PHOENIX GROUP

Cash
Resilience
Growth

A Sustainable Phoenix

Interim Results 2019
7 August 2019

Clive Bannister

Group Chief Executive

Strong results across all Key Performance Indicators

CASH GENERATION	PGH SOLVENCY II SURPLUS(†)	PGH SHAREHOLDER CAPITAL COVERAGE RATIO(†)
£287m	£3.0bn	160%

DIVIDEND PER SHARE	IFRS OPERATING PROFIT
23.4p	£325m

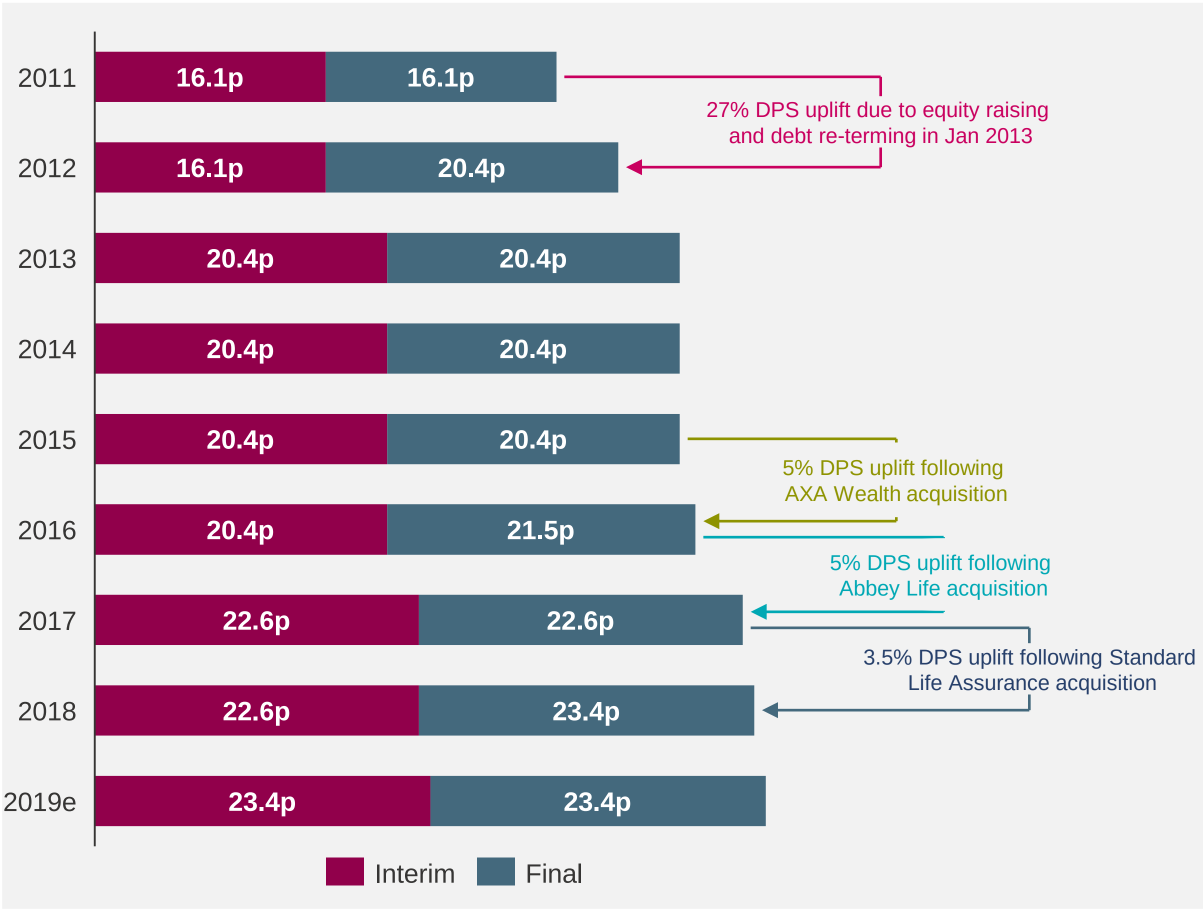
(†) Estimated HY19 Solvency II capital position assumes a dynamic recalculation of transitionals as at 30 June 2019. Had a dynamic recalculation not been assumed, the Solvency II surplus and the Shareholder Capital Coverage Ratio would decrease by £0.2 billion and 5% respectively.

Phoenix is delivering on its 2019 strategic priorities

Financial targets	• Expect to be towards the upper end of the 2019 cash generation target of £600 - £700 million • Maintained strong solvency position and investment grade rating	✓
Transition	• On track to deliver £1.2 billion total synergy targets • Strong delivery across all phases of the transition programme	✓
New business	• £116 million new business contribution from UK Open and Europe • £250 million incremental long-term cash generation	✓
Customer outcomes	• Continue on digital journey and progressing customer initiatives • Meeting or exceeding all customer service metric targets	✓
Growth	• Growth opportunities bring sustainability to cash generation • M&A pipeline remains strong and we are ready to engage	✓

Stable and sustainable dividend with corporate transactions the trigger for uplifts

Dividend per share[1]



Key messages

1. **Dividend policy remains stable and sustainable**
2. **Dividend increased 4 times in 7 years**
3. **Increases equivalent to 4.8% p.a. over 8 years**
4. **2019 expected cash generation dividend coverage ratio of c.2x**

See Appendix XV for footnotes

Jim McConville

Group Finance Director and Group Director, Scotland

Phoenix is delivering on its 2019 strategic priorities

1. **FINANCIAL TARGETS**
2. **TRANSITION**
3. **NEW BUSINESS**
4. **CUSTOMER OUTCOMES**
5. **GROWTH**

Financial highlights

Financial performance:		HY19	HY18
Cash	Cash generation	£287m	£349m
Dividends	Dividend per share	23.4p	22.6p[1]
IFRS	Operating profit before tax	£325m	£216m
New business	New business contribution[2] – UK Open and Europe	£116m	£100m[3]

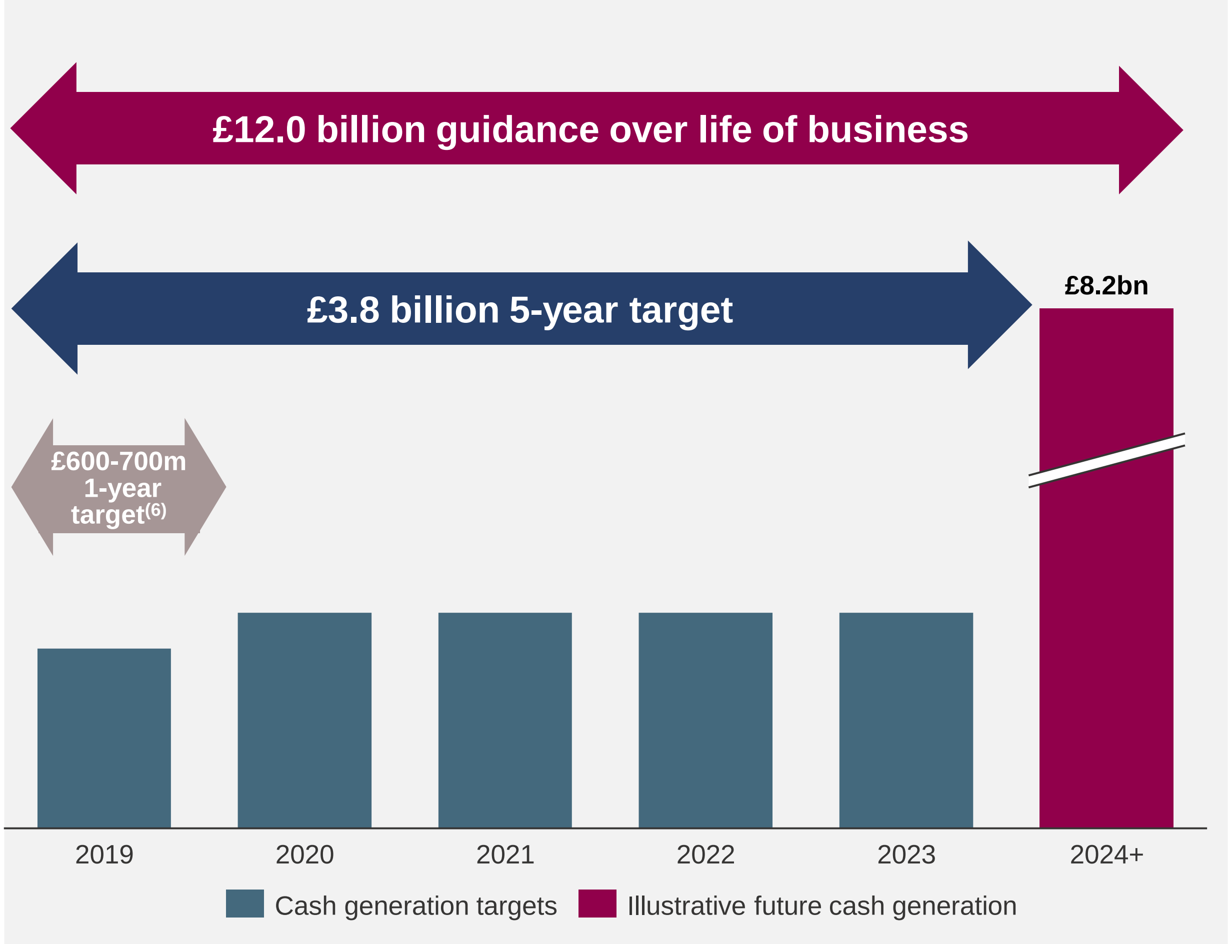
Financial position:		HY19	FY18
Group capital	PGH Solvency II surplus	£3.0bn[†]	£3.2bn[4]
	Shareholder Capital Coverage Ratio[5]	160%[†]	167%[4]
AuA	Assets under Administration (see Appendix II)	£245bn	£226bn
Leverage	Leverage ratio (see Appendix I)	23%	22%

(†) Estimated HY19 Solvency II capital position assumes a dynamic recalculation of transitionals as at 30 June 2019. Had a dynamic recalculation not been assumed, the Solvency II surplus and the Shareholder Capital Coverage Ratio would decrease by £0.2 billion and 5% respectively.

See Appendix XV for footnotes

Phoenix is on track to meet its future cash generation targets

Illustrative future cash generation



Included in £12 billion cash generation:

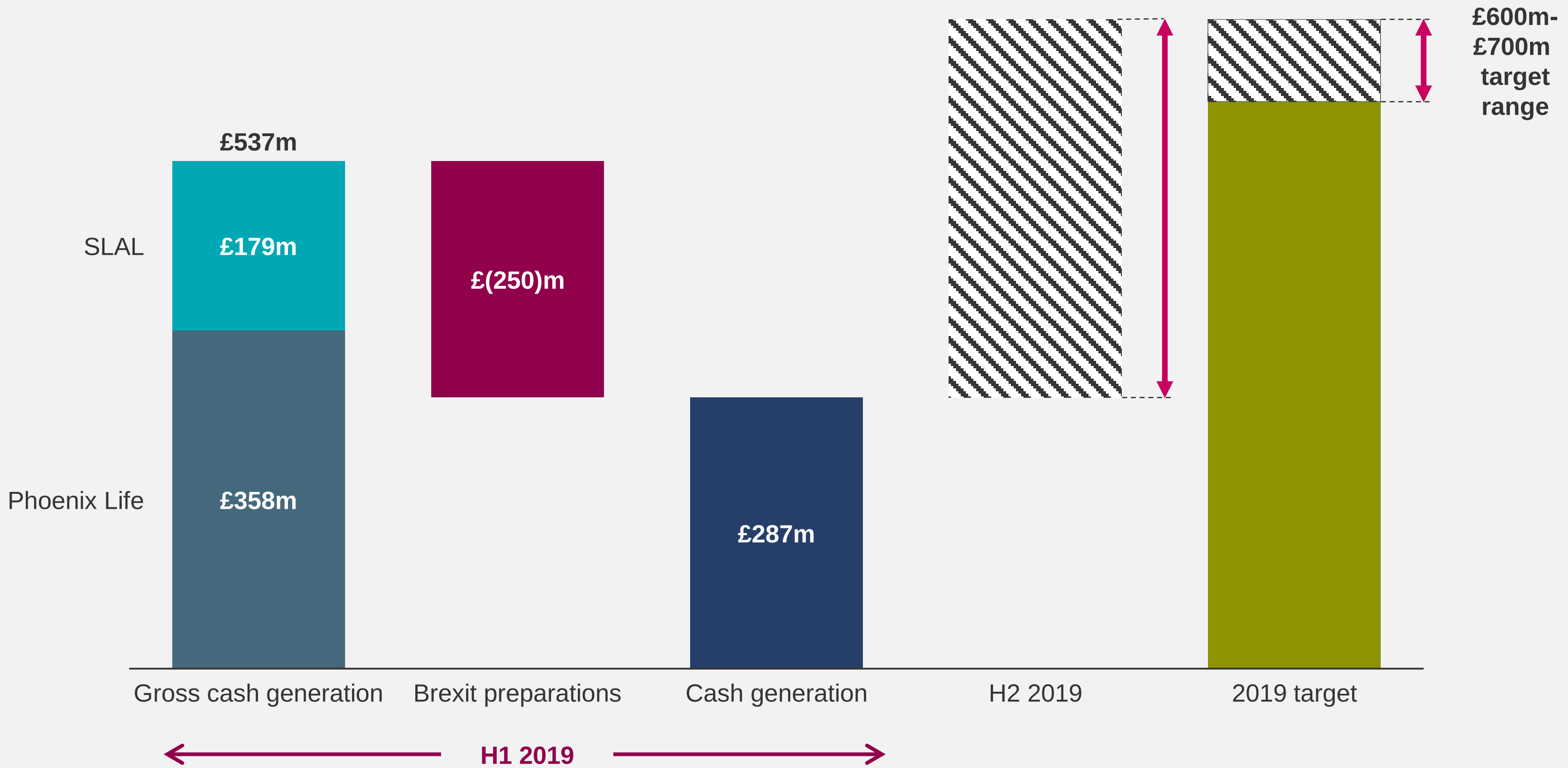
- Regular premiums on in-force policies
- Vesting annuities
- Management actions in 2019-23

