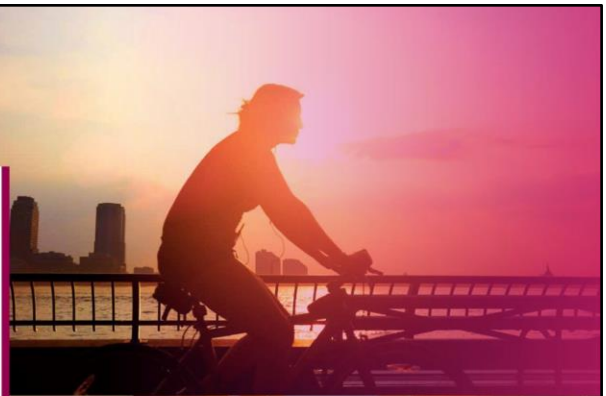
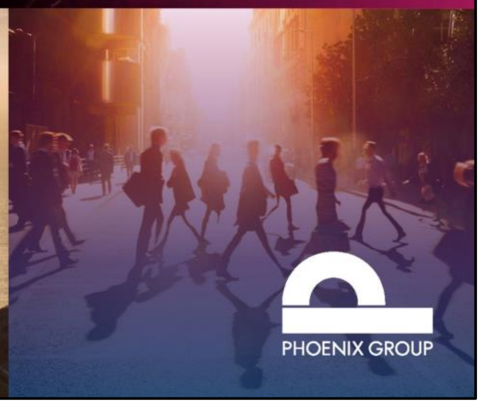
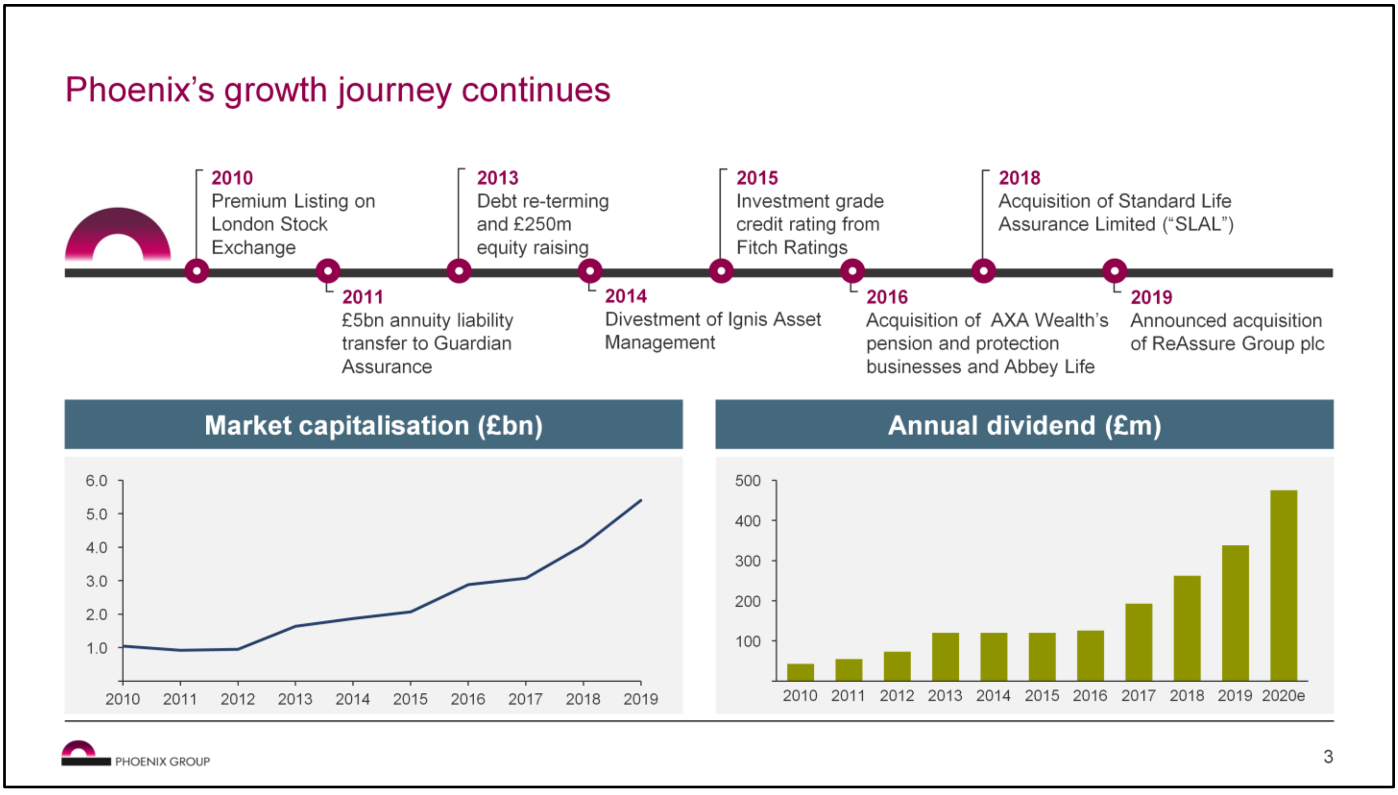


CASH
RESILIENCE
GROWTH

Full Year 2019 Results
9 March 2020



Good morning ladies and gentlemen, and welcome to The Phoenix Group 2019 full year results presentation.



2019 was a year of significant achievement for Phoenix in which the Group delivered all of its strategic priorities and announced the acquisition of ReAssure Group plc.

The growth achieved by Phoenix during its time listed on the London Stock exchange is remarkable and a testament to outstanding leadership over this period and an exceptional team of talented colleagues.

However, we remain incredibly ambitious and look forward to growing the business further in the future.

Phoenix recognises the importance of integrating Environmental, Social and Governance considerations into our everyday operations.

As a business we are uniting behind a sustainability vision of “Committing to a sustainable future” and have identified four areas of commitment: Deliver for our customers, Foster Responsible Investment, Reduce our Environmental Impact and Be a good corporate citizen.

These commitments are underpinned by working ethically with our supply chain and strong governance and good business practices.

Our achievements to date, plans and aspirations are set out in our first Sustainability Report which we published today and is available via our website.

Moving forward we will be setting targets for each area and we look forward to talking to you about our progress in the future.

Agenda

1	**Welcome**	**Nicholas Lyons** Chairman
2	**Introduction**	**Clive Bannister** Group Chief Executive
3	**2019 strategic priorities**	**Jim McConville** Group Finance Director and Group Director, Scotland **Rakesh Thakrar** Deputy Group Finance Director
4	**Outlook**	**Andy Briggs** Group Chief Executive Designate
5	**Concluding remarks and Q&A**	**Nicholas Lyons** Chairman

Our results presentation today reflects a time of change at Phoenix.

We announced in November that Clive would be retiring today and that he would be succeeded by Andy Briggs. With over 30 years of experience in the sector, Andy is the natural successor to Clive and joins Phoenix at a time of great opportunity. We are delighted to have him join our family.

This morning we announced that Jim will also be retiring this year and will be succeeded by Rakesh Thakrar. Rakesh has been with Phoenix for 18 years and has been integral to the successes of the organisation over that period. We are delighted to be able to promote internally into this role.

The Board and I have great confidence in Andy and Rakesh as the future leaders of Phoenix.

Clive and Jim will begin our presentation today by providing an update on Phoenix’s achievements in 2019. They will “hand the baton” to Rakesh and Andy who will update you on our growth aspirations and outlook for 2020 and beyond.

Thank you Nick and good morning everyone.

Strong results across all Key Financial Performance Indicators

CASH GENERATION
£707m

PGH SOLVENCY II SURPLUS[1]
£3.1bn

PGH SHAREHOLDER CAPITAL COVERAGE RATIO[1][2]
161%

DIVIDEND PER SHARE
46.8p

IFRS OPERATING PROFIT
£810m

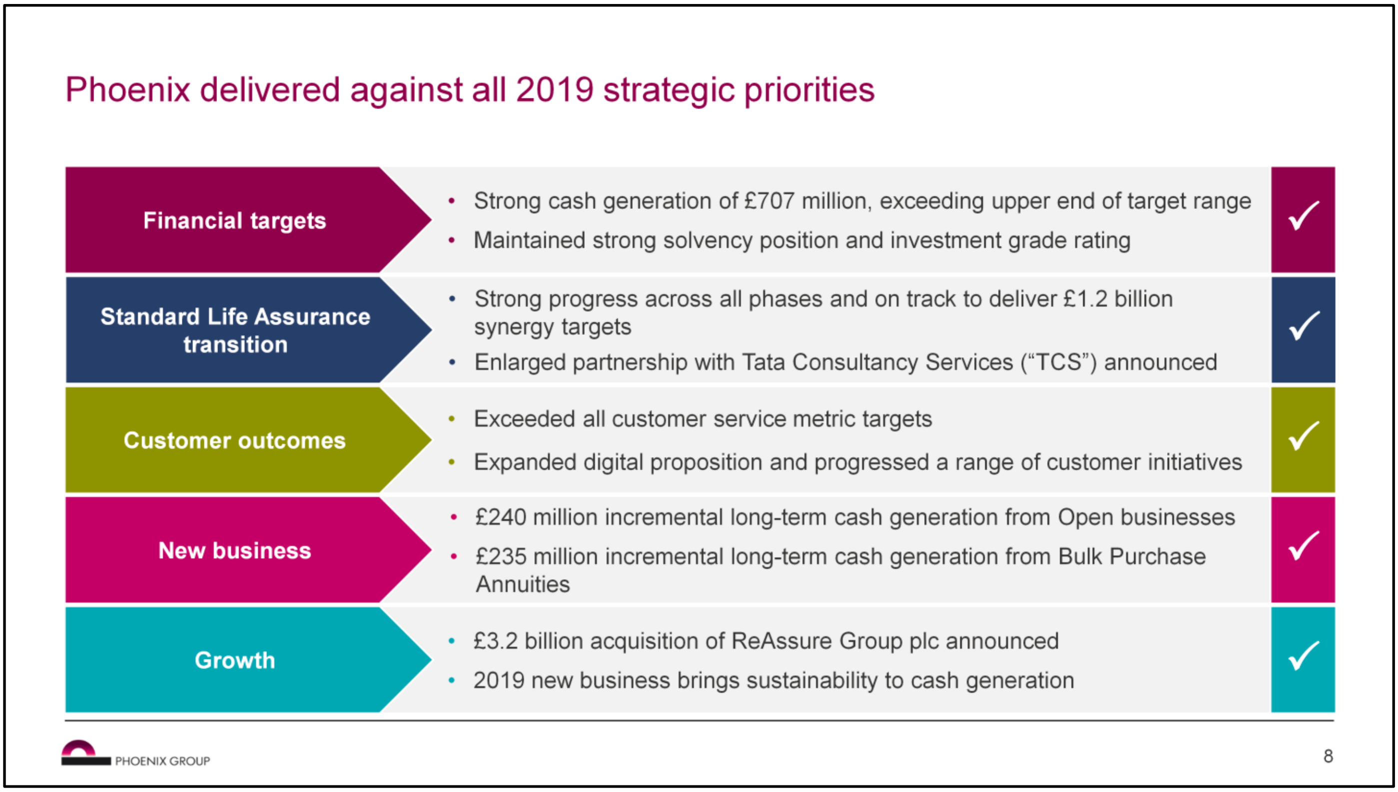
See Appendix XIX for footnotes

Phoenix delivered another strong year.

We report results today that are in line with or slightly ahead of consensus across all Key Financial Performance Indicators.

This extends Phoenix’s track record of “meeting or exceeding” all publically stated financial targets.

Our KPI’s highlight Phoenix’s ability to deliver dependable cash generation, year after year, and the ongoing resilience of our regulatory capital position.



In March 2019, I set out Phoenix's strategic priorities for the year ahead. Phoenix has delivered on all of these.

Jim will walk you through the financials in a moment.

Meanwhile, our Standard Life Assurance transition programme is on track to meet our £1.2 billion synergy targets.

In November, we announced an enlarged strategic partnership with TCS to support the delivery of a differentiated and scalable Customer Services and IT operating model.

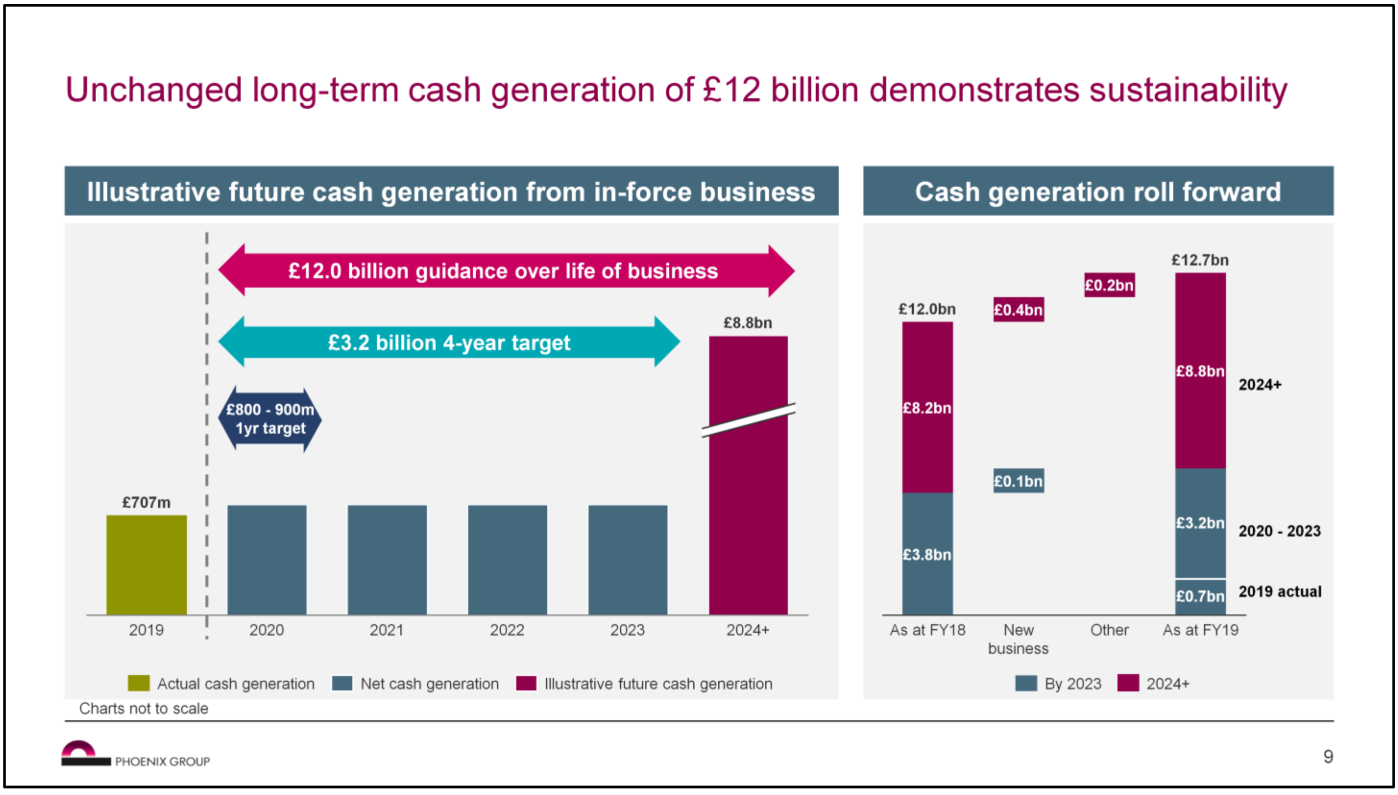
This will be crucial to the delivery of Phase 3 of our transition programme.

Improving customer outcomes is central to Phoenix's mission. We have made good progress on customer initiatives and maintained high levels of customer service throughout 2019.

Phoenix now has a range of growth opportunities and is writing new business across both its Heritage and Open segments.

New business written during 2019 delivered £475 million of incremental long-term cash generation, bringing more sustainability to cash generation.

Finally, we were delighted to announce the acquisition of ReAssure on 6 December, a transaction which will deliver value to shareholders over many years to come.



Today we have set a new 1 year cash generation target range for Phoenix of £800 million to £900 million.

And we remain on track to deliver our 5 year target from 2019 to 2023 which has been "upgraded" for the impact of 2019 new business to £3.9 billion. We therefore expect to deliver a further £3.2 billion over the next 4 years, approximately £800 million per year.

Phoenix's cash generation guidance is based on in-force business only and excludes the impact of any new business to be written in the future.

At the end of each year, we therefore have to "roll forward" our cash generation guidance to take account of new business written in the year and other known differences.

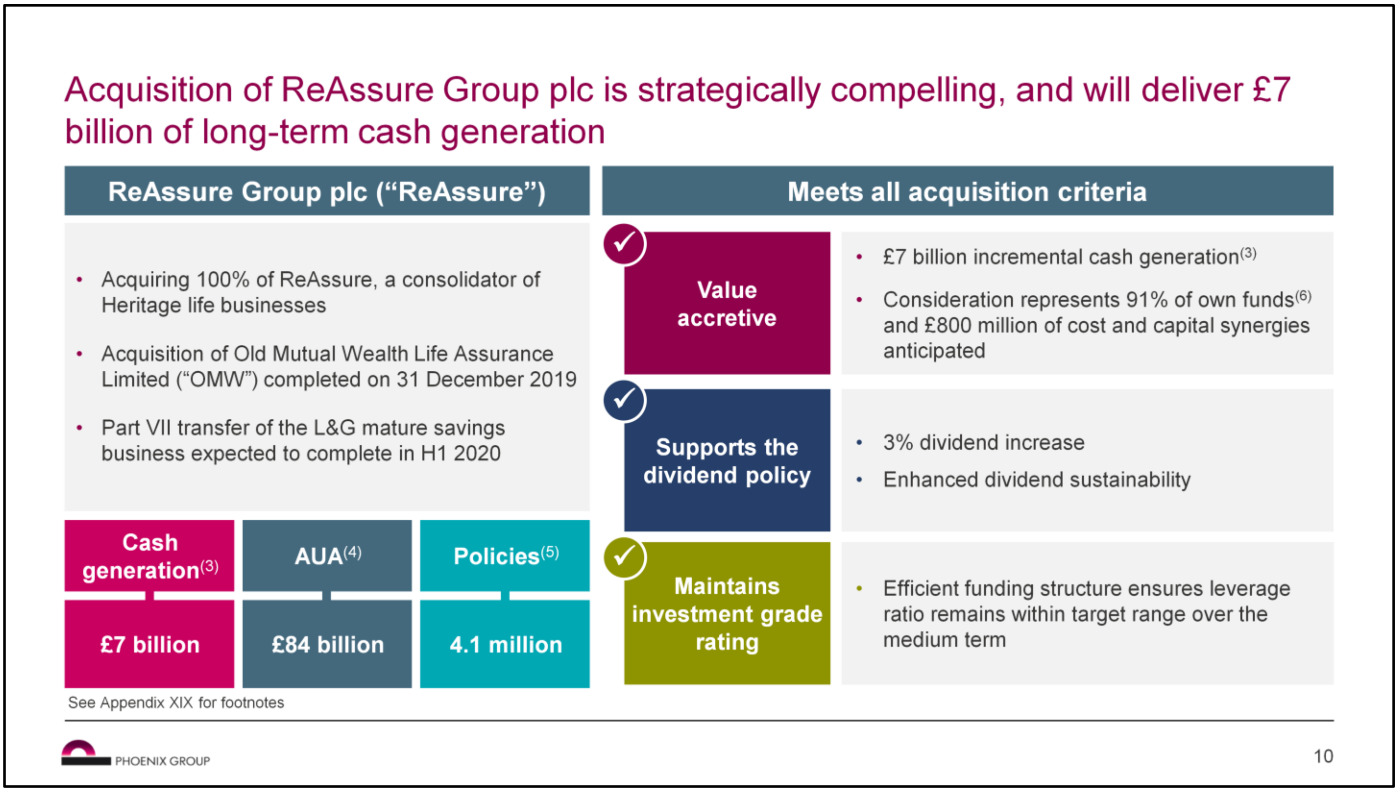
Last March we estimated that the business in-force as at 31 December 2018 would generate £12 billion of cash over its lifetime.

