage	Financial Leverage[2]	39.2%	48.7%	39.3%
Group solvency	IGD surplus	1.6bn	1.3bn	1.2bn
	PLHL ICA surplus	0.7bn	1.0bn	0.7bn
Dividends	Dividend per share	26.7p	26.7p	53.4p

Notes: (1) Includes Ignis operating profit of £17 million in both HY14 and FY14
(2) Gross shareholder debt as a percentage of Gross MCEV
(3) Includes Ignis divestment proceeds. Excluding Ignis divestment proceeds the operating companies cash generation at FY14 was £567 million

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Cash generation of £110 million in HY15

£m	HY15	HY14	FY14
Opening cash and cash equivalents[1]	**988**	**995**	**995**
Cash receipts			
Phoenix Life	110	211	446
Ignis (including divestment proceeds)	-	32	422
Other cash receipts[2]	-	89	89
Total cash receipts	**110**	**332**	**957**
Uses of cash			
Operating expenses	(13)	(13)	(29)
Pension scheme contributions	(8)	(13)	(88)
Total non-recurring cash outflows	(9)	(16)	(46)
Debt interest	(32)	(59)	(80)
Debt repayments	(60)	(85)	(601)
Shareholder dividend	(60)	(60)	(120)
Total cash outflows	**(182)**	**(246)**	**(964)**
Closing cash and cash equivalents	**916**	**1,081**	**988**

- £20 million of cash generation through management actions
- Pension scheme contributions are weighted towards the second half of the year under the Pearl contribution schedule
- Debt interest includes £20 million payment of the accrued Tier 1 coupon that was paid as part of the Tier 1 bond exchange
- Coupon payments for £300 million senior bond and £428 million subordinated bond payable in H2 2015

Notes:

(1) As at 31 December

(2) Other cash receipts in HY14 and FY14 comprised £68 million from the buy-out of the PGL pension scheme indemnity from the with-profit funds and £21 million from the sale of BA(GI) Limited

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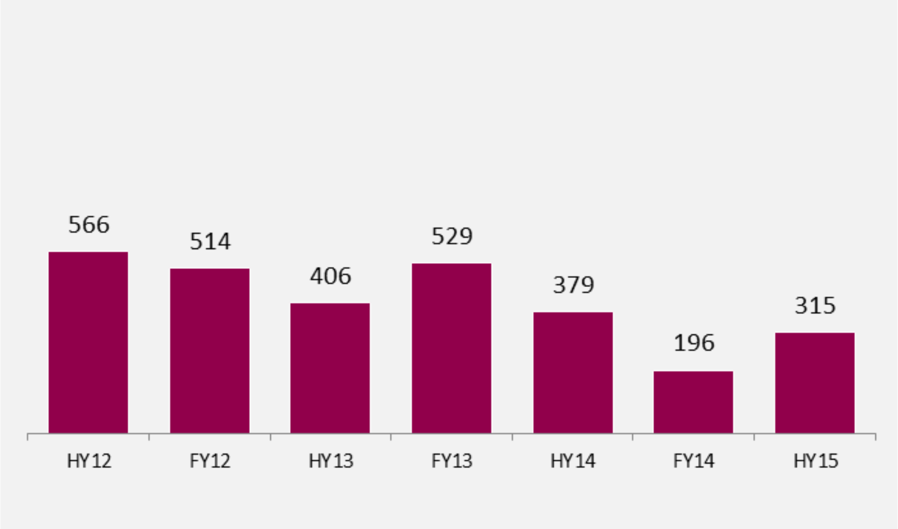
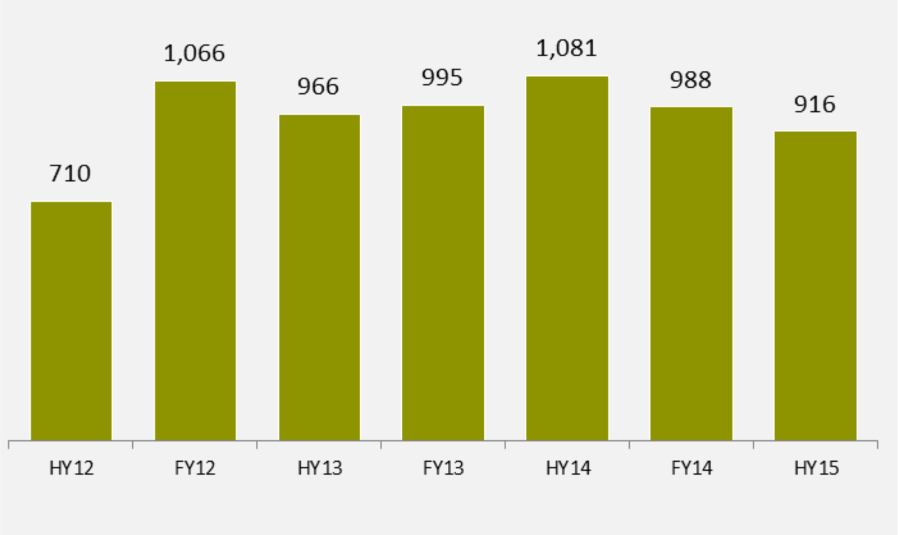
£0.9 billion of cash held in holding companies with further £0.3 billion of free surplus in life companies

Closing Phoenix Life free surplus[1] (£m)



Closing cash in holding companies (£m)



- £110 million of cash distributed to holding companies in HY15
- Free surplus enhanced by management actions
- Closing free life surplus of £315 million at HY15 supports FY15 cash generation target and in addition a further £916 million of cash is held at the holding companies