Excluded from £12 billion cash generation:

- Incremental premiums on in-force policies
- New business from Strategic Partnership with Standard Life Aberdeen
- Management actions 2024+
- Future BPA
- Future M&A

Phoenix expects to be towards the upper end of the 2019 cash generation target range

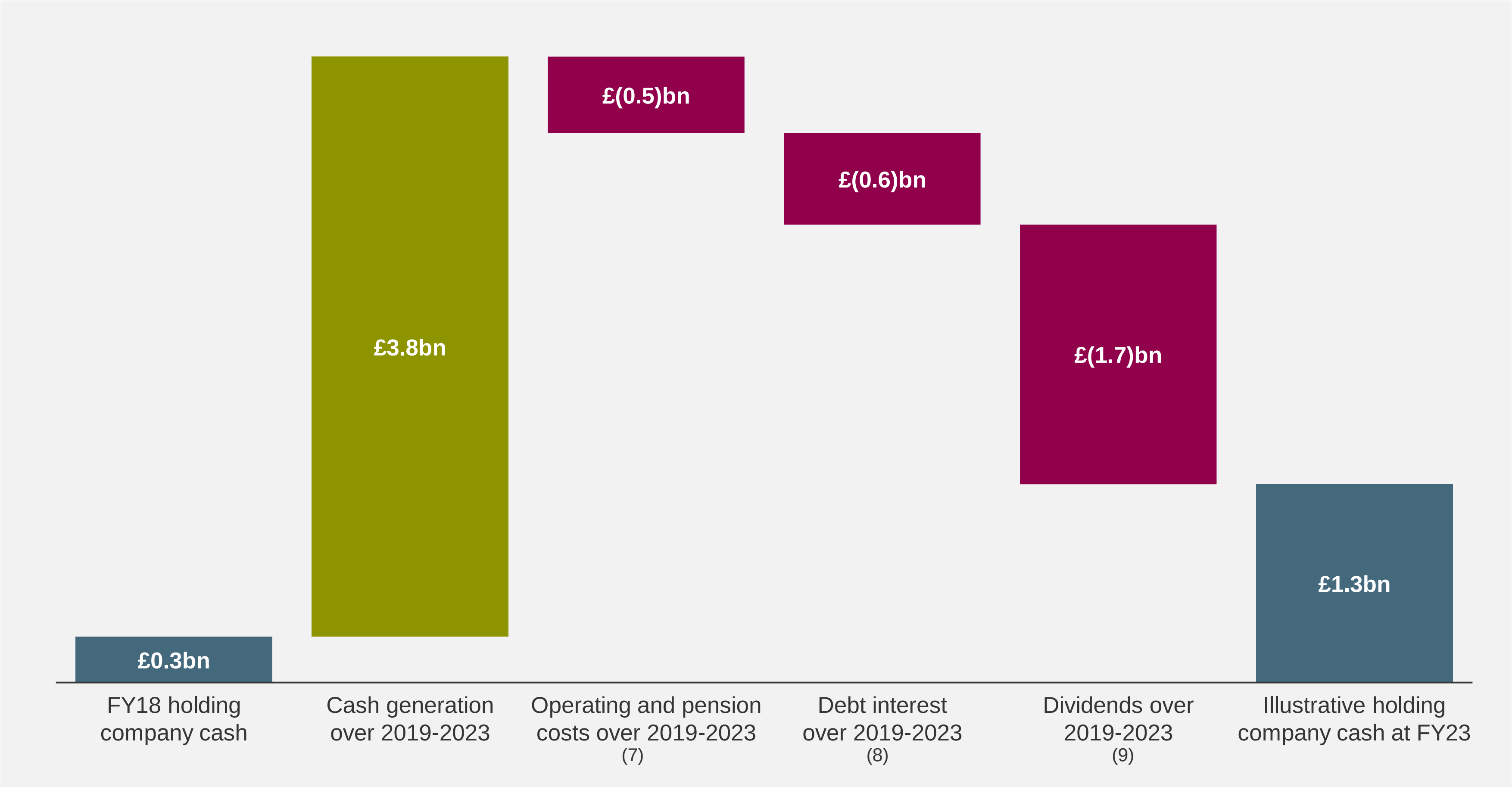
2019 cash generation



PHOENIX GROUP

Cash generation more than supports the dividend and builds cash available for growth through BPA and M&A

Illustrative uses of cash from 2019-2023



See Appendix XV for footnotes

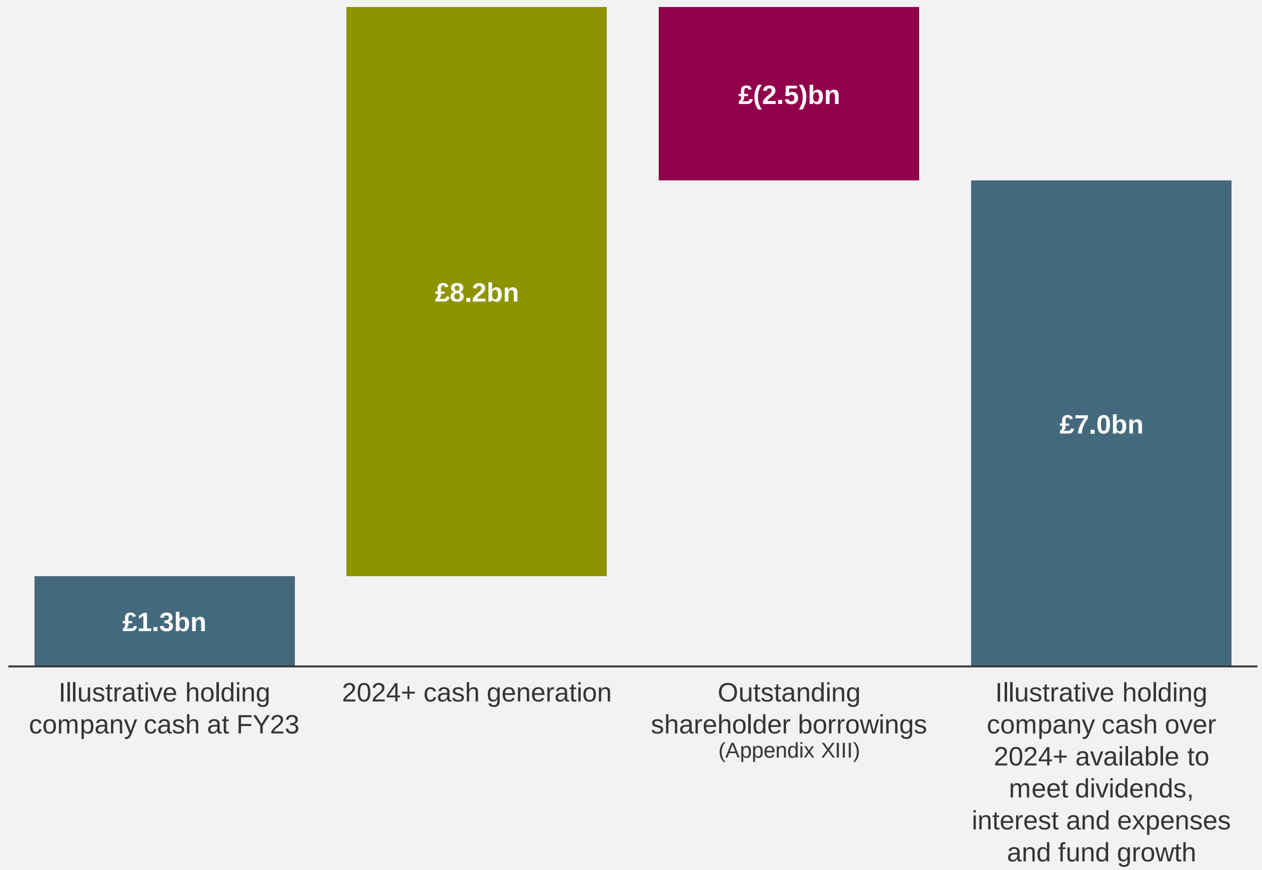
Resilience of cash generation increases confidence in our dividend

Sensitivities for £3.8 billion 2019-2023 cash generation target(10)

See Appendix XV for footnotes

Beyond 2023, additional cash generation enhances dividend sustainability

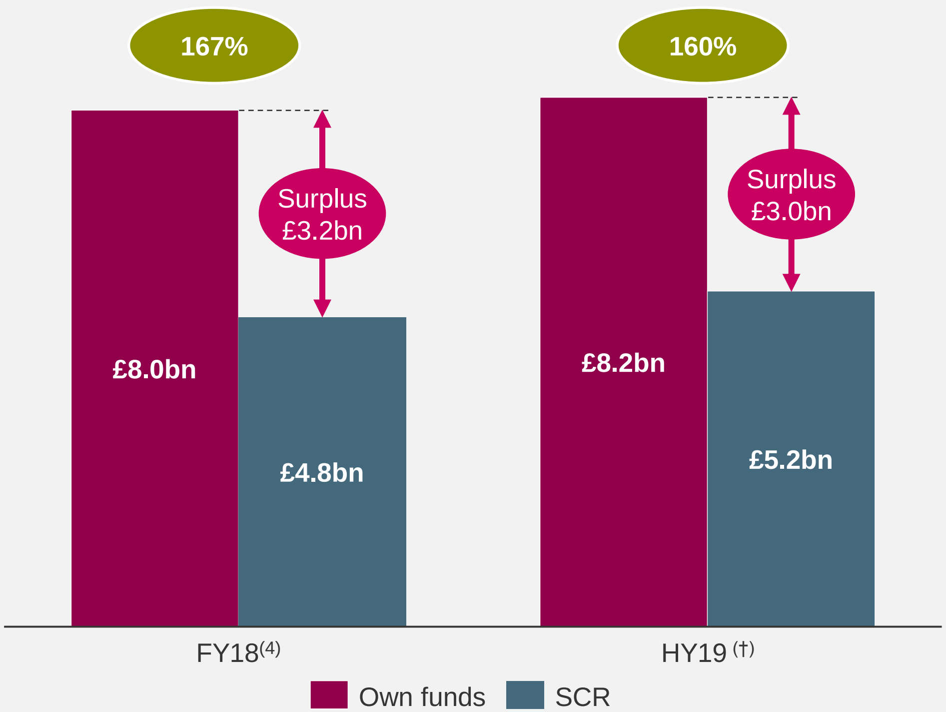
Illustrative uses of cash from 2024 onward



- 2024+ illustrative cash generation excludes management actions, new business and growth through BPA and M&A
- £7.0 billion net cash generation beyond 2024+ is available to meet future dividends, interest and expenses and fund growth

