PHOENIX GROUP

Full Year Results 2012

22 March 2013

Agenda

Introduction	Howard Davies | Chairman
Business update	Clive Bannister | Group Chief Executive
Financial review	Jim McConville | Group Finance Director
The Phoenix Way	Mike Merrick | Chief Executive Phoenix Life
Outlook	Clive Bannister
Q&A	Howard Davies

Introduction

Howard Davies

We have entered the next phase of the Group's journey

2009	• Acquisition by Liberty and public listing
2010	• Simplified capital structure and Premium Listing on LSE
2011/ 2012	• Financial and operational delivery
2013 and beyond	• Reterming delivered long-term capital stability, providing a platform for growth • Increased financial targets • Continued financial and operational delivery

Business update

Clive Bannister

Re-terming the Impala bank facility was our highest priority

Equity

- ✓ £250m of new equity raised through firm placing and open offer
- ✓ EGM in February 2013:
  - 96% approved Board's recommendations
  - 93% took up their entitlements
- ✓ Recommended 2012 final dividend of 26.7p per share – 27% increase vs. 2011 final dividend

Debt

- ✓ Previous Impala bullets in 2014, 2015 and 2016 removed, term extended to June 2019(1)
- ✓ Impala mandatory amortisation reduced from £125m to £60m p.a.(2)
- ✓ £450m Impala debt prepayment
- ✓ Outstanding bank debt reduced to £1.9bn(3)

Notes:
(1) Initial term to December 2017 with extension to June 2019 at borrowers' option
(2) Target amortisation of £120m, including £60m mandatory amortisation
(3) Bank debt of £2,307m at FY12, adjusted for the debt prepayment of £450m made following completion of the Capital Raising

It has been a year of significant achievements …

- ✓ Equity raised and debt re-termed in 2013
- ✓ Cash generation at the top of target range
- ✓ Significant reduction in gearing
- ✓ Strengthened group solvency position
- ✓ Strong IFRS operating profits
- ✓ Resilient MCEV
- ✓ Continued financial and operational delivery in Phoenix Life and Ignis
- ✓ Recommended 2012 final dividend of 26.7p per share, 27% increase vs. 2011 final dividend

… with strong financial delivery …

	Delivery	Target	
Cash generation	£690m	£600m to £700m	✓ Top end of target range ✓ £209m of cash accelerated through management actions ✓ £1.5bn of £3.3bn 2011 to 2016 target now achieved
MCEV enhancement	£332m	£400m(1)	✓ £332m of incremental value delivered through management actions from 2011 to 2014 towards £400m cumulative target
Gearing – old methodology(2)	42%	43%	✓ The capital raising completed in February 2013 reduced gearing further

Notes: (1) Target of £400m of EV enhancing management actions over 2011 to 2014
(2) Net shareholder debt (being shareholder debt less holding company cash) as a percentage of the sum of Group MCEV, net shareholder debt and the present value of future profits of Ignis

… and significant operational progress

2012 Significant operational achievement		
	Group	✓ Impala bank facility re-termed to June 2019(1) ✓ New agreement with Pearl Pension Scheme Trustee
	Phoenix Life	✓ Further funds mergers reduced number of UK life companies to three ✓ Accelerated capital release through the transfer of £5bn of annuity liabilities to Guardian Assurance ✓ £1bn of vesting annuities ✓ 780k in-force policies transferred onto new BaNCS admin platform ✓ Increased policyholder payouts through inherited estate distribution
	Ignis	✓ Total net new third party assets of £1.6bn, excluding annuity transfer ✓ 79% of assets outperformed against benchmark or peer group ✓ Outsourced back office functions ✓ Continued restructuring of joint ventures as independent businesses

Notes: (1) Initial term to December 2017 with extension to June 2019 at borrowers' option

Financial review

Jim McConville

Financial highlights

£		Pro forma	FY12	FY11
Cash	Operating companies cash generation	n/a	690m	810m
IFRS	Group operating profit(1)	n/a	410m	387m
MCEV	Group MCEV	2.3bn(2)	2.1bn	2.1bn
Capital and balance sheet	IGD surplus	1.2bn(2)	1.4bn	1.3bn
	PLHL ICA surplus	0.8bn(2)	1.0bn	£0.4bn(7)
	Gearing – new methodology(3)	48%(2)	55%	57%
AUM	Group assets under management(4)	70.2bn(5)	68.6bn	72.1bn
Dividends	Dividend per share(6)	n/a	47.7p	42p