Notes: (1) Free surplus calculated on a Solvency I basis

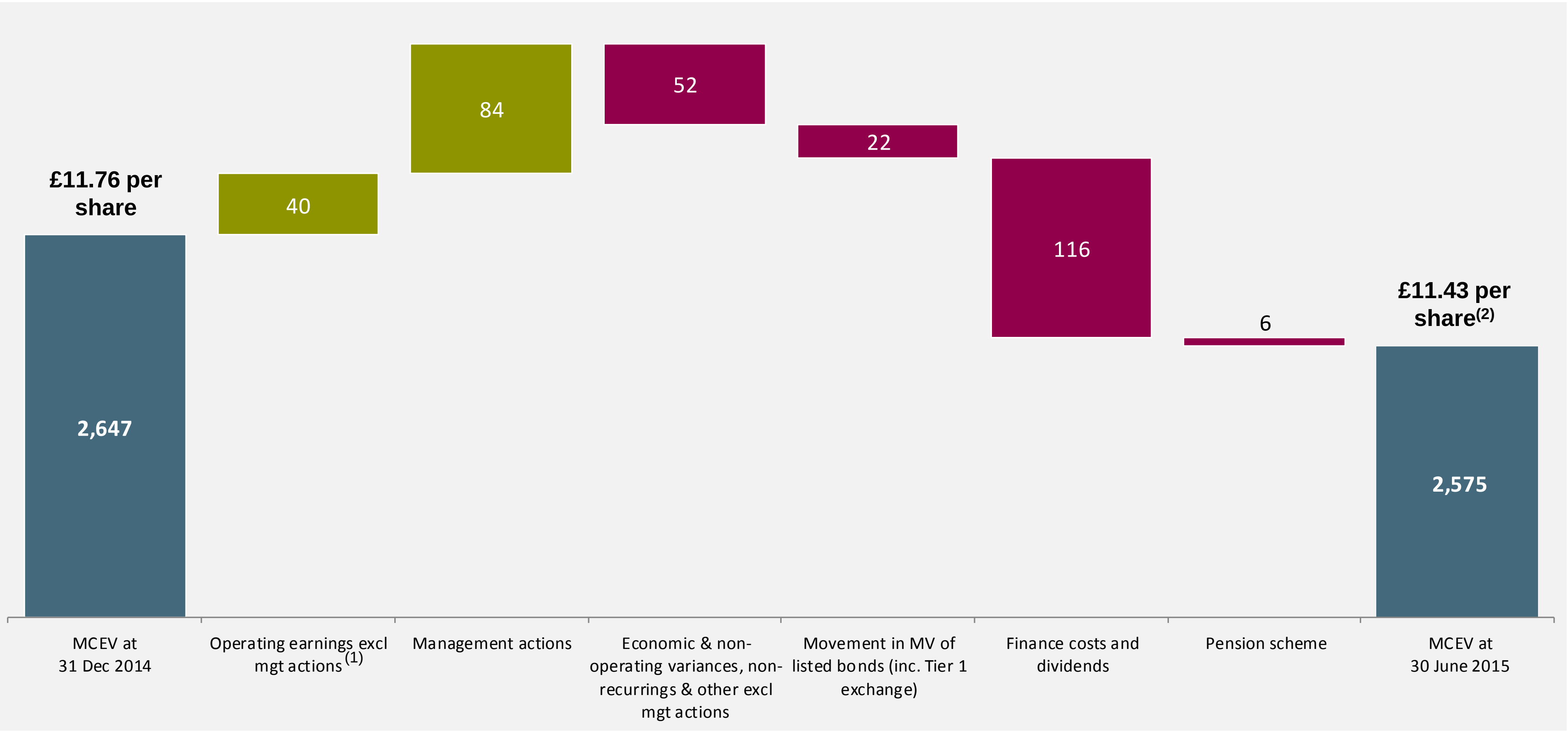
Reduced impact on IFRS operating profits from management actions in HY15 compared to HY14

£m	HY15	HY14	FY14
Phoenix Life	141	256	487
Ignis	-	17	17
Group costs	(6)	(7)	(21)
Operating profit before tax	**135**	**266**	**483**
Investment return variances and economic assumption changes	40	59	(2)
Amortisation of intangibles	(48)	(55)	(103)
Non-recurring items	1	9	126
Finance costs	(49)	(48)	(88)
Profit before tax attributable to owners	**79**	**231**	**416**
Tax charge attributable to owners	(1)	(40)	(10)
Profit for period attributable to owners	**78**	**191**	**406**

- HY15 operating profit includes £23 million from management actions (HY14: £114 million, FY14: £165 million)
- Investment return variances include benefit of acquisition of equity release mortgage portfolio and increasing yields
- Finance costs include interest on new subordinated notes from Tier 1 bond exchange completed in January 2015

Embedded value includes £84 million enhancement from management actions

Group MCEV (£m)



Notes: (1) Comprises £91 million of pre-tax operating earnings, less £18 million of tax charges per accounts, less £33 million of management actions in operating earnings
(2) Based on issued shares as at 30 June 2015 of 225,346,440

Achievement of Investment Grade rating delivers reduction in cost of bank debt

Credit ratings assigned to the Group's operating and holding companies

Rating type	Entity	Fitch
Insurer Financial Strength Rating	Phoenix Life Limited Phoenix Life Assurance Limited	A
Issuer Default Rating	Phoenix Group Holdings	A-

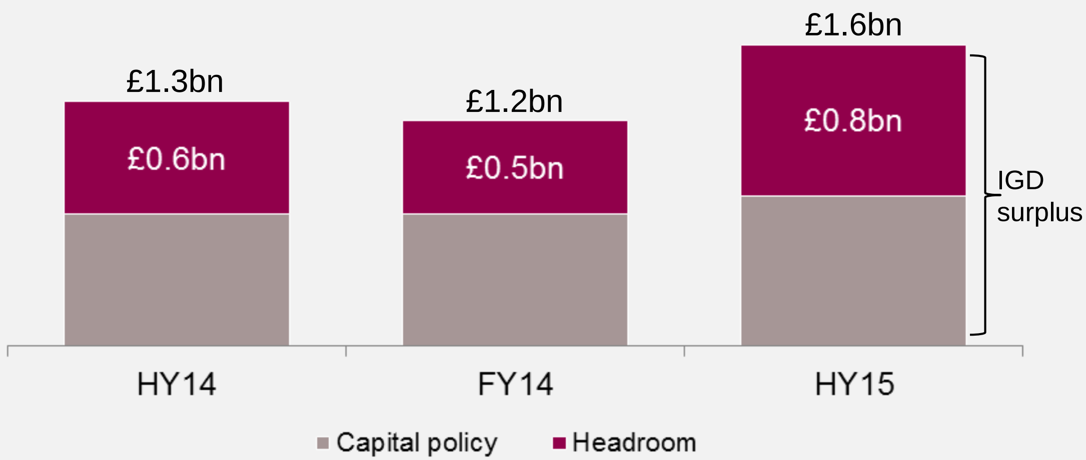
Credit ratings assigned to certain bonds issued by the Group

Issuer	Nominal	Instrument	Fitch
PGH Capital Limited	£300m	Senior bond	BBB+
PGH Capital Limited	£428m	Subordinated bond	BBB-

- Achieved investment grade credit ratings from Fitch Ratings for both senior and subordinated debt
- 50bps reduction in bank facility margin effective from 28 August
- Deeper access to debt capital markets
- Ability to access longer dated, subordinated debt
- Demonstration of financial strength to customers, regulators and vendors of closed funds

£1.6 billion IGD surplus increased due to Group restructure

IGD and sensitivities at HY15



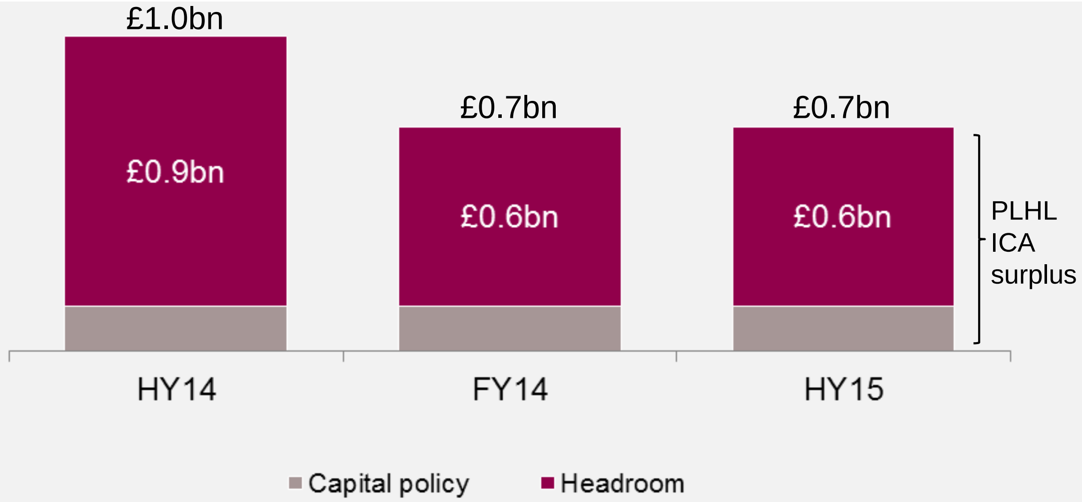
IGD sensitivities	£bn
IGD surplus at 30 June 2015	1.6
Following 20% fall in equity markets	1.6
Following 15% fall in property values	1.6
Following 75bps parallel increase in nominal yields(1)	1.5
Following 75bps parallel decrease in nominal yields(2)	1.6
Following credit spread widening(3)	1.6