During 2019, we have added £700 million to this guidance, primarily through the writing of new business and the over delivery of management actions.

This incremental cash generation has “offset” the £707 million of cash remitted during the year. We therefore estimate that the long-term cash generation from the business in-force as at 31 December 2019 will be £12 billion.

Our growth options are clearly bringing sustainability to our cash generation.

Based on 2019 experience, the Wedge hypothesis is working!



On 6 December 2019 we announced our intention to acquire ReAssure for £3.2 billion.

With £84 billion of assets under administration across 4.1 million policies, ReAssure will bring £7 billion of incremental cash generation to the Group.

It is therefore our largest acquisition to date and confirms Phoenix as Europe's largest life and pensions consolidator.

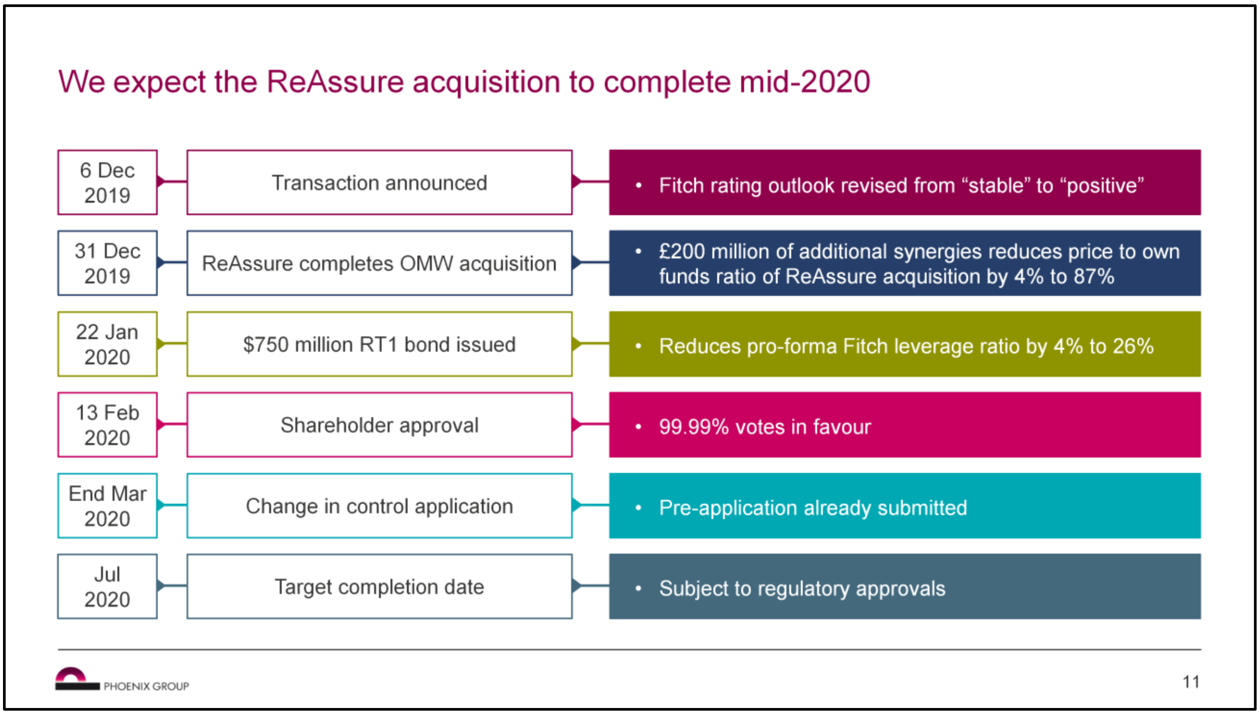
This transaction is strategically compelling and meets all of our acquisition criteria.

We expect to deliver £800 million of cost and capital synergies by integrating the two businesses, making the transaction value accretive to investors.

Not only does the £7 billion of incremental cash generation support a proposed dividend increase of 3%, but because £2.7 billion is generated by 2023, this will provide funds to support additional investment in growth opportunities.

Finally, the deal was funded in an efficient manner, maintaining our investment grade rating without the need to raise fresh equity from our institutional shareholders.

In this context we look forward to welcoming our new shareholders, upon completion, Swiss Re and MS&AD; who will have circa 14% each in the enlarged Phoenix Group.



We are focused on completion of the transaction which we target for July, subject to regulatory approval.

On 31 December, ReAssure completed the acquisition of the Old Mutual Wealth business from Quilter, announcing that this transaction will generate synergies of £200 million.

These synergies are in addition to the £800 million target that Phoenix has set but were excluded from the pro-forma own funds figure disclosed at announcement to comply with prospectus rules.

Reflecting these anticipated synergies in the pro-forma own funds would reduce the price to own funds ratio from 91% to 87%, further illustrating the value accretive nature of this deal.

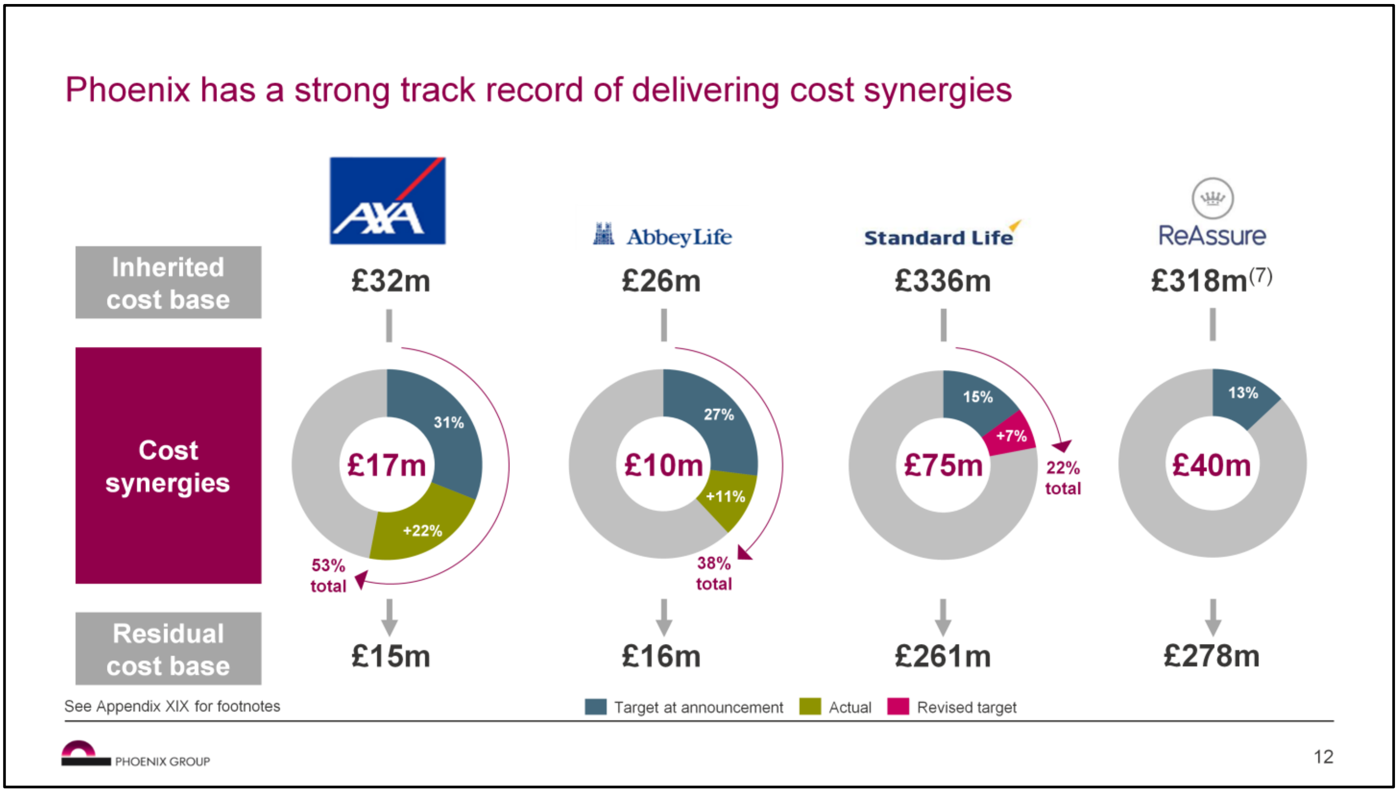
Jim and his Treasury colleagues have made significant progress with our funding strategy. Following a revision to Fitch Ratings outlook from “stable” to “positive” we issued a US $750 million Restricted Tier 1 bond in January.

Fitch categorise the RT1 as equity in their leverage calculation, and therefore our pro-forma leverage ratio has been reduced by 4% to 26%, bringing it comfortably within our target range of 25-30%.

Since announcement 3 months ago, we have been working collaboratively with our future colleagues at ReAssure to progress the regulatory Change in Control application. I wish to publically thank ReAssure for their help with the Change in Control.

The pre-application was submitted at the end of January and we are on track to make our final application at the end of March.

Finally, I thank our shareholders for their support of the transaction with 99.99% votes cast in favour at last months EGM.



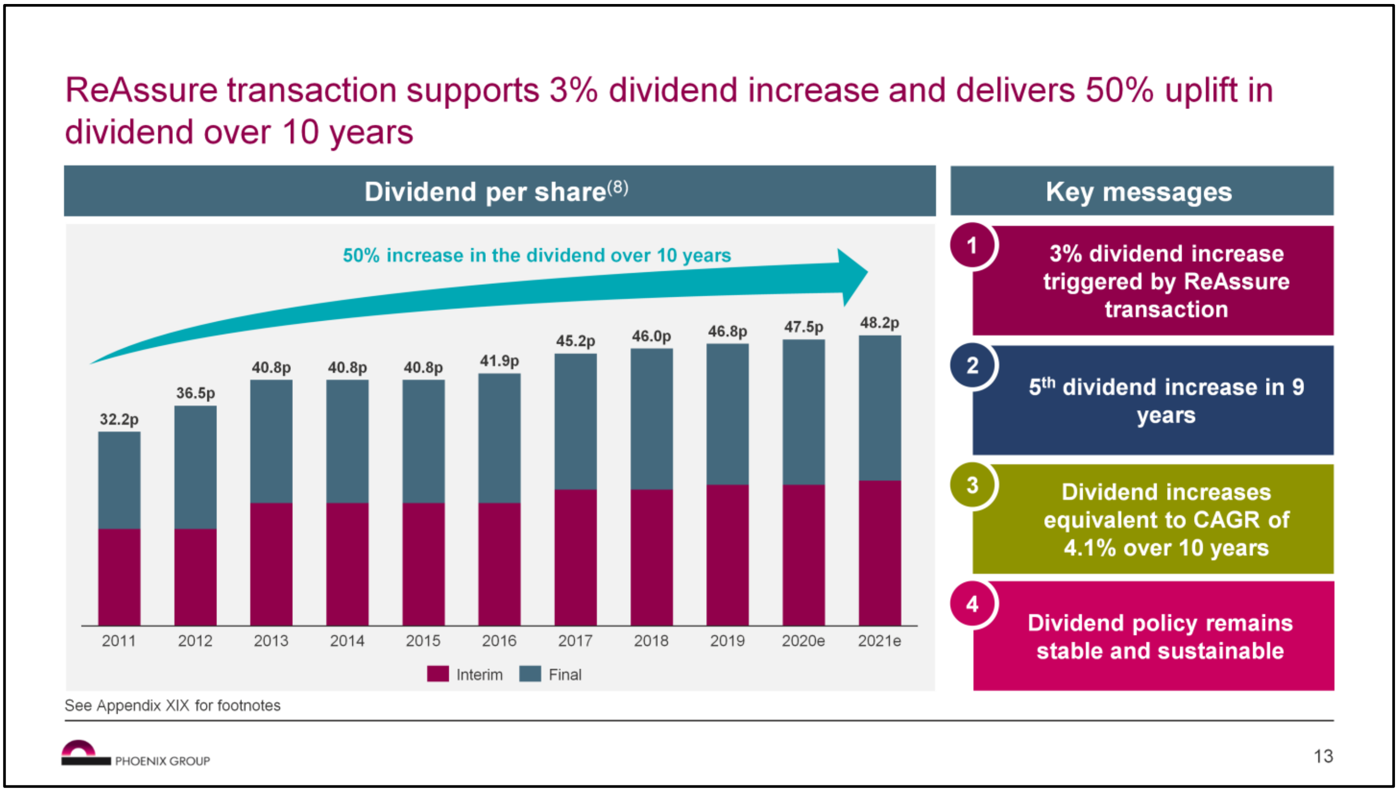
Phoenix delivers value to investors through M&A by buying well and delivering cost and capital synergies.

We have a strong track record of integrating businesses and have been able to deliver higher cost synergies, over time, than those indicated when each deal was originally announced.

This exhibit shows our “over delivery” for AXA, Abbey and the Standard Life Assurance transactions.

The £40 million per annum cost synergy target announced for the acquisition of ReAssure excludes any savings associated with combining the Customer Service and IT operations of the two legacy businesses.

Our priority in the short term reflects our desire to protect enterprise stability in both Groups.



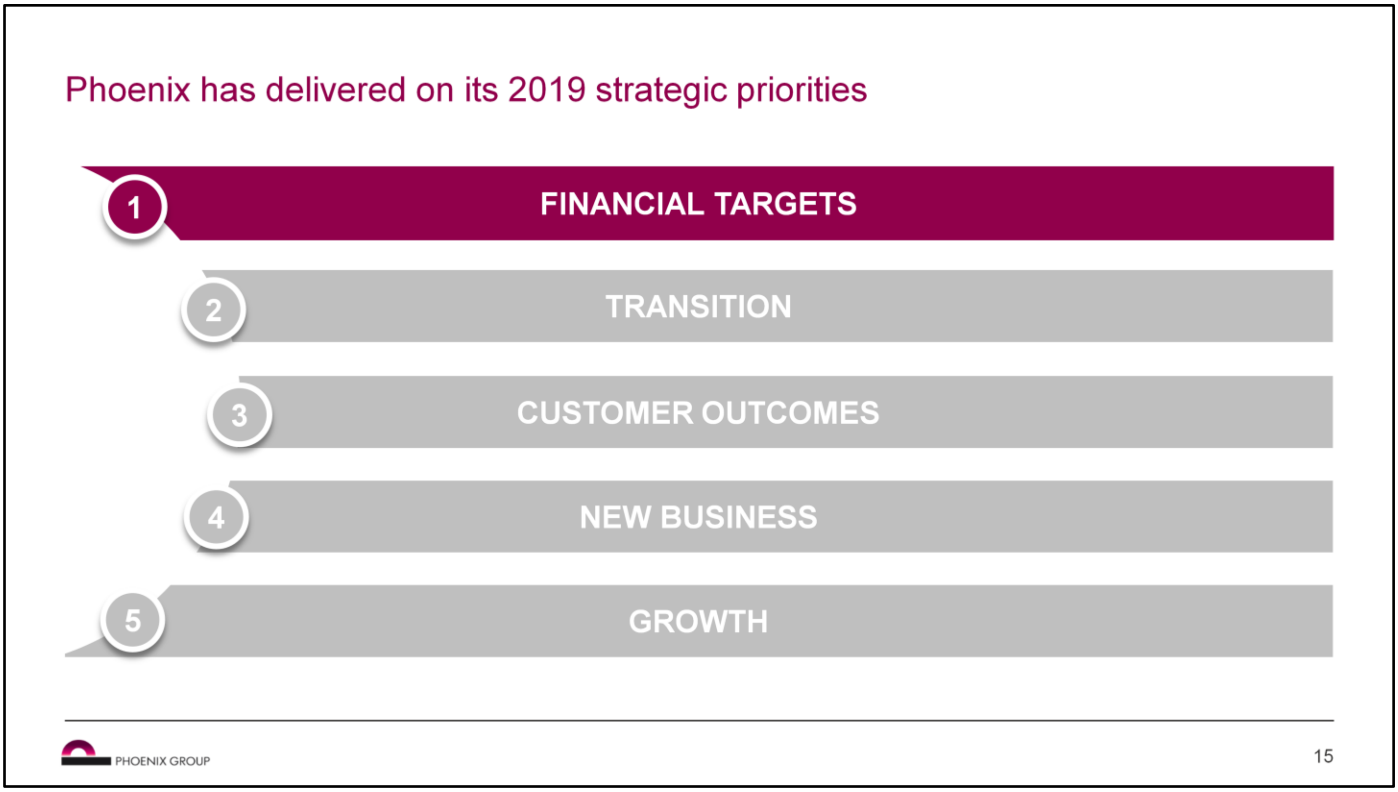
The Group continues to have a "Stable and Sustainable" dividend policy. Our proposed 2019 final dividend is 23.4 pence per share, bringing the full year payout to 46.8 pence per share.

Acquisitions have been a trigger to increase the dividend and we announced a proposed 3% increase following the ReAssure transaction, effective from the 2020 final dividend.

This increase, the 5th during my time as CEO, takes the cumulative dividend increase to 50% over 10 years, equivalent to a 4.1% CAGR.

I will now pass you on to Jim.

Thank you Clive and good morning everyone.



Today, Rakesh and I will talk you through the Group's progress against it's 2019 strategic priorities.

I will begin by talking you through the Group's performance against it's financial targets.

