PHOENIX GROUP

Full Year Results 2013

26 March 2014

Agenda

Introduction	Howard Davies | Chairman
Business update	Clive Bannister | Group Chief Executive
Financial review	Jim McConville | Group Finance Director
Outlook	Clive Bannister
Q&A	Howard Davies

Introduction

Howard Davies

Business update

Clive Bannister

An outstanding year of progress for Phoenix

- ✓ Achieved capital raising and debt re-terming
- ✓ 2013 final dividend of 26.7p, in line with 2013 interim dividend
- ✓ Delivered cash generation above top end of target range
- ✓ Completed Part VII transfer of annuity liabilities and assets
- ✓ Exceeded incremental MCEV target a year early and increased MCEV per share to £10.58
- ✓ £1.9bn of net third party inflows at Ignis; strong investment performance; £49 million of operating profit
- ✓ Reduced gearing by 11 percentage points during 2013
- ✓ £157 million of estate distributed benefitting 115,000 policyholders

Target beating financial performance in 2013

	Delivery	Target	
Cash generation	2011 – 2013: £2.3 billion 2013: £817m	2011 – 2016: £3.5 billion 2013: £650m to 750m	✓ Achieved 2/3 of long term cash generation target half way through target period ✓ Delivered cash generation in excess of 2013 target range
Incremental MCEV	2011 – 2013 £502m	2011 – 2014 £400m	✓ Significantly exceeded incremental MCEV target a year ahead of plan
Gearing	44%	40% by end 2016	✓ Reduced gearing by 11 percentage points since FY12 ✓ On track to achieve 2016 gearing target

Divestment of Ignis supports delivery of our long term strategy of closed life fund consolidation

Divestment of Ignis allows us to…

- ✓ Increase MCEV by £237 million
- ✓ Use sale proceeds to fund £250 million prepayment on Impala facility, balance retained within the Group
- ✓ Reduce gearing by 5 percentage points to 39%
- ✓ Accelerate the achievement of our long term gearing target
- ✓ Enhances our ability to achieve an Investment Grade rating, access debt capital markets and diversify our capital structure

Supporting the delivery of our long term strategy…

- ✓ Consider M&A opportunities
  - Deleveraging makes Phoenix an even more attractive and credible M&A counterparty
  - Benefit of future asset management synergies captured through Synergy Sharing Arrangement
- ✓ Focus on core competencies within existing business
  - Efficient financial and actuarial management of closed life funds
  - Management devoted to delivering management actions which enhance MCEV and accelerate cash

Transaction highlights

Consideration	✓ £390 million in cash consideration
Long term strategic alliance	✓ Long term strategic asset management alliance with Standard Life Investments, a top class manager of the assets of the Group Life Company assets allowing policyholders and shareholders to benefit from future investment outperformance ✓ Value sharing mechanism provides potential to share value resulting from any future transfers of assets from Phoenix to Standard Life Investments ✓ Phoenix well positioned to participate in future consolidation of the UK closed life fund market and generate further value for shareholders
Timing and approvals	✓ Transaction hoped to complete in the first half of 2014, subject to regulatory approval

Divestment of Ignis and subsequent debt prepayment deliver compelling financial benefits

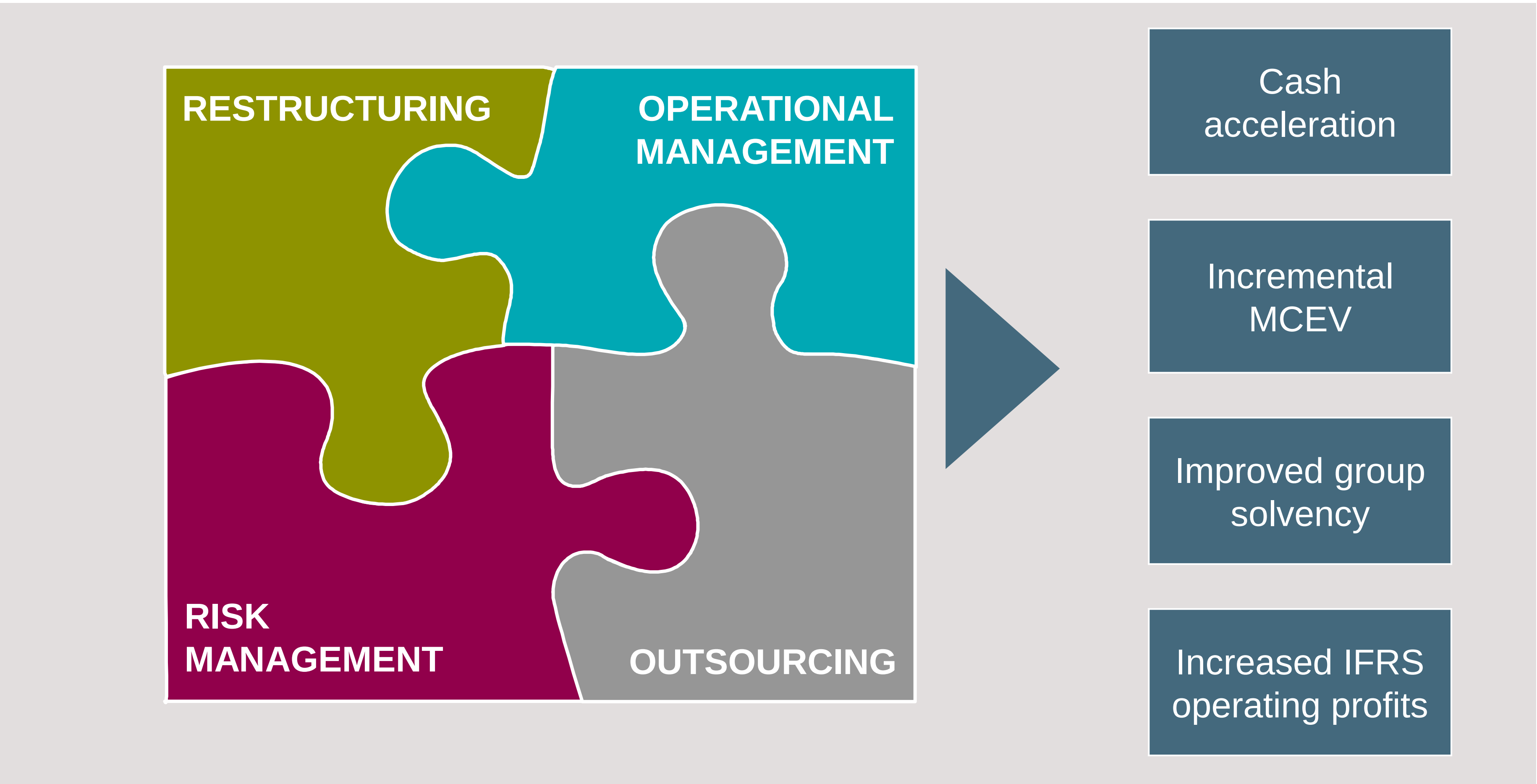
MCEV increased	Balance sheet strengthened	Capital protected
✓ MCEV increased by £237 million to £2.6 billion ✓ MCEV per share increased by £1.05 to £11.63	✓ Gearing reduced by 5 percentage points to 39% ✓ Senior bank debt reduced by £250 million to £1.4 billion ✓ Holding company cash increased by £0.1 billion to £1.1 billion	✓ IGD neutral ✓ PLHL ICA surplus reduced by £0.1 billion to £1.1 billion

Notes: (1) Financial information is pro forma as at FY13 for divestment of Ignis and subsequent debt prepayment

Financial targets for 2014 and beyond

Cash generation	• New cumulative target of £2.8bn between 2014 and 2019, including proceeds from the divestment of Ignis • 2014 target of £500m to £550m. Ignis sale proceeds are in addition to this target
Incremental MCEV	• New cumulative target of £300m incremental embedded value from management actions between 2014 and 2016
Gearing	• Long-term target to reduce gearing to 40% by end 2016 • Divestment of Ignis expected to reduce gearing to 39%