Phoenix maintains a strong capital position with a £3.0bn Solvency II surplus

Estimated PGH Shareholder capital position



"Shareholder value" per share

Shareholder own funds	**£8.2bn**
Less: Tier 2 and Tier 3 debt	£(2.0)bn
Less: Restricted Tier 1 debt	£(0.5)bn
Unrestricted Tier 1 ("UT1")	**£5.7bn**
Add: Contract boundaries	£0.2bn
Add: Shareholders share of with-profit estate	£0.2bn
Proxy to shareholder value	**£6.1bn**

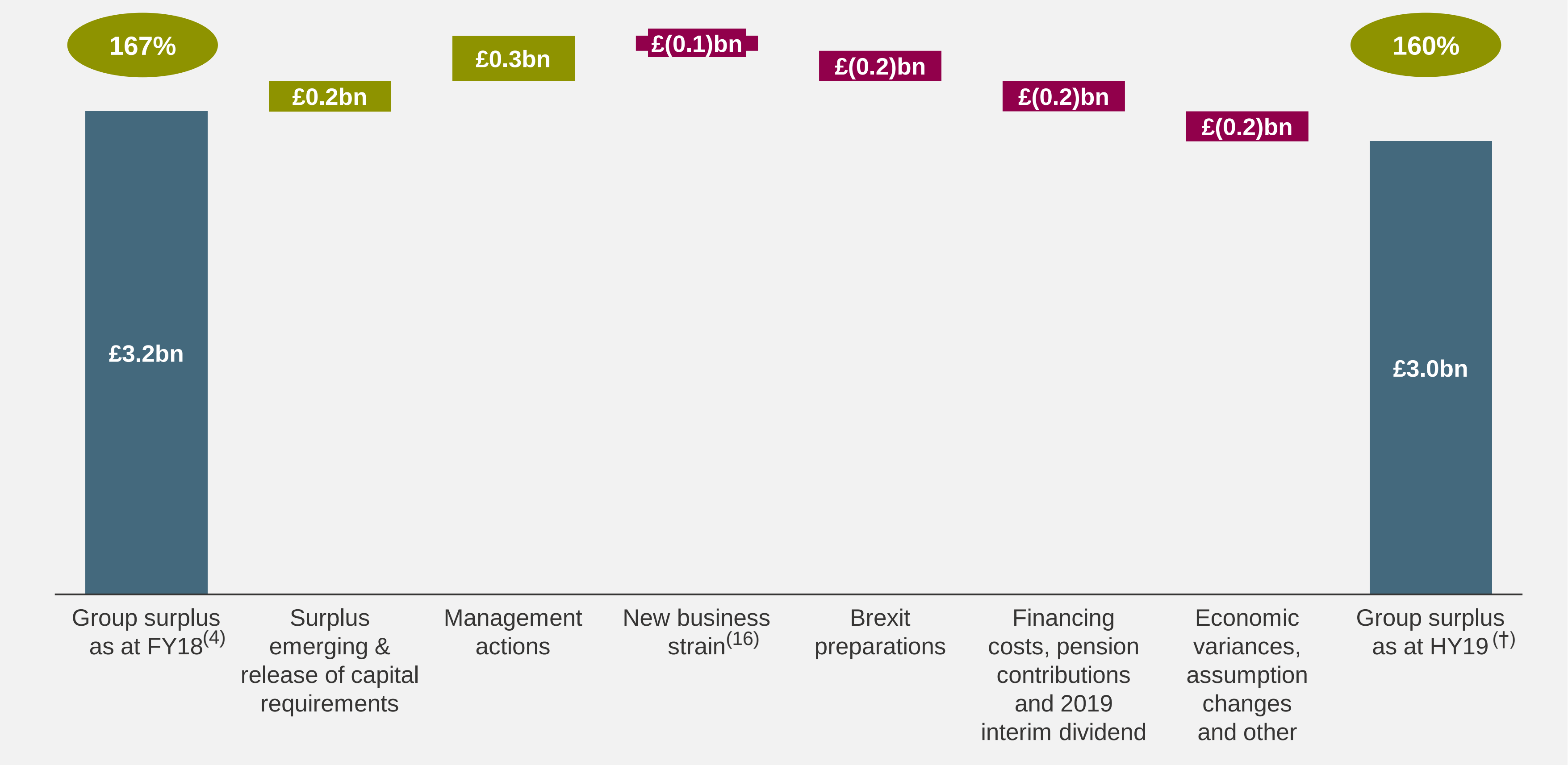
SHAREHOLDER VALUE PER SHARE **£8.46**

- £2.0 billion of surplus in unsupported with-profit funds and staff pension schemes is unrecognised
- £169 million interim 2019 dividend deducted from HY19 Solvency II own funds

(†) Estimated HY19 Solvency II capital position assumes a dynamic recalculation of transitionals as at 30 June 2019. Had a dynamic recalculation not been assumed, the Solvency II surplus and the Shareholder Capital Coverage Ratio would decrease by £0.2 billion and 5% respectively

New business strain offset by surplus emergence and management actions

Change in PGH Solvency II surplus[†]



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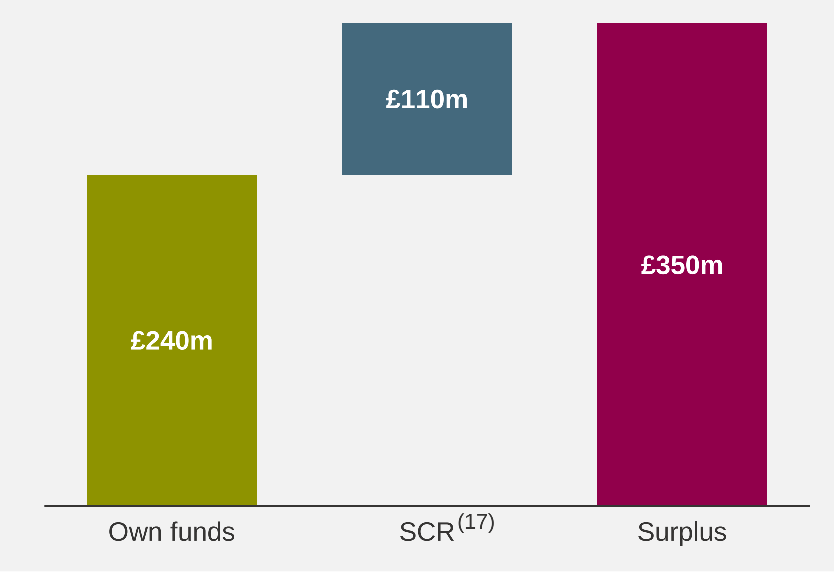
See Appendix XV for footnotes

Management actions of £350 million include £115 million of SLAL capital synergies

Solvency impact of management actions



Increasing SII own funds increases overall cash flows

Reducing SII SCR accelerates cash flows

HY19 management actions

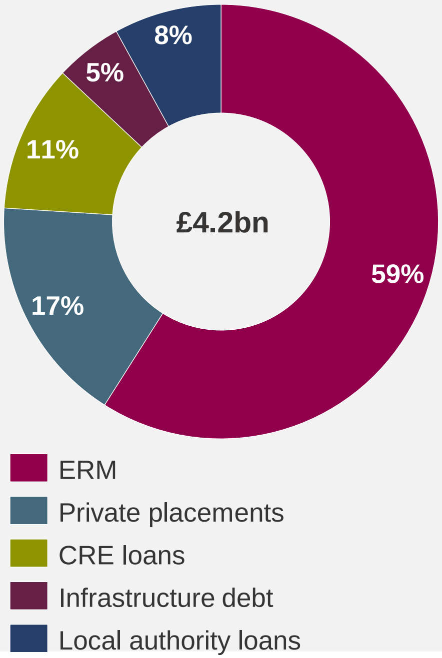
- ✓ Investment of annuity backing assets in illiquid asset classes
- ✓ Expense reductions
- ✓ Matching adjustment fund optimisation
- ✓ Intra-group restructuring
- ✓ ERM securitisation
- ✓ Closure of FCA investigations

See Appendix XV for footnotes

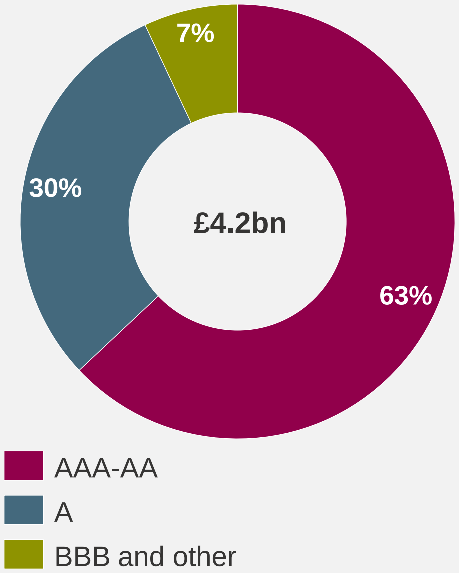
Illiquid asset strategy is a key management action and supports BPA

Illiquid assets constitute 22% of £19 billion annuity portfolio

Illiquids portfolio by asset class as at HY19



Illiquids portfolio by credit rating as at HY19



- Target of 40% illiquid assets backing annuity liabilities
- Growth in annuities liabilities from BPA, vestings and buy-ins

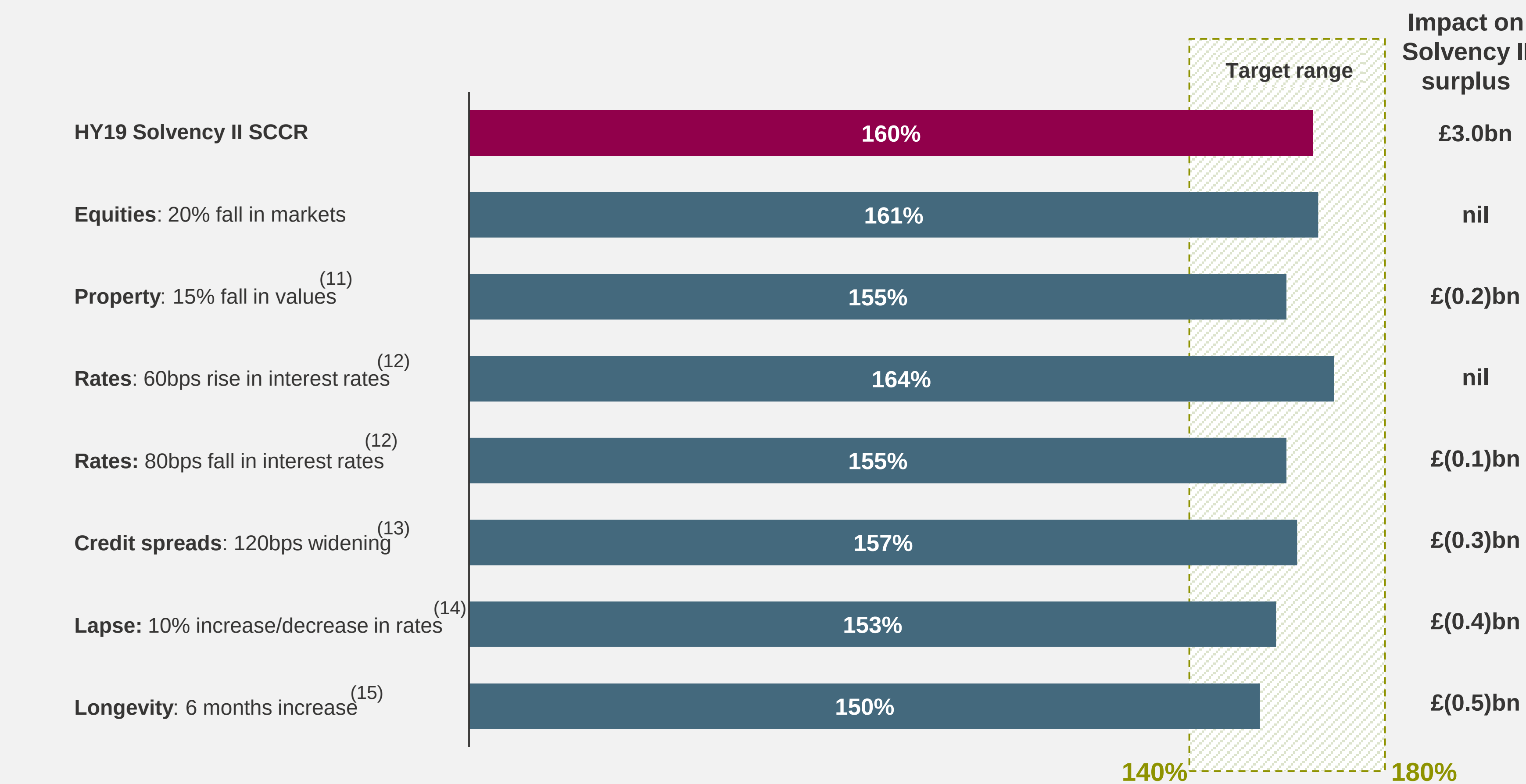
HY19 Origination

c.£500m	c.£80m
Illiquid assets originated	SII benefit

- £50 million private placement with A2Dominion Housing Group supporting social housing opportunities
- £250 million of ERM originated through our third party funding agreements
- Since 2016, ERM origination reached £1.1 billion of cumulative lending, helping over 12,000 households to unlock equity in their homes