Financial highlights

Financial performance:		FY19	FY18
Cash	Cash generation	£707m	£664m
Dividends	Dividend per share	46.8p	46.0p[8]
IFRS	Operating profit before tax	£810m	£708m
New business	Incremental long-term cash generation	£475m	£530m[9]
	New business contribution[10] – UK Open and Europe	£158m	£154m[9]

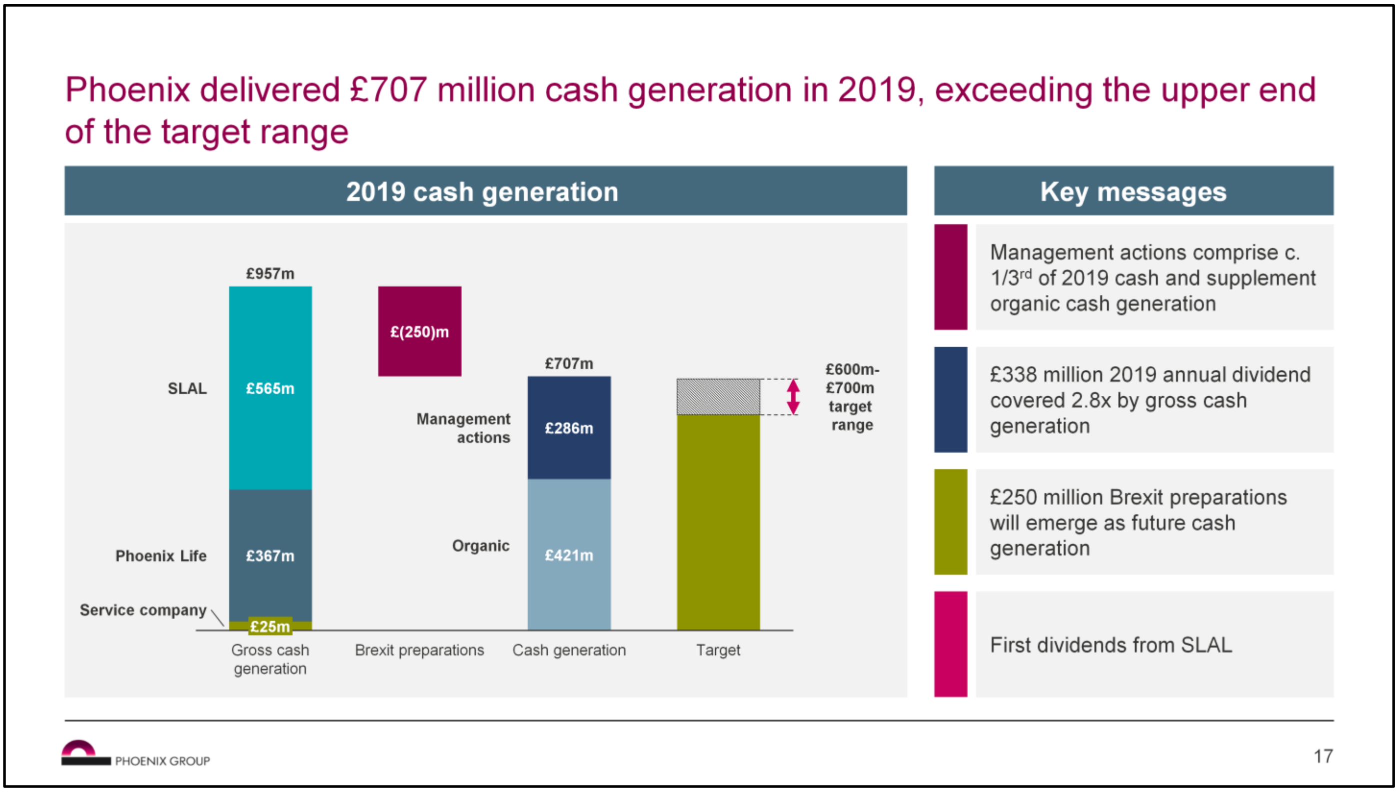
Financial position:		FY19	FY18
Group capital	PGH Solvency II surplus	£3.1bn[1]	£3.2bn[11]
	Shareholder Capital Coverage Ratio[2]	161%[1]	167%[11]
AuA	Assets under Administration (see Appendix II)	£248bn	£226bn
Leverage	Leverage ratio (see Appendix I)	22%	22%

See Appendix XIX for footnotes

As Clive said, we have had a strong year financially, exceeding our cash generation target and ending the year comfortably within our target range for solvency and below our target range for leverage.

We have also had strong delivery across our financial performance metrics for new business and IFRS operating profit.

These financial highlights demonstrate that we continue to manage our in-force business for resilience and cash generation and are also focused on growth through new business.



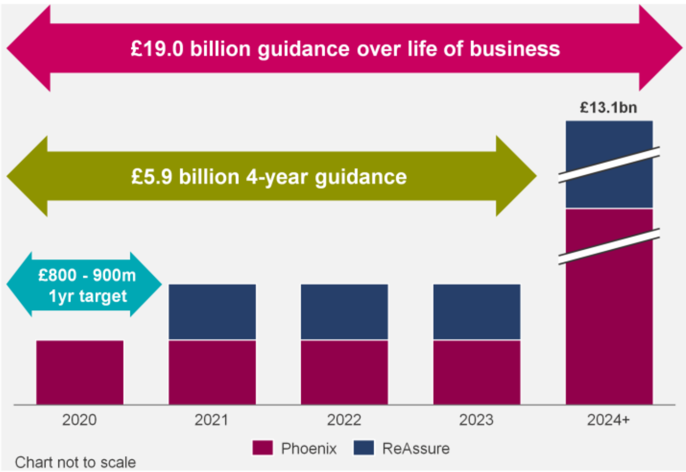
At our Capital Markets Day in November, we announced 2019 cash generation of £707 million, ahead of the £600 to £700 million target range.

Management actions contributed about a third of gross cash generation and continue to supplement cash generated from the organic unwind of our in-force business and the distribution of free surplus.

Gross cash generation in the year of £957 million provides dividend cover of 2.8 times and includes the first dividends from Standard Life Assurance since acquisition.

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

Illustrative future cash generation from Combined Group in-force business



Cash generation guidance	Phoenix	ReAssure[3]	Combined Group
Cash generation *(2020 – 2023)*	£3.2bn	+£2.7bn	**£5.9bn**
Cash generation *(2024+)*	£8.8bn	+£4.3bn	**£13.1bn**
Total cash generation	£12.0bn	+£7.0bn	**£19.0bn**

Cash generation excludes new Open business, BPA, further M&A and management actions after 2023

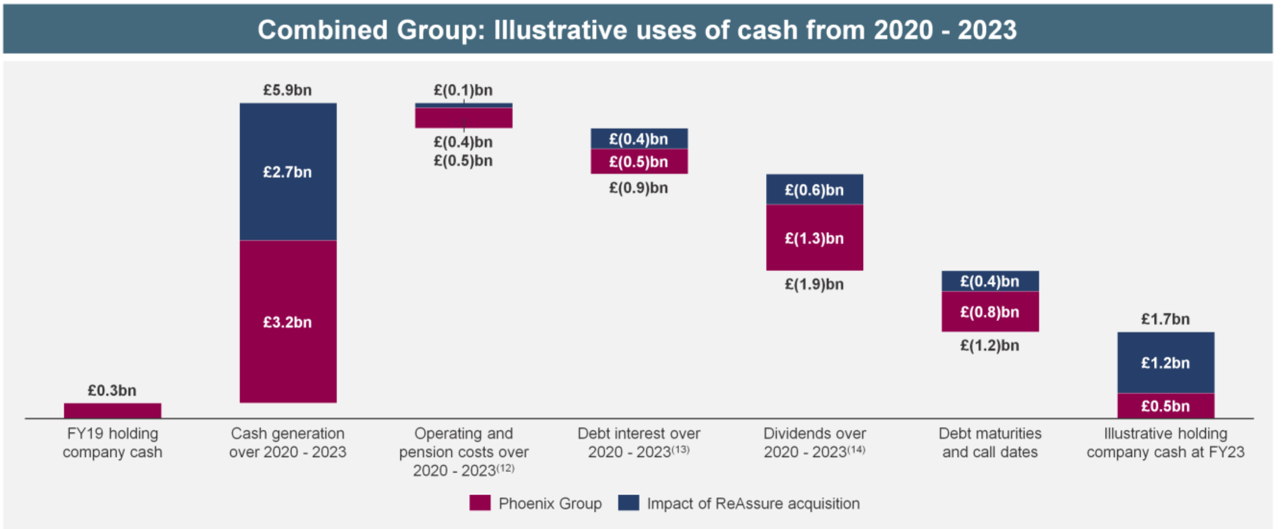
See Appendix XIX for footnotes

As you know, “Cash is King” at Phoenix and the cash generation remitted to Group from our insurance companies remains our key metric.

We expect the Combined Group post ReAssure to generate £19 billion of cash over the life of the in-force business. This guidance excludes incremental cash generation from new Open business, new BPA deals and any further M&A. Additionally it only includes four years worth of management actions and does not place any value on management actions beyond 2023.

We will provide new cash generation targets for the Combined Group at our full year 2020 results in March of next year.

Additional cash generation from ReAssure acquisition supports growth options



See Appendix XIX for footnotes

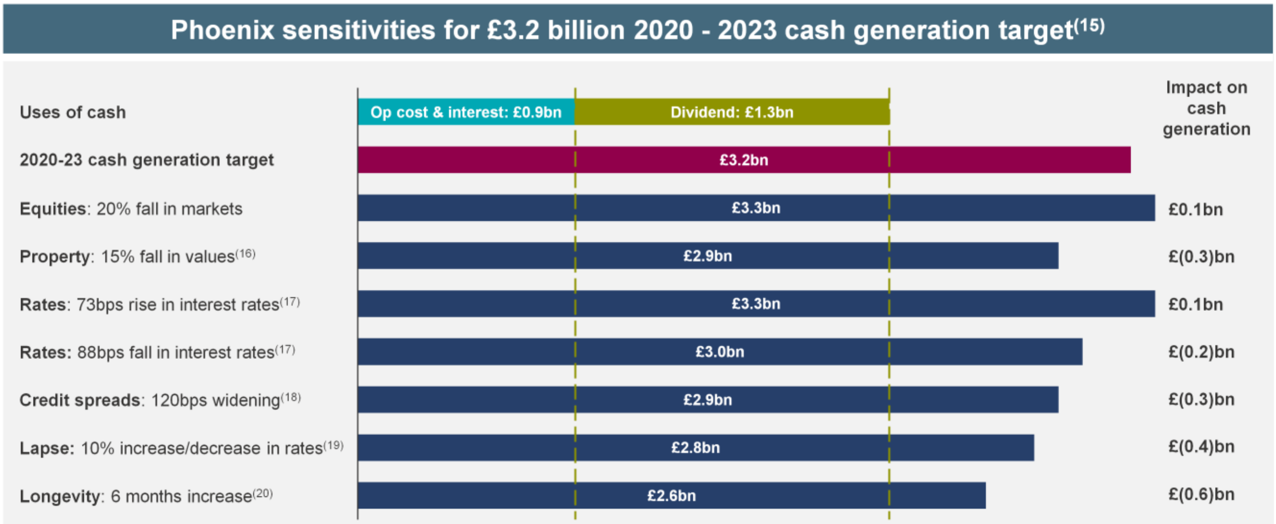
The format of this slide will be very familiar to you.

It sets out the sources and uses of cash for Phoenix from now until the end of 2023 and overlays the impact of the ReAssure transaction.

As you can see, the ReAssure transaction delivers significant cash over this period reflecting the high level of cost and capital synergies we expect to deliver as we bring the two businesses together.

Even after a potential £1.2 billion repayment of debt, the Group holding company is forecast to end 2023 with £1.4 billion more cash than it had at 31 December 2019. This cash is available to support a range of growth options that Rakesh will outline later to bring further long-term sustainability to cash generation.

Resilience of cash generation increases confidence in our dividend



See Appendix XIX for footnotes

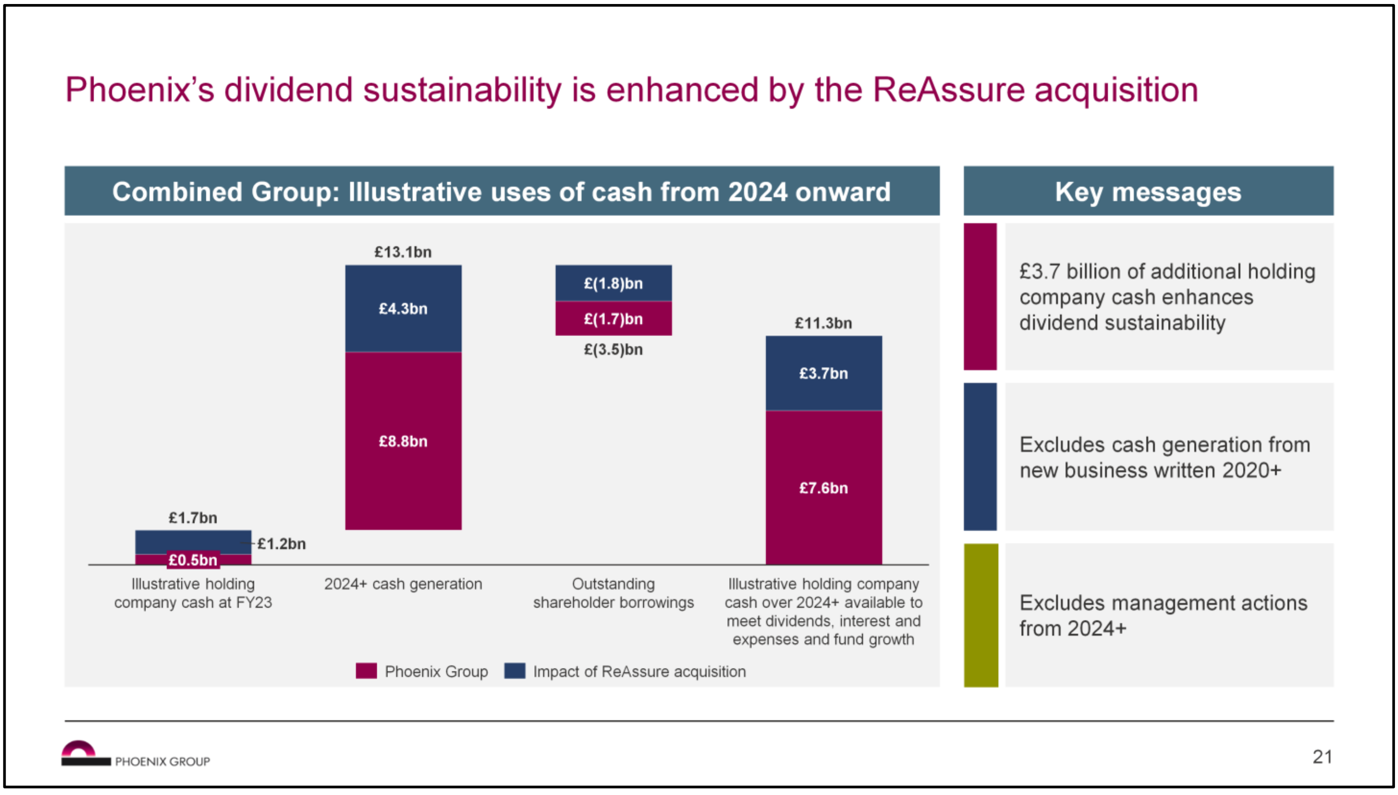
Turning now to resilience, we present here the sensitivity of Phoenix's stand alone £3.2 billion cash generation target between 2020 and 2023 to various stress events.

As you will be aware, Phoenix has a low appetite to market risks and uses hedging to mitigate the majority of its exposure to equity, currency and interest rate risk. This translates into the low sensitivity to these risks we present today.

You will notice that Phoenix's sensitivity to a 20% fall in equities is actually positive. On 5 December 2019, we took out a £700 million equity hedge against the residual shareholder equity risk exposure of the ReAssure business. In the period prior to completion, this means we are effectively "over-hedged" on equities and therefore would see an increase in our cash generation should equity market falls.

Phoenix’s main exposure continues to be to longevity risk on its annuity business. Here we model the impact of every annuitant living six months longer and even in this unlikely scenario the Group will be able to service its debt obligations and continue to pay its dividend.

This resilience in our cash generation brings increased certainty to our dividend.

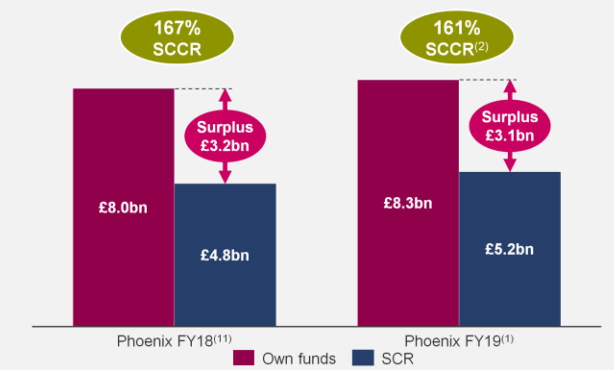


This slide shows the Combined Group sources and uses of cash beyond 2023.

The ReAssure transaction increases the illustrative holding company cash following repayment of all outstanding shareholder borrowings by 50%, bringing increased sustainability to the annual dividend which has increased by only 40%.

Phoenix maintains a strong capital position with a £3.1 billion Solvency II surplus

Estimated PGH Shareholder capital position



"Shareholder value" per share

Shareholder own funds	**£8.3bn**
Less: Tier 2 and Tier 3 debt	£(2.0)bn
Less: Restricted Tier 1 debt	£(0.5)bn
Unrestricted Tier 1 ("UT1")	**£5.8bn**
Add: Contract boundaries	£0.1bn
Add: Shareholders share of with-profit estate	£0.2bn
Proxy to shareholder value	**£6.1bn**

SHAREHOLDER VALUE PER SHARE **£8.45**

- £2.1 billion of surplus in unsupported with-profit funds and staff pension schemes is unrecognised
- £169 million final 2019 dividend deducted from FY19 own funds

See Appendix XIX for footnotes

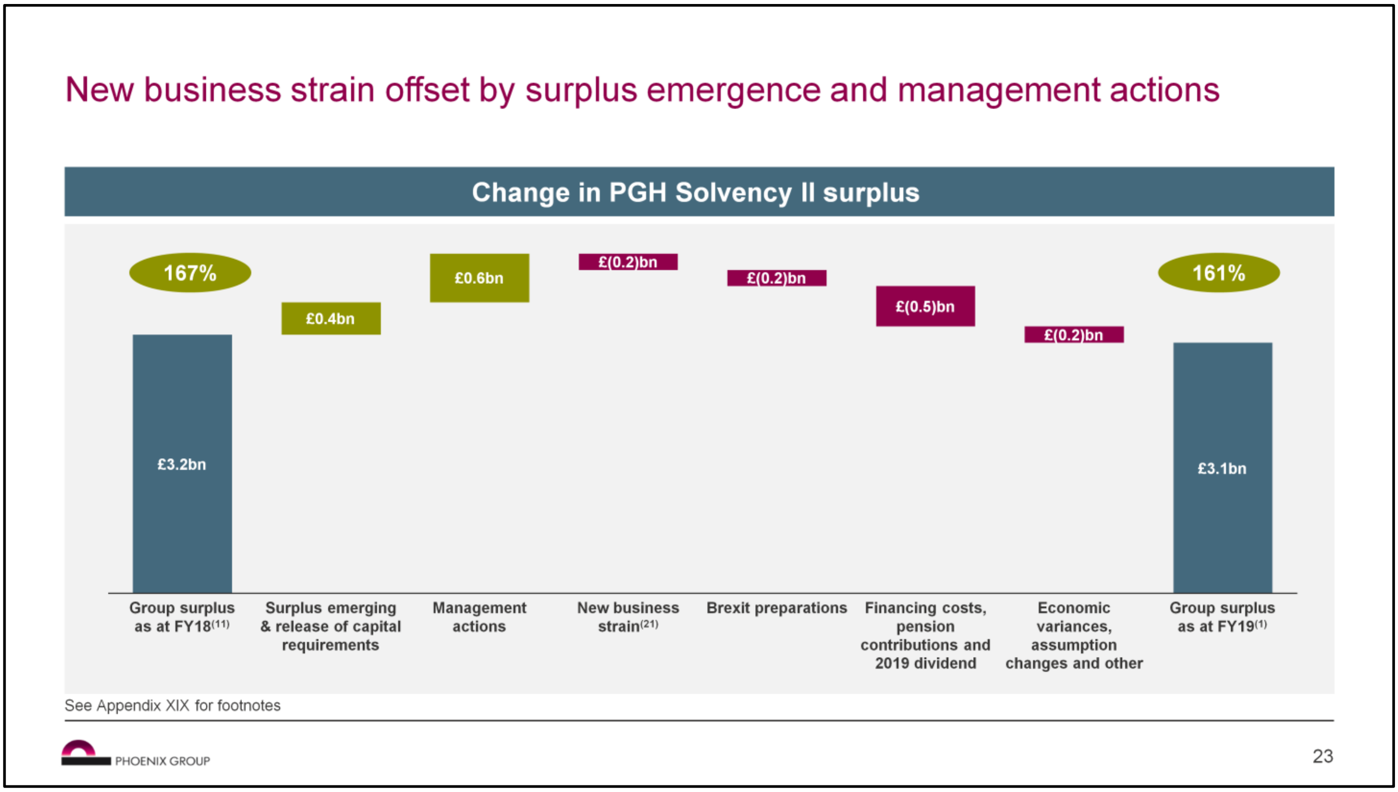
Moving now to solvency, Phoenix maintains a strong capital position with a Solvency II surplus of £3.1 billion and a Shareholder Capital Coverage Ratio of 161%.