Four proven areas of management actions will continue to accelerate cash and generate incremental value



Achieved further operational progress and continued to enhance our customer experience

Further operational progress	
	✓ Completed Part VII transfer of £5 billion of annuity liabilities and related assets to Guardian ✓ Progressed Actuarial Systems Transformation project, with new model run in parallel with existing models for 2013 year end ✓ Ignis won £1.9 billion of net new third party inflows ✓ 85% of assets outperformed their respective benchmarks ✓ Continued to progress back-office transition to HSBC, completion expected in 2015 ✓ Sold BA (GI) Limited, the Group's remaining general insurance business
Enhanced customer experience	✓ Completed migration of 3.2 million Diligenta administered policies onto BaNCS administration platform, making it easier to improve our customer journey ✓ Enhanced customer experience through faster claims handling ✓ Increased the distributable estate by £565 million, with 115,000 policyholders benefitting from £157 million of estate distributed during 2013 ✓ Launched initiative to allow customers with small pensions in payment to convert their annuity to a lump sum payment ✓ Worked closely with outsource partners to prevent £12.4 million transfers to Pensions Liberation Fraud schemes

Financial review

Jim McConville

Financial highlights

£		FY13 proforma[1]	FY13	FY12
Cash	Operating companies cash generation	n/a	817m	690m
	Holding company cash	1,129m[2]	995m	1,066m
MCEV	Group MCEV	2.6bn	2.4bn	2.3bn[3]
Gearing	Gearing[4]	39%	44%	55%
IFRS	Group operating profit[5]	n/a	439m	410m
AUM	Group assets under management[6]	n/a	68.6bn	68.6bn
Capital	IGD surplus	1.2bn	1.2bn	1.2bn[3]
	PLHL ICA surplus	1.1bn	1.2bn	0.8bn[3]
Dividends	Dividend per share[7]	n/a	53.4p	47.7p

Notes:
(1) Pro forma for divestment of Ignis and subsequent debt prepayment
(2) £995m of FY13 holding company cash, plus sale proceeds of £390m, less debt prepayment of £250m and £6m of transaction and other costs
(3) Position at FY12 adjusted for the capital raising and debt prepayment of £450m following completion of the capital raising in February 2013
(4) Gross shareholder debt as a percentage of Gross MCEV
(5) Includes Ignis operating profit
(6) AUM represents life company assets (excluding collateral on stock-lending arrangements), holding company cash and third party assets managed by Ignis
(7) Interim plus recommended final

Generated £0.8bn of free surplus in 2013

£m	FY13	FY12
Opening Phoenix Life free surplus	**514**	**93**
Emergence of free surplus		
IFRS operating profit net of policyholder tax	318	385
IFRS economic variances and non-recurrings	28	105
Movements in capital requirements and capital policy	371	663
Valuation differences and other	92	(71)
Free surplus generated	**809**	**1,082**
Cash distributed to Holding Companies	**(794)**	**(661)**
Closing Phoenix Life free surplus	**529**	**514**
Closing cash in Holding Companies	**995**	**1,066**

- £371 million of movements in capital requirements and policy in 2013 reflect release of capital through run-off and the beneficial impact on capital requirements of increasing yields
- £1.1 billion of free surplus generated in 2012 reflects benefit of annuity transfer which released £252 million of capital into free surplus
- Closing free surplus of £529 million provides support for new cash generation targets

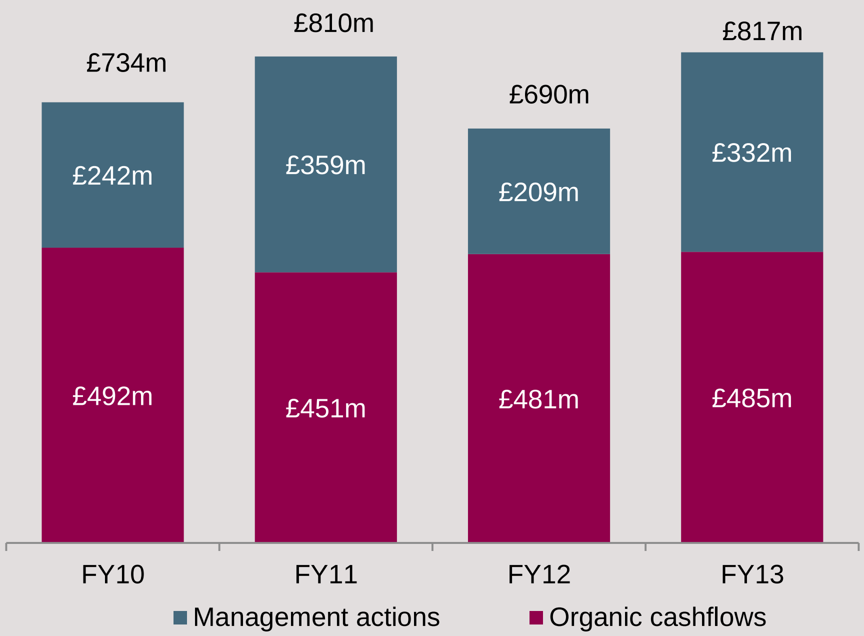
Achieved £817m of cash generation, above top end of target range

£m	FY13	FY12
Opening cash and cash equivalents	**1,066**	**837**
Cash receipts		
Phoenix Life	794	661
Ignis	23	29
Total cash receipts	**817**	**690**
Net proceeds of capital raising	211	-
Operating expenses	(34)	(37)
Pension scheme contributions	(96)	(50)
Debt interest	(147)	(115)
Total non-recurring cash outflows	(6)	(21)
Debt repayment	(696)	(165)
Shareholder dividend	(120)	(73)
Total cash outflows	**(1,099)**	**(461)**
Closing cash and cash equivalents	**995**	**1,066**

- £332m of cash generated through management actions
- Pension scheme contributions reflect new Pearl and PGL Scheme contribution schedules. 2014 scheduled contributions of £85m, 2015 scheduled contributions of £55m
- Increased debt interest due to higher costs on now expired swaps and, to a lesser extent, increased margin on re-termed Impala debt
- Debt repayment comprises £450m initial prepayment, £120m of amortisation and a further £100m prepayment on Impala made in December 2013, and £25m amortisation and £1m sweep on the Pearl facility

£1.1bn of cash generated through management actions since 2010

£1.1bn of cash generated through management actions since 2010

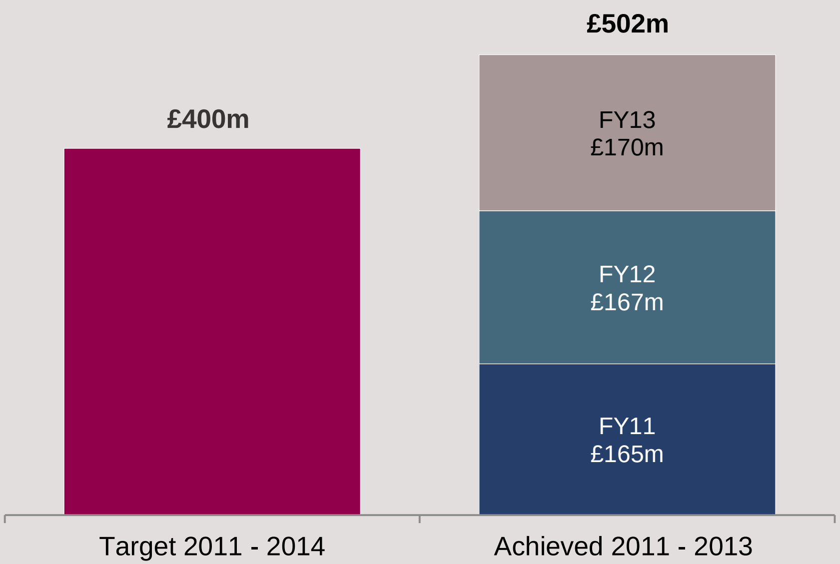


FY13 management actions

	Type	Value
Annuity transfer	Restructuring	£252m
Asset liability matching	Risk management	£47m
Other management actions	Mainly operational and restructuring	£33m
Total		**£332m**