Notes:
(1) Includes Ignis operating profit
(2) Position at FY12 adjusted for the Capital Raising and debt prepayment of £450m following completion of the Capital Raising in February 2013
(3) Gross shareholder debt as a percentage of Gross MCEV
(4) AUM represents life company assets (excluding collateral on stock-lending arrangements), Holding Company cash and third party assets managed by Ignis
(5) Position at FY12 adjusted for remaining £1.6bn of assets transferred to Guardian Assurance as part of the annuity transfer transaction, which are expected to transition back to Ignis in 2013
(6) Interim plus recommended final
(7) HY12 position as not reported at FY11

Generated £1.1bn of free surplus in 2012

£m	FY12	FY11
Opening Phoenix Life free surplus	**93**	**750**
Emergence of free surplus		
IFRS operating profit net of policyholder tax	385	375
IFRS economic variances and non-recurrings	105	(336)
Movements in capital requirements and capital policy	663	84
Valuation differences and other	(71)	(2)
Free surplus generated	**1,082**	**121**
Cash distributed to Holding Companies	**(661)**	**(778)**
Closing Phoenix Life free surplus	**514**	**93**
Closing cash in Holding Companies	**1,066**	**837**

- £1.1bn of free surplus generated in FY12, including:
  - Strong operating profits
  - £252m from annuity transfer transaction
  - £192m from transfer of London Life into Phoenix Life Assurance
  - Approximately £200m from capital requirement run-off
- £661m of cash distributed to Holding Companies
- Closing free life surplus of £514m

Achieved top end of increased cash generation target

£m	FY12	FY11
Opening cash and cash equivalents	**837**	**486**
Cash receipts		
Phoenix Life	661	778
Ignis	29	32
Total cash receipts	**690**	**810**
Operating expenses	(37)	(52)
Pension scheme contributions	(50)	(35)
Debt interest	(115)	(122)
Total non-recurring cash outflows	(21)	(24)
Debt repayment	(165)	(171)
Shareholder dividend	(73)	(55)
Total cash outflows	**(461)**	**(459)**
Closing cash and cash equivalents	**1,066**	**837**

- £481m of underlying cash generation
- £209m of cash accelerated through management actions
- Operating expenses reduced through cost management
- Debt interest, repayments and dividends reflect terms of previous debt facilities
- Closing Holding Company cash of £1,066m

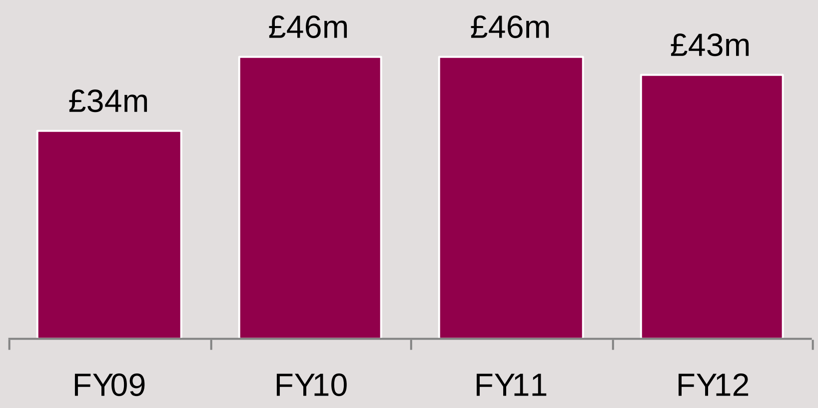
Delivered strong Group IFRS operating profit of £410m

£m	FY12	FY11
Phoenix Life	399	395
Ignis	43	46
Group costs	(32)	(54)
Operating profit before tax	**410**	**387**
Investment return variances and economic assumption changes	(12)	(329)
Amortisation of intangibles	(127)	(139)
Non-recurring items	130	14
Finance costs	(111)	(110)
Profit/(loss) before tax attributable to owners	**290**	**(177)**
Tax credit attributable to owners	119	79
Profit/(loss) for period attributable to owners	**409**	**(98)**

- FY12 Phoenix Life operating profit boosted by £117m of management actions
- Underlying recurring Phoenix Life operating profit expected to be in the region of £250m p.a. following transfer of c.£5bn annuities to Guardian Assurance
- Group costs reduced through cost management
- Non-recurring items reflects gain on annuity transfer transaction