Phoenix's capital position remains resilient to risk events

PGH Solvency II Shareholder Capital Coverage Ratio sensitivities[10]



See Appendix XV for footnotes

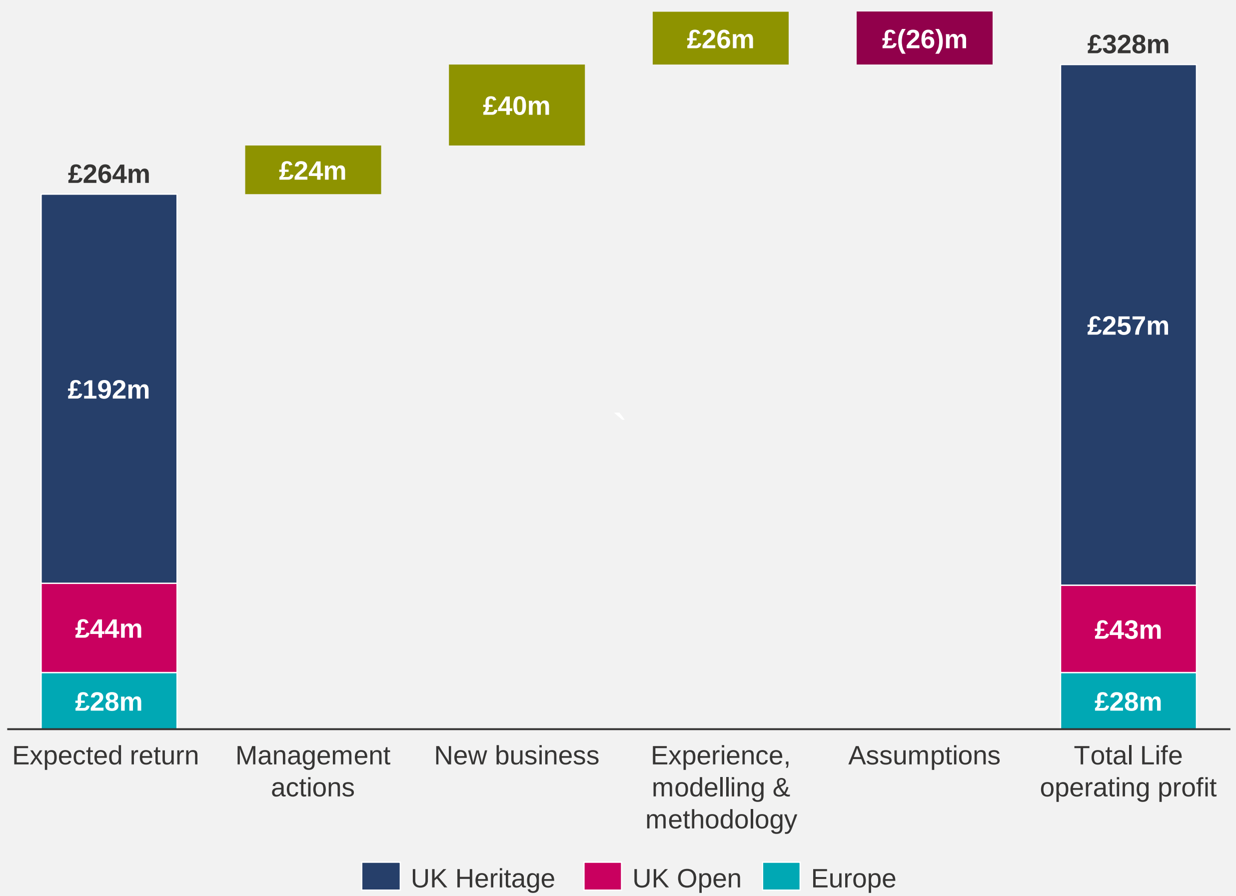
Strong HY19 operating profit of £325 million

	HY19	HY18
UK Heritage	£257m	£214m
UK Open	£43m	£6m
Europe	£28m	-
Service company	£13m	£8m
Group costs	£(16)m	£(12)m
Operating profit before tax	**£325m**	**£216m**
Investment return variances and economic assumption changes	£(84)m	£(109)m
Amortisation of intangibles	£(199)m	£(54)m
Other non-operating items	£(32)m	£(37)m
Finance costs	£(63)m	£(54)m
Profit before tax attributable to non-controlling interest	£2m	-
Loss before tax attributable to owners	**£(51)m**	**£(38)m**
Tax credit attributable to owners	£90m	£14m
Profit / (loss) after tax attributable to owners	**£39m**	**£(24)m**

- Investment return variances are primarily driven by fair value losses on c.£2.8 billion of equity hedges following a rise in equity markets during H1 2019
- This hedging programme delivers resilience to solvency and cash generation
- We expect FY19 amortisation to be c.£400 million
- Non-operating items include external transition costs of £4 million and a further £17 million of recharged costs and Group expenses on projects

Expected returns underpin strong Life operating profit

H1 2019 Life operating profit drivers



Key messages

- Included within management actions are the benefits from ongoing balance sheet reviews
- New business profits primarily from BPA and vesting annuities
- Assumption changes include the impact of updating persistency assumptions on products with valuable guarantees

Phoenix is delivering on its 2019 strategic priorities

1. FINANCIAL TARGETS
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Phoenix has delivered 85% of its capital synergy target and 28% of its cost synergy target in less than 1 year

	Delivered in H1 2019	Delivered to date	Target	% of target	
1 **Capital synergies** (net of costs)	£115m	£615m	£720m	85%	✓
2 **Cost synergies** (per annum)	£7m	£21m	£75m	28%	✓
3 **One-off cost synergies**	£13m	£17m	£30m	57%	✓
4 **Transition costs** (net of tax)	£4m	£7m	£150m	5%	✓

Phase 1 will be largely complete by the end of 2019

Jun 19 — **INTERNAL AUDIT**
- End state organisation structure implemented

Jun 19 — **HR**
- Harmonised Annual Incentive Plan communicated

Aug 19 — **GROUP LEGAL**
- End state organisation structure implemented

Oct 19 — **INTERNAL AUDIT**
- Internal audit transition completed

Nov 19 — **GROUP RISK**
- End state organisation structure finalised

Dec 19 — **GROUP LEGAL**
- Overall legal transition completed

Dec 19 — **HR**
- Harmonised performance management approach implemented
- Reward principles agreed

Dec 19 — **GROUP RISK**
- Risk management system rolled out
- 3 lines of defence model implemented

Key messages

- Phase 1 will deliver the end state operating model for the Head Office functions
- This will enhance process efficiency and remove duplication
- Strong progress made across all functions
- Harmonised HR system to be implemented in 2020

We are on track to deliver Phase 2 by the end of 2020

Jun 19 — **FINANCE & ACTUARIAL**
- Life Finance Director and Chief Actuary appointed

Dec 19 — **INTERNAL MODEL HARMONISATION**
- Internal model pre-application submitted to the PRA

Jan 20 — **FINANCE & ACTUARIAL**
- Single service company model

Mar 20 — **INTERNAL MODEL HARMONISATION**
- Internal model application submitted to PRA

Sep 20 — **INTERNAL MODEL HARMONISATION**
- Expected internal model approval by PRA

Dec 20 — **INTERNAL MODEL HARMONISATION**
- Harmonised internal model operational

Dec 20 — **FINANCE & ACTUARIAL**
- End state organisation structure in place
- Harmonised actuarial and accounting systems and processes

Key messages

- Phase 2 covers the finance and actuarial functions
- It will deliver an integrated multi-site operating model by end 2020
- Single Finance Director and single Chief Actuary now in place across all Life companies
- We are working closely with the PRA on the harmonisation of our two internal models

Phase 3 will deliver a hybrid customer and technology operating model

Design principles
✓ Support the growth of our Open business
✓ Modernise our IT platform to respond to an evolving market
✓ Enhance customer service and deliver digital proposition
✓ Strengthen our platform for future acquisitions
✓ Facilitate efficiencies to enable delivery of cost synergies

Phoenix is delivering on its 2019 strategic priorities

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H1 2019 new business increases long-term cash generation by £250 million and brings sustainability to Phoenix

	HY19				HY18 Total pro forma[3]
	UK Heritage	UK Open	Europe	Total	
Long-term cash generation	**£90m**	**£145m**	**£15m**	**£250m**	**£303m**
Gross inflows (on new business)	£0.5bn	£3.1bn	£0.4bn	£4.0bn	£5.1bn
Capital strain	£32m	£4m	£1m	£37m	£71m

Key messages

1. New business delivered across all segments
2. Small capital strain financed from surplus capital generation
3. Cash generation from new business is incremental to £12 billion guidance
4. Additional cash generation from H1 2019 new business c.1.5 times interim dividend

H1 2019 BPA increases long-term cash generation by £90 million

UK Heritage	HY19 Total	HY18 Total
Premium	£460m	£470m
Day 1 capital allocation	£32m	£62m
Long-term organic cash generation	**£90m**	**£140m**

BPA strategy

- Allocate c.£100 million of surplus capital per annum to BPA
- Selective and proportionate approach funded from own resources
- Reinsurance of longevity risk
- Appropriate allocation to illiquid assets

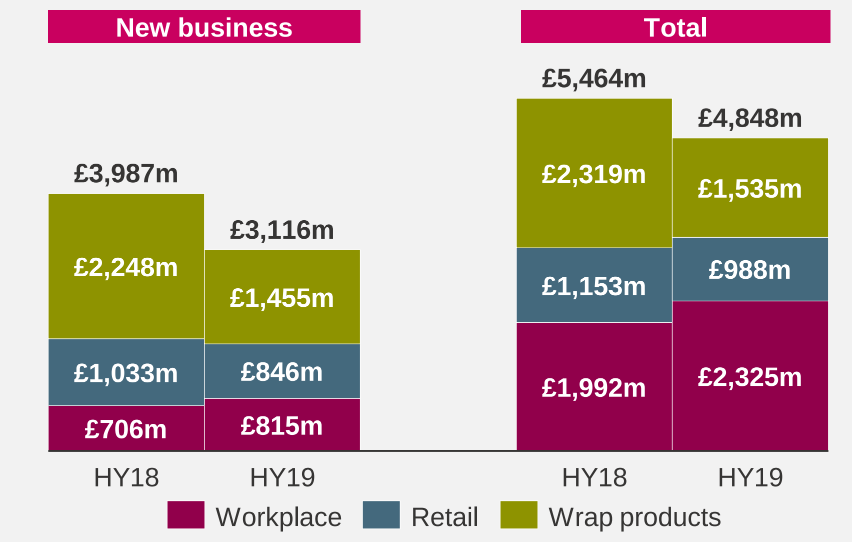
H1 2019 activity

- Market remains buoyant
- Priced 18 transactions
- 1 BPA completed in H1 2019 with the Marks and Spencer Pension Scheme
- Improved pricing has enabled a reduction year on year in capital strain
- £0.2 billion transaction completed in August

UK Open and Europe new business increases long-term cash generation by £160 million

	HY19			HY18
	UK Open	Europe	Total	Total pro forma[3]
Gross inflows (on new business)	£3,116m	£386m	£3,502m	£4,609m
New business contribution[2]	£112m	£4m	£116m	£100m
Long-term cash generation	**£145m**	**£15m**	**£160m**	**£163m**