£502 million of incremental MCEV achieved in 3 years vs. 4 year £400 million target

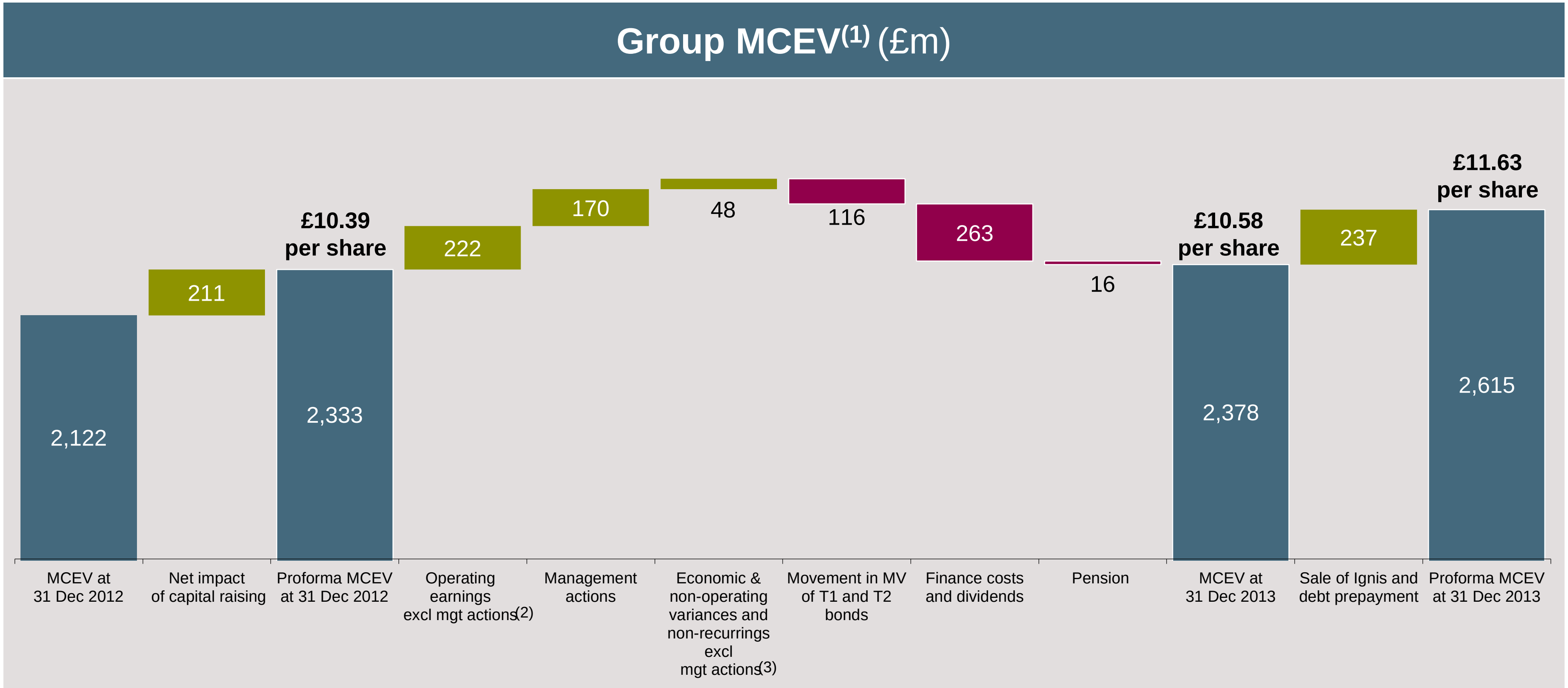
Incremental MCEV



FY13 management actions

	Type	Value
Balance sheet reviews	Operational	£57m
Actuarial Systems Transformation modelling improvements	Operational	£31m
Annuity credit investment strategy	Operational	£16m
Policy harmonisation	Operational	£12m
Other management actions	Mainly operational	£54m
Total		**£170m**

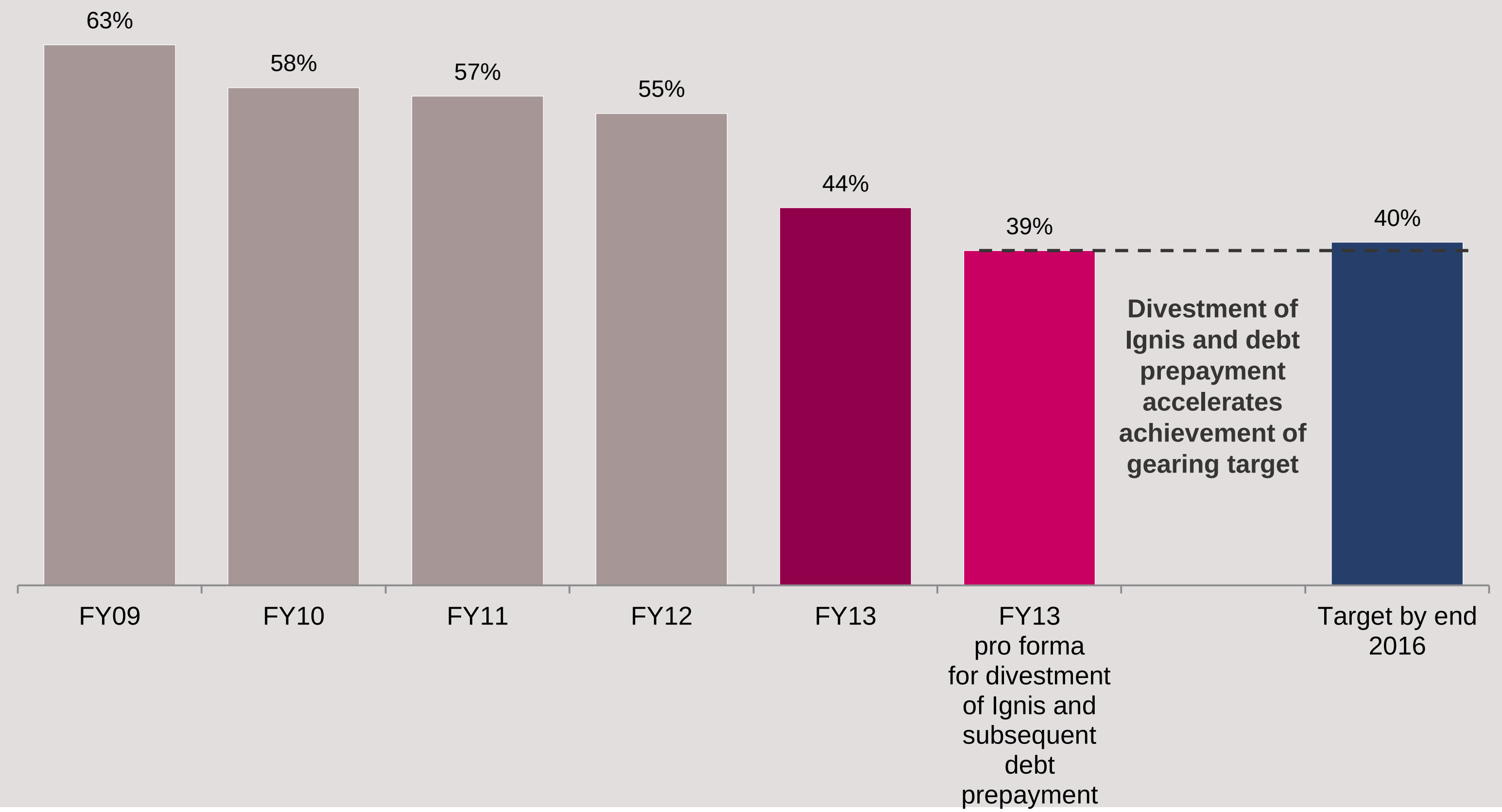
Embedded value increased to £10.58 per share at FY13, divestment of Ignis further enhances value per share to £11.63