A year of significant change and a growing third party franchise

Ignis operating profits and third party assets



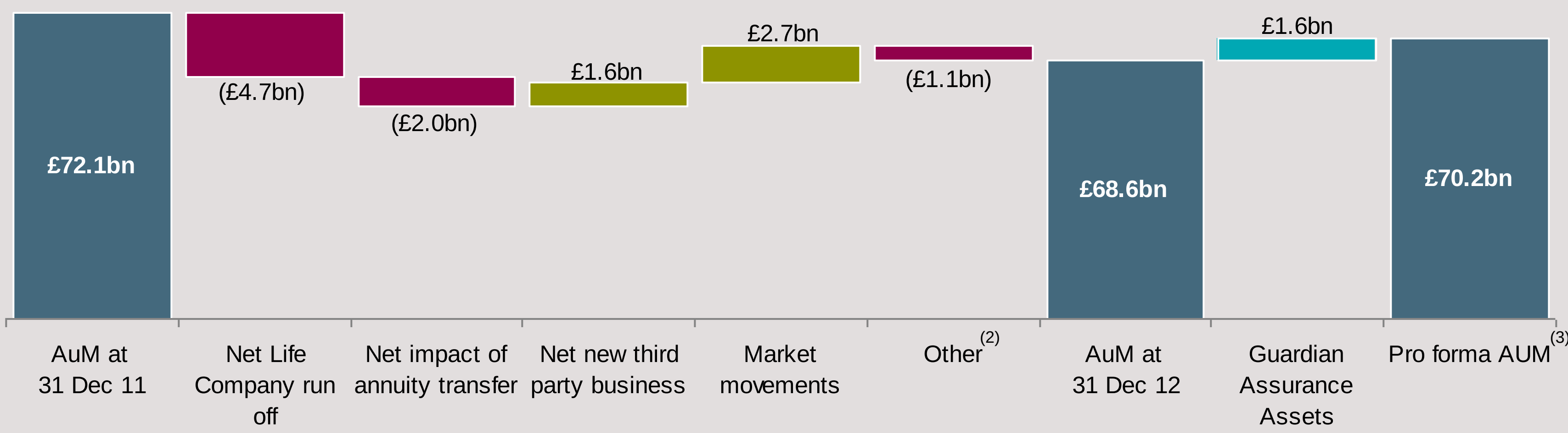
Third party assets as % of Group AUM	FY09	FY10	FY11	FY12
	10%	11%	12%	19%[(1)]

- FY12 profits reflect impact of restructuring the joint ventures and discontinuing non-core activities, offset by growth in the third party franchise
- Steady growth in third party assets accelerated by Ignis securing mandate to manage assets transferred to Guardian in annuity transfer transaction
- Outsourcing of back office functions to HSBC provides platform for further growth

Note: (1) Represents pro forma FY12 third party assets as a % of pro forma Group AUM adjusted for £1.6bn of Guardian Assurance assets which are expected to transition to Ignis in 2013. Excluding this adjustment, the position at 31 December 2012 was 17%

Group assets under management

Group AUM[1]