UK Open gross inflows



See Appendix XV for footnotes

Key messages

- Strong Workplace gross inflows following auto-enrolment increases in 2018 and 2019
- Challenging period for Wrap product gross inflows due to market uncertainty from Brexit and a tail off in DB to DC transfers
- New business contribution expected to be loaded to first half with c.£50 million from auto-enrolment increase
- HY19 new business contribution in line with HY18 pro forma[3]

Clive Bannister

Group Chief Executive

Phoenix is delivering on its 2019 strategic priorities

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Improving customer outcomes continues to be central to our mission

We continue on our digital journey…	…and are progressing customer initiatives
Further 1.2 million Phoenix Life customers given access to "My Phoenix", taking total to 2.1 million customers	Master trust approval received for two Standard Life schemes, with over 240k customers and £5 billion AUA
Functionality and journey improvements have resulted in a 67% increase in assets secured for transfer to SLAL from other providers online	1.0 million Phoenix Life customers contacted to remind them of their policy protection benefits
SLAL monthly app and dashboard logins increased to over 1 million per month	Enhanced "voice of the customer" technology implemented across telephony and digital journeys to improve collection of, and response to, customer feedback

We are meeting or exceeding all of our customer service metrics

Group customer service metrics		
	HY19	**FY19 target**
Phoenix Life customer satisfaction	94%	≥90%
Servicing complaint closure within 3 days	58%	≥50%
Servicing complaints (as a percentage of customer transactions)	0.5%	<0.6%
FOS overturn rate	17%	<20%
Speed of pension transfer pay-outs (ORIGO)	9	≤12
Standard Life customer service and accessibility (NetEasy)	70%	≥70.0%

- Phoenix continues to meet or exceed all customer service metrics
- Improved performance across the majority of metrics from 2018
- Customer service metrics form 25% of the Group's Annual Incentive Plan corporate component

Phoenix is delivering on its 2019 strategic priorities

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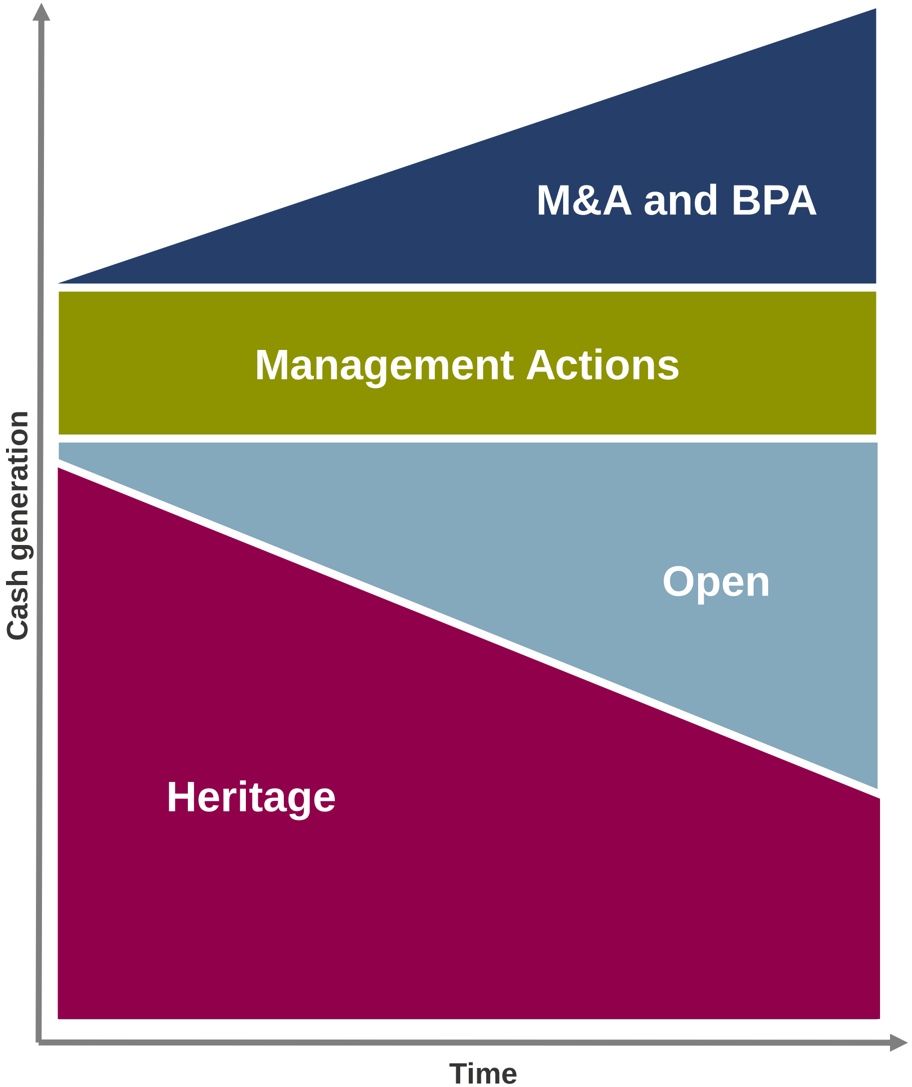
Growth opportunities bring sustainability to cash generation



M&A and BPA

- Future M&A and Bulk Purchase Annuities will increase long-term cash generation

Management Actions

- Track record of delivering incremental cash generation through management actions

Open

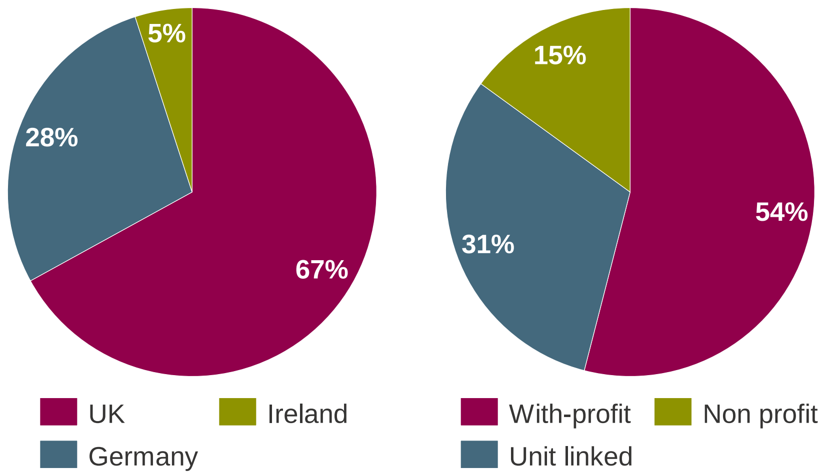
- Growth of “capital light” Open business brings sustainability to cash generation

Heritage

- Predictable long term cash generation as “capital heavy” Heritage business runs off

There remains a wealth of M&A opportunities and we are ready to engage

Market size of c.£580 billion



Gating items

MANAGEMENT BANDWIDTH	FUNDING	REGULATION
Head office specialises in assessment of M&A transactions	**Committed funding to finance acquisition of c.£1 billion**	**Track record of remedying past conduct issues**

Phoenix's competitive advantages

- ✓ Scale as the largest life and pensions consolidator in Europe
- ✓ Able to deliver complex separations and business transitions
- ✓ Track record of generating value from all types of products
- ✓ Scalable administration platform and a flexible cost base
- ✓ Strong regulatory relationships and ability to manage conduct issues
- ✓ Flexibility in financing transactions

We are building a more sustainable Phoenix

CASH	RESILIENCE	GROWTH
✓ £12 billion of future cash generation from in-force business	✓ £3.0 billion SII surplus; 160% shareholder ratio	✓ New business brings sustainability to cash generation
✓ Expect to be towards the upper end of 2019 target range	✓ Hedging provides resilience to market risks	✓ £1.0 billion funding capacity for BPA and M&A

A SUSTAINABLE PHOENIX

Dates for your diary

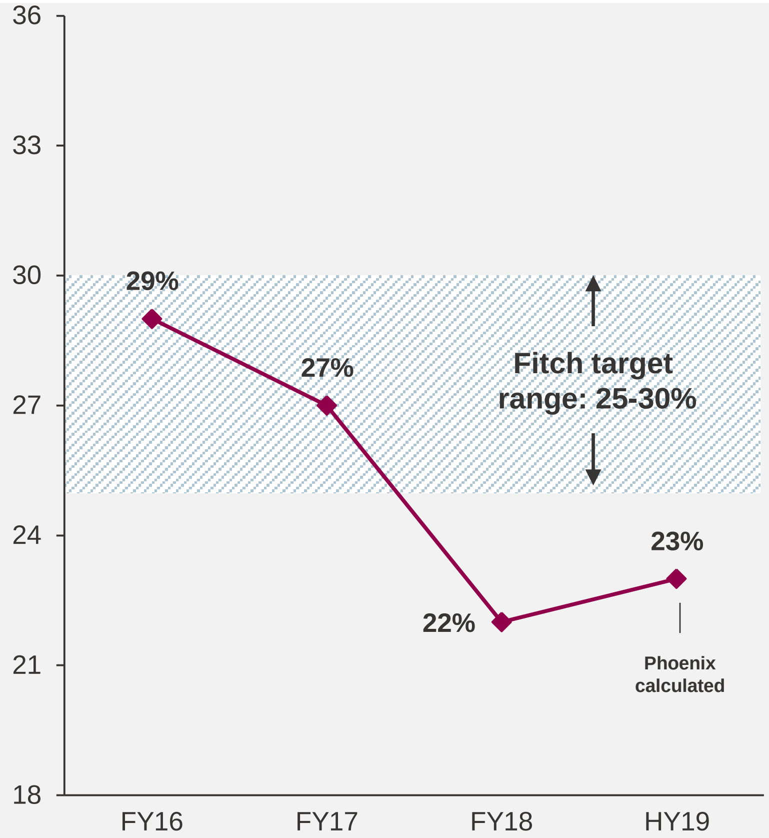
- 15 August 2019 — Ex-dividend for 2019 interim dividend
- Record date for 2019 interim dividend — 16 August 2019
- 30 September 2019 — Payment of 2019 interim dividend
- Capital Markets Day — 28 November 2019
- 9 March 2020 — Full Year Results 2019

Q&A

Appendices

Appendix I: Leverage ratio

Fitch leverage ratio[1]