- IGD surplus and headroom increased due to Group corporate restructuring
- Phoenix Life Holdings Limited now 100% shareholder of Impala Holdings Limited
- Restructure increased IGD surplus by £0.3 billion
- Headroom over capital policy increased to £0.8 billion
- IGD remains relatively insensitive to market movements

Notes: (1) 75bps parallel increase in nominal yields and a 75bps increase in inflation
(2) 75bps parallel decrease in nominal yields and a 75bps decrease in inflation
(3) 11 to 15 year term: AAA – 46bps, AA – 69bps, A – 102bps, BBB – 144bps

Strong PLHL ICA surplus

PLHL ICA and sensitivities at HY15



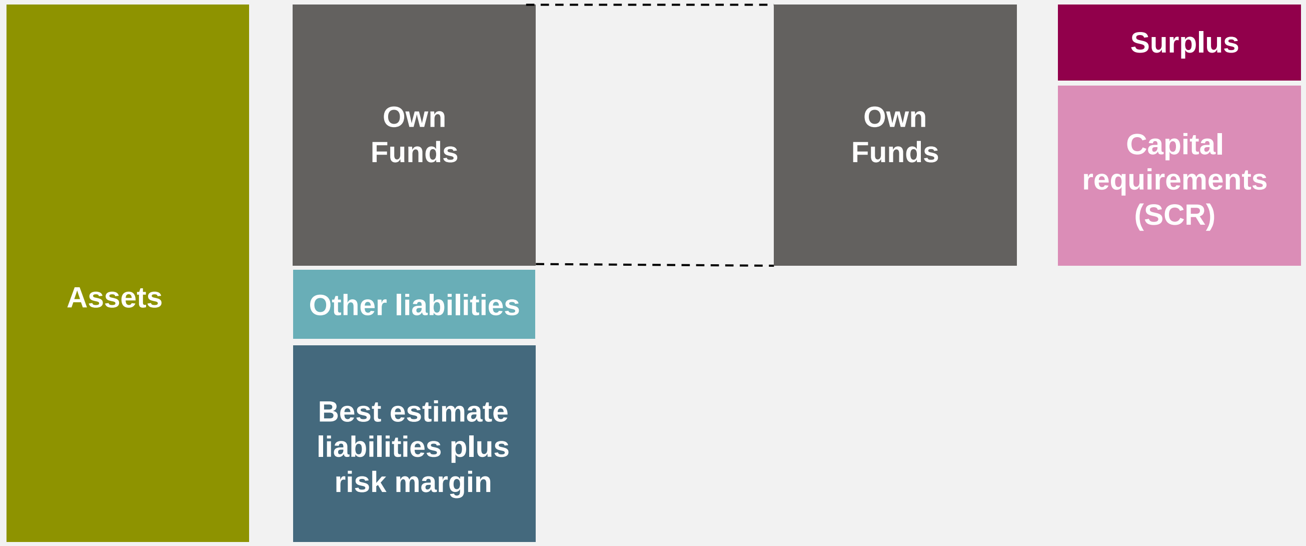
PLHL ICA surplus sensitivities	£bn
PLHL ICA surplus at 30 June 2015	0.7
Following 20% fall in equity markets	0.6
Following 15% fall in property values	0.6
Following 75bps parallel increase in nominal yields[(1)]	0.8
Following 75bps parallel decrease in nominal yields[(2)]	0.6
Following credit spread widening[(3)]	0.5

- PLHL ICA surplus unchanged since FY14
- No impact on PLHL ICA surplus from Group restructure
- Focus will be on transition to Solvency II regime for remainder of 2015
- Position remains relatively insensitive to market movements

Notes: (1) 75bps parallel increase in nominal yields and a 75bps increase in inflation
(2) 75bps parallel decrease in nominal yields and a 75bps decrease in inflation
(3) 11 to 15 year term: AAA – 46bps, AA – 69bps, A – 102bps, BBB – 144bps

Solvency II – overview of capital requirements

Summary of Solvency II capital regime



Note: Graph illustrative and not to scale

- Requirement that an insurance entity's capital ("Own Funds") exceeds its capital requirements
- Transitional measures smooth the introduction of Solvency II from the current capital regime
- Phoenix Group capital requirements calculated using an Internal Model, rather than Standard Formula, subject to regulatory approval
- Solvency Capital Requirements ("SCR") – calibrated at a 1 in 200 year event

Solvency I compared to Solvency II - an evolution of the existing ICA regime

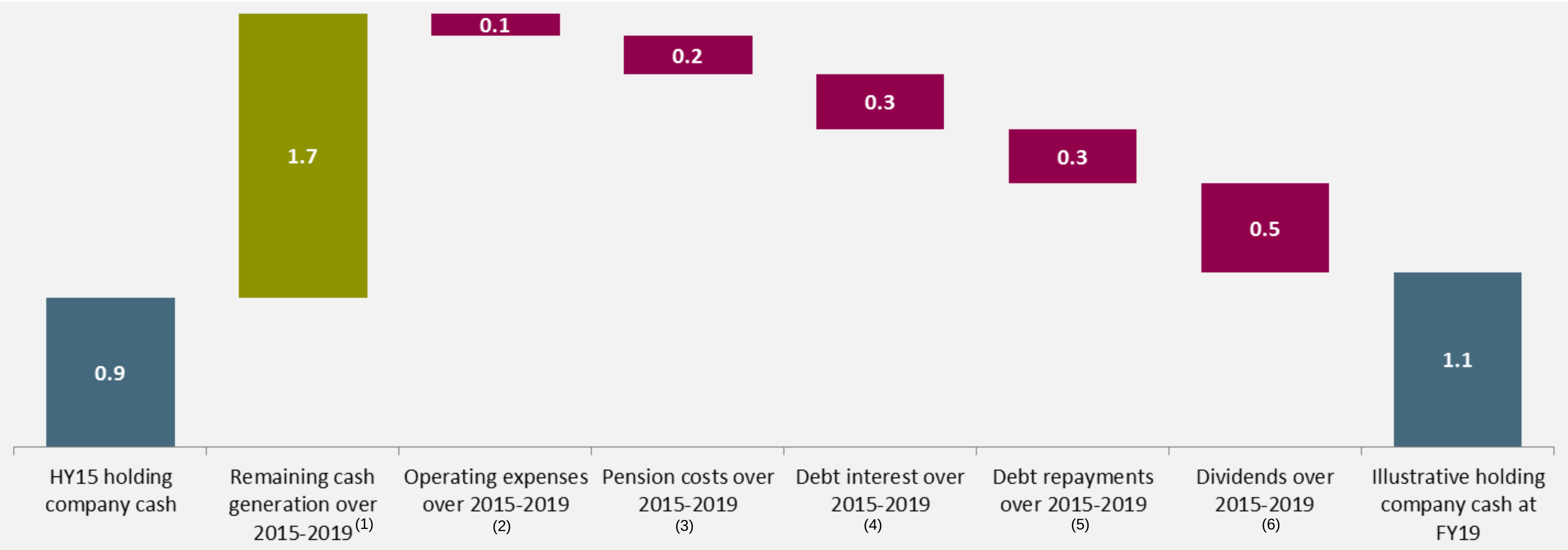
Both requirements are very similar with a few key differences