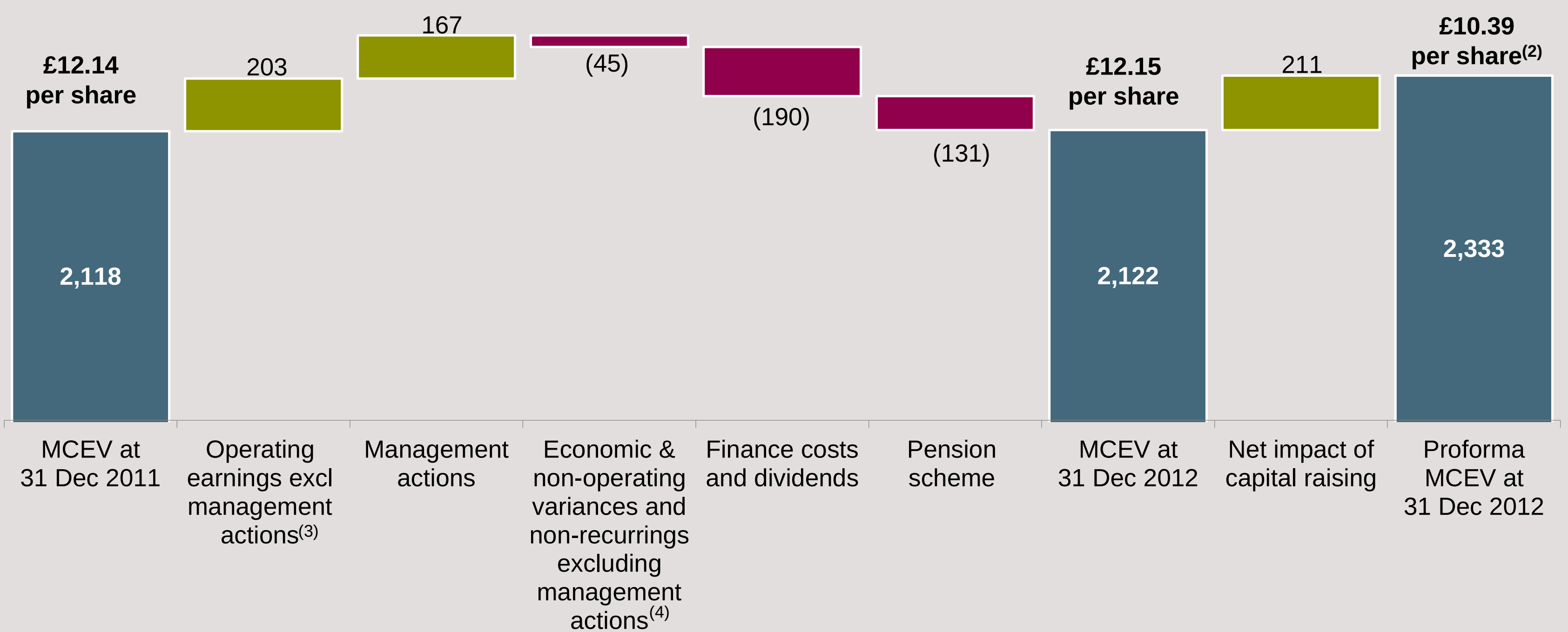


- Net third party inflows and positive market movements largely offset natural run-off of life company assets
- £3.1bn of Guardian assets transferred back to Ignis during H2 2012. Remaining £1.6bn expected to transfer back during 2013

Notes: (1) Excludes stock lending collateral of £9.3bn at FY12 (FY11: £10.8bn)
(2) Includes £0.7bn of third party assets under management in respect of Argonaut Capital Partnership which transferred from Ignis' administration in the second half of 2012
(3) FY12 position adjusted for £1.6bn of assets which are expected to transition to Ignis in 2013

Embedded value maintained through management actions

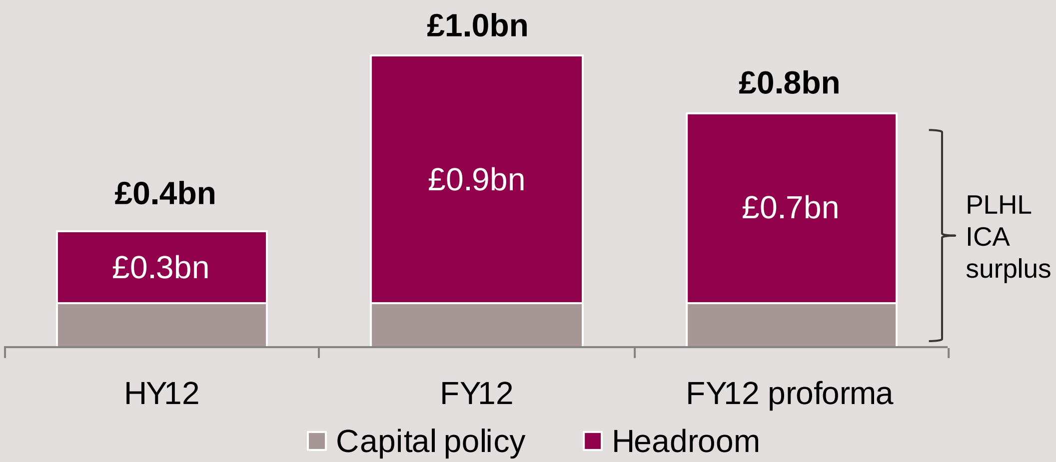
Group MCEV[1]



Notes:
(1) Excludes VIF of Ignis and service companies
(2) Shares in issue post capital raising of 224.6m
(3) Comprises £406m of pre-tax operating earnings, less £99m of tax charges per accounts, less £104m of management actions which come through operating earnings
(4) Comprises £24m of economic variances on life business, £(6)m of economic variances on non-life business, £39m of other non-operating variances on life business, £(39)m of non-recurring items on non-life business per accounts, less £63m of management actions which come through non-operating earnings