Notes:
(1) 2012 and 2013 positions exclude VIF of Ignis and service companies. 2013 pro forma position includes Ignis sale proceeds but excludes VIF of service companies.
(2) Comprises £455m of pre-tax operating earnings, less £105m of tax charges per accounts, less £128 of management actions which come through operating earnings
(3) Comprises £138m of economic variances on life business, £(48)m of economic variances on non-life business, £(35)m of other non-operating variances on life business, £(61)m of non-recurring items on non-life business per accounts, less £(42)m of tax on non-operating items, less £42m of management actions which come through non-operating earnings, £(116) million of movement in T1 and T2 bonds and £(21) million of reterming related expenses already included in the £211m net impact of capital raising

Gearing reduced by 11 percentage points since FY13 to 44%, divestment of Ignis reduces gearing to 39%

Gearing trajectory



Delivered strong Group IFRS operating profit of £439m

£m	FY13	FY12[1]
Phoenix Life	414	399
Ignis	49	43
Group costs	(24)	(13)
Operating profit before tax	**439**	**429**
Investment return variances and economic assumption changes	33	(12)
Amortisation of intangibles	(118)	(127)
Non-recurring items	(11)	130
Finance costs	(126)	(111)
Profit before tax attributable to owners	**217**	**309**
Tax (charge)/credit attributable to owners	(10)	115
Profit for period attributable to owners	**207**	**424**

- Phoenix Life recurring operating profits enhanced by £98m of management actions including modelling improvements and policy harmonisations
- Increase in group costs largely due to higher pension scheme costs
- Positive investment returns from narrowing credit spreads, increasing yields and improved property returns partly offset by losses on equity hedges, designed to manage economic capital position
- Underlying recurring Phoenix Life operating profit expected to be in the region of £250m p.a.

Note: (1) Restated following adoption of revised IAS19 *Employee benefits*

Ignis operating profit growth driven by strong investment performance and accelerating high quality TPA inflows

Ignis operating profits and third party assets

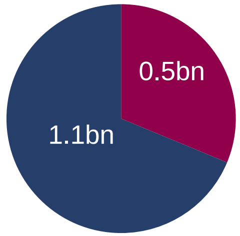
Operating profits

Third party assets as % of Group AUM	FY10	FY11	FY12	FY13
	11%	12%	19%(1)	22%

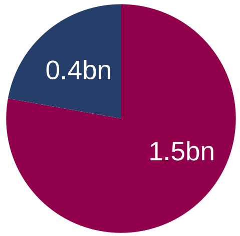
Note: (1) Represents pro forma FY12 third party assets as a % of pro forma Group AUM adjusted for Guardian Assurance assets which transitioned to Ignis in 2013. Excluding this adjustment, the position at 31 December 2012 was 17%

Third party net inflows

FY12 - £1.6bn



FY13 - £1.9bn(1)



- Non-liquidity inflows (e.g. mainly ARGBF)
- Liquidity net inflows

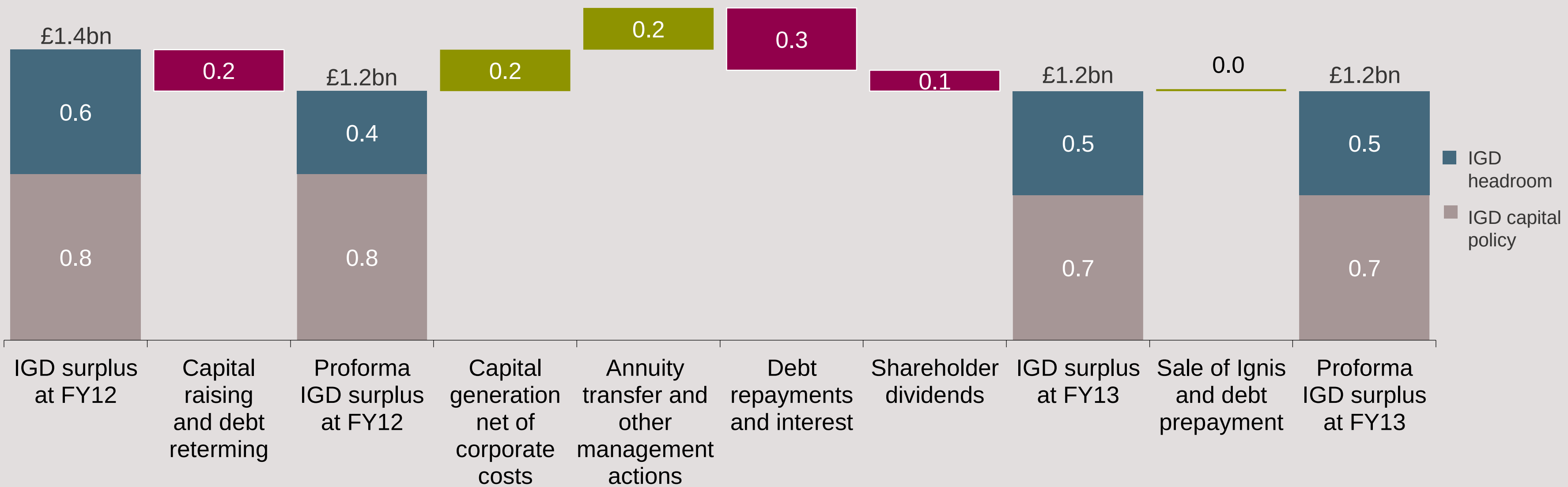
Notes: (1) Excludes Guardian and Group pension flows

Revenue margins

2013 revenue margins	Life funds	Third party
	19bps	33bps

Robust IGD surplus of £1.2bn

IGD and sensitivities at FY13 (£bn)

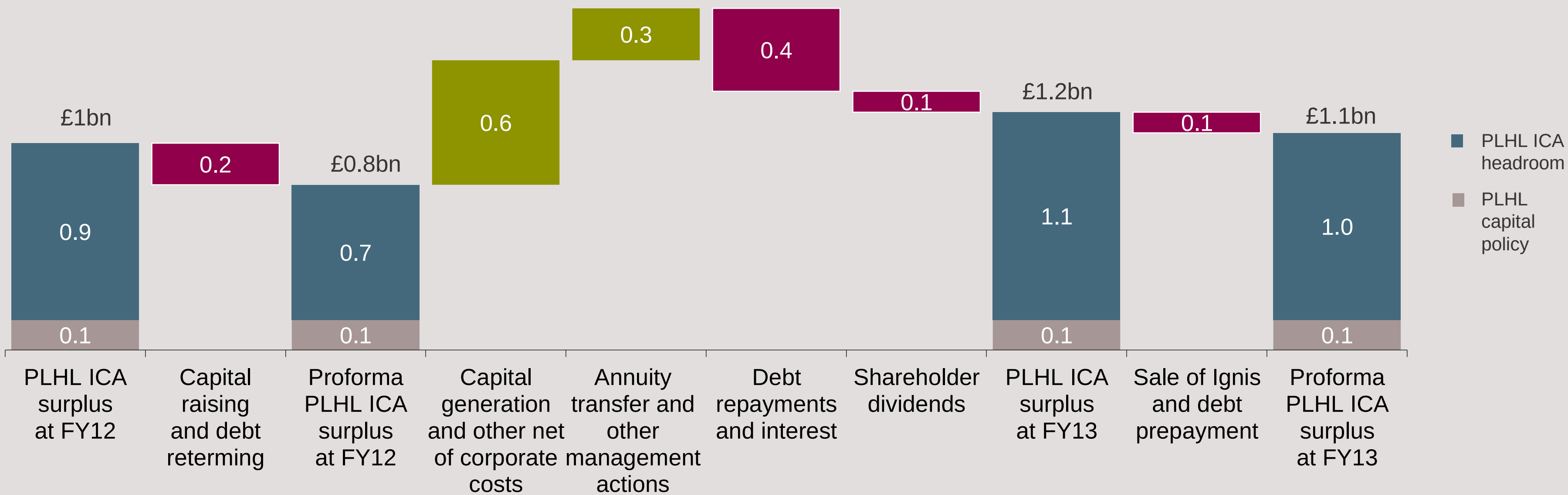


IGD sensitivities (£bn)(1)	
IGD surplus at 31 December 2013	1.2
Following 20% fall in equity markets	1.2
Following 15% fall in property values	1.2
Following 75bps increase in nominal yields	1.2
Following 75bps decrease in nominal yields	1.2
Following credit spread widening(2)	1.3