This position is stated after the deduction of the 2019 final dividend.

Shareholder Own Funds continues to be a good starting point for determining shareholder value but does not include a number of areas where value exists. These include contract boundaries, where the value of in-force on unit-linked business is restricted under Solvency II, and the shareholders share of our with-profit estate.

Adjusting for these items provides a proxy for shareholder value at 31 December 2019 of £6.1 billion, which equates to £8.45 per ordinary share.

This value proxy is effectively “ex-div”. It also places no value on future new business from vesting annuities, BPA and open channels or management actions.



During the year we saw the PGH Group surplus decrease slightly from £3.2 billion to £3.1 billion.

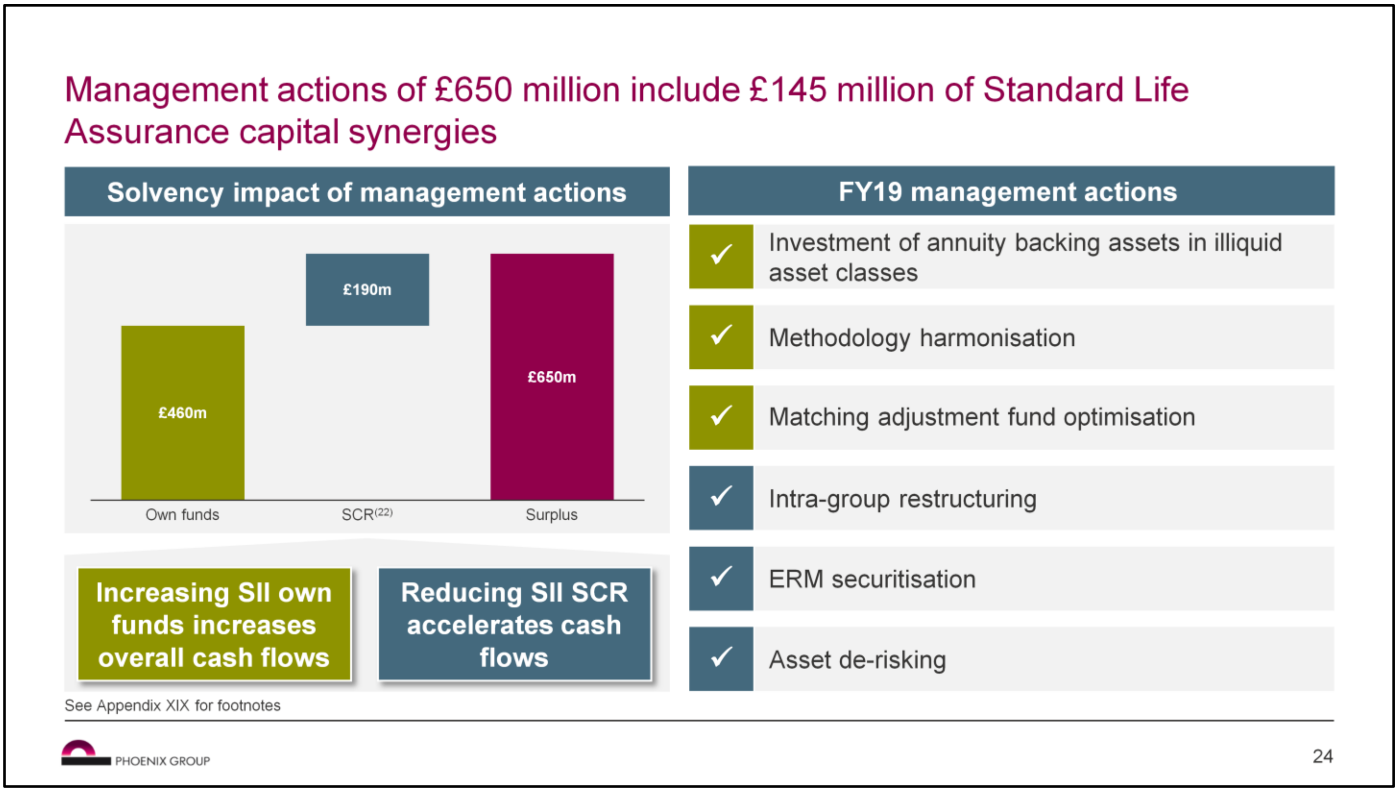
The main driver of this reduction was the capital dis-synergy arising from our Brexit preparations where a loss of diversification and transitional benefits arose from the Part VII transfer of the Group’s European branch businesses to Standard Life International Limited, because it is a Standard Formula company.

The strain of £0.2 billion from new business during the period primarily relates to the cost of BPA and vesting annuities written in the Heritage segment as new business written within the UK Open and Europe segments remains “capital light”.

Economic variances were a small negative reflecting the Group’s hedging strategy for equity, currency and interest rate risk which brings resilience to the Group’s solvency position.

The Group recognised a £120 million benefit from changes to longevity assumptions which included moving to the CMI_2018 mortality tables. This was largely offset by changes in the assumptions for house price inflation, dilapidations and property volatility used to value our Equity Release Mortgage portfolio.

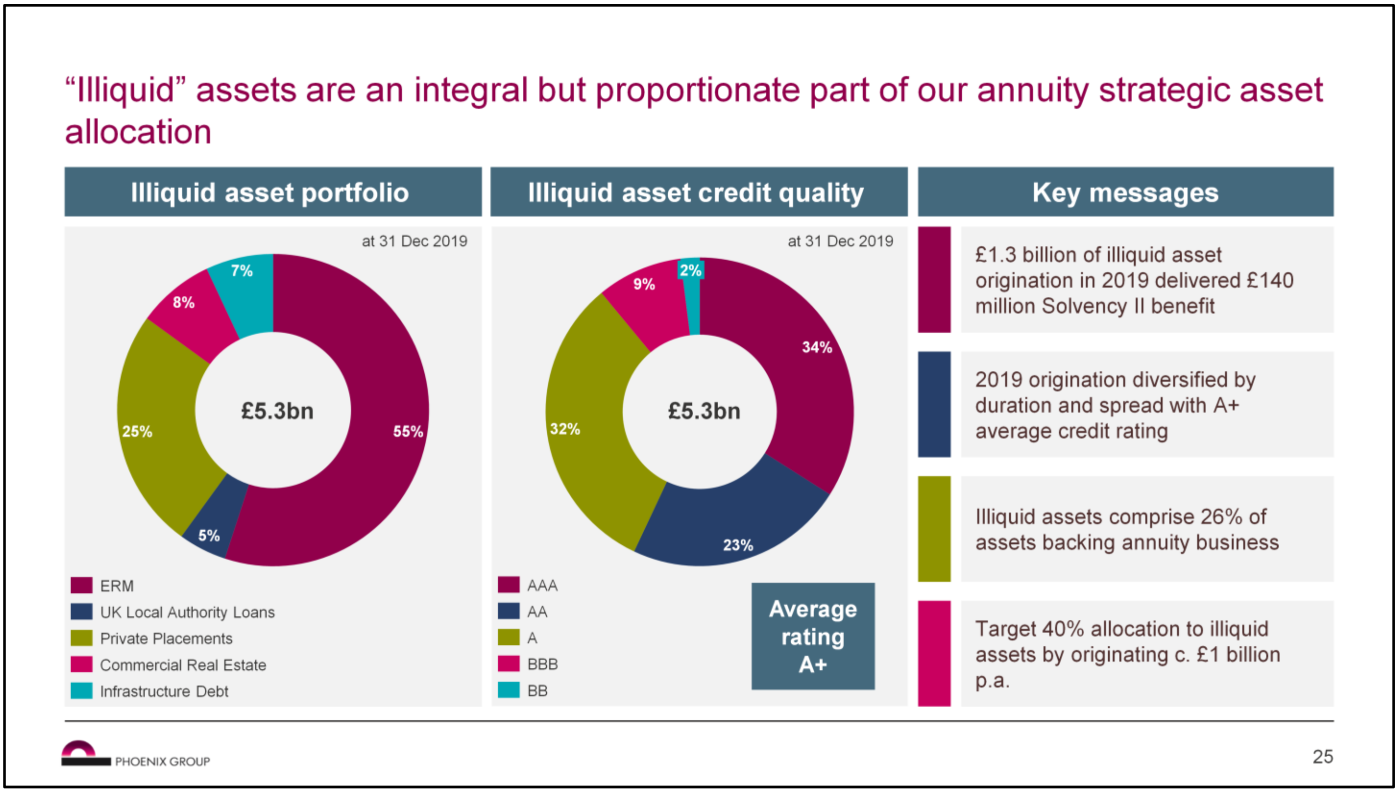
We also saw small strains from a number of other assumption changes across the Group together with expected corporate project costs.



In the second half of 2019 management actions added a further £300 million to our Solvency II surplus, taking the total benefit in the full year to £650 million. This included £145 million of capital synergies on the Standard Life Assurance businesses.

Management actions included our ongoing investment in illiquid assets, completion of a further tranche of Equity Release Mortgage securitisation and matching adjustment fund optimisation.

The management actions we deliver each period contribute to free surplus available in the life companies which will, over time, be remitted as cash generation to Group. We therefore see a timing lag between the impact of management actions on surplus and management actions within cash generation.



One of our most material management actions continues to be the sourcing of illiquid assets to back annuity liabilities. The yield pick up associated with the "illiquid" nature of these investments more than outweighs the additional risk capital, driving an overall benefit to Solvency II surplus.

In 2019 we originated £1.3 billion of illiquid assets across a broad range of maturities and spreads including investments in social housing, student accommodation, healthcare and equity release mortgages.

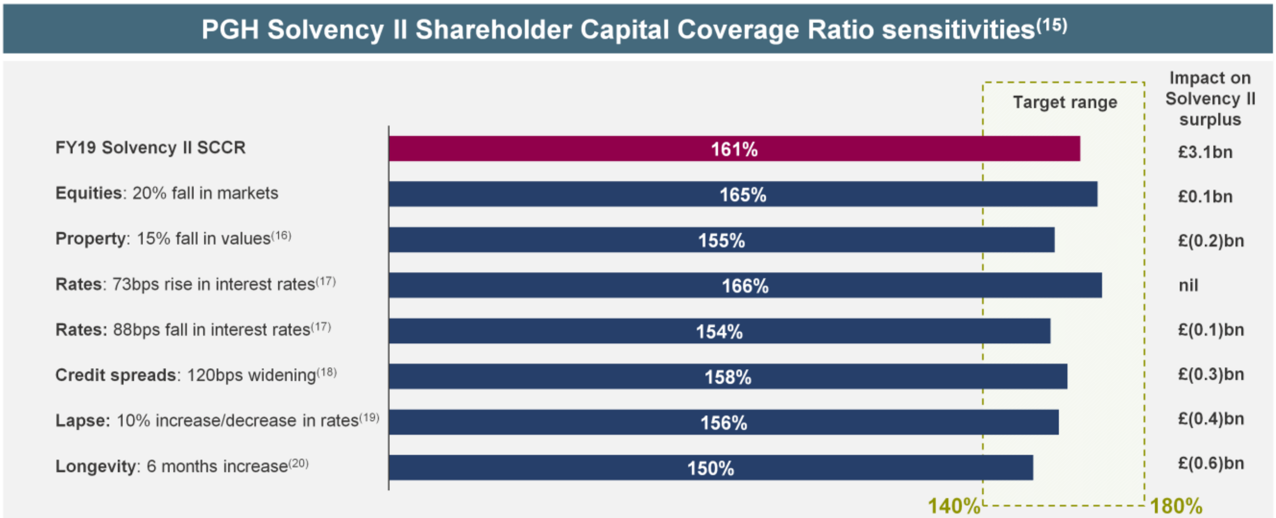
With an average deal size of £30 million, 2019 origination was well diversified by type and had an average credit rating of A+.

As at 31 December 2019, our illiquid asset portfolio was £5.3 billion and represented 26% of assets backing annuity liabilities.

With nearly 90% of our illiquid asset portfolio having a rating of A or above, we are comfortable that our credit rating remains within appetite.

We target a 40% allocation to these asset classes and whilst we continue to be driven by value rather than volume, we expect to originate around £1 billion of illiquids per annum.

Phoenix's capital position illustrates resilience to risk events



See Appendix XIX for footnotes

Phoenix's capital position remains resilient to risk events.

Our target Shareholder Capital Coverage Ratio range is 140% to 180% and the sensitivities set out show that Phoenix remains well within this range under these scenarios.

We are currently experiencing a period of market volatility generated by the uncertainty surrounding the potential impact of COVID-19.

By the end of February we had observed a 13% fall in equity markets, a 17bps widening in credit spreads and a 40bps fall in interest rates. The sensitivities we disclose provide clear guidance on the impact that these changes will have on Group solvency.

As a result, we estimate that this recent volatility has had a minimal impact on our solvency position.

We therefore continue to demonstrate resilience to risk events and remain well within our stated solvency range.

Strong FY19 operating profit of £810 million

	FY19	FY18
UK Heritage	£694m	£640m
UK Open	£73m	£41m
Europe	£52m	£22m
Service company	£26m	£25m
Group costs	£(35)m	£(20)m
Operating profit before tax	**£810m**	**£708m**
Investment return variances and economic assumption changes	£(164)m	£90m
Amortisation of intangibles	£(395)m	£(207)m
Other non-operating items	£(169)m	£(38)m
Finance costs	£(127)m	£(114)m
Profit before tax attributable to non-controlling interest	£31m	£31m
(Loss)/profit before tax attributable to owners	**£(14)m**	**£470m**
Tax credit/(charge) attributable to owners	£130m	£(60)m
Profit after tax attributable to owners	**£116m**	**£410m**

Key messages

Operating profit includes full year of Standard Life Assurance results

Investment returns reflect losses on equity hedges offset by management actions

Non-operating items driven by the provision of transition costs only partially offset by reduced expense assumptions

We have delivered a strong set of IFRS results with operating profit of £810 million and profit after tax of £116 million.

The increase in operating profit year on year is primarily driven by the inclusion of a full 12 months of the results of the Standard Life Assurance businesses offset by lower year on year assumption changes which included a £190 million release of longevity reserves following the move to CMI_2018.

Investment return variances include losses on equity hedges held across the Group to protect the Group's Solvency II surplus position and deliver resilience to cash generation. These losses have been partially offset by the positive impact of moving the asset portfolio towards our strategic asset allocation.

We have also reported within non-operating items a loss of

£169 million. This is primarily driven by the provision of future costs associated with Phases 2 and 3 of the Standard Life Assurance transition programme which are only partially offset by the recognition of the resulting reduction in future expense assumptions.

Phoenix has delivered on its 2019 strategic priorities

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

Our second strategic priority for 2019 is to deliver the transition of the Standard Life Assurance businesses

Phoenix has delivered 90% of its Standard Life Assurance capital synergy target and 44% of its cost synergy target

	Delivered in 2019	Delivered to date	Target	% of target	
1 Capital synergies (net of costs)	£145m	£645m	£720m	90%	✓
2 Cost synergies[23] (per annum)	£19m	£33m	£75m	44%	✓
3 One-off cost synergies	£24m	£28m	£30m	93%	✓
4 Transition costs[23] (net of tax)	£12m	£15m	£150m	10%	✓

See Appendix XIX for footnotes

Last March we increased the targets for cost and capital synergies arising from the transition to a combined £1.2 billion.

Having generated a further £145 million of capital synergies in 2019, we have now delivered 90% of the total target of £720 million. We expect the majority of the remaining capital synergies to come from a Part VII transfer of our UK insurance companies.

We have made good progress towards our cost synergy target, delivering over 40% of the target reduction in the combined cost base.

Finally, we have now realised £28 million of one-off cost synergies by removing duplication in projects of the two legacy businesses.

In summary, we are on track to deliver the £1.2 billion combined synergy target for the acquisition.

Phase 1 is substantially complete with Phases 2 and 3 on track

Phase	1 Group functions	2 Finance and Actuarial	3 Customer and IT
Status	SUBSTANTIALLY COMPLETE	ON TRACK	ON TRACK
Key deliverables	End state operating model for Head Office functions delivered	Integrated multi-site operating model delivered by end 2020	Hybrid Customer Service and IT operating model
	Harmonised HR system to be implemented in H1 2020	Internal Model Harmonisation programme ongoing	Enlarged partnership with TCS and policy administration on TCS BaNCS platform
	Group functions ready for ReAssure integration	Targeting Harmonisation approval in Q1 2021	Technology Hub in Edinburgh delivering excellence in customer service

Our transition programme is delivered in three phases.

Phase 1 is substantially complete and delivered the end state operating model for the Head Office functions.

Phase 2 is on track to deliver a multi-site Finance and Actuarial operating model by the end of the year.

We continue to work closely with the PRA to harmonise the Group’s two Solvency II Internal Models and are targeting Harmonisation approval in Q1 2021.

Phase 3 will deliver our end state operating model for Customer Service and IT by the end of 2022. This will be a Hybrid model, delivered through the enlarged partnership that we announced with TCS back in November.

Improving outcomes for our 10 million customers continues to be central to our mission.