HY19 leverage ratios

Fitch basis[1]	23%
IFRS basis[2]	33%

- IFRS leverage ratio classifies RT1 as debt

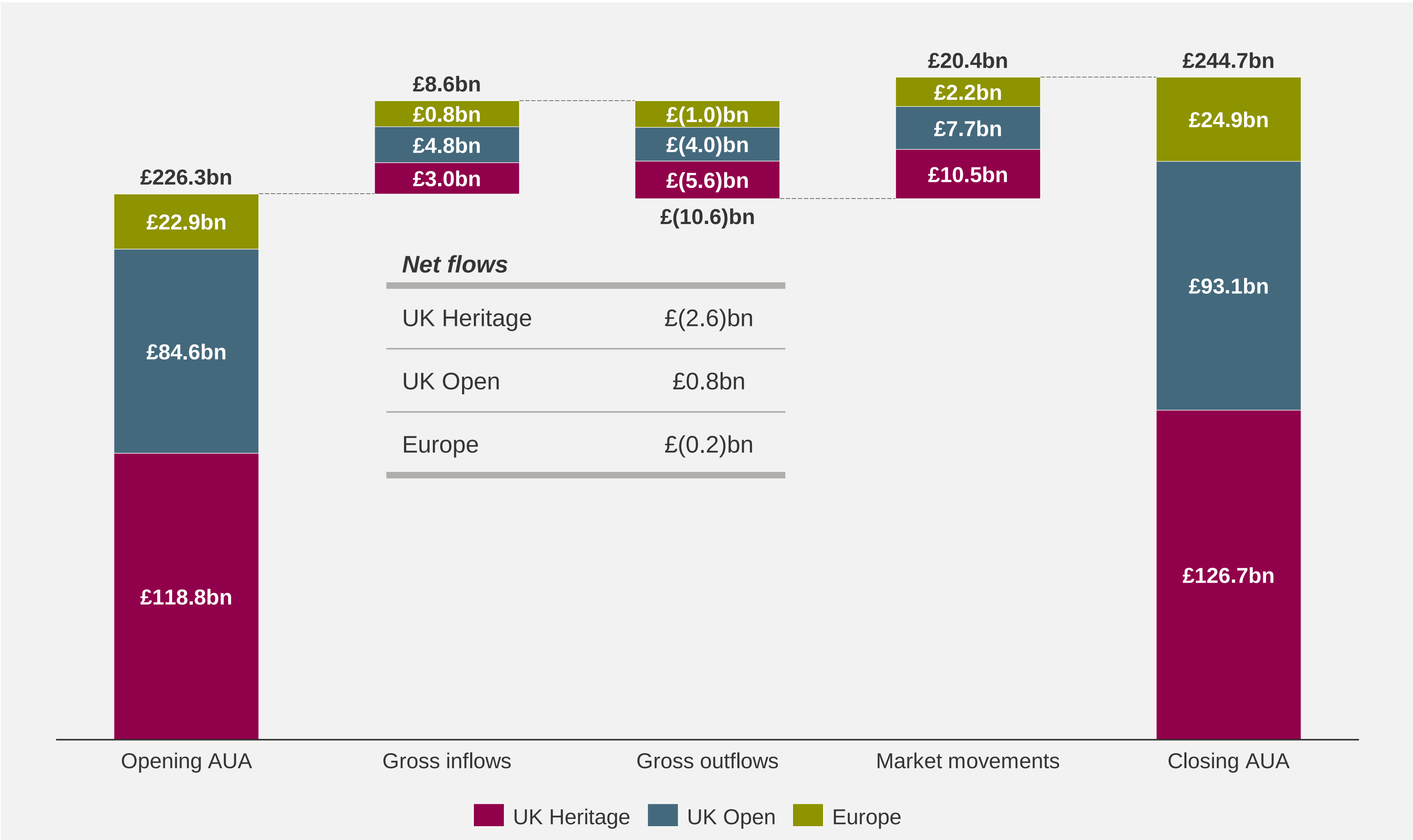
Funding capacity

- Our funding capacity is driven by a combination of own cash, leverage capacity and our target solvency range
- We estimate a current funding capacity for inorganic growth of c.£1.0 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)

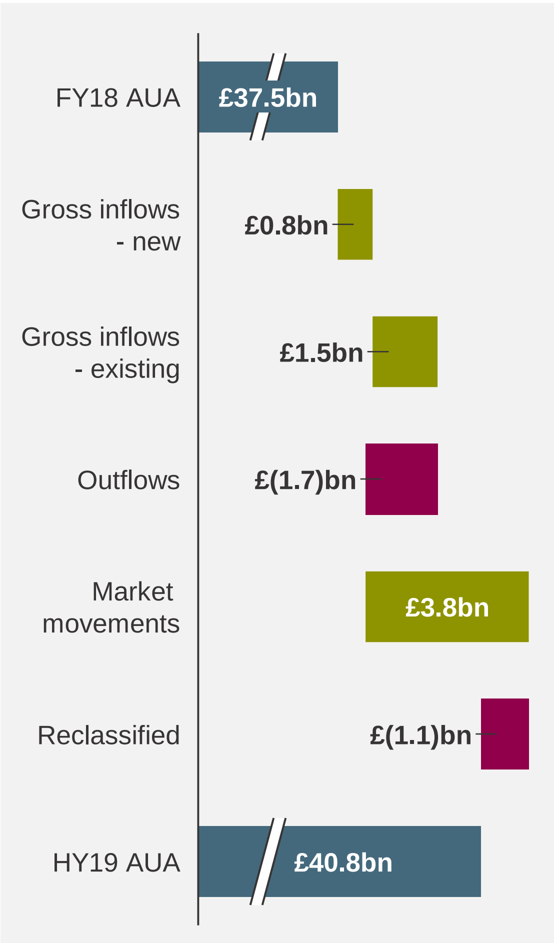
Appendix II: Movement in assets under administration



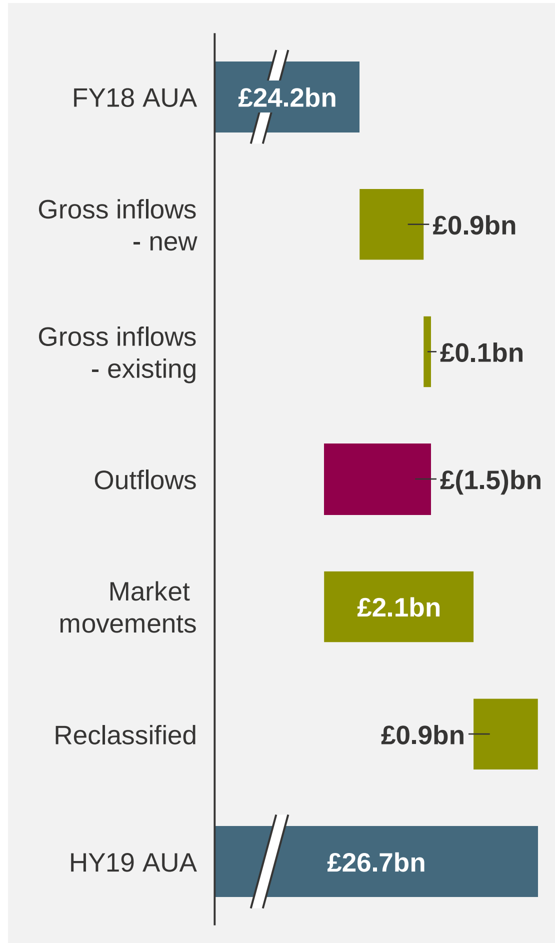
Net flows	
UK Heritage	£(2.6)bn
UK Open	£0.8bn
Europe	£(0.2)bn

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

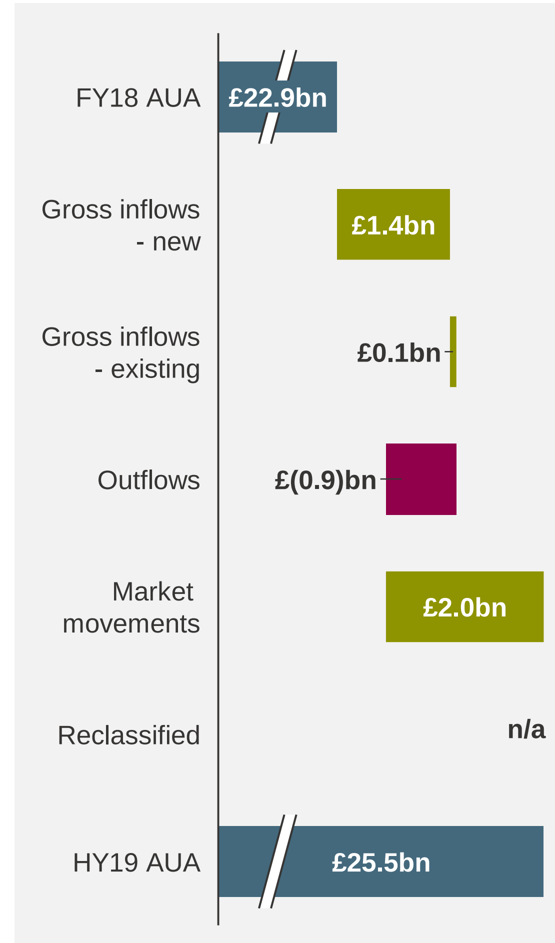
Workplace



Retail



Wrap



Appendix IV: Movements in holding company cash and cash equivalents

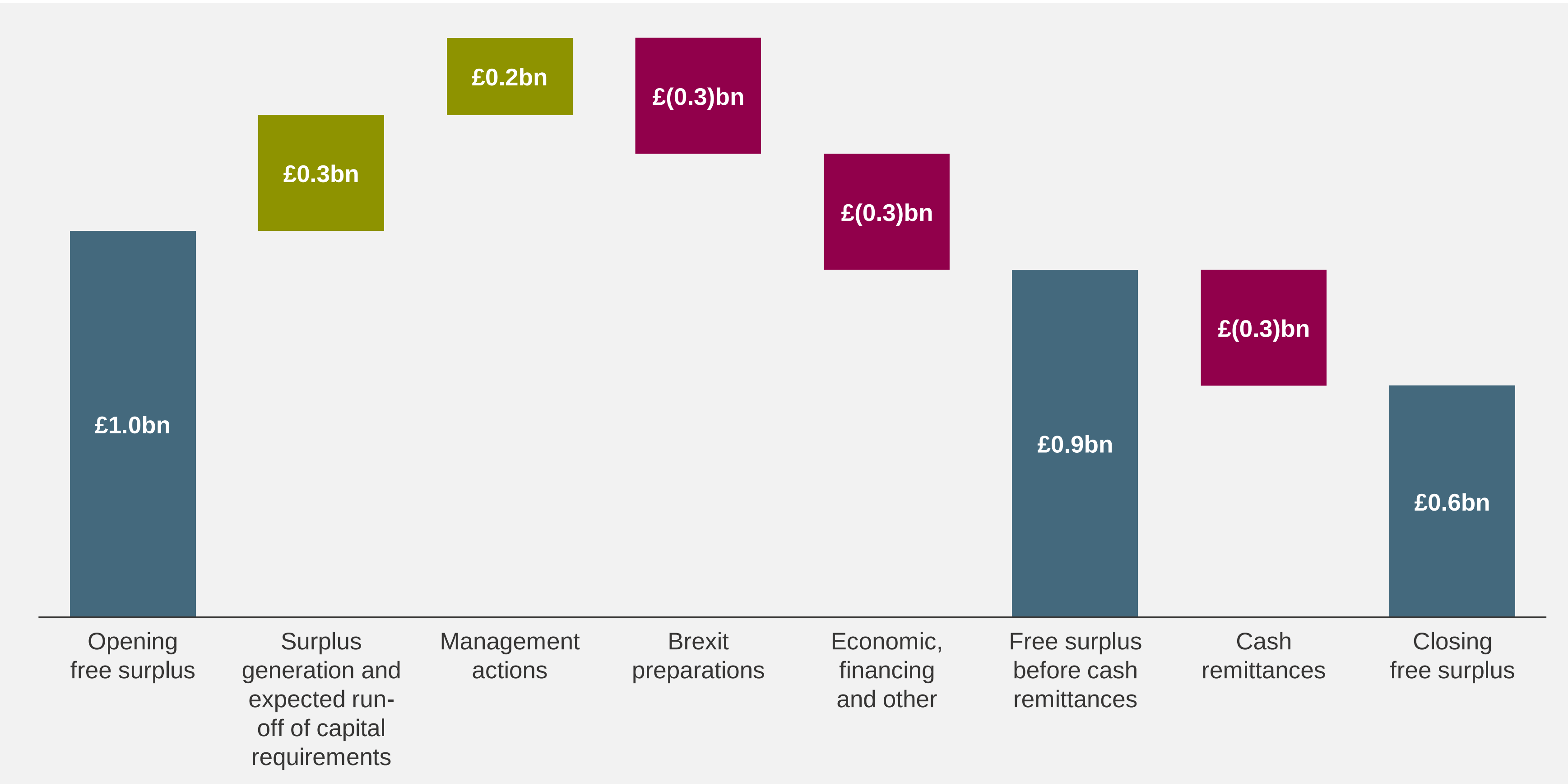
£m	HY19	HY18	FY18
Opening cash and cash equivalents	**346**	**535**	**535**
Total cash receipts	**287**	**349**	**664**
Uses of cash			
Operating expenses	(19)	(19)	(32)
Pension scheme contributions	(23)	(23)	(49)
Non-recurring cash outflows	(41)	(126)	(216)
Debt interest	(34)	(10)	(88)
Shareholder dividend	(169)	(99)	(262)
Total cash outflows	**(286)**	**(277)**	**(647)**
Equity and debt raisings (net of fees)	-	494	1,866
Cost of acquisitions	-	-	(1,971)
Support BPA activity	(32)	(62)	(101)
Closing cash and cash equivalents	**315**	**1,039**	**346**

Non-recurring cash outflows include:

- £4 million external transition costs;
- £27 million of recharged staff costs and Group expenses on corporate projects;
- £4 million of costs related to the separation from Standard Life Aberdeen plc; and
- £3 million from the close out of hedging instruments at Group level