Notes: (1) Assumes permanent deterioration of economic condition
(2) Based on 11 to 15 year term: AAA = 44bps, AA = 93bps, A = 111 bps, BBB = 187 bps

£1.2 billion PLHL ICA surplus

PLHL ICA and sensitivities at FY13 (£bn)

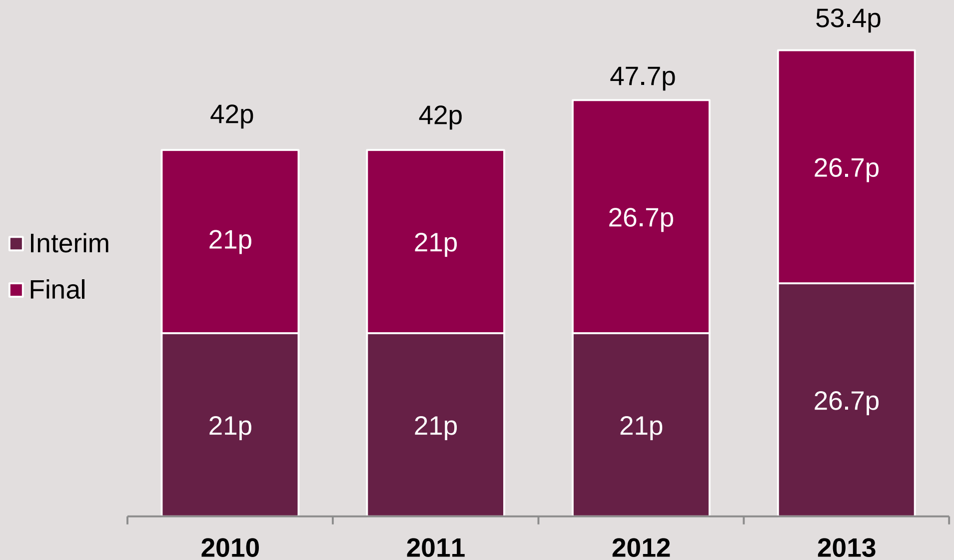


PLHL ICA surplus sensitivities (£bn)(1)	
PLHL ICA surplus at 31 December 2013	1.2
Following 20% fall in equity markets	1.1
Following 15% fall in property values	1.1
Following 75bps increase in nominal yields	1.2
Following 75bps decrease in nominal yields	1.1
Following credit spread widening(2)	1.1

Notes: (1) Assumes permanent deterioration of economic condition
(2) Based on 11 to 15 year term: AAA = 44bps, AA = 93bps, A = 111 bps, BBB = 187 bps

Final dividend per share of 26.7 pence

Dividend per share



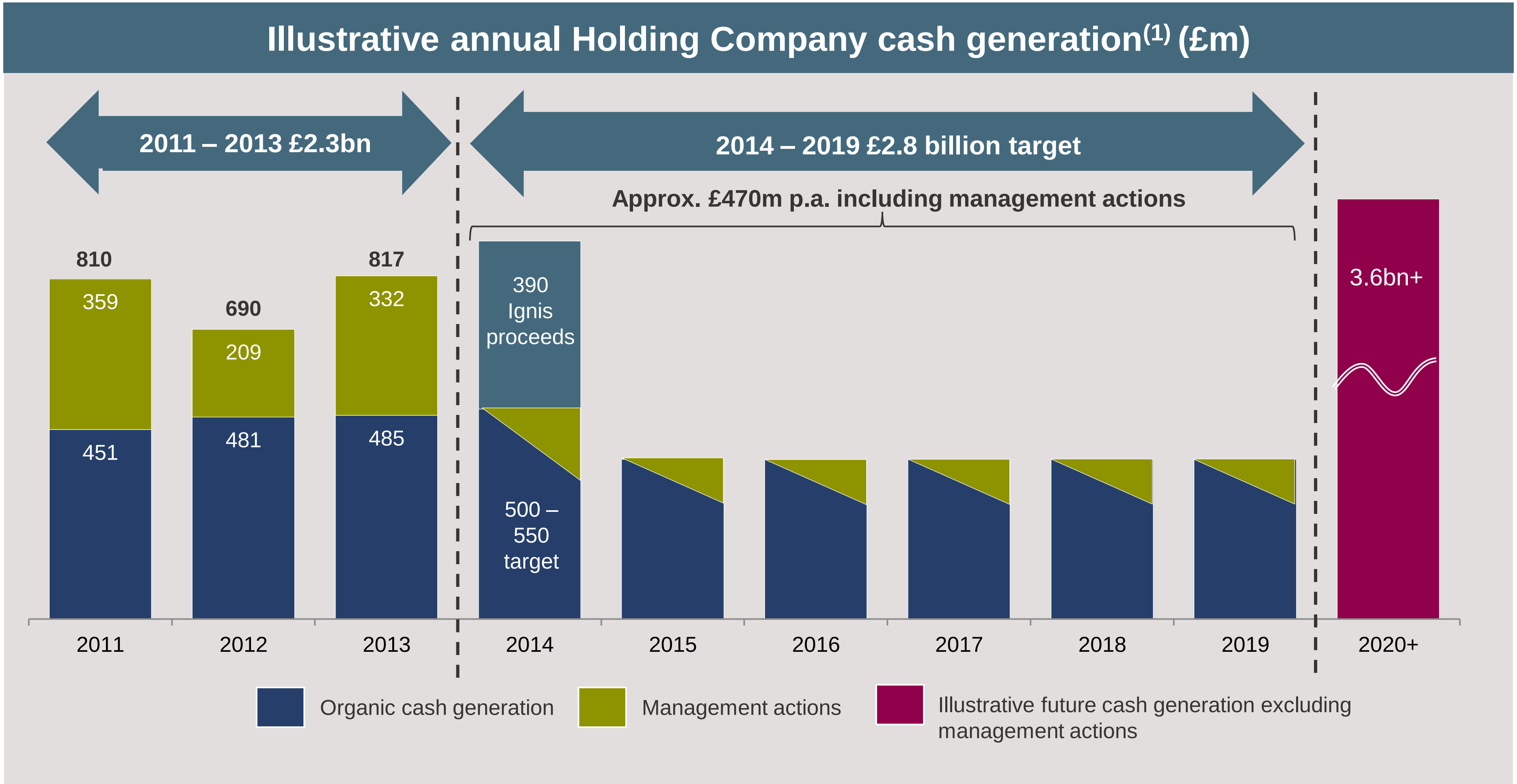
Value of dividend[1] (£m)	2010	2011	2012	2013
	£70m	£73m	£96m	£120m

- Dividend in line with 2012 final and 2013 interim dividends
- Sustainable dividend policy, reflecting run-off nature of business model