		Solvency I Pillar 2	Solvency II Pillar 1	Impact on Phoenix Group of Solvency II
Life company Technical provisions	Liabilities	Best estimate liabilities	Best estimate liabilities plus an explicit risk margin	Offset by transitionals
	Discount rate	Gilts +10 basis points	Swaps -10 basis points	Offset by transitionals
	Illiquidity premium	Allowance for illiquidity premiums	Matching adjustment	Offset by transitionals
Life company capital requirements		ICA – 1 in 200	SCR – 1 in 200 (internal model calibration)	SCR > ICA (negative)
Group pension schemes methodology		Stressed cash funding basis	IAS19 with an SCR	IAS19 with an SCR < Stressed cash funding basis (positive)

- Adverse impact on technical provisions will be offset by transitional measures
- Increased capital requirements in the life companies impacting cash generation in 2015
- Improved capital position at Group due to pension methodology
- Group capital position under Solvency II as calculated at PLHL expected to be in excess of the current PLHL ICA surplus, subject to regulatory approval

Long term cash generation supports the Group dividend policy

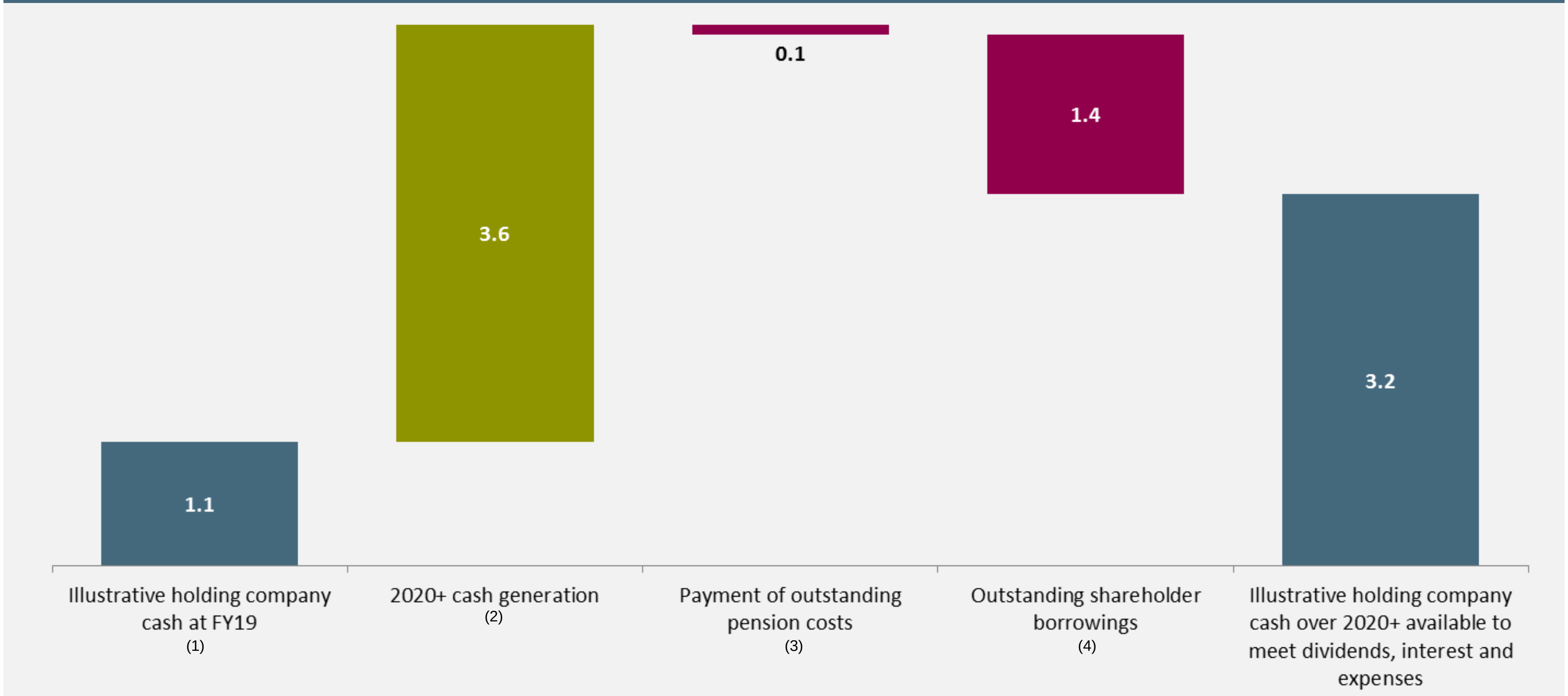
Illustrative uses of cash from H2 2015 to 2019 (£bn)



Notes:
(1) £2.8 billion target cash generation over 2014 to 2019 less £1,067 million delivered in 2014 and HY15
(2) Illustrative operating expenses of £30 million per annum over H2 2015 to 2019
(3) Pension scheme contributions estimated in line with current funding agreements. Comprising £40 million p.a. from 2015 to 2019 in respect of the Pearl scheme and £7.5 million in H2 2015, £15 million in 2016 and £10 million in 2017 in respect of the PGL scheme
(4) Bank facility interest costs estimated using average rate of 4.24% per annum over the period H2 2015 to 2019 (calculated using the interpolated 4.5 year mid-swap rate plus current bank facility margin of 2.625%) with outstanding debt reducing in line with scheduled amortisation over the period. Includes interest on the Group's listed bonds, excluding interest on PLL Tier 2 bonds which are incurred directly by Phoenix Life Limited
(5) Scheduled amortisation over the period in line with new single silo facility terms. Assumes Revolving Credit Facility bullet is refinanced before 2019
(6) Illustrative dividend assumed at current cost of £120 million per annum over H2 2015 to 2019

Beyond 2019, there is an expected £3.6bn of cash flow to emerge

Illustrative uses of cash from 2020 onwards (£bn)



Notes:
(1) Illustrative holding company cash as at FY19 as calculated on previous slide
(2) An estimated £3.6 billion cash generation to be extracted from the business after 2019
(3) £40 million pension contributions due on Pearl scheme in each of 2020 and 2021
(4) Total shareholder borrowings at 31 December 2014 less repayment of term loan assumed by end 2019 (see previous slide)

Phoenix Life

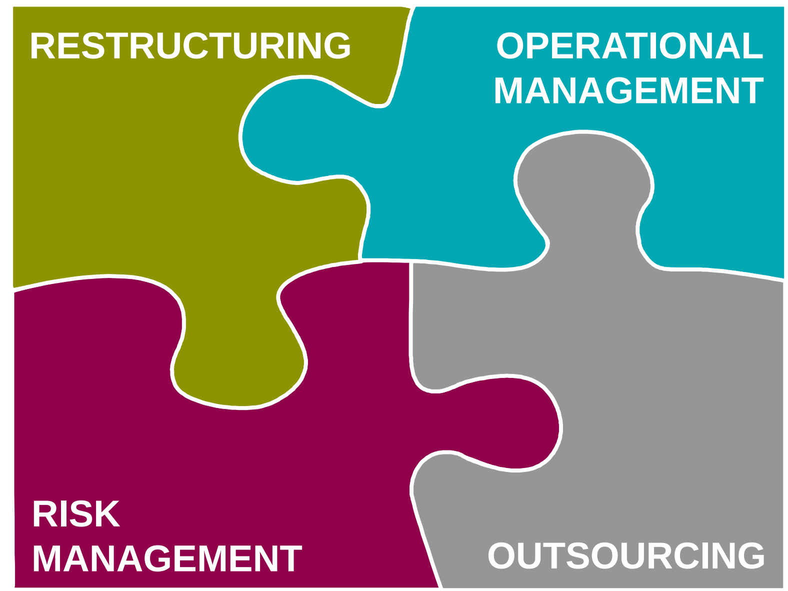
Andy Moss

Phoenix Way continued enhancement and success during 2015

HY15 achievements

Further operational progress	✓ Solvency II readiness ✓ Completion of NPL fund merger into PLAL ✓ Equity release mortgage portfolio acquired ✓ Agreed disposal of small Irish subsidiary (SMI)
Enhanced customer outcomes	✓ Introduction of the new pensions freedoms from 6 April ✓ On target to deliver £50 million of management actions to increase the level of distributable estate ✓ Reintroduction of annual bonus payments for many of our with-profits customers