Strengthened PLHL ICA surplus

PLHL ICA and sensitivities at FY12



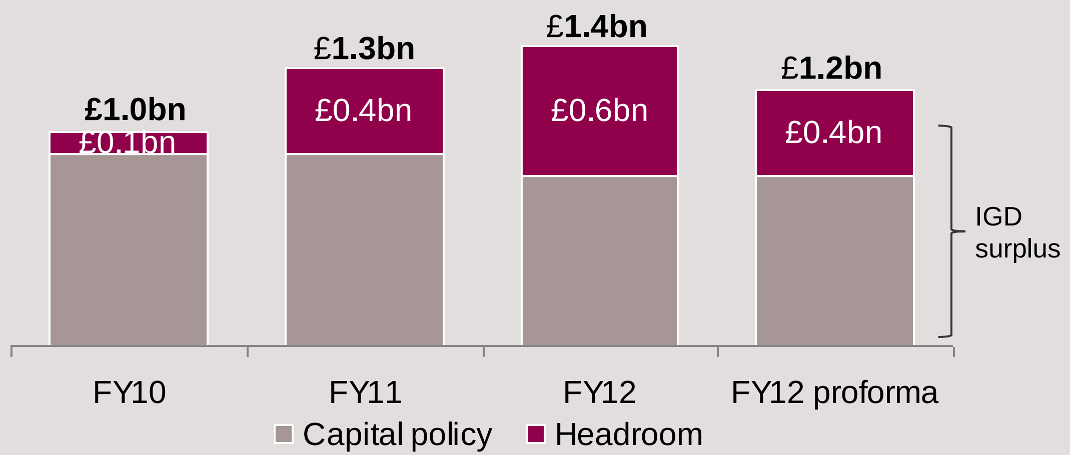
PLHL ICA surplus sensitivities (£bn)	
PLHL ICA surplus at 31 December 2012	1.0
Following 20% fall in equity markets	0.9
Following 15% fall in property values	0.9
Following 75bps parallel increase in yields	1.0
Following 75bps parallel decrease in yields[1]	0.9
Following credit spread widening[2]	0.8

- PLHL ICA surplus of £1bn at FY12, well in excess of £150m capital policy
- Increase since HY12 primarily driven by new agreement reached with Pearl Pension Scheme Trustee, funds mergers and positive market movements
- Pro forma surplus remains at £0.8bn after impact of debt prepayment made in February 2013

Notes: (1) Represents a real yield reduction of 25bps, given a 75bps parallel decrease in nominal yields
(2) 10 year term: AAA – 46 bps, AA – 77 bps, A – 99 bps, BBB – 140 bps

Robust IGD surplus of £1.4bn

IGD and sensitivities at FY12



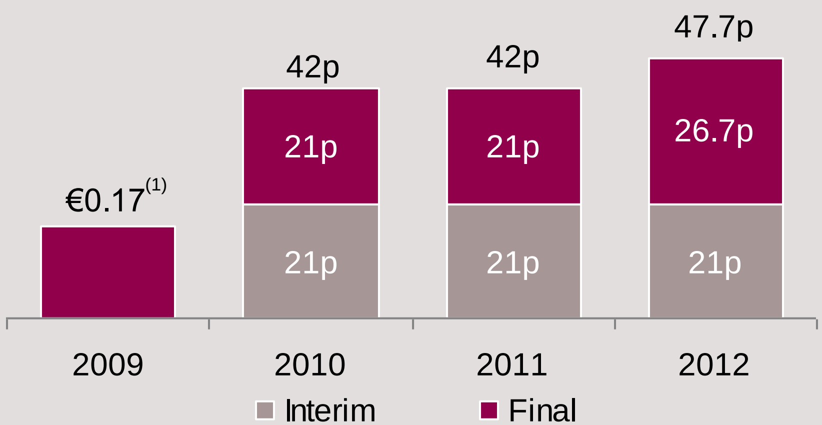
IGD sensitivities (£bn)	
IGD surplus at 31 December 2012	1.4
Following 20% fall in equity markets	1.4
Following 15% fall in property values	1.4
Following 75bps parallel increase in yields	1.3
Following 75bps parallel decrease in yields(1)	1.5
Following credit spread widening(2)	1.5

- Pro forma surplus remains strong at £1.2bn after debt prepayment made in February 2013
- Part VII transfer of assets to Guardian during 2013 expected to increase IGD surplus by at least £0.2bn
- IGD surplus remains relatively insensitive to market movements

Notes: (1) Represents a real yield reduction of 25bps, given a 75bps parallel decrease in nominal yields
(2) 10 year term: AAA – 46 bps, AA – 77 bps, A – 99 bps, BBB – 140 bps

27% increase in final dividend per share to 26.7 pence

Dividend per share