Notes (1) Represents total dividend in respect of each year. e.g. 2012 comprises cost of 2012 interim and final dividend. Includes value of cash and scrip dividends. Scrip component as follows: 2009 - £0m, 2010 – £18m, 2011 – £11m, 2012 – £0m, 2013 – £0m

(2) Increases in dividend capacity in excess of annual £10m increase, subject to debt repayments in excess of target amortisation

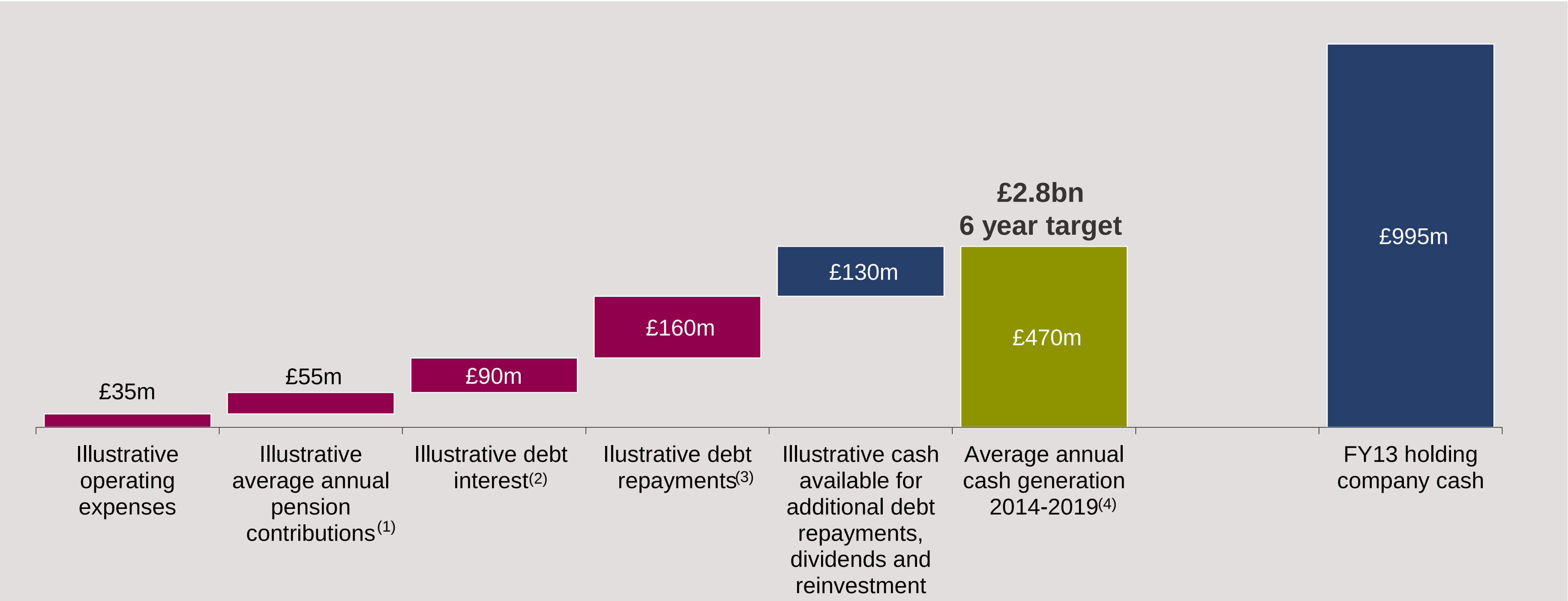
Strong cash generation expected to continue for many years



Notes: (1) Not to scale

Future dividends met by strong and predictable cash generation

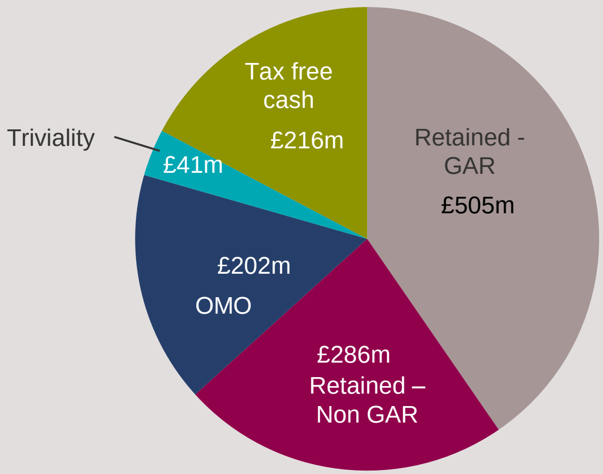
Illustrative annual Holding Company cashflow 2014 to 2019 (£m)



Notes:
(1) Represents average of agreed contribution schedules: £70m into the Pearl Scheme in 2014, followed by annual contributions of £40m thereafter, plus £15 million annual contributions to the PGL scheme until August 2017
(2) Represents illustrative average interest cost to 2019, assuming target amortisation on Impala of £120 million and mandatory amortisation on Pearl of £25m, plus £300 million Pearl bullet due in 2016. For illustrative purposes, Tier 1 coupon included at current margin.
(3) Comprises Impala target amortisation of £120m p.a. less £95m of £100m prepaid in December 2013 applied, which was against 2014's mandatory and target amortisation, plus £25 million mandatory amortisation in 2014 and 2015 and £300m 2016 bullet on Pearl. Residual Impala bullet of £677m in 2019 assumed to be refinanced prior to maturity
(4) Based on new long-term cash generation target of £2.8 billion between 2014 and 2019

Financial targets not expected to be materially impacted by Budget proposals on annuities

£1.25bn of FY13 pensions vesting



Size of FY13 retained non GAR annuities

Overview

- £791m of annuities written in 2013
    - £505m with guaranteed annuity rates (GARs)
    - £286m without GARs
- Annuities with guarantees provide valuable rates to policyholders and are therefore less likely to be at risk from recent Budget proposals

Financial impact of vesting annuities

IFRS

- £36m of FY13 IFRS operating profits on vesting annuity new business, of which £16m from annuities without GARs

MCEV

- £2.4bn Group MCEV includes £191m in respect of vesting annuities with GARs (less likely to be at risk)
- £18m of FY13 MCEV post tax operating profits from annuities without GARs

Cash generation

- 2014 – 2019 target not expected to be materially impacted by Budget proposals

Outlook

Clive Bannister

Financial targets for 2014 and beyond

Cash generation	• New cumulative target of £2.8bn between 2014 and 2019, including proceeds from the divestment of Ignis • 2014 target of £500m to £550m. Ignis sale proceeds are in addition to this target
Incremental MCEV	• New cumulative target of £300m incremental embedded value from management actions between 2014 and 2016
Gearing	• Long-term target to reduce gearing to 40% by end 2016 • Divestment of Ignis expected to reduce gearing to 39%

Clear strategy to deliver stakeholder value as the UK's largest specialist closed life fund consolidator

- ✓ Growth through value accretive M&A
- ✓ Stable and predictable long-term cash generation
- ✓ Incremental value through management actions
- ✓ Financial flexibility enhanced through de-gearing

A saver-friendly solution for the safe, innovative and profitable management of closed life funds

Q&A

PHOENIX GROUP

Appendices

Appendix I:
Evolution of cash generation targets

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total
2010 prospectus (published June 2010)					£2.7bn						£2.7bn 2010-2014
FY10 results (published March 2011)	£734m	£750 - £850m					£3.2bn				£3.2bn 2011-2016
FY11 results (published March 2012)		£810m	£500 - £600m				£3.2bn				£3.2bn 2011-2016
HY12 results (published August 2012)		£810m	£600 - £700m				£3.3bn				£3.3bn 2011-2016
FY12 results (published March 2013)		£810m	£690m	£650 - £750m			£3.5bn				£3.5bn 2011-2016
FY13 results (published March 2014)		£810m	£690m	£817m	£500 - £550m					£2.8bn	£2.8bn 2014 - 2019