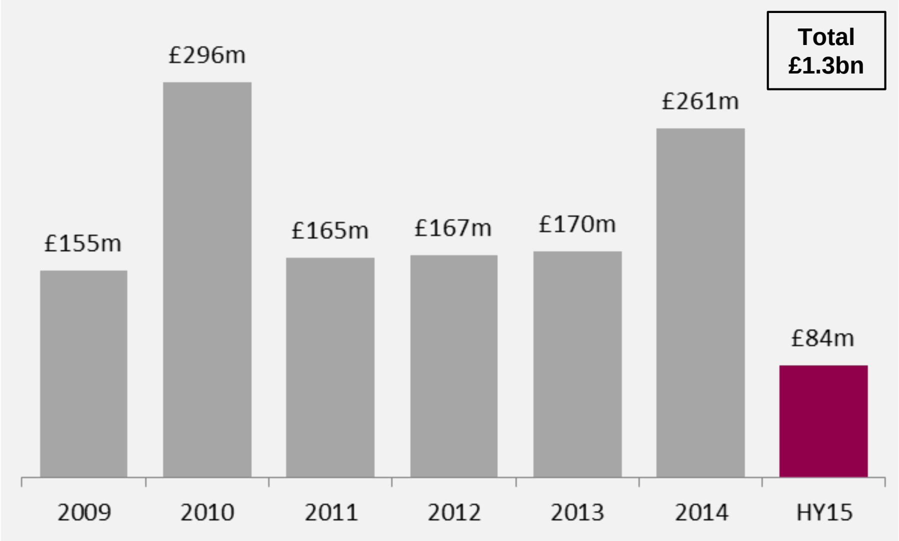
The Phoenix Way



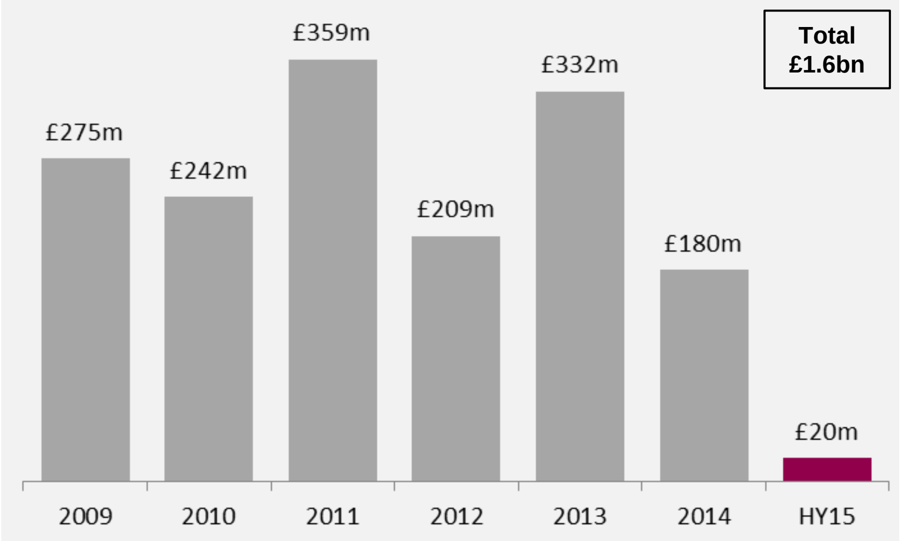
Cash acceleration	Improved Group solvency
Incremental MCEV	Increased IFRS operating profits

We will build on our strong track record of management actions as we move to Solvency II

Incremental MCEV



Accelerated cashflow



- Portfolio of equity release mortgages acquired in early 2015
- Further benefits from use of MG-ALFA platform and balance sheet reviews
- Focus on Solvency II management actions during H2 2015

Phoenix is well positioned to respond to regulatory change

FCA FINANCIAL CONDUCT AUTHORITY	Conduct Regulation	• Significant evolution and increasing focus on conduct risk following FSA split • Outcome of the FCA review of legacy customers expected later in 2015 • Other reviews ongoing as well as FCA involvement in HM Treasury consultations
HM Treasury	Pension Freedoms	• Radical reforms announced in 2014 budget effective from April 2015 • Full product range in place, either provided directly or through partners • Normal customer behaviours may not emerge for 6-12 months • HM Treasury consultations on pension transfers and exit charges and access to financial advice
DWP Department for Work and Pensions	Product Governance	• Increasing focus on product governance • Consultation for secondary annuity market delayed to 2017

Impact of Pension Freedoms on Phoenix Life

Customer behaviour	• Initial "dash for cash" in April 2015 due to number of customers who had deferred taking a decision during 2014 • Demand for full encashment has been for smaller pension pots, with around 15,000 customers requesting full encashment at an average pot size of £13,000 • Limited interest in drawdown/partial withdrawal products and no change in levels of pension transfers to date • Phoenix Life has been focused on ensuring detailed information is provided to customers and that possible incidents of pensions fraud are identified
Annuities	• Total annuities written of £208 million in HY15 (HY14: £284 million) • Of these, £164 million had GARs – amounting to 79% of total • Annuities remain an attractive option for customers with pots above £30,000 • Financial planning had assumed take up of GARs would decline 20% and non-GARs would decline by two thirds - current experience would indicate these assumptions remain appropriate

Continuing to deliver strong service for customers

Customer 2015 actions

- Pensions freedoms introduced in April
- Full range of options offered to customers either directly by Phoenix or through partnerships, including Just Retirement
- Call volumes are now showing a reducing trend back to historic levels following initial spike
- Continue to take actions to identify possible incidences of pension fraud

Customer metrics

	HY 2015	Full year target[1]
Speed of Pension Transfer pay-outs (ORIGO)	11 days	<12 days
Customer Satisfaction	96%	90% rating satisfactory or above
FOS overturn rate	22%[2]	<33%
Service complaints (as a percentage of customer transactions)	0.3%	<0.5%
Accelerated estate distribution	-	£50m

Phoenix Life has continued to deliver high service standards

Notes: (1) Targets based on external and internal measures. Targets for "Speed of pension transfer pay-outs" and "FOS overturn rate" based on external industry metrics. Customer Satisfaction rating based on percentage of ratings that are classed as satisfactory or above

(2) Based on latest publishable data (FY14)

Outlook and Q&A

Clive Bannister

Financial targets for 2015 and beyond

Cash generation	• 2015 target of £200 million to £250 million • Cumulative target of £2.8 billion between 2014 and 2019, of which £1.1 billion achieved to date
MCEV	• Cumulative target of £400 million incremental embedded value from management actions between 2014 to 2016 • £345 million achieved to date
Financial Leverage	• We will maintain a level of leverage consistent with our investment grade rating