We have exceeded all customer service metric targets

Group customer service metrics

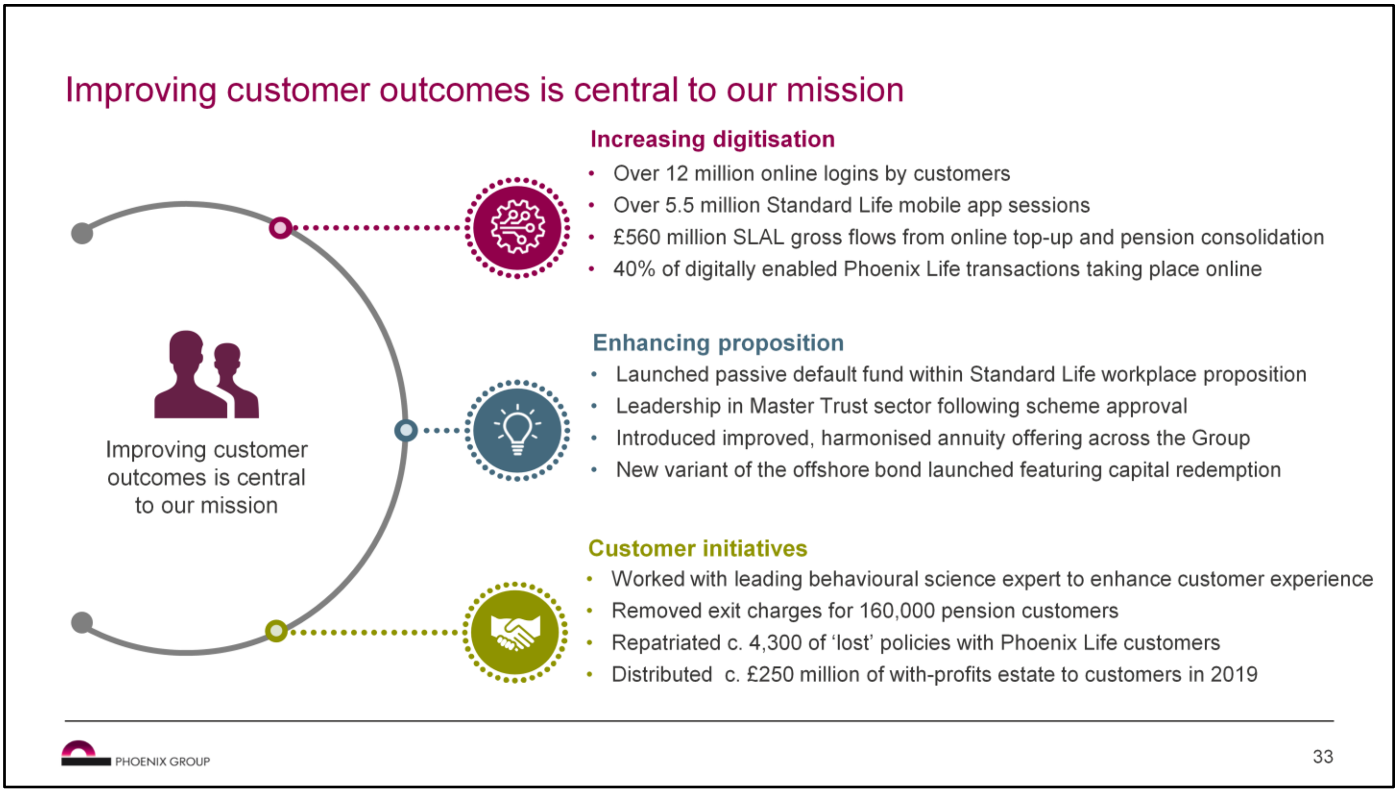
	FY19	FY19 target	
Phoenix Life customer satisfaction	94%	≥90%	✓
Standard Life customer service and accessibility (NetEasy)	71%	≥70%	✓
Servicing complaint closure within 3 days	56%	≥50%	✓
Servicing complaints (as a percentage of customer transactions)	0.43%	<0.6%	✓
FOS overturn rate	17%	<20%	✓
Speed of pension transfer pay-outs (ORIGO)	9.69	≤12	✓

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

During the year we exceeded all of our targets and saw improved performance across the majority of metrics from 2018.

Customer service metrics comprise 25% of the "performance measures" within the corporate component of the Group's Annual Incentive Plan.

This weighting evidences the importance that Phoenix attaches to the delivery of high quality services to our customers.



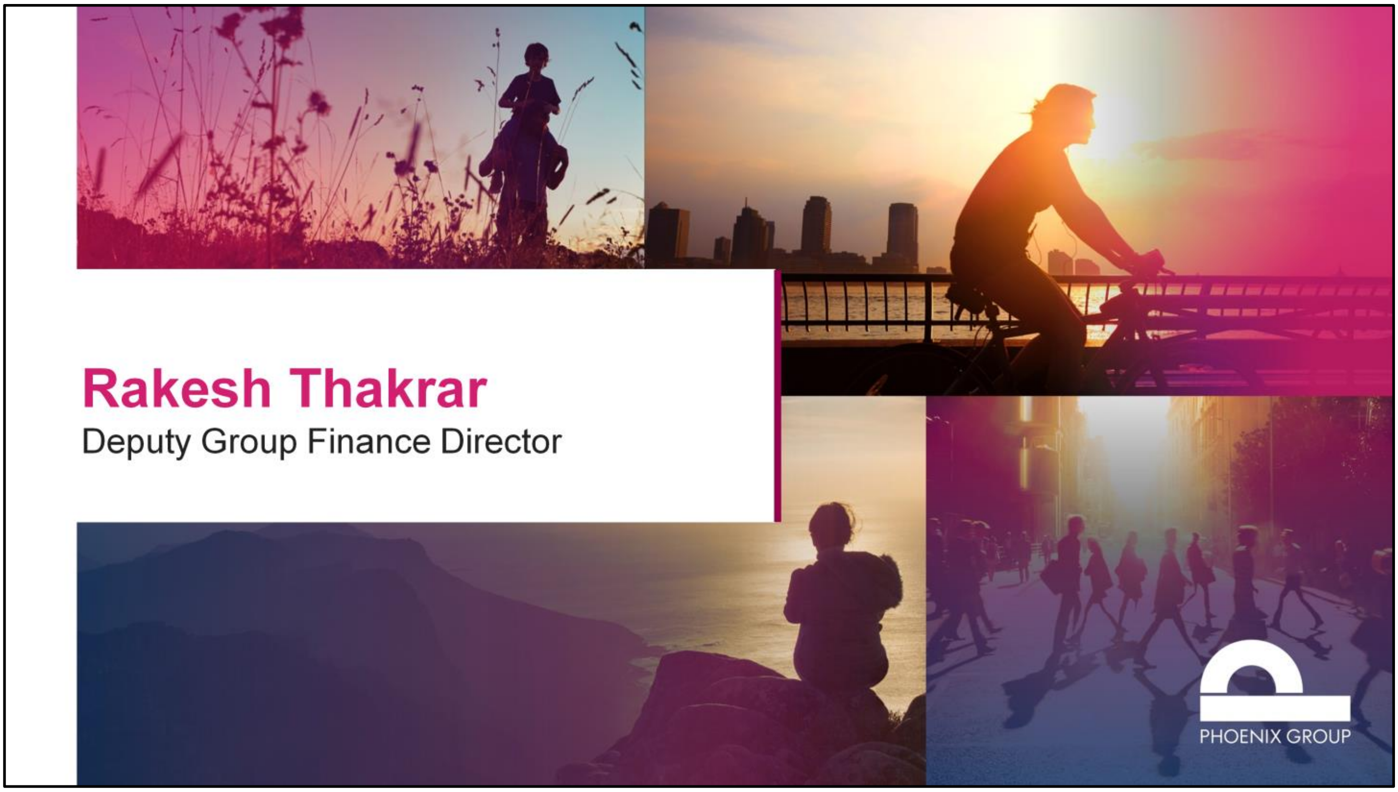
We continue to expand our digital proposition and recorded over 12 million online logins by customers and over 5.5 million Standard Life mobile app sessions.

Customers are able to top up, increase regular payments and consolidate pots through the Standard Life app and gross new business inflows of £560 million were generated using this functionality in the year.

To be successful, we must continue to invest in our proposition. The launch of a passive default fund within the Standard Life workplace proposition, and a variant of the offshore bond featuring Capital Redemption are evidence of this.

We have also progressed a broad range of customer initiatives to ensure we continue to improve customer outcomes.

I will now hand you over to Rakesh.



Thank you Jim and good morning.

Phoenix has delivered on its 2019 strategic priorities

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

Our fourth strategic priority for 2019 was the delivery of new business.

2019 new business increased long-term cash generation by £475 million enhancing dividend sustainability

	FY19				FY18
	UK Heritage	UK Open	Europe	Total	Total pro forma[9]
Long-term cash generation	**£235m**	**£214m**	**£26m**	**£475m**	**£530m**
Gross inflows (on new business)	£1.1bn	£6.0bn	£1.0bn	£8.1bn	£9.3bn
Capital strain	£98m	£13m	£18m	£129m	£137m

Key messages

1. New business delivered across all segments
2. Small capital strain financed from surplus capital generation
3. Cash generation from future new business is incremental to £12 billion guidance
4. Additional cash generation from new business c. 1.4x 2019 dividend

See Appendix XIX for footnotes

Phoenix does not include new business in its long-term cash generation guidance.

New business, whether through BPA or through the sale of Open products is therefore incremental to cash generation and brings further sustainability to our dividend.

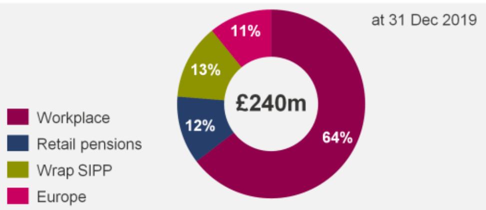
In 2019, Phoenix saw gross inflows on new business across its three business segments of £8.1 billion.

We estimate that this new business will generate £475 million of incremental long-term cash generation, circa 1.4 times the 2019 dividend.

New Open business in UK and Europe increased long-term cash generation by £240 million

	FY19			FY18
	UK Open	Europe	Total	Total pro forma[9]
Long-term cash generation	**£214m**	**£26m**	**£240m**	**£280m**
Gross inflows (on new business)	£6.0bn	£1.0bn	£7.0bn	£8.5bn
New business contribution[10]	£153m	£5m	£158m	£154m

Long-term cash generation



Key messages

- Workplace is the engine of growth for Open and benefitted from auto enrolment increase in the year which contributed £50 million to new business contribution and long-term cash generation
- Challenging period for gross inflows across retail product lines and Wrap SIPP due to market uncertainty and a tail off in DB to DC transfers

See Appendix XIX for footnotes

Phoenix's Open business is capital light and growing.

In 2019, our Open businesses in the UK and Europe delivered gross inflows of £7.0 billion from new business and £240 million of incremental long-term cash generation.

Both flows and cash generation are down year on year, primarily due to poorer performance across retail business, including Wrap SIPP. This performance reflects the tail off in Defined Benefit to Defined Contribution pension scheme transfers and reduced inflows seen across the sector from market uncertainty. These challenges were partly offset in Retail by strong flows into our drawdown product year on year.

In contrast, it was a strong year for workplace which continues to be the engine for growth for our Open business, delivering over 60% of 2019 incremental long-term cash generation.

In 2019 auto-enrolment increased from 5% to 8%, having increased from 2% to 5% in 2018. These increases have been key drivers of incremental long-term cash generation with circa £50 million of the 2019 result coming from this rise. Excluding this one-off increase, incremental long-term cash generation from new Open business would have been £190 million.

BPA deals in 2019 increased long-term cash generation by £235 million

UK Heritage	FY19	FY18
Long-term cash generation	**£235m**	**£250m**
Premium	£1,131m	£799m
Day 1 capital allocation	£98m	£100m
Average payback[24]	6-7 years	9-10 years

BPA strategy

- Selective and proportionate
- Funded from own resources
- Reinsurance of longevity risk
- Appropriate allocation to illiquid assets

2019 activity

- Priced 27 transactions
- 4 BPA deals completed
- c. 5% share of £40 billion market
- Established participant in market place

2020 plans

- c. £100 million capital allocated to external BPA
- Supported by illiquid asset sourcing plans
- Investing in developing our franchise

See Appendix XIX for footnotes

Our approach to BPA continues to be driven by value, not volume. We take a selective and proportionate approach, allocating about £100 million of surplus capital per annum.

In 2019, the BPA market was buoyant with an estimated £40 billion of BPA completed. We were invited to price 72 deals in the year, of which we priced 27 and completed 4. We also completed a £1.1 billion buy in from the PGL Pension scheme giving us around a 5% market share.

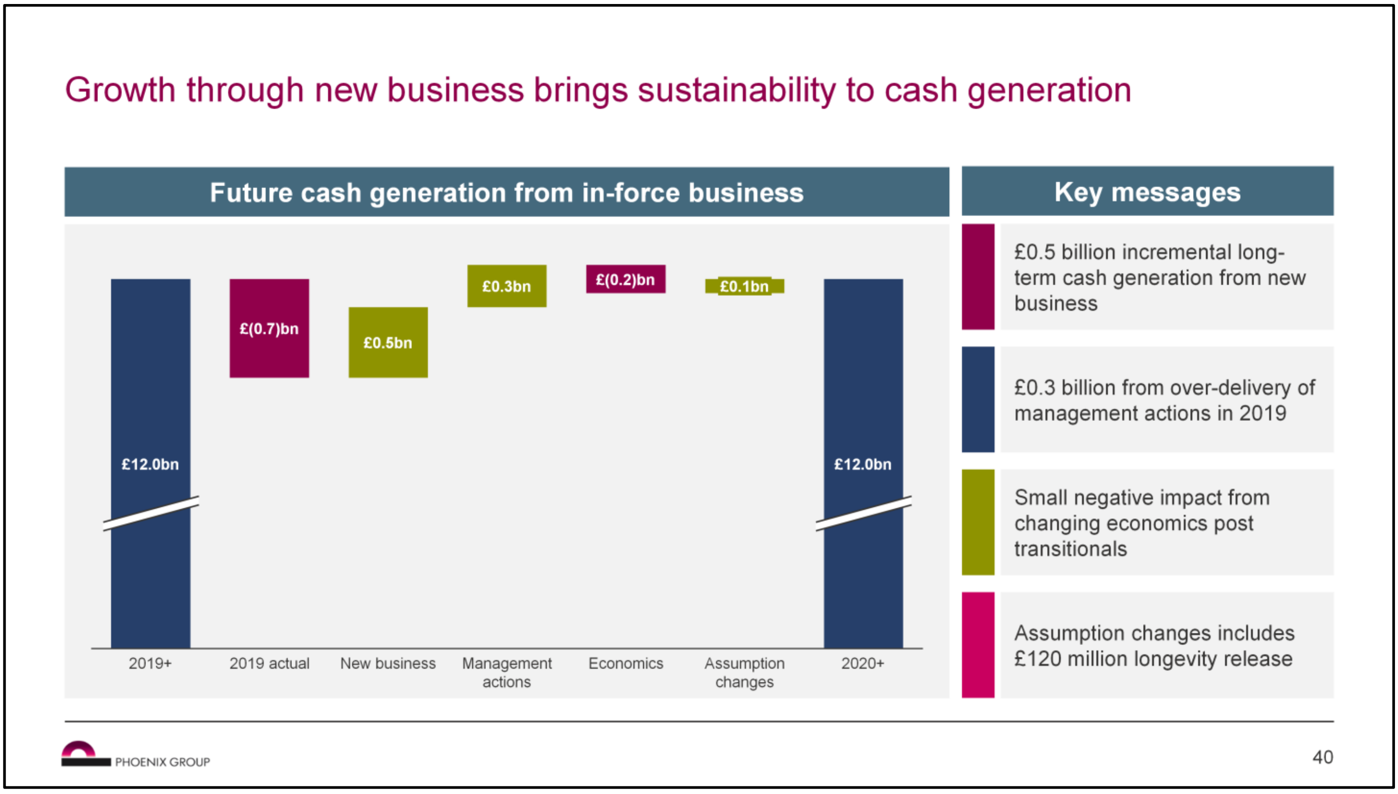
The £98 million of capital we put to work in the year on external BPA secured £235 million of incremental long-term cash generation. The average payback period in 2019 was 6-7 years, 3 years shorter than 2018 reflecting the underlying cashflow profile of the transactions completed.

Phoenix is now an established participant in this market place and is committed to the further development of this franchise.

Our final strategic priority for 2019 was growth.

Clive has already talked about the growth that the acquisition of ReAssure will deliver.

I will spend a few minutes explaining how we think about Growth options at Phoenix and how growth will bring sustainability to our business



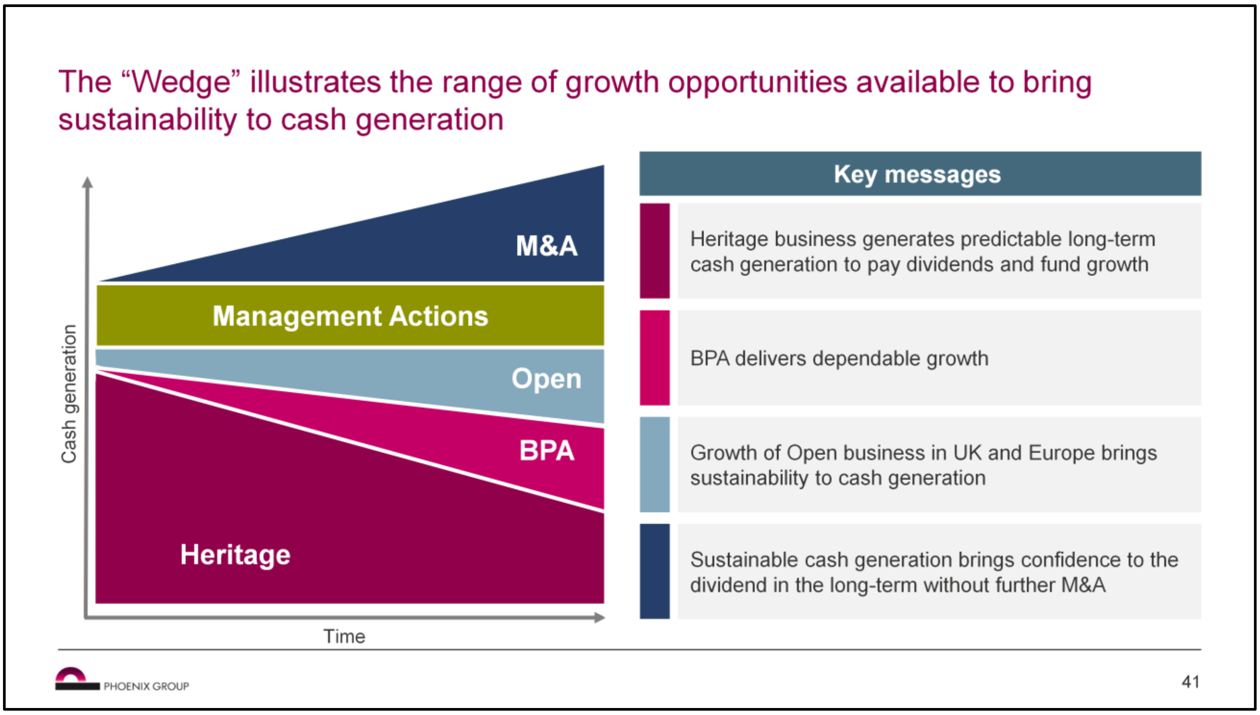
As Clive explained at the start of todays presentation, we provide guidance on the total amount of cash generation that our in-force business is expected to generate over its lifetime.

At the start of 2019, we estimated this cash generation to be £12 billion.

Having delivered just over £700 million of cash generation in the year, we would expect the remaining cash generation from our in-force business to have reduced to £11.3 billion.

However, we have added to our long-term cash generation by writing new business and by over delivering on management actions.

Today we have restated our guidance for long-term cash generation for the business in-force at the end of 2019 to £12 billion, demonstrating that growth brings sustainability to cash generation.