Appendix II:
Management actions

Cash acceleration

	FY13	FY12	FY11	FY10
Restructuring	£267m	£24m	£173m	£45m
Risk management	£51m	£43m	£104m	£109m
Operational management	£14m	£142m	£82m	£88m
Total	**£332m**	**£209m**	**£359m**	**£242m**

Incremental EV

	FY13	FY12	FY11	FY10
Restructuring	£28m	£20m	£32m	£262m
Risk management	£0m	£36m	£39m	-
Operational management	£142m	£111m	£94m	£34m
Total	**£170m**	**£167m**	**£165m**	**£296m**

Appendix III:
Cash sensitivities

Cash sensitivities[1]	
	1 Jan 2014-31 Dec 2019
Base case – 6 year target	£2.8bn
20% fall in equity markets	£2.7bn
15% fall in property values	£2.7bn
Following 75bps increase in nominal yields	£2.8bn
Following 75bps decrease in nominal yields	£2.8bn
Credit spreads widening with no change in expected defaults[2]	£2.6bn

Notes: (1) Assumes stress occurs 1 January 2014 and there is no recovery during the target period
(2) Based on 11 to 15 year term: AAA = 44bps, AA = 93bps, A = 111 bps, BBB = 187 bps

Appendix IV:
Phoenix Life IFRS operating profit drivers

		FY13				FY12			
		Reported IFRS Op Profit	Opening liability/ Equity(2)	Closing liability/ Equity(2	Expected return margin(1)	Reported IFRS Op Profit	Opening liability/ equity(2)	Closing liability/ Equity(2	Expected return margin(1)
Fund type	**How profits are generated**	**£m**	**£bn**	**£bn**	**bps**	**£m**	**£bn**	**£bn**	**bps**
With-profit	Our share of bonuses paid to policyholders of with-profit business	106	28.8	26.5	37	75	29.8	28.8	25
With-profit (internal support)	Return on with-profit funds which are supported with capital from shareholder funds	20	4.9	4.3	nm	(14)	5.2	4.9	nm
Unit linked	Margin earned on unit linked business	97	10.8	11.3	55	72	10.8	10.8	56
Annuities	Spread earned on annuities	104	6.5	6.6	107(3)	155	10.8	6.5	71(3)
Protection and other non-profit	Investment return and release of margins	40	0.9	0.9	nm(4)	57	0.9	0.9	nm(4)
Shareholder funds	Return earned on shareholder fund assets	47	2.3	2.2	200	54	2.1	2.3	257
Total		**414**				**399**			

Notes: (1) Expected return margin represents the underlying recurring operating profit earned in the period as a proportion of the opening relevant class of policyholder liabilities and shareholder equity. Non-economic variances and assumption changes which are included within reported IFRS operating profit are not included within the expected return margin calculation as they are non-recurring

(2) Net of reinsurance

(3) Includes operating profit margin on new business calculated as new business profits as a percentage of opening liabilities – 56bps in FY13 and 38bps in FY12.

(4) Not meaningful as relates to insurance margin

Appendix V:
Ignis IFRS operating profit drivers

	FY13			FY12		
	IFRS results	Closing AUM	Margin(1)	IFRS results	Closing AUM	Margin(1)
	£m	£bn	bps	£m	£bn	bps
Third party(2)	45	15.0	33	32	11.9	33
Life funds(3)	102	50.9	19	108	54.1	18
Other	3	n/a	n/a	3	n/a	n/a
Total revenue/Ignis AUM	**150**	**65.9(4)**		**143**	**66.0bn(4)**	
Staff costs	(68)			(64)		
Other operating expenses	(33)			(36)		
Total Ignis IFRS operating profit	**49**			**43**		
Operating profit margin	33%			30%		

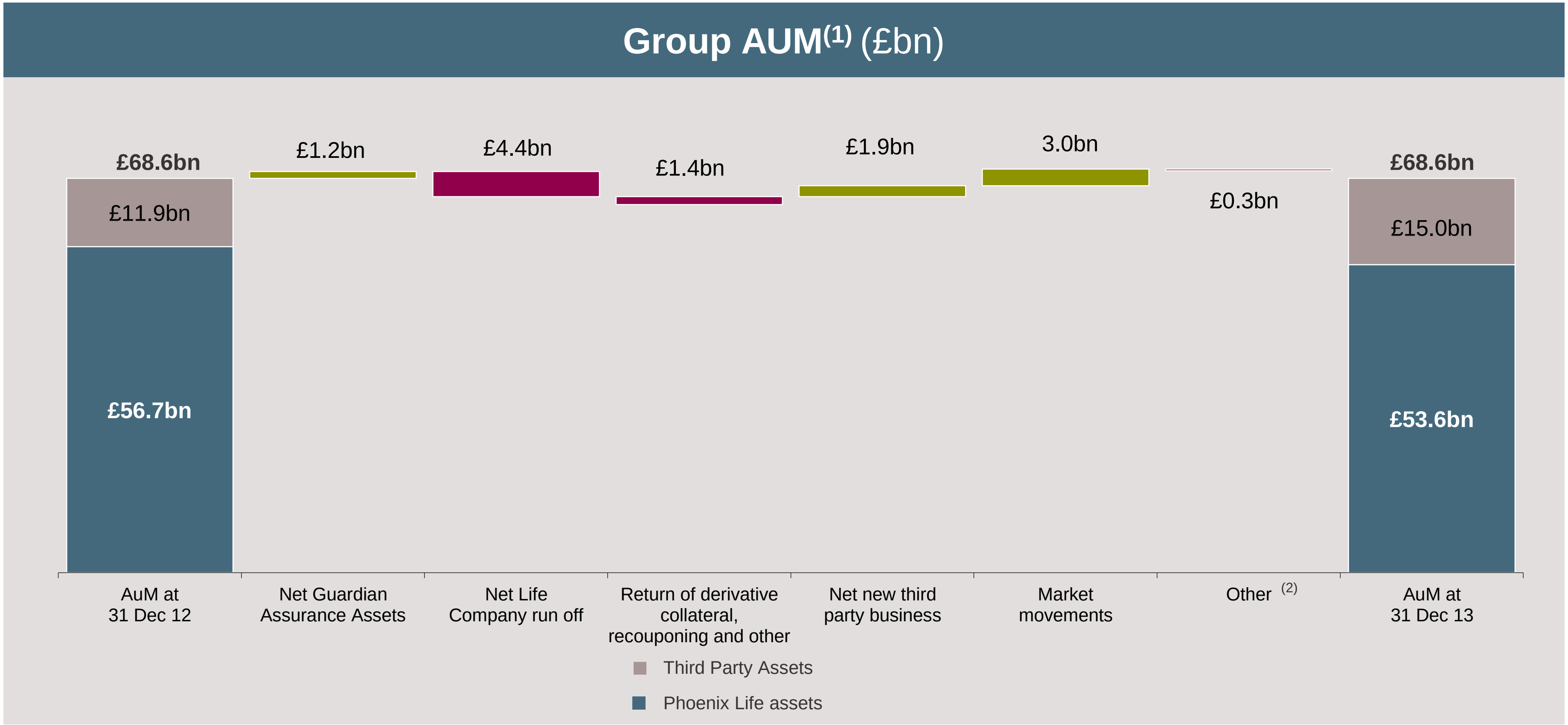
Notes:
(1) Margin based on average AUM over period
(2) Revenue including performance fees of £7m in FY13 and £3m in FY12. Third party includes Wholesale, European & Institutional
(3) Revenue includes performance fees of £27m in FY13 and £26m in FY12
(4) Excludes Holding Companies' cash and Phoenix Life assets managed by third parties and not administered by Ignis of £2.7bn in FY13 and £2.6bn in FY12
(5) FY13 EBITDA of £52 million being Ignis IFRS operating profits of £49m adjusted for £3m of depreciation