Appendix V: Change in life company free surplus

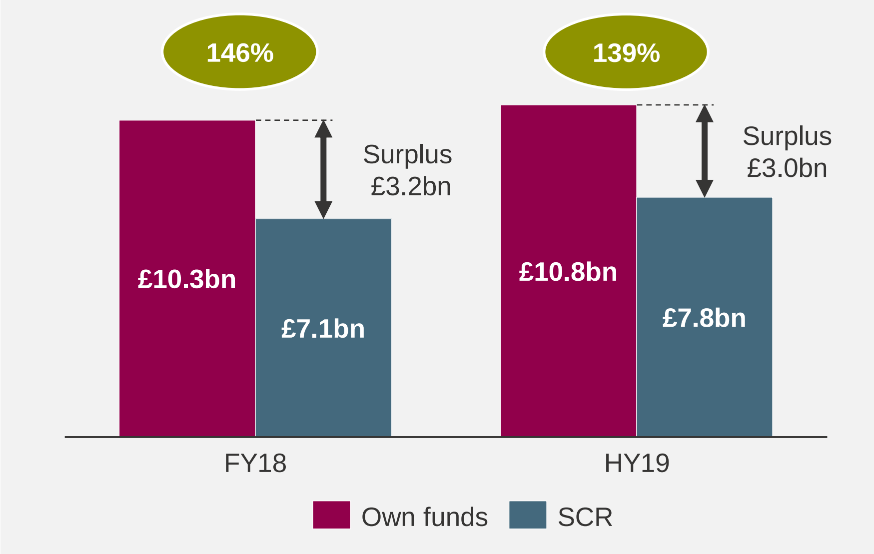
Change in life company free surplus in HY19[1]



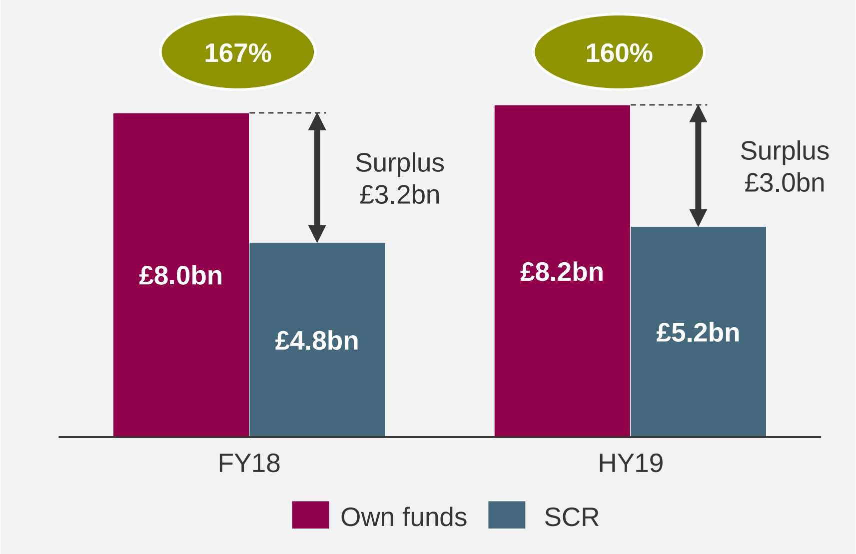
(1) The life company free surplus is an estimated position which assumes a dynamic recalculation of transitionals as at 30 June 2019. Had a dynamic recalculation not been assumed, the Solvency II surplus would decrease by £0.2 billion

Appendix VI: Estimated PGH Solvency II surplus and coverage ratios

PGH Solvency II coverage ratio(1)



PGH Shareholder capital coverage ratio(1)



	HY19	FY18
PGH Solvency II own funds	£10.8bn	£10.3bn
Less: Unsupported with-profit funds	£(2.2)bn	£(1.9)bn
Less: PGL pension scheme	£(0.4)bn	£(0.4)bn
PGH Shareholder own funds	£8.2bn	£8.0bn

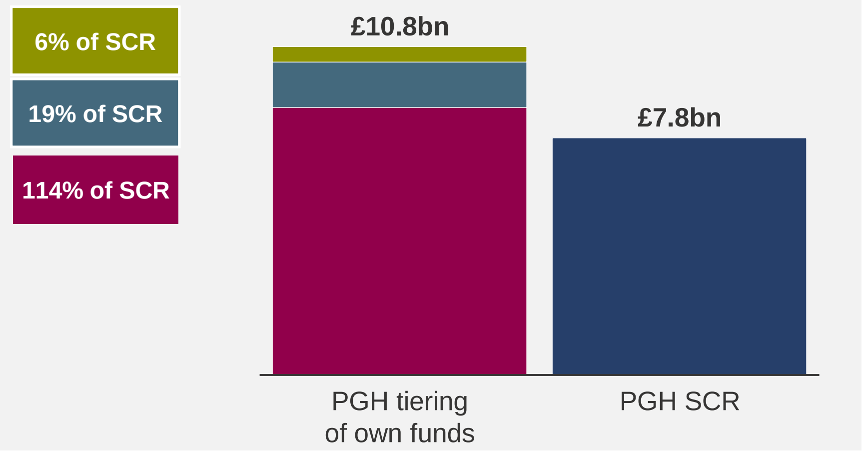
(1) Estimated HY19 Solvency II capital position assumes a dynamic recalculation of transitionals as at 30 June 2019. Had a dynamic recalculation not been assumed, the Solvency II surplus and the Shareholder Capital Coverage Ratio would decrease by £0.2 billion and 5% respectively

Appendix VII: Estimated SCR by risk type and PGH own funds tiering

Estimated HY19 SCR by risk type[1]

Risk type	Phoenix Internal Model	SLAL Internal Model
Longevity	27%	17%
Credit	16%	13%
Persistency	11%	26%
Interest rates	10%	9%
Operational	6%	8%
Swap spreads	5%	1%
Other market risks	17%	14%
Other non-market risks	8%	12%
Total pre-diversified SCR	**100%**	**100%**

HY19 PGH own funds by capital tier[2]



Share of SII own funds by capital tier

Own funds	£bn	%
Tier 1[3]	8.8	81
Tier 2	1.5	14
Tier 3	0.5	5
Total	**10.8**	**100**

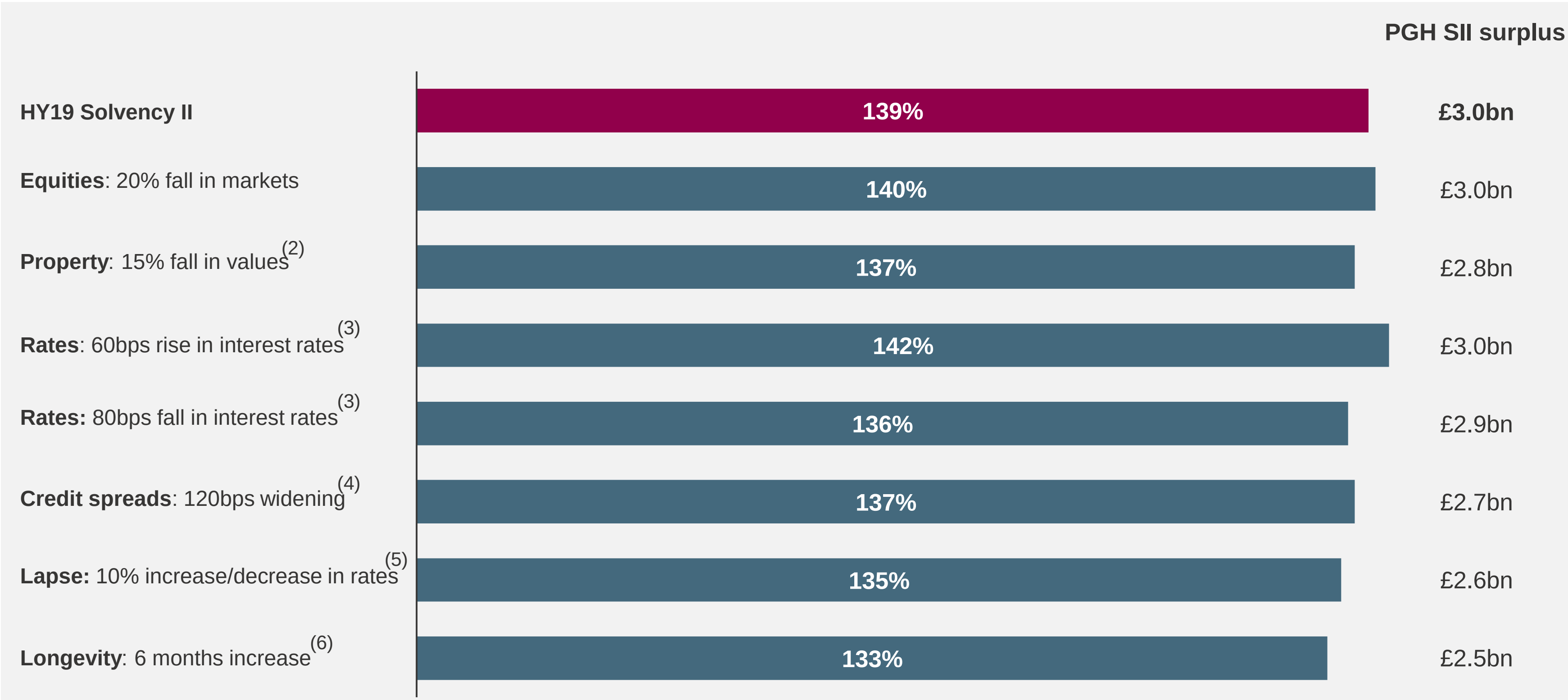
(1) Split of SCR pre diversification benefits and on a Shareholder Capital basis

(2) Estimated HY19 Solvency II capital position assumes a dynamic recalculation of transitionals as at 30 June 2019. Had a dynamic recalculation not been assumed, the Solvency II surplus and the Shareholder Capital Coverage Ratio would decrease by £0.2 billion and 5% respectively

(3) Tier 1 includes £0.5 billion of Restricted Tier 1 capital

Appendix VIII: Regulatory Coverage Ratio sensitivities

PGH Solvency II Regulatory Coverage Ratio sensitivities[1]



(1) Scenario assumes stress occurs on 1 July 2019
(2) Property stress represents an overall average fall in property values of 15%
(3) Assumes recalculation of transitionals (subject to PRA approval)
(4) Credit stress equivalent to an average 120bps spread widening across ratings and includes an allowance for defaults/downgrades
(5) Assumes most onerous impact of a 10% increase/decrease in lapse rates across different product groups
(6) Applied to the annuity portfolio

Appendix IX: UK Heritage business operating profit drivers

		HY19			HY18		
		Reported operating profit	Closing liability/ equity(2)	Expected return margin(1)	Reported operating profit	Closing liability/ equity(2)	Expected return margin(1)
Fund type	**How profits are generated**	**£m**	**£bn**	**bps**	**£m**	**£bn**	**bps**
With-profit	Our share of bonuses paid to policyholders of with-profit business	58	39.1	34	40	22.2	34
With-profit (internal capital support)	Return on with-profit funds which are supported with capital from shareholder funds	(10)	4.4	nm	(6)	4.4	nm
Unit linked	Margin earned on unit linked business	68	44.8	37	73	23.8	34
Annuities	Spread earned on annuities	128	17.1(3)	41	106	10.5(3)	53
Protection and other non-profit	Investment return and release of margins	11	0.6	nm(4)	(6)	0.2	nm(4)
Shareholder funds	Return earned on shareholder fund assets	2	2.3	nm	7	2.2	nm
Total		**257**	**108.3**		**214**	**63.3**	

(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.

(2) Net of reinsurance

(3) Includes insurance liabilities subject to longevity swap arrangements

(4) Not meaningful due to the recognition of negative reserves within insurance liabilities for protection business.

Appendix X: UK Open and Europe businesses operating profit drivers

		HY19			HY18		
		Reported operating profit	AUA	Expected return margin[1]	Reported operating profit	AUA	Expected return margin
Business segment	**How profits are generated**	£m	£bn	bps	£m	£bn	bps
UK Open	Margin earned on unit linked business	43	93.1	21	6	-	nm[2]
Europe	Margin earned on unit linked business and shareholder share of with-profit bonuses	28	24.9	36	-	-	-
Total		**71**	**118.0**		**6**	**-**	

(1) Expected return margin represents the underlying recurring operating profit earned in the period as a proportion of the opening relevant class of Assets under Administration ('AUA'). 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 not considered to form part of the recurring margin for this business. In addition, the expected return margins exclude acquisition and new business proposition expenses of £45 million for UK Open and £13 million for Europe that relate to the acquired Standard Life Assurance businesses. Whilst such amounts are recognised in the reported operating profit, such costs will not form part of the recurring margin for the in-force business as at 30 June 2019.