Summary of current Phoenix Solvency II position

Current position
• The Phoenix Internal Model Application was submitted in June and the PRA approval process expected to complete in December • The Group expects to be well capitalised, with the Group capital position under Solvency II as calculated at PLHL expected to be in excess of the current PLHL ICA surplus, subject to regulatory approval • Use of transitional measures has no adverse impact on ability to pay dividends • Debt and corporate structure now more appropriate for Solvency II regime • 2015 cash generation target incorporates expectations of increased capital requirements in the life companies due to the transition to Solvency II • Long term cash generation target of £2.8 billion between 2014 -2019 unchanged

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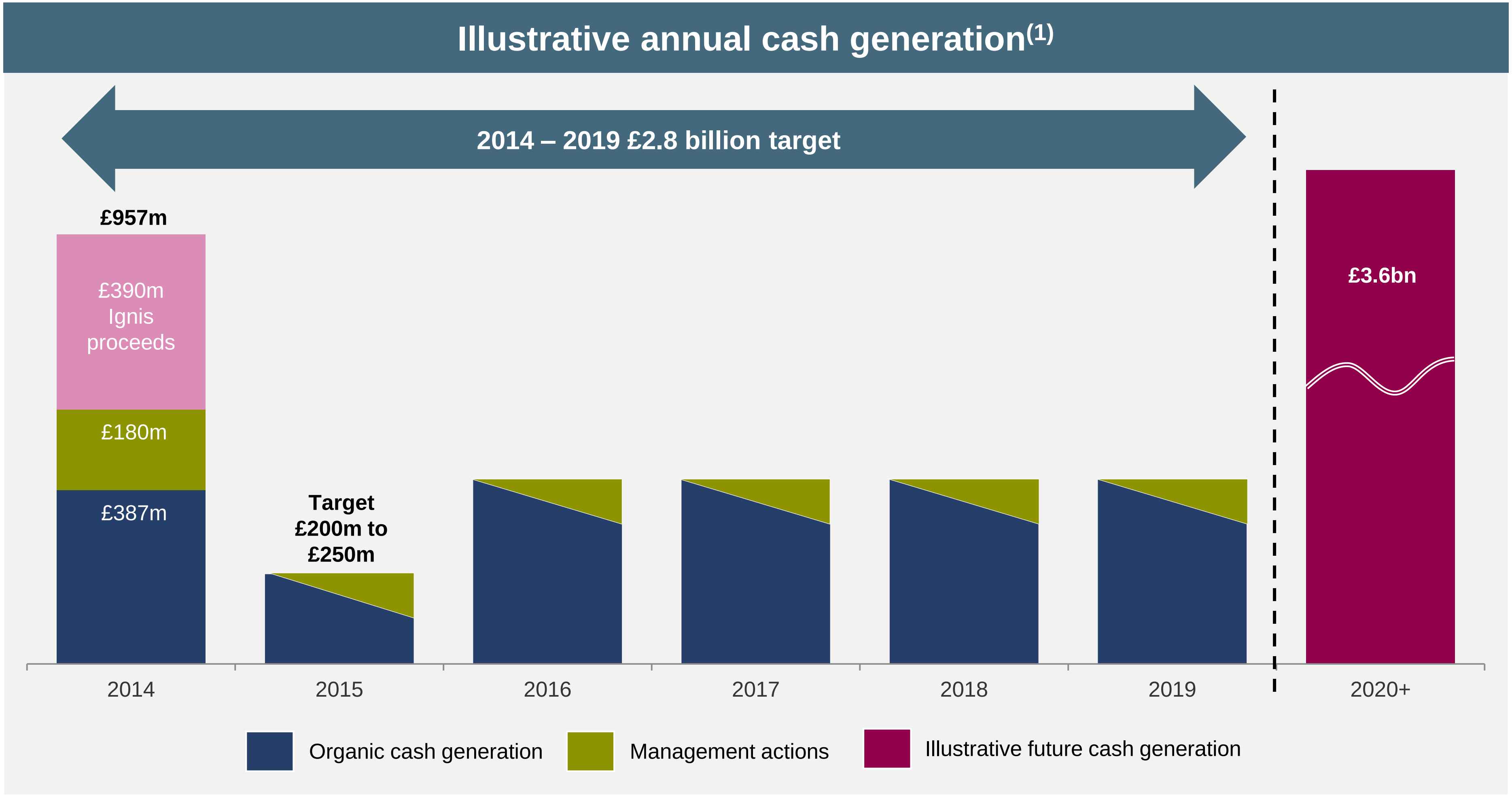
Long-term cash generation remains strong



Notes: (1) Not to scale

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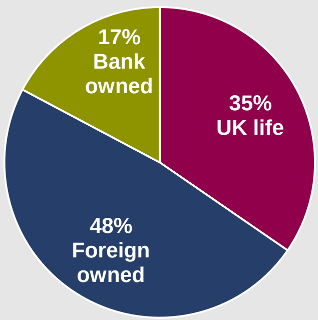
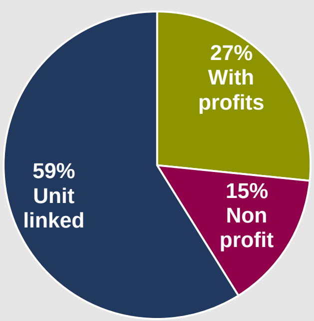
We are well positioned to benefit from changes in the UK life insurance industry

Market size is over £300bn

Market opportunities by owner



Market opportunities by product type



Vendor motivations

- Loss of new business value from annuities
- Fixed cost pressures of legacy books
- Regulatory pressure to invest in technology/systems
- New Solvency II/ Basel III regulatory regimes
- Trapped capital supporting back books
- Specialist skill sets required for legacy books

M&A criteria

- Closed life
- Value accretive
- Protects dividend
- Financial Leverage consistent with maintaining an investment grade rating

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2015 has been a year of further achievements for Phoenix Group

- ✓ Investment grade credit rating achieved
- ✓ Tier 1 bond exchange completed
- ✓ Submission of Internal Model application to PRA
- ✓ Simplification of corporate structure
- ✓ Successful introduction of pension freedoms
- ✓ On track to meet financial targets

Preparation for Solvency II

Achievement of Internal Model approval

Further diversification of debt structure

Stable, sustainable dividend

Growth through M&A

Q&A

Appendices

Appendix I:
MCEV sensitivities

£m	HY15
Base (MCEV of covered business)	2,850
1% decrease in risk-free rates	94
1% increase in risk-free rates	(107)
10% decrease in equity market values	(29)
10% increase in equity market values	31
10% decrease in property market values	(49)
10% increase in property market values	45
100 bps increase in credit spreads[(1)]	(176)
100 bps decrease in credit spreads[(1)]	161
25% increase in equity/property implied volatilities	(15)
25% increase in swaption implied volatilities	(11)
25% decrease in lapse rates and paid-up rates	(35)
5% decrease in annuitant mortality	(137)
5% decrease in non-annuitant mortality	17
Required capital equal to the minimum regulatory capital[(2)]	6

Notes: (1) 25bps is assumed to relate to default risk
(2) Minimum regulatory capital is defined as the greater of Pillar 1 and Pillar 2 capital requirements without any allowance for the Group's capital management policy