Appendix VI:
Ignis 3rd party new business flows

£m	FY13	FY12
Gross flows[1]		
UK wholesale	1,007	577
Institutional	8	149
European	1,363	585
Global	1	0
Liquidity funds (net)	420	1,095
Total	**2,799**	**2,406**
Net flows[1]		
UK wholesale	607	58
Institutional	(107)	40
European	972	384
Global	1	0
Total excluding liquidity	**1,473**	**482**
Liquidity funds (net)	420	1,095
Total	**1,893**	**1,577**

Notes: (1) Excludes assets relating to the annuity transfer transaction with Guardian and £0.3 billion of net outflows relating to the Group pension scheme

Appendix VII:
Group assets under management



Notes: (1) Excludes stock lending collateral of £6.8bn at FY13 (FY12: £9.3bn)
(2) Comprises £(0.3) billion of Group pension outflows

Appendix VIII:
Recap of Phoenix Capital Management Framework

Phoenix Group Holdings

UK Holding Companies[1]

Phoenix life companies

IGD

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

PLHL ICA calculation

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

Individual life company solvency calculations

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

Note: (1) Headed by PLHL

Appendix IX:
Asset mix of life companies

At 31 Dec 2013 £m unless otherwise stated	Total shareholder, non-profit and supported with-profits[2]	%	Policyholder funds[3] Non-supported with-profits funds	Policyholder funds[3] Unit linked	Total Policyholder	Total assets[1]
Cash deposits	2,288	16	6,221	994	7,215	9,503
Debt securities						
Debt securities – gilts	3,348	23	8,442	486	8,928	12,276
Debt securities – bonds	7,863	55	9,223	1,009	10,232	18,095
Total debt securities	**11,211**	**78**	**17,665**	**1,495**	**19,160**	**30,371**
Equity securities	**408**	**3**	**6,104**	**8,260**	**14,364**	**14,772**
Property investments	**279**	**2**	**876**	**286**	**1,162**	**1,441**
Other investments[4]	**204**	**1**	**2,204**	**58**	**2,262**	**2,466**
Total	**14,390**	**100**	**33,070**	**11,093**	**44,163**	**58,553**

Notes:
(1) The analysis of the asset portfolio comprises assets held by the Group's life companies including stock lending collateral. It excludes other Group assets such as cash held in holding companies, service companies and Ignis Asset Management, the assets held by non-controlling interests in collective investment schemes and UKCPT and is net of derivative liabilities. This information is presented on a look through basis to underlying holdings where available
(2) Includes assets where shareholders of the life companies bear the investment risk
(3) Includes assets where policyholders bear most of the investment risk.
(4) Includes repurchase loans of £1,789m, policy loans of £13m, other loans of £67m, net derivatives of £(211)m and other investments of £807m

Appendix X:
Total debt exposure by country

At 31 Dec 2013 £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[1]	Policyholder	
UK	3,533	9,502	1,353	1,414	1,310	1,491	807	877	7,003	13,284	20,287
Supranationals	831	706	-	-	-	-	-	-	831	706	1,537
USA	19	53	426	455	366	256	41	11	852	775	1,627
Germany	649	1,033	152	321	247	283	7	104	1,055	1,741	2,796
France	4	7	85	203	264	218	4	8	357	436	793
Netherlands	7	23	244	554	61	42	24	56	336	675	1,011
Portugal	-	-	-	-	-	-	-	-	-	-	-
Italy	-	3	29	13	62	77	1	16	92	109	201
Ireland	-	-	1	1	10	1	16	22	27	24	51
Greece	-	-	-	-	2	-	-	-	2	-	2
Spain	4	2	2	9	26	33	-	4	32	48	80
Other[2]	40	406	272	663	286	276	26	17	624	1,362	1,986
Total debt exposure	**5,087**	**11,735**	**2,564**	**3,633**	**2,634**	**2,677**	**926**	**1,115**	**11,211**	**19,160**	**30,371**
of which Peripheral Eurozone	**4**	**5**	**32**	**23**	**100**	**111**	**17**	**42**	**153**	**181**	**334**
At 31 Dec 2012 £m											
Total debt exposure	**5,417**	**13,200**	**2,555**	**3,905**	**2,819**	**4,240**	**656**	**939**	**11,447**	**22,284**	**33,731**
of which Peripheral Eurozone	**4**	**7**	**6**	**30**	**94**	**182**	**40**	**92**	**144**	**311**	**455**

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

Appendix XI:
MCEV sensitivities

£m	FY13
Base at 31 December 2013	3,059
1% decrease in risk free rates	11
1% increase in risk free rates	7
10% decrease in equity market values	(41)
10% increase in equity market values	47
10% decrease in property market values	(46)
10% increase in property market values	45
100 bps increase in credit spreads(1)	(143)
100 bps decrease in credit spreads(1)	148
25% increase in equity/property implied volatilities	(7)
25% increase in swaption implied volatilities	6
25% decrease in lapse rates and paid-up rates	(25)
5% decrease in annuitant mortality	(122)
5% decrease in non-annuitant mortality	28
Required capital equal to minimum regulatory capital(2)	1

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

Appendix XII:
Maturity profile of business

£m	1-5 years	6-10 years	11-15 years	16-20 years	20+ years	Total
MCEV present value of future profits						
31 December 2013	997	576	344	212	172	2,301
31 December 2012	1,058	596	369	231	196	2,450
31 December 2011	1,135	683	455	291	282	2,846
31 December 2010	1,147	848	488	271	268	3,022

Appendix XIII:
Summary of bank facilities

£m	Coupon	Balance at FY13	Amortisation 2014	2015	2016	2017	2018	2019	Total
Pearl facility									
Pearl bank facility mandatory amortisation	L+125bps	**350**	25	25	300	-	-	-	**350**
Subordinated Lender Loan Notes	L+100bps	**81**	-	-	-	-	-	-	**81**(1)
Total Pearl		**431**	**25**	**25**	**300**	**-**	**-**	**-**	**431**
Impala facility									
Mandatory amortisation			0(5)	60	60	60	60	-	**240**
Additional target amortisation			25(5)	60	60	60	60		**265**
Total amortisation			**25**(5)	**120**	**120**	**120**	**120**		**505**
Final repayment								677(5)	**677**
Total Impala(2)	L+475bps(3)	**1,182**	**25**(5)	**120**	**120**	**120**	**120**	**677**(5)	**1,182**
Total mandatory/ planned prepayments			**50**	**145**	**419**	**120**	**120**	**677**	**1,613**(4)

Notes: (1) 2024 maturity. Includes accrued interest of £6m. For each interest period the Group may elect to defer the coupon to the maturity of the Lender Loan Notes

(2) 6.5 year facility to 30 June 2019, assuming option to extend is exercised

(3) 225bps increase in margin from 1 January 2018

(4) Includes Lender Loan Notes (£81m) maturing in 2024

(5) £95m of December 2013 £100m prepayment on applied against 2014 mandatory and target amortisation. Remainder set against 2019 bullet. Table therefore shows minimum repayments, although we may choose to make additional payments e.g. to maintain the previous £120 million p.a. amortisation schedule

Appendix XIV:
Overview of dividend payment arrangements

Group dividend formula

- Dividend capacity of £125m for dividends declared in respect of 2013, with capacity to increase by £10m p.a. thereafter
- Additional dividend payments are subject to making debt repayments in excess of the target amortisation:
  - Ratio of 5:10 for first £20m of extra dividend
  - Ratio of 3:10 for next £20m of extra dividend
  - Ratio of 1:10 thereafter
  - All ratios in favour of Impala banks
- All future dividends declared or paid by the Company will depend upon, among other things, market conditions and the Group’s financial position, trading performance and outlook, as well as the Board’s assessment of the Group’s operating plans and its progress in achieving its stated gearing target

Disclaimer and other information

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