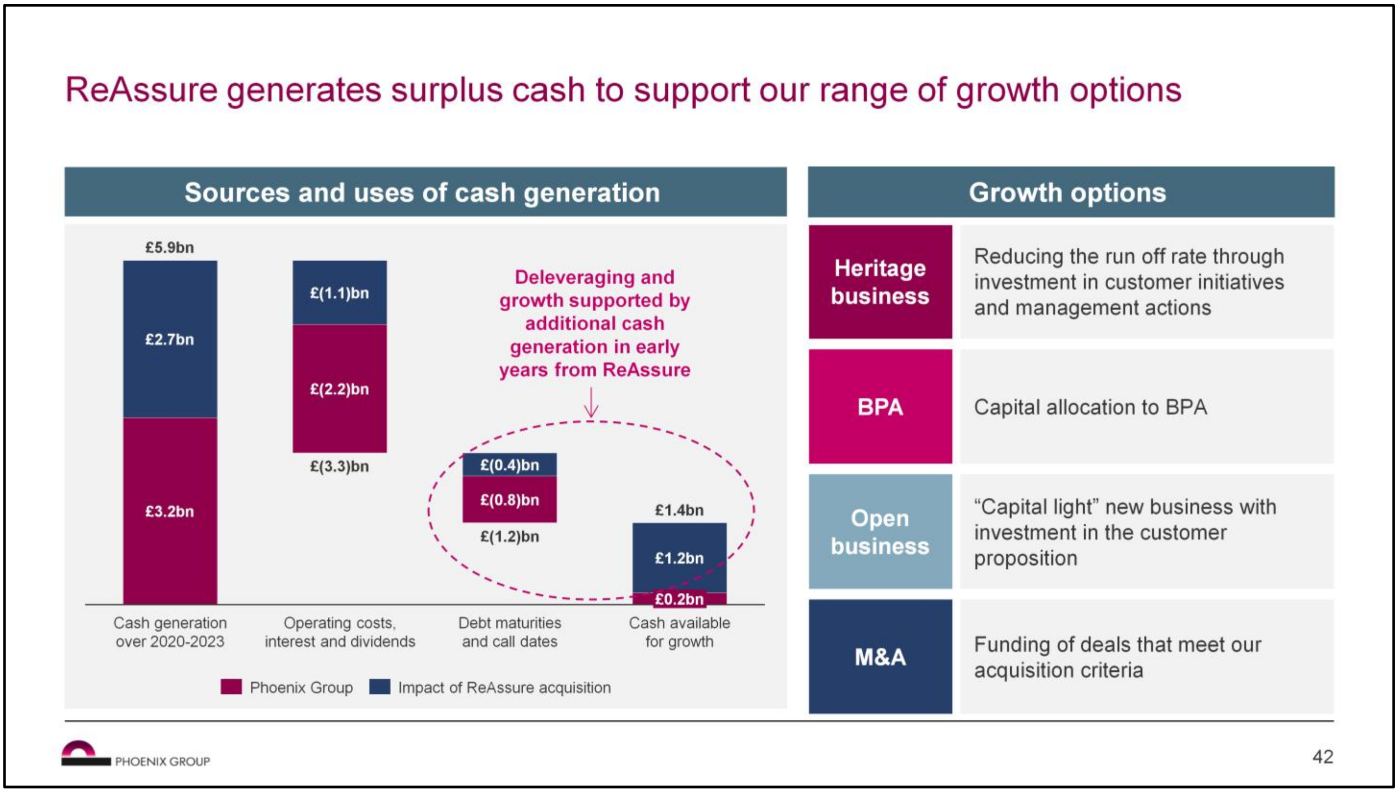
We set out the hypothesis that new business could offset the run-off of our in-force business and bring sustainability to cash generation in an illustration we call the "Wedge".

Phoenix is now an established participant in the BPA market and we have therefore updated our "Wedge" diagram to reflect our confidence that this is a dependable growth opportunity that we can fund from surplus capital.

We continue to leave M&A as the top slice on our diagram. Whilst it remains the corner stone of our strategy, the timing of deals are hard to predict and the size of deals may require additional funding support.

In 2019, the growth of our BPA and Open businesses has brought sustainability to cash generation.

However, as we change as an organisation, so will the relative size of each component of the "Wedge". And as we deliver on our strategy, the overall sustainability of our cash generation will continue to improve.



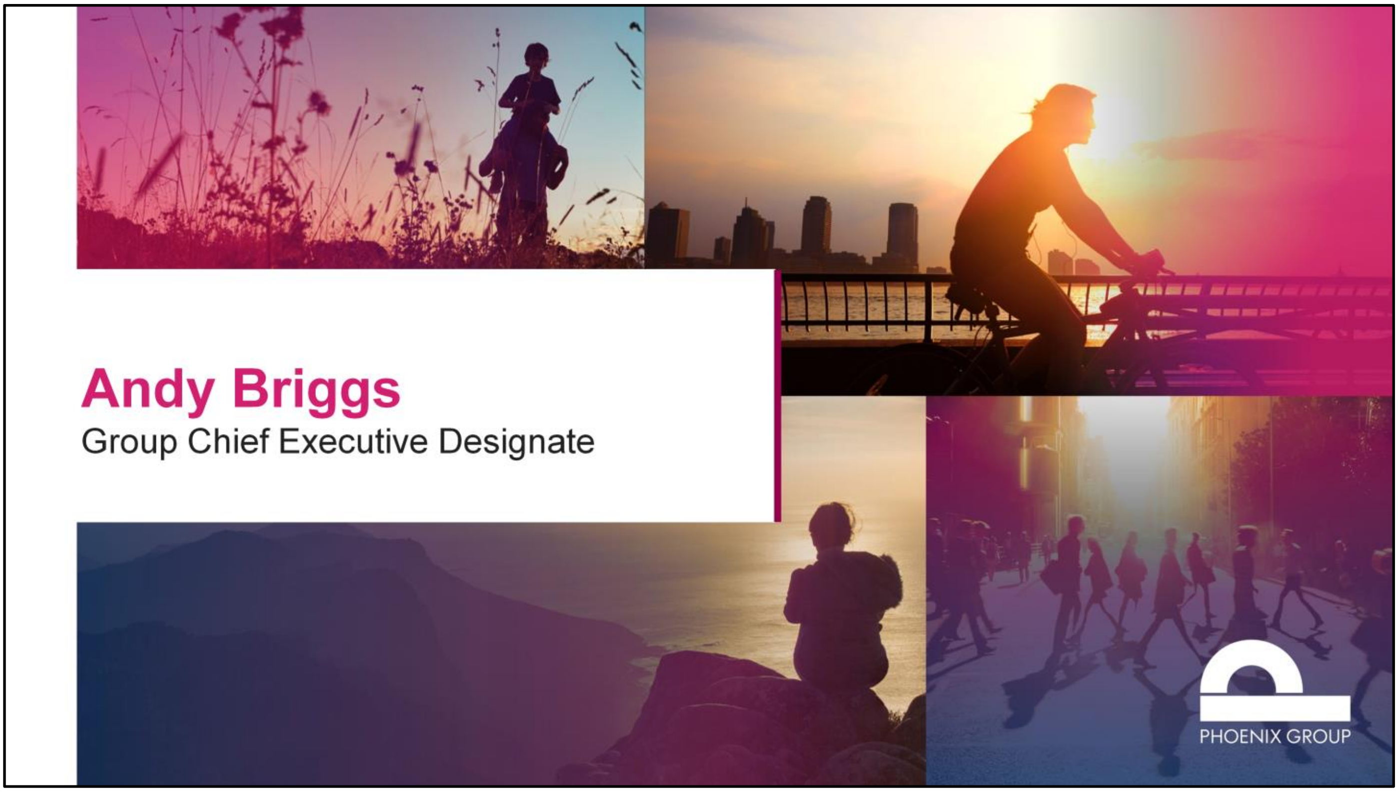
As Jim explained earlier, the ReAssure transaction generates significant cash generation over the next 4 years due to the delivery of material cost and capital synergies over this period.

We therefore expect to have £1.4 billion of cash available to increase support to our range of growth options.

These include selective and proportionate participation in the BPA market, funding of M&A that meet our acquisition criteria and investment in customer initiatives and proposition to support growth of our Open business and manage the run off of our Heritage business.

Delivering growth through these range of options brings more sustainability to long-term cash generation.

I will now hand over to Andy.

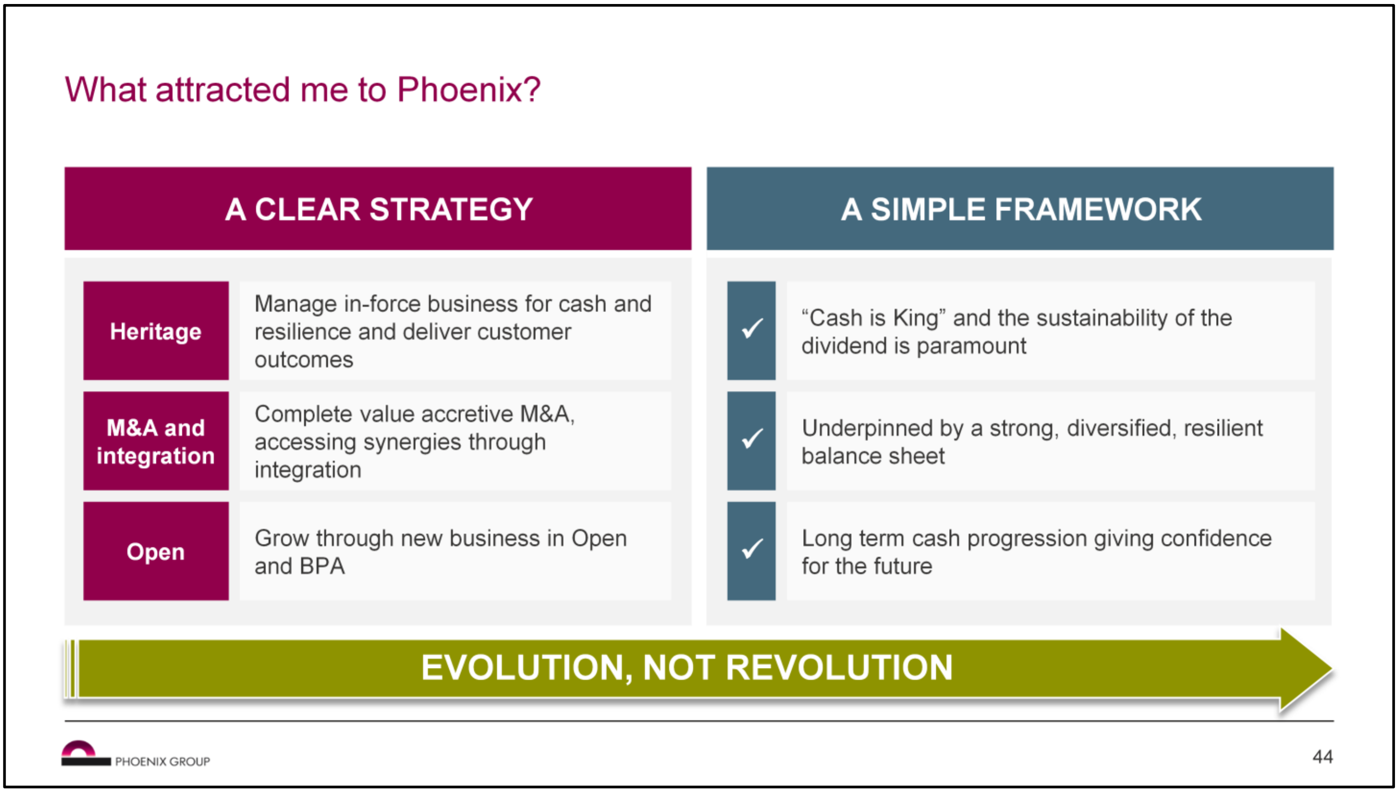


Thank you Rakesh, and good morning everyone.

I want to start by paying tribute to Clive and Jim. When you think back to the position Phoenix was in, when they both started, nearly a decade ago, I think it's hard to think of a CEO and CFO, of a UK financial services business, that have done a better job over this period.

They've also created a remarkable platform for the business going forward, so I do feel very fortunate to be taking over as CEO.

I want to cover three areas today. First, why I joined Phoenix - why do I think it's a great business. Second, what do I see as the key market trends, - why I am excited about Phoenix's potential for the future. And third, our key priorities for 2020.



So first, what attracted me to Phoenix.

I've worked in insurance for over 30 years, and I believe successful insurance businesses have two key characteristics. They have a clear strategy, and a simple financial framework.

Phoenix has both of these, which is why it's successful.

Our strategy is to focus on just 3 things. First, we are a leader in running Heritage businesses. We're a safe home for customers in closed product lines, and we run this in a way that generates a reliable flow of cash for shareholders.

Second, we have a strong track record in completing value accretive M&A, and successfully integrating businesses, delivering cost and capital synergies.

And third, we're building a thriving and growing open business.

A simple, clear strategy. And very much evolution, not revolution from my perspective.

I also really like the simplicity of our financial framework. Insurance can be a complex business. So it's really important to focus on the basics.

First and foremost, Cash is king, and the sustainability of the dividend is paramount. Underpinned by a strong, diversified, resilient balance sheet.

And then, having delivered both of those, we focus on long-term cash generation, the £12 billion, soon to become £19 billion. And sustaining and growing that into the future, so that we can firstly sustain, and in due course, aspire to grow the dividend.

Again, as far as the financial framework is concerned, it's evolution not revolution from me.

Phoenix is well placed to take advantage of the industry drivers of change

	Insurers are consolidating	Corporates are de-risking	Strong DC pension growth
Drivers of change	• Trapped capital • Cost inefficiencies • Legacy systems • Regulatory change	• De-risking strategies well advanced • Buy ins and buy outs increasingly affordable	• Auto-enrolment • Shift from DB • Ageing population • Pension freedoms
Market opportunities	**>£600 billion opportunity**	**£40 billion per annum opportunity, and growing**	**£24 billion DC contributions per annum, tripled from 2012**
Phoenix's advantages	✓ Differentiated capability in Heritage management ✓ Differentiated capability in M&A and integration delivery	✓ Annuities only c. 10% of UK balance sheet ✓ Better diversification as a result	✓ Largest UK life and pensions provider ✓ Top 3 Workplace pension provider ✓ Market leading TCS partnership

The second reason I joined Phoenix, is because I think the business is extremely well placed to take advantage of the key drivers of change in the industry. Given that post the ReAssure deal, we will be the U.K.'s largest life and pensions provider, with over £300 billion of UK assets, and 14 million customers.

I see three key market drivers, and these are shown on the slide.

So first, insurers are choosing to sell closed books to take advantage of the opportunity to release trapped capital, and because they struggle with cost inefficiency, due to legacy systems and regulatory change. Business models are bifurcating, and, in my view, there's plenty more to come. We have already indicated that there is around a £400 billion opportunity in the UK, with a further £200 billion in Germany and Ireland.

Now it’s one thing to have a view on the key trends. But to win, a business needs distinctive competitive advantage. Phoenix is clearly well placed in this market, with differentiated capability in Heritage management, and in M&A, and integration delivery. And hence this remains our biggest value driver today.

The second key trend is that Corporates are de-risking. I have yet to meet the finance director of a manufacturing business, who is pleased to have a large defined benefit pension scheme attached.

What’s interesting is that de-risking strategies are well advanced, and buy-ins and buy-outs are increasingly affordable, for more and more schemes. Hence the market is growing rapidly.

What is Phoenix’s advantage here? It seems to me that annuities are one of the largest and most attractive, profitable pools of business. But the concern becomes when a balance sheet is heavily weighted to annuities, and the consequent risks.

At Phoenix, only around 10% of our UK balance sheet is annuities. For others, it’s 30% to 50% for the multi line players, and obviously 100% for the mono line players. I think the fact that we’re only at 10% is a real advantage for Phoenix, because we can grow annuities, and it will still be a low proportion of our balance sheet.

Also, given it’s a lower proportion, we should get better diversification against our existing Heritage business, and therefore be more capital efficient as we grow our annuity business.

Given this is a space where demand is out stripping supply, and given we take, and will <u>continue to take</u> a <u>selective and proportionate</u> approach, I'm confident we can create good value for shareholders here.

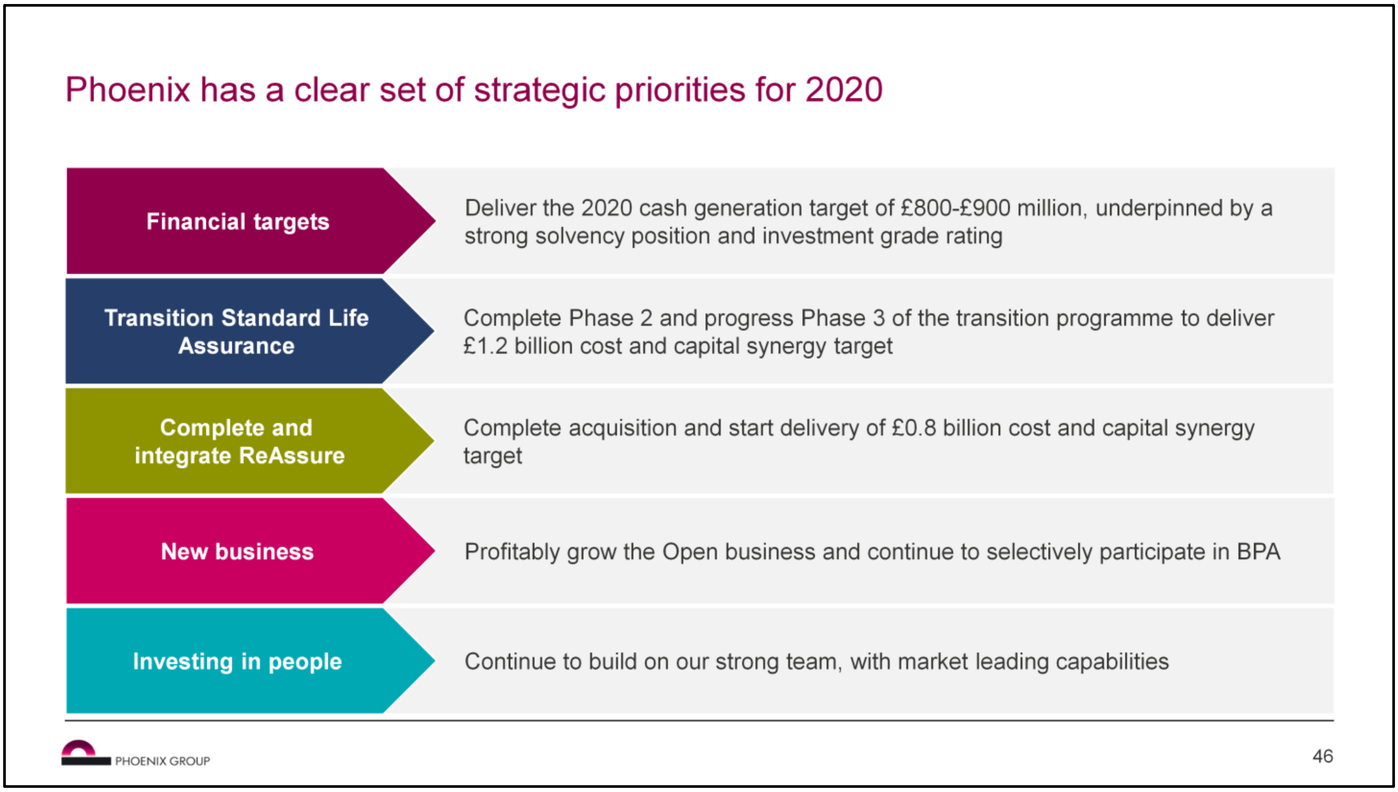
The third trend is the rapid growth in defined contribution pensions, from auto enrolment, the shift from defined benefit, the ageing population, and pensions freedoms. This creates 2 main opportunities.