Appendix II:
Maturity profile of business

£m	1-5 years	6-10 years	11-15 years	16-20 years	20+ years	Total
MCEV present value of future profits						
30 June 2015	831	550	378	241	173	2,173
31 December 2014	859	556	387	250	186	2,238
31 December 2013	997	576	344	212	172	2,301
31 December 2012	1,058	596	369	231	196	2,450
31 December 2011	1,135	683	455	291	282	2,846
31 December 2010	1,147	848	488	271	268	3,022

Appendix III:
Free surplus generated in the Life Companies

£m	HY15	HY14	FY14
Opening Phoenix Life free surplus	**196**	**529**	**529**
Emergence of free surplus			
IFRS operating profit	141	256	487
IFRS economic variances and non-recurrings	45	3	(46)
IFRS taxation	(23)	(52)	(43)
Movements in capital requirements and capital policy	73	3	(176)
Valuation differences and other	(7)	(149)	(109)
Free surplus generated	**229**	**61**	**113**
Cash distributed to holding companies	**(110)**	**(211)**	**(446)**
Closing Phoenix Life free surplus	**315**	**379**	**196**
Closing cash in holding companies	**916**	**1,081**	**988**

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Appendix IV:
Cash generation sensitivities

Cash sensitivities[1]	1 Jan 2014-31 Dec 2019
Base case – 6 year target	£2.8bn
20% fall in equity markets	£2.7bn
15% fall in property values	£2.8bn
Following 75bps increase in nominal yields[2]	£2.9bn
Following 75bps decrease in nominal yields[2]	£2.7bn
Credit spreads widening with no change in expected defaults[3]	£2.5bn

Notes: (1) Assumes stress occurs 1 January 2015 and there is no recovery during the target period
(2) Represents a real yield reduction of 25bps, given a 75bps increase/decrease in nominal yields
(3) Based on 11 to 15 year term: AAA = 46bps, AA = 69bps, A = 102 bps, BBB = 144 bps

Appendix V:
Management actions

Incremental MCEV (£m)	HY15	HY14
Restructuring	-	81
Risk management	-	-
Operational management	84	72
Total	**84**	**153**

Cash acceleration (£m)	HY15	HY14
Restructuring	-	98
Risk management	12	-
Operational management	8	51
Total	**20**	**149**

Appendix VI:
Phoenix Life IFRS operating profit drivers

		HY15				HY14			
		Reported IFRS Op Profit	Opening liability/ equity(2)	Closing liability/ equity(2)	Expected return margin(1)	Reported IFRS Op Profit	Opening liability/ equity(2)	Closing liability/ equity(2)	Expected return margin(1)
Fund type	**How profits are generated**	**£m**	**£bn**	**£bn**	**bps**	**£m**	**£bn**	**£bn**	**bps**
With-profit	Our share of bonuses paid to policyholders of with-profit business	36	25.6	24.5	28	36	26.5	26.3	27
With-profit (internal capital support)	Return on with-profit funds which are supported with capital from shareholder funds	9	4.7	4.5	nm	(6)	4.3	4.4	nm
Unit linked	Margin earned on unit linked business	26	10.9	10.7	51	24	11.3	11.1	50
Annuities(3)	Spread earned on annuities	27	7.6	7.4	60	103	6.6	6.9	97
Protection and other non-profit	Investment return and release of margins	22	0.8	0.8	nm(4)	77	0.9	0.8	nm(4)
Shareholder funds	Return earned on shareholder fund assets	21(5)	2.0	1.9	209	22(5)	2.2	2.1	217
Total		**141**				**256**			

Notes:
(1) Expected return margin represents the underlying recurring operating profit earned in the period as a proportion of the opening relevant class of policyholder liabilities and shareholder equity. Non-economic variances and assumption changes which are included within reported IFRS operating profit are not included within the expected return margin calculation as they are non-recurring. It is therefore not possible to recalculate the expected margin using only the reporting IFRS operating profit and the opening liabilities presented above
(2) Net of reinsurance
(3) Includes operating profit margin on new business calculated as new business profits as a percentage of opening liabilities – 11bps in HY15 and 42bps in HY14.
(4) Not meaningful as relates to insurance margin
(5) Includes Management Services business unit profit of £15 million in HY15 and £16 million in HY14

Appendix VII:
Asset mix of life companies

At 30 June 2015 £m unless otherwise stated	Total shareholder, non-profit and supported with-profits[2]	%	Policyholder funds[3]		Total Policyholder	Total assets[1]
			Non-supported with-profits funds	Unit linked		
Cash deposits	2,667	18	3,430	1,185	4,615	7,282
Debt securities						
Debt securities – gilts	3,974	26	8,413	665	9,078	13,052
Debt securities – bonds	7,480	50	6,223	713	6,936	14,416
Total debt securities	**11,454**	**76**	**14,636**	**1,378**	**16,014**	**27,468**
Equity securities	**339**	**2**	**5,454**	**7,656**	**13,110**	**13,449**
Property investments	**286**	**2**	**993**	**354**	**1,347**	**1,633**
Other investments[4]	**292**	**2**	**623**	**40**	**663**	**955**
Total	**15,038**	**100**	**25,136**	**10,613**	**35,749**	**50,787**

Notes:
(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, the assets held by non-controlling interests in collective investment schemes and UKCPT 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 equity release mortgages of £273 million, policy loans of £11 million, other loans of £108 million, net derivatives of £(40) million and other investments of £603 million

Appendix VIII:
Total debt exposure by country

At 30 June 2015 £m	Other Government and Supranational		Corporate: Financial Institutions		Corporate: Other		Asset backed securities		Total debt securities		Total debt
	Shareholder	Policyholder	Shareholder	Policyholder	Shareholder	Policyholder	Shareholder	Policyholder	Shareholder	Policyholder	
UK	4,219	9,428	1,229	962	1,184	1,403	748	445	7,380	12,238	19,618
EIB	841	716	-	-	-	-	-	-	841	716	1,557
USA	10	44	480	416	475	211	29	5	994	676	1,670
Germany	646	722	33	45	204	136	-	24	883	927	1,810
France	99	66	86	69	218	186	1	-	404	321	725
Netherlands	-	5	176	154	47	42	12	23	235	224	459
Italy	-	4	1	6	40	52	-	12	41	74	115
Ireland	-	-	30	23	4	4	-	-	34	27	61
Greece	-	-	-	-	1	-	-	-	1	-	1
Spain	5	3	1	10	37	32	-	1	43	46	89
Luxembourg	-	-	-	-	-	-	6	-	6	-	6
Other – non-Eurozone(2)	17	382	154	92	217	133	42	15	430	622	1,052
Other – Eurozone	13	35	49	47	100	61	-	-	162	143	305
Total debt exposure	**5,850**	**11,405**	**2,239**	**1,824**	**2,527**	**2,260**	**838**	**525**	**11,454**	**16,014**	**27,468**
of which Peripheral Eurozone	**5**	**7**	**32**	**39**	**82**	**88**	**-**	**13**	**119**	**147**	**266**
At 31 December 2014, £m											
Total debt exposure	**5,782**	**11,965**	**2,691**	**2,388**	**2,740**	**2,334**	**935**	**627**	**12,148**	**17,314**	**29,462**
of which Peripheral Eurozone	**5**	**7**	**5**	**33**	**77**	**95**	**-**	**15**	**87**	**150**	**237**

Notes: (1) Shareholder includes non-profit and supported with-profits. Policyholder includes non-supported with-profits and unit linked
(2) Other mainly includes Australia, Switzerland and Japan