(2) Not meaningful due to the recognition of negative reserves within insurance liabilities for protection business

Appendix XI: Asset mix of life companies

At 30 June 2019 *£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	5,052	5,312	6,196	11,508	16,560
Debt securities					
Debt securities – gilts	4,516	14,771	5,222	19,993	24,509
Debt securities – bonds	14,667	25,488	32,779	58,267	72,934
Total debt securities	**19,183**	**40,259**	**38,001**	**78,260**	**97,443**
Equity securities	185	15,681	72,062	87,743	87,928
Property investments	136	2,043	5,582	7,625	7,761
Other investments[4]	3,798	3,563	6,528	10,091	13,889
Total	**28,354**	**66,858**	**128,369**	**195,227**	**223,581**

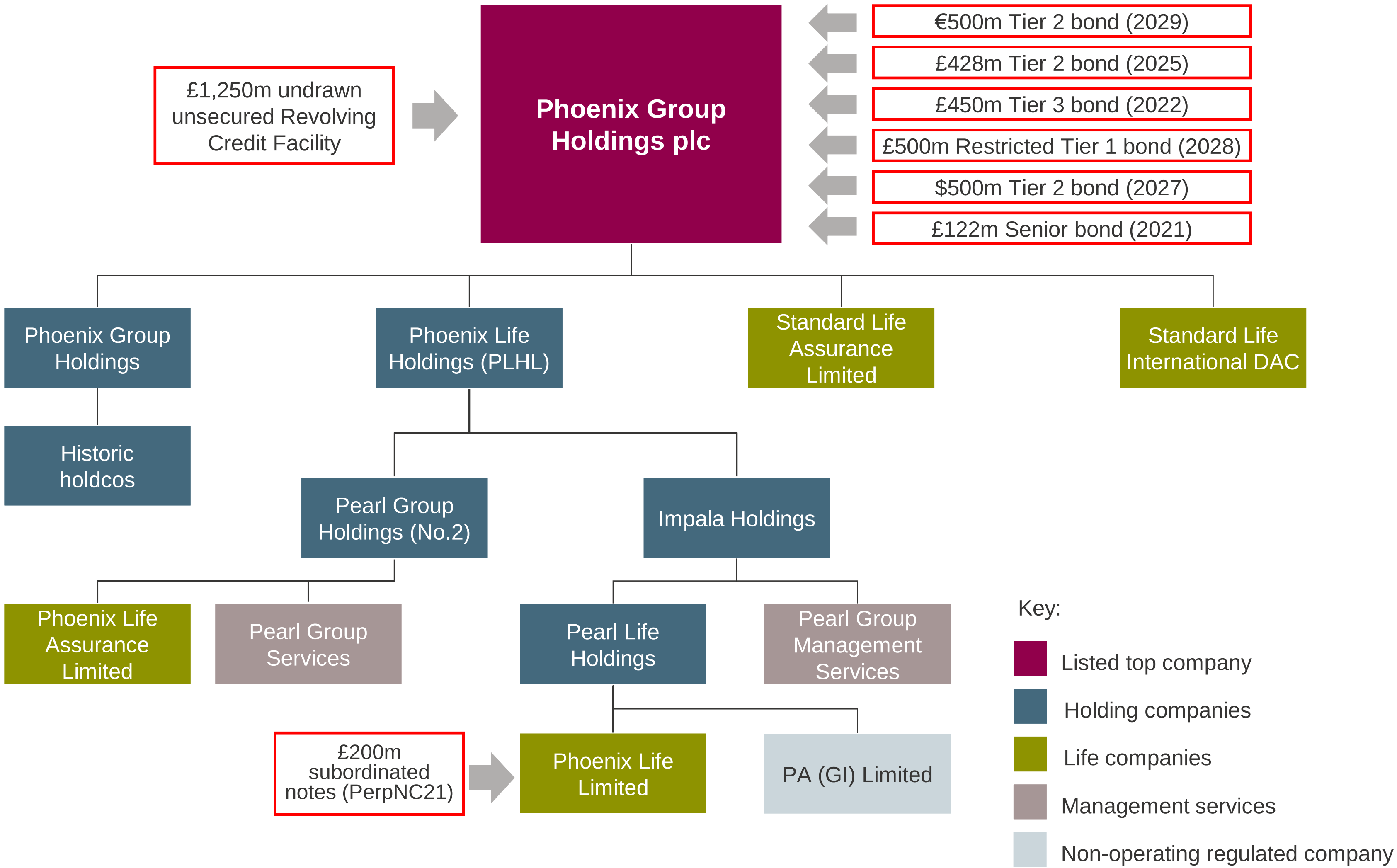
(1) The analysis of the asset portfolio comprises assets held by the Group's life companies. It excludes other Group assets such as cash held in holding companies and service companies, and is net of derivative liabilities. This information is presented on a look through basis to underlying holdings 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 equity release mortgages of £2,372m, commercial real estate loans of £427m, income strips of £674m, policy loans of £11m, other loans of £89m, net derivative assets of £3,954m, reinsurers' share of investment contracts of £5,603m and other investments of £759m.

Appendix XII: Corporate structure as at 30 June 2019

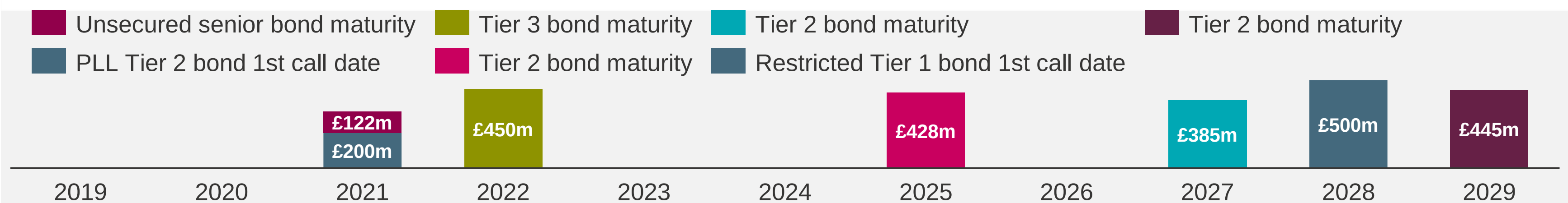


Appendix XIII: Outline of current debt structure

Structure of £2,530 million of outstanding debt as at 30 June 2019

	Instrument	Issuer / Borrower	Maturity	Drawn amount / Face value
Bank Debt	£1,250m unsecured Revolving Credit Facility ("RCF")	Phoenix Group Holdings plc	June 2024	-
Bonds	Unsecured Senior bond (5.750% due Jul-2021, XS1081768738)	Phoenix Group Holdings plc	July 2021	£122m
	Subordinated Tier 3 bond (4.125% due Jul-2022, XS1551285007)	Phoenix Group Holdings plc	July 2022	£450m
	Subordinated Tier 2 bond (6.625% due Dec-2025, XS1171593293)	Phoenix Group Holdings plc	December 2025	£428m
	Subordinated Tier 2 bond(1) (5.375% due Jul-2027, XS1639849204)	Phoenix Group Holdings plc	July 2027	$500m(1)
	Subordinated Tier 2 bond (7.250% Perpetual NC2021, XS0133173137)	Phoenix Life Limited	March 2021 (first call date)	£200m
	Subordinated Tier 2 bond(2) (4.375% due Jan-2029, XS1881005117)	Phoenix Group Holdings plc	January 2029	€500m(2)
	Restricted Tier 1 bond (5.750% Perpetual NC2028, XS1802140894)	Phoenix Group Holdings plc	April 2028 (first call date)	£500m

Debt maturity profile as at 30 June 2019



(1) Swapped into £385m at a semi-annual rate of 4.2% per annum (excluding costs and fees)

(2) Swapped into £445m at an annual rate of 5.74% per annum (excluding costs and fees)

Appendix XIV: Client Service and Proposition Agreement

PHOENIX GROUP

Responsibility

- Underwriting
- Administration
- Product provision

Risks

- Conduct
- Persistency

Standard Life

CUSTOMERS

Standard Life Aberdeen

Responsibility

- Distribution[1]
- Marketing
- Platform
- Advice

Risks

- Mis-selling
- Cost of distribution

Joint Operating Forum provides oversight of each component

(1) Workplace distribution is now being performed by Phoenix Group. All other products continue to be distributed by Standard Life Aberdeen

Appendix XV: Footnotes

(1) Dividends rebased to take into account bonus element of rights issue

(2) “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

(3) The pro forma assumes that the acquisition of the Standard Life Assurance businesses took place on 1 January 2018

(4) The 31 December 2018 Solvency II capital position includes the impact of a regulator approved recalculation of transitionals for Standard Life Assurance Limited only. Had a dynamic recalculation of transitionals been assumed for the Phoenix Life companies, the Solvency II surplus and the Shareholder Capital Coverage Ratio would increase by £0.1 billion and 3% respectively

(5) The Shareholder Capital Coverage Ratio is calculated as the ratio of eligible own funds to SCR adjusted to exclude own funds and the associated SCR relating to unsupported with-profit funds and the PGL pension scheme

(6) 2019 cash generation is net of the £250 million cost of capitalising Standard Life International for Brexit

(7) Illustrative Phoenix operating expenses of £35m p.a. over 2019 to 2023. Phoenix pension scheme contributions estimated in line with current funding agreements, comprising £110m in respect of the Pearl Scheme and £49m in respect of the Abbey Life Scheme. Assumes integration costs of £150m (net of tax)

(8) Includes interest on the Group's listed bonds, excluding interest on the PLL Tier 2 bonds which are incurred directly by Phoenix Life Limited. Assumes maturing debt during the period is refinanced

(9) Illustrative dividend assumed at cost of £338m per annum over 2019 to 2023

(10) Scenario assumes stress occurs on 1 July 2019

(11) Property stress represents an overall average fall in property values of 15%

(12) Assumes recalculation of transitionals (subject to PRA approval)

(13) Credit stress equivalent to an average 120bps spread widening across ratings and includes an allowance for defaults/downgrades

(14) Assumes most onerous impact of a 10% increase/decrease in lapse rates across different product groups

(15) Applied to the annuity portfolio

(16) New business strain comprises BPA £(32)million, vesting annuities £(17)million, UK Open business £(4)million and European business £(1)million

(17) Represents the net impact of management actions on the Group SCR

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- This presentation in relation to Phoenix Group Holdings plc 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
- Statements containing the words: ‘believes’, ‘intends’, ‘will’, ‘expects’, ‘may’, ‘should’, ‘plans’, ‘aims’, ‘seeks’, ‘continues’, ‘targets’ and ‘anticipates’ or other words of similar meaning are forward-looking. Such forward-looking statements and other financial and/or statistical data involve risk and uncertainty because they relate to future events and circumstances that are beyond the Group’s control. For example, certain insurance risk disclosures are dependent on the Group’s choices about assumptions and models, which by their nature are estimates. As such, actual future gains and losses could differ materially from those that the Group has estimated
- Other factors which could cause actual results to differ materially from those estimated by forward-looking statements include but are not limited to: domestic and global economic and business conditions; asset prices; market related risks such as fluctuations in interest rates and exchange rates, the potential for a sustained low-interest rate environment, and the performance of financial markets generally; the policies and actions of governmental and/or regulatory authorities, including, for example, new government initiatives related to the financial crisis and the effect of the European Union's “Solvency II” requirements on the Group’s capital maintenance requirements; the impact of inflation and deflation; the political, legal and economic effects of the UK’s vote to leave the European Union; market competition; changes in assumptions in pricing and reserving for insurance business (particularly with regard to mortality and morbidity trends, gender pricing and lapse rates); the timing, impact and other uncertainties of future acquisitions or combinations within relevant industries; risks associated with arrangements with third parties; inability of reinsurers to meet obligations or unavailability of reinsurance coverage; the impact of changes in capital, solvency or accounting standards, and tax and other legislation and regulations in the jurisdictions in which members of the Group operate
- As a result, the Group’s actual future financial condition, performance and results may differ materially from the plans, goals and expectations set out in the forward-looking statements and other financial and/or statistical data within this presentation. The Group undertakes no obligation to update any of the forward-looking statements or data contained within this presentation or any other forward-looking statements or data it may make or publish
- Nothing in this presentation should be construed as a profit forecast or estimate
- References to Solvency II relate to the relevant calculation for Phoenix Group Holdings plc