In Workplace pensions, the margins are thin and hence scale is critical - we're a top 3 player. And cost efficiency is also key. This is where our business model gets exciting - our TCS partnership, which historically has been focused on Heritage, will enable us to achieve market leading cost efficiency, as we enhance and extend it to our Open business. Attractive competitive advantages.

The other opportunity is helping the increasing number of over 50s, as the population ages, to consolidate, and manage their journey to and through retirement. At the moment, only the small proportion who pay for advice are getting this help, and we participate here through our partnership with Standard Life Aberdeen.

But the majority also need help, and the advantage Phoenix has is our scale of existing customers, as the UK's largest life and pensions provider. We want these customers to turn to us first for that help.

The three major market trends, and Phoenix is well placed for all 3, and so we have a range of attractive options going forwards. Hence why I'm excited to be joining.



Now a bit of excitement is a good thing, but execution and delivery will always trump everything else. So let me come onto my final area, our priorities for 2020.

Clive and the Phoenix team have a faultless track record of delivery, that I fully intend to continue.

And our strategic priorities follow on from our strategy, in the same order.

So first, we will seek to deliver our £800m-£900m cash generation target, while maintaining our strong balance sheet.

Then, we'll continue to successfully transition the Standard Life Assurance business, to deliver the £1.2 billion cost and capital synergy target.

And complete the ReAssure deal, and start the integration and delivery of the £800 million synergy target.

Then we will continue to profitably grow the Open business, and selectively participate in BPA.

I have put a 5th priority on here, because I strongly believe the best businesses have not just good, but the very best talent. I’ve been hugely impressed by the calibre of the people here at Phoenix. Rakesh’s succession to CFO is a great example.

So a key priority for me is continuing to build in house talent, and where appropriate, supplementing externally, because always striving to continuously build our people capability, will underpin our future success.

We clearly have other priorities we focus on. Nick mentioned sustainability earlier. But these are the key focus areas to ensure we deliver short term financial performance.

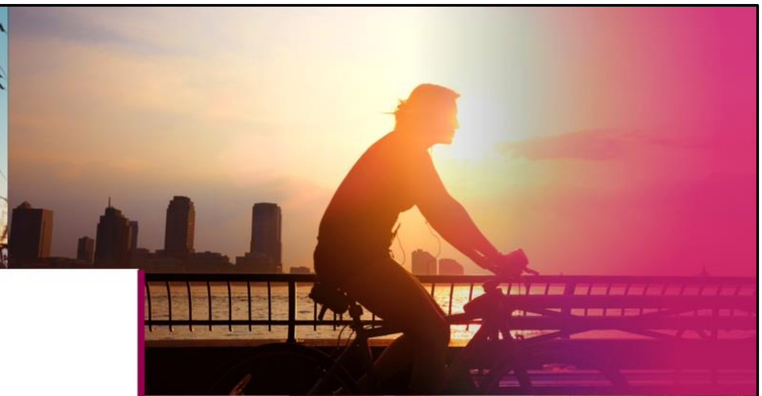
So, in summary, we have a clear strategy, and a simple financial framework.

We’re well placed for the key market trends.

And we have a clear set of priorities for 2020.

Thank you.

And now I’ll hand you back to Nick.



Nicholas Lyons
Chairman

Phoenix – Cash, Resilience, Growth

- 2019 was an exceptional year, in which we delivered Cash, Resilience and Growth
- Acquisition of ReAssure confirms Phoenix as Europe's largest life and pensions consolidator
- Focused on delivering significant value from in-force business over many years
- Phoenix is well placed to take advantage of the opportunities within a changing sector
- New Open business and BPA will build growth on top of Phoenix's Heritage foundations

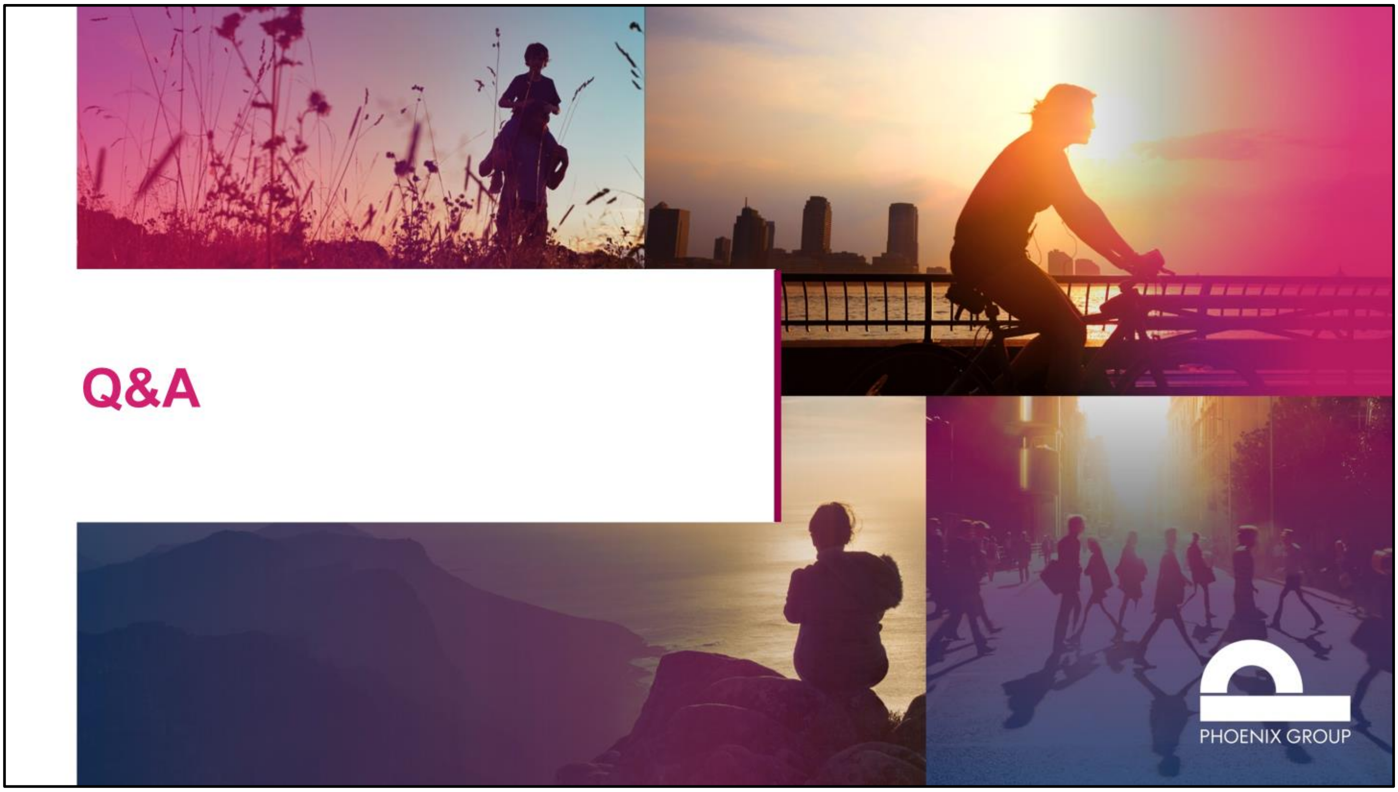
Thank you Andy.

2019 was an exceptional year for Phoenix in which we delivered Cash, Resilience and Growth.

The proposed acquisition of ReAssure marks another major milestone in our growth journey and confirms Phoenix as Europe's largest life and pensions consolidator.

We remain focused on delivering significant value from our in-force business over many years and are excited at the prospect of growing a thriving Open business on top of Phoenix's stable Heritage foundations.

Closing comments on Clive and Jim



Thank you for your time today.

The formal presentation is now over and we will move on to Q&A.

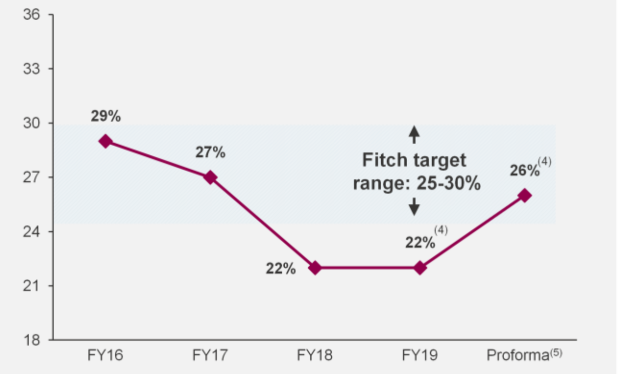
Please wait for the microphone to be brought to you and give us your name and the institution for whom you work.

Appendices

PHOENIX GROUP

Appendix I: Leverage ratio

Fitch leverage ratio[1]



FY19 leverage ratios

Fitch basis[1]	22%
IFRS basis[2]	34%
SII leverage[3]	19%

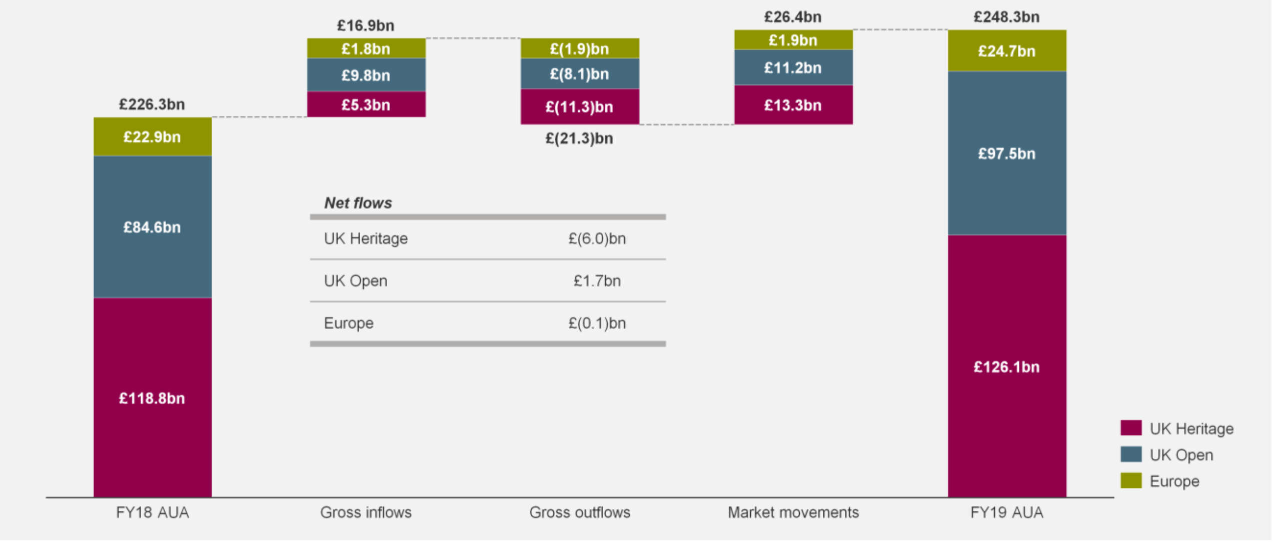
- IFRS leverage ratio classifies RT1 as debt

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 FY20 of c. £1 billion

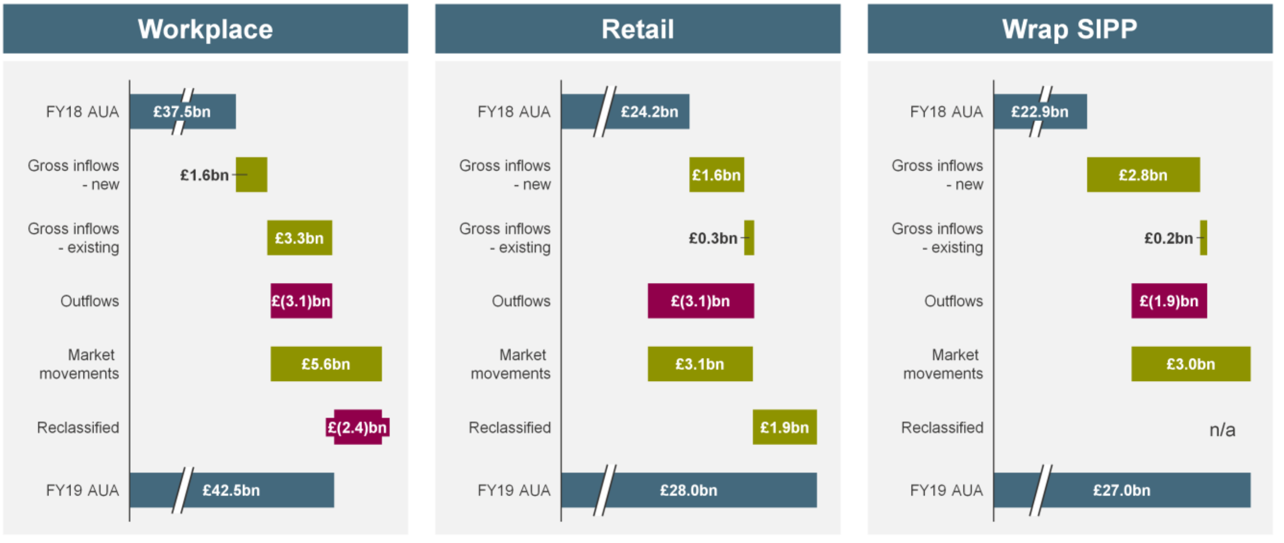
(1) The Fitch leverage calculation = debt (senior debt + RCF + T2 bonds + T3 bonds) / debt + equity (Shareholder equity + Unallocated surplus + RT1)
(2) IFRS leverage calculation = debt (all debt including RT1) / debt + equity (Shareholder equity only)
(3) SII leverage calculation = debt (all debt including RT1) / SII regulatory own funds
(4) Phoenix calculated
(5) Pro forma leverage of Combined Group adjusted to reflect $750m RT1 raise

Appendix II: Movement in assets under administration



Net flows	
UK Heritage	£(6.0)bn
UK Open	£1.7bn
Europe	£(0.1)bn

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



Appendix IV: Movements in holding company cash and cash equivalents

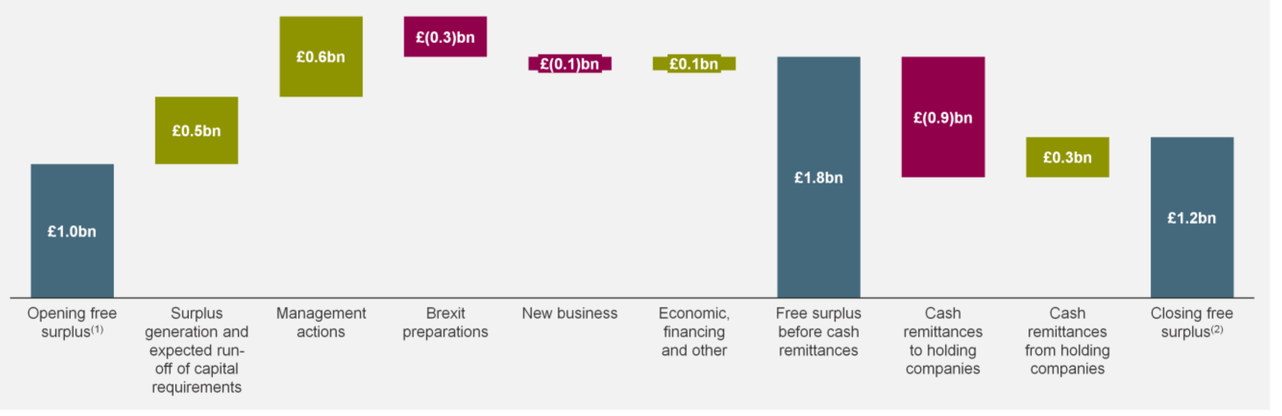
£m	FY19	FY18
Opening cash and cash equivalents	**346**	**535**
Total cash receipts	**707**	**664**
Uses of cash		
Operating expenses	(43)	(32)
Pension scheme contributions	(50)	(49)
Non-operating cash outflows	(137)	(216)
Debt interest	(112)	(88)
Shareholder dividend	(338)	(262)
Total cash outflows	**(680)**	**(647)**
Equity and debt raisings (net of fees)	-	1,866
Cost of acquisitions	-	(1,971)
Support BPA activity	(98)	(101)
Closing cash and cash equivalents	**275**	**346**

Non-operating net cash outflows include:

- £(60) million of recharged staff costs and Group expenses on corporate projects including £(12) million of external costs for the Standard Life Assurance transition;
- £(38) million from the close out of hedging instruments at Group level;
- £(9) million of cash relating to the acquisition of ReAssure; and
- £(7) million costs associated with hedging ReAssure equity exposure from announcement

Appendix V: Change in Life Company Free Surplus

Change in life company free surplus in 2019

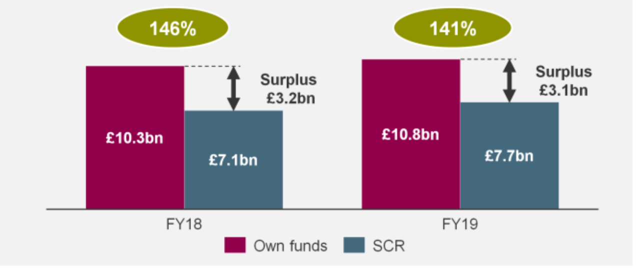


(1) The opening Life Company Free Surplus reflects the impact of a regulator approved recalculation of transitionals for Standard Life Assurance Limited only. Had a dynamic recalculation of transitionals been assumed for the Phoenix Life companies, the Life Company Free Surplus would increase by £0.1 billion.

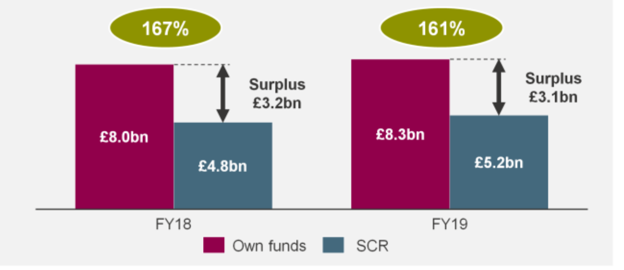
(2) The closing Life Company Free Surplus is an estimated position and reflects the impact of a regulator approved recalculation of transitionals as at 31 December 2019.