Appendix IX:
Capital management framework

Phoenix Group Holdings

IGD

- Pillar 1 group capital calculation
- Aggregated view of group solvency
- Calculated at Phoenix Life Holdings Limited (‘PLHL’), the ultimate insurance parent undertaking in EEA
- Capital policy held on top of minimum requirement

UK holding companies[(1)]

PLHL ICA calculation

- Pillar 2 assessment of capital resources and risks outside the life companies
- Includes net assets of holding companies and free surplus of life companies
- Calculated at PLHL
- Aim to maintain surplus of £150 million

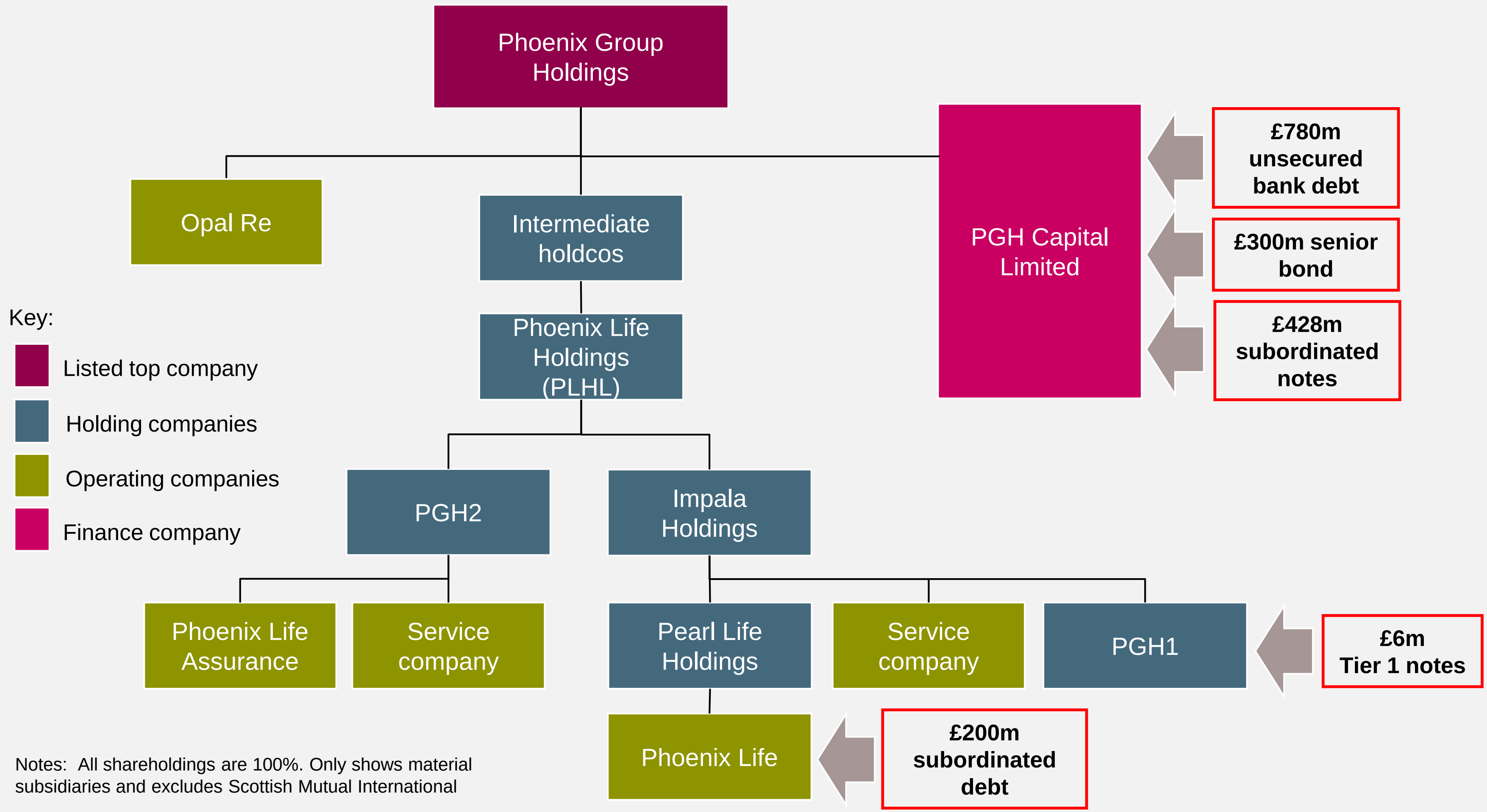
Phoenix life companies

Individual life company solvency calculations

- Pillar 1 and Pillar 2 calculations
- Capital policies held on top of minimum requirements
- Free surplus represents excess over capital policy

Note: (1) Headed by PLHL. Capital management framework as per Solvency I regulations. Solvency II calculation expected to also be at PLHL level

Appendix X:
Current corporate structure



Notes: All shareholdings are 100%. Only shows material subsidiaries and excludes Scottish Mutual International

Appendix XI:
Outline of debt structure as at 30 June 2015

Instrument	Issuer/borrower	Face value £m	Maturity
Unsecured bank debt (L+262.5bps)[1] - **Term loan** - **Revolving credit facility**	 PGH Capital Limited PGH Capital Limited	 £330m £450m	 July 2019 July 2019
Unsecured senior bond (5.75%)	PGH Capital Limited	£300m	July 2021
Subordinated notes (6.625%)	PGH Capital Limited	£428m[2]	December 2025
Subordinated debt (7.25%)	Phoenix Life Limited	£200m	March 2021 (first call date)
Tier 1 notes (6.5864%)	Pearl Group Holdings (No.1) Limited	£6m	April 2016 (first call date)
		£1,714m	

Note: (1) Bank margin includes 50bps benefit of investment grade credit rating from 28 August 2015
(2) Includes internal holdings of £32m following the Tier 1 bond exchange

Appendix XII:
Summary of bank facility

£m	H2 2015	2016	2017	2018	2019	Total
£330m Term loan	**LIBOR + 262.5bps[(2)]**					
Mandatory amortisation	0[(1)]	60	60	60	-	**180**
Additional planned amortisation	30	60	60	-	-	**150**
Target amortisation	**30**	**120**	**120**	**60**	**-**	**330**
£450m Revolving credit facility	**LIBOR + 237.5bps + 25bps utilisation fee[(2)]**					
Final repayment	**-**	**-**	**-**	**-**	**450**	**450**
Total mandatory/ planned repayments	**30**	**120**	**120**	**60**	**450**	**780**

Note: (1) Prepaid £30m in H1 2015
(2) Bank margin includes 50bps benefit of investment grade credit rating from 28 August 2015

Appendix XIII:
Calculation of Financial Leverage ratio

£m	HY15 Financial Leverage
Unsecured bank debt – revolving credit facility	450
Unsecured bank debt – term loan	330
PGH Capital unsecured senior bond	300
PGH Capital subordinated notes (1)	396
PLL subordinated debt	200
Tier 1 notes	6
Gross shareholder debt	**1,682**
Group MCEV	2,575
Gross shareholder debt	1,682
Difference between gross shareholder debt and MCEV carrying values of debt	39
Gross MCEV	**4,296**
Financial Leverage as at 30 June 2015	**39.2%**

Note: (1) Excludes internal holdings of £32m. All shareholder debt is included at face value

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- This presentation in relation to Phoenix Group Holdings and its subsidiaries (the ‘Group’) contains, and we may make other statements (verbal or otherwise) containing, forward-looking statements and other financial and/or statistical data about the Group’s current plans, goals and expectations relating to future financial conditions, performance, results, strategy and/or objectives
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