Appendix VI: Estimated PGH Solvency II surplus and coverage ratios

PGH Solvency II coverage ratio(1)



PGH Shareholder capital coverage ratio(1,2)

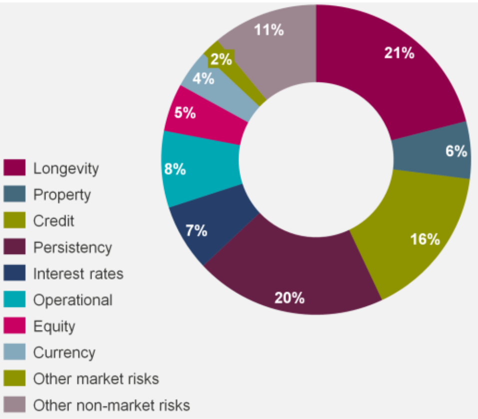


£bn	FY19	FY18
PGH Solvency II own funds	10.8	10.3
Less: Unsupported with-profit funds	(2.0)	(1.9)
Less: PGL and Pearl pension schemes	(0.5)	(0.4)
PGH Shareholder own funds	8.3	8.0

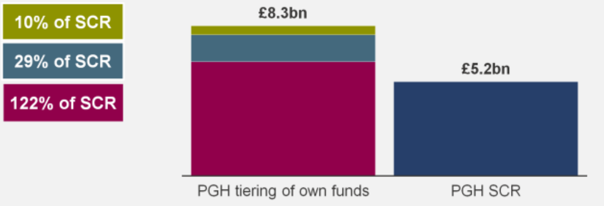
See Appendix XIX for footnotes

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

Estimated FY19 SCR by risk type[1]



FY19 PGH own funds by capital tier[2]



Share of SII own funds by capital tier

Own funds	£bn	%
Tier 1[3]	6.3	76
Tier 2	1.5	18
Tier 3	0.5	6
Total	**8.3**	**100**

(1) Split of SCR pre diversification benefits and on a Shareholder Capital basis.
(2) The Solvency II capital position is an estimated position and reflects a regulator approved recalculation of transitionals as at 31 December 2019.
(3) Tier 1 includes £0.5 billion of Restricted Tier 1 capital.

Appendix VIII: Regulatory Capital Coverage Ratio sensitivities

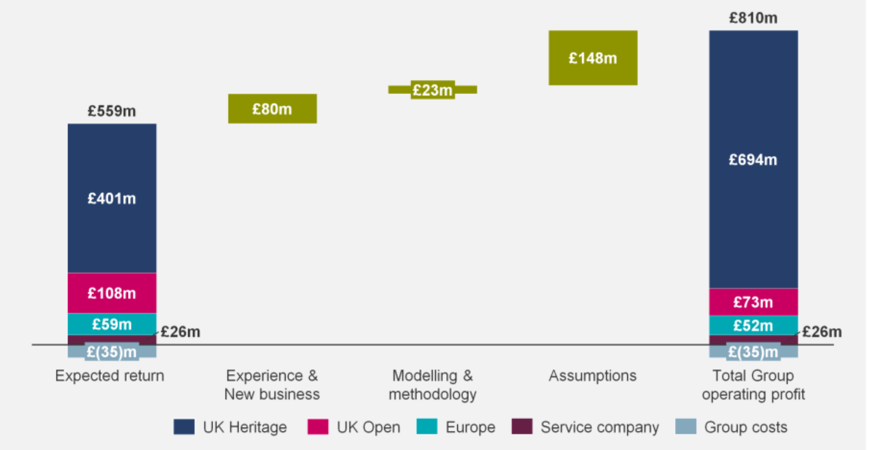
PGH Solvency II Regulatory Capital Coverage Ratio (RCR) sensitivities(15)

	RCR	Impact on Solvency II surplus
FY19 Solvency II RCR	141%	£3.1bn
Equities: 20% fall in markets	142%	£0.1bn
Property: 15% fall in values(16)	136%	£(0.2)bn
Rates: 73bps rise in interest rates(17)	143%	nil
Rates: 88bps fall in interest rates(17)	136%	£(0.1)bn
Credit spreads: 120bps widening(18)	137%	£(0.3)bn
Lapse: 10% increase/decrease in rates(19)	136%	£(0.4)bn
Longevity: 6 months increase(20)	133%	£(0.6)bn

See Appendix XIX for footnotes

Appendix IX: Operating profit analysis

2019 operating profit drivers



Key messages

- New business profits and favourable longevity experience offset adverse short-term expense variances
- Model & methodology changes includes removal of manual reserves and replacement of modelled solutions
- Assumption changes include c. £190 million benefit from updating longevity assumptions

Operating earnings per share(1) **89.8p**

(1) Operating earnings per share is calculated using operating profit after tax divided by the weighted average number of ordinary shares in issue during the year.

Appendix X: UK Heritage business operating profit drivers

		FY19			FY18		
		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	126	37.2	37	104	37.2	36
With-profit (internal capital support)	Return on with-profit funds which are supported with capital from shareholder funds	18	4.2	nm	20	4.3	nm
Unit linked	Margin earned on unit linked business	164	44.4	39	168	41.8	37
Annuities	Spread earned on annuities	392	17.9[3]	40	317	15.9[3]	43
Protection and other non-profit	Investment return and release of margins	11	0.5	nm[4]	16	0.5	nm[4]
Shareholder funds	Return earned on shareholder fund assets	(17)	2.6	nm	15	2.4	118
Total		**694**	**106.8**		**640**	**102.1**	

(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 XI: Asset mix of life companies

At 31 December 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	5,495	4,788	6,391	11,179	16,674
Debt securities					
Debt securities – gilts	4,244	14,167	4,870	19,037	23,281
Debt securities – bonds	15,626	24,174	30,242	54,416	70,042
Total debt securities	**19,870**	**38,341**	**35,112**	**73,453**	**93,323**
Equity securities	193	15,962	72,959	88,921	89,114
Property investments	129	1,890	5,335	7,225	7,354
Other investments[4]	3,894	3,738	9,897	13,635	17,529
Total	**29,581**	**64,719**	**129,694**	**194,413**	**223,994**

(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 £2,781 million, commercial real estate loans of £388 million, income strips of £690 million, policy loans of £10 million, other loans of £284 million, net derivative assets of £3,976 million, reinsurers' share of investment contracts of £8,881 million and other investments of £519 million.

Appendix XII: Total debt exposure by country

At 31 December 2019 £m	Sovereign 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	£m	%
UK	4,837	19,309	3,222	5,146	2,798	5,782	767	617	11,624	30,854	42,478	46
Supranationals	617	361	-	-	-	-	-	-	617	361	978	1
USA	3	1,911	926	1,879	854	3,630	-	5	1,783	7,425	9,208	10
Germany	209	3,721	143	971	468	1,369	21	-	841	6,061	6,902	8
France	92	3,009	246	2,056	591	1,448	35	12	964	6,525	7,489	8
Netherlands	40	519	428	586	103	337	66	31	637	1,473	2,110	2
Portugal	-	-	-	14	-	-	-	-	-	14	14	-
Italy	-	550	30	79	113	274	-	11	143	914	1,057	1
Ireland	-	-	-	44	11	66	27	41	38	151	189	-
Luxembourg	-	-	-	49	-	89	49	17	49	155	204	-
Belgium	6	872	15	16	115	248	-	-	136	1,136	1,272	2
Spain	-	380	64	367	85	213	8	-	157	960	1,117	1
Greece	-	47	-	-	-	-	-	-	-	47	47	-
Other - non Eurozone[2]	243	5,861	1,259	4,822	728	3,005	30	53	2,260	13,741	16,001	17
Other – Eurozone	45	963	111	474	464	89	1	-	621	1,526	2,147	2
Indirectly held debt securities[3]	-	-	-	-	-	2,110	-	-	-	2,110	2,110	2
Total debt exposure	**6,092**	**37,503**	**6,444**	**16,503**	**6,330**	**18,660**	**1,004**	**787**	**19,870**	**73,453**	**93,323**	**100**
of which Peripheral Eurozone	**-**	**977**	**94**	**504**	**209**	**553**	**35**	**52**	**338**	**2,086**	**2,424**	**3**
At 31 December 2018 £m (RESTATED)												
Total debt exposure	**5,218**	**40,651**	**5,850**	**17,979**	**5,833**	**13,979**	**1,074**	**746**	**17,975**	**73,355**	**91,330**	**100**
of which Peripheral Eurozone	**46**	**542**	**87**	**460**	**228**	**408**	**45**	**39**	**406**	**1,449**	**1,855**	**2**

(1) Shareholder includes non-profit and supported with-profits. Policyholder includes non-supported with-profits and unit linked.

(2) Shareholder exposures within 'Other - non Eurozone' primarily consist of Australia, Canada and Mexico.

(3) Comprises debt securities held in collective investment schemes, for which look-through information is not available.

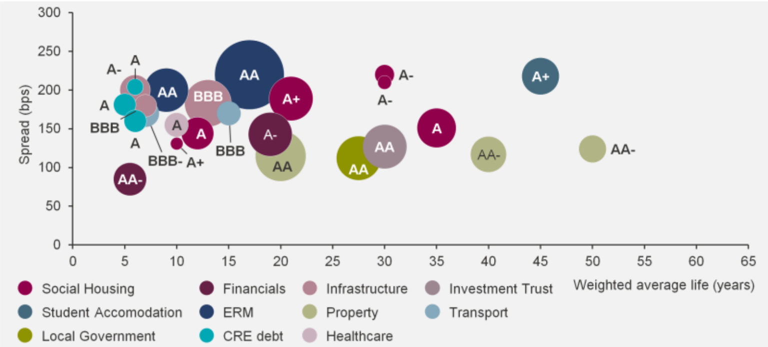
Appendix XIII: Credit rating analysis of debt portfolio

At 31 December 2019	Total shareholder, non-profit and supported with-profits		Policyholder funds: Non-supported with-profits funds		Policyholder funds: Unit-linked		Total policyholder		Total assets	
	£m	%	£m	%	£m	%	£m	%	£m	%
AAA	2,188	11	5,820	15	3,322	10	9,142	12	11,330	12
AA	7,654	39	20,578	54	7,354	21	27,932	38	35,586	38
A	6,850	34	6,188	16	6,103	17	12,291	17	19,141	21
BBB	2,798	14	4,734	12	5,758	16	10,492	14	13,290	14
BB	-	-	221	1	1,139	3	1,360	2	1,360	2
B and below	30	-	413	1	902	3	1,315	2	1,345	1
Non-rated	350	2	387	1	1,854	5	2,241	3	2,591	3
Indirectly held debt securities[1]	-	-	-	-	8,680	25	8,680	12	8,680	9
Total	**19,870**	**100**	**38,341**	**100**	**35,112**	**100**	**73,453**	**100**	**93,323**	**100**

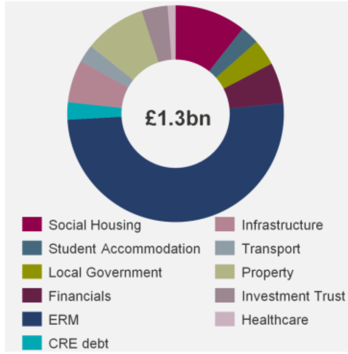
(1) Comprises debt securities held in collective investment schemes, for which look-through information on credit ratings is not available.

Appendix XIV: 2019 illiquid asset origination

2019 origination focused on longer maturities at attractive spreads



Diversified portfolio

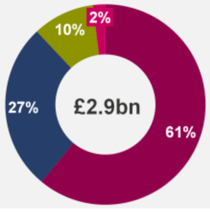


Key statistics:	£1.3 billion originated	Average deal size of £30 million	Average credit rating of A+	Weighted average life of 19 years	£250 million ESG investment

Appendix XV: Illiquids assets: Equity Release Mortgage portfolio

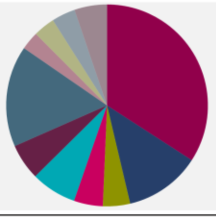
Credit rating determined through securitisation

at 31 Dec 2019



Regional distribution

at 31 Dec 2019

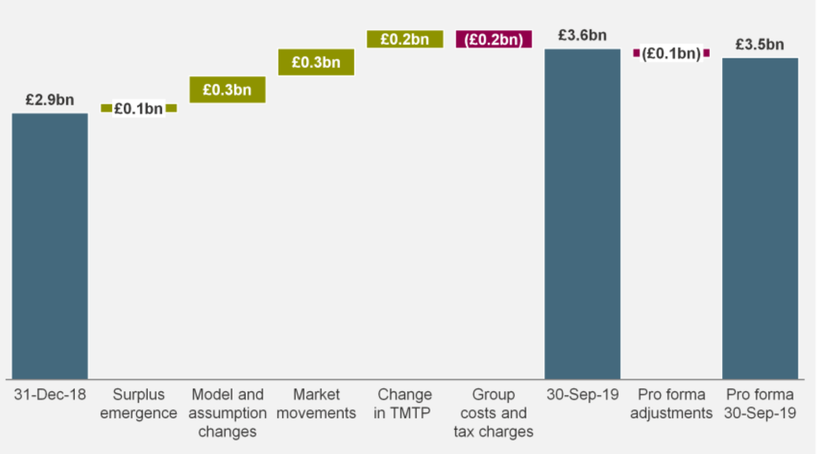


Key portfolio statistics

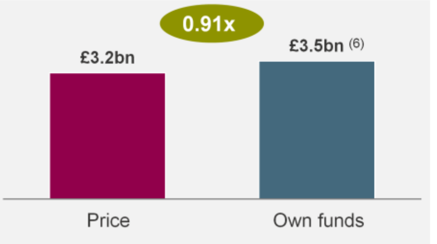
	Average LTV	Average age	Average time to redemption
Current portfolio	34%	77 years	12 years
2019 origination	28-30%	71 years	16 years

Appendix XVI: ReAssure pro-forma shareholder own funds

ReAssure pro-forma shareholder own funds[6]



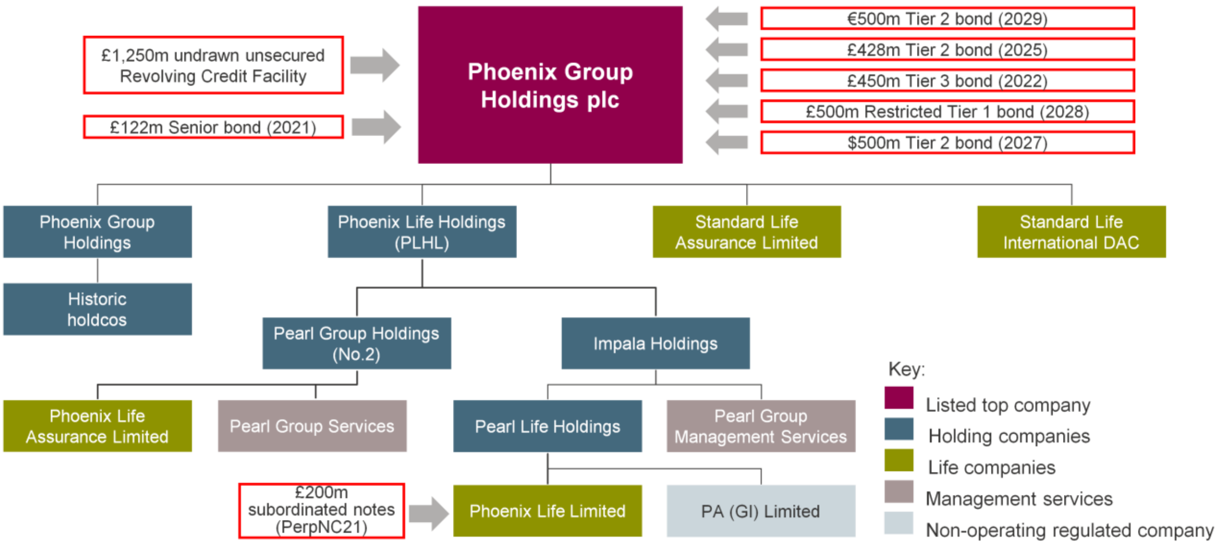
Price to own funds ratio



- ReAssure completed the acquisition of the OMW business on 31 December 2019, accessing £200 million of synergies
- Reduces price to own funds ratio by 4% to 87%

See Appendix XIX for footnotes

Appendix XVII: Corporate structure as at 31 December 2019

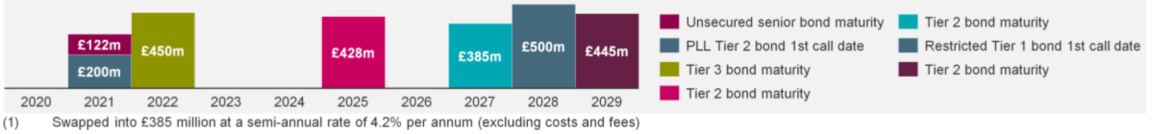


Appendix XVIII: Outline of debt structure as at 31 December 2019

Structure of £2,530 million of outstanding debt as at 31 December 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	Subordinated Tier 2 bond (7.250% Perpetual NC2021, XS0133173137)	Phoenix Life Limited	March 2021 (first call date)	£200m
	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]
	Restricted Tier 1 bond (5.750% Perpetual NC2028, XS1802140894)	Phoenix Group Holdings plc	April 2028 (first call date)	£500m
	Subordinated Tier 2 bond[2] (4.375% due Jan-2029, XS1881005117)	Phoenix Group Holdings plc	January 2029	€500m[2]

Debt maturity profile as at 31 December 2019



(1) Swapped into £385 million at a semi-annual rate of 4.2% per annum (excluding costs and fees)
(2) Swapped into £445 million at an annual rate of 5.74% per annum (excluding costs and fees)

Appendix XIX: Footnotes

(1) The Solvency II capital position is an estimated position and reflects a regulator approved recalculation of transitionals as at 31 December 2019.
(2) The 2019 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) Incremental cash generation arising from the acquisition of ReAssure is calculated using Phoenix's assumptions and reporting bases.
(4) ReAssure's assets under administration as at 30 September 2019 assume completion of the Part VII transfer of the mature savings business of the L&G Group and completion of the acquisition of Old Mutual Wealth Life Assurance Limited from Quilter plc which completed on 31 December 2019.
(5) ReAssure's number of policies as at 1 November 2019 assume completion of the Part VII transfer of the mature savings business of the L&G Group and completion of the acquisition of Old Mutual Wealth Life Assurance Limited from Quilter plc which completed on 31 December 2019.
(6) ReAssure's Solvency II Own Funds as at 30 September 2019 have been derived from ReAssure Solvency II figures and have been adjusted to be presented on a shareholder basis, excluding debt and assuming a dynamic recalculation of transitionals (subject to PRA approval), and including the pro forma impact of the Part VII of the mature savings business of the L&G Group Business and the acquisition of Old Mutual Wealth Life Assurance Limited (both based on financial information as at 31 December 2018).
(7) Inherited cost base of ReAssure comprises an addressable cost base of £193 million and £125 million of project costs.
(8) Dividends rebased to take into account the bonus element of rights issues. 2020e and 2021e reflect expected dividend based on application of proposed 3% increase announced for ReAssure transaction.
(9) The pro forma assumes that the acquisition of the Standard Life Assurance businesses took place on 1 January 2018.
(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) 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.
(12) 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.
(13) 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.
(14) Illustrative dividend allowing for the issue of equity and 3% increase.
(15) Scenario assumes stress occurs on 1 January 2020.

Appendix XIX: Footnotes (continued)

(16) Property stress represents an overall average fall in property values of 15%.
(17) Assumes recalculation of transitionals (subject to PRA approval).
(18) Credit stress equivalent to an average 120bps spread widening across ratings and includes an allowance for defaults/downgrades.
(19) Assumes most onerous impact of a 10% increase/decrease in lapse rates across different product groups.
(20) Applied to the annuity portfolio.
(21) New business strain comprises BPA £(98)million, vesting annuities £(20)million, UK Open business £(13)million and European business £(18)million.
(22) Represents the net impact of management actions on the Group SCR.
(23) 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.
(24) Average payback is stated excluding capital management policy.

Disclaimer and other information

- 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 by the Group (included but not limited to the acquisition of ReAssure Group plc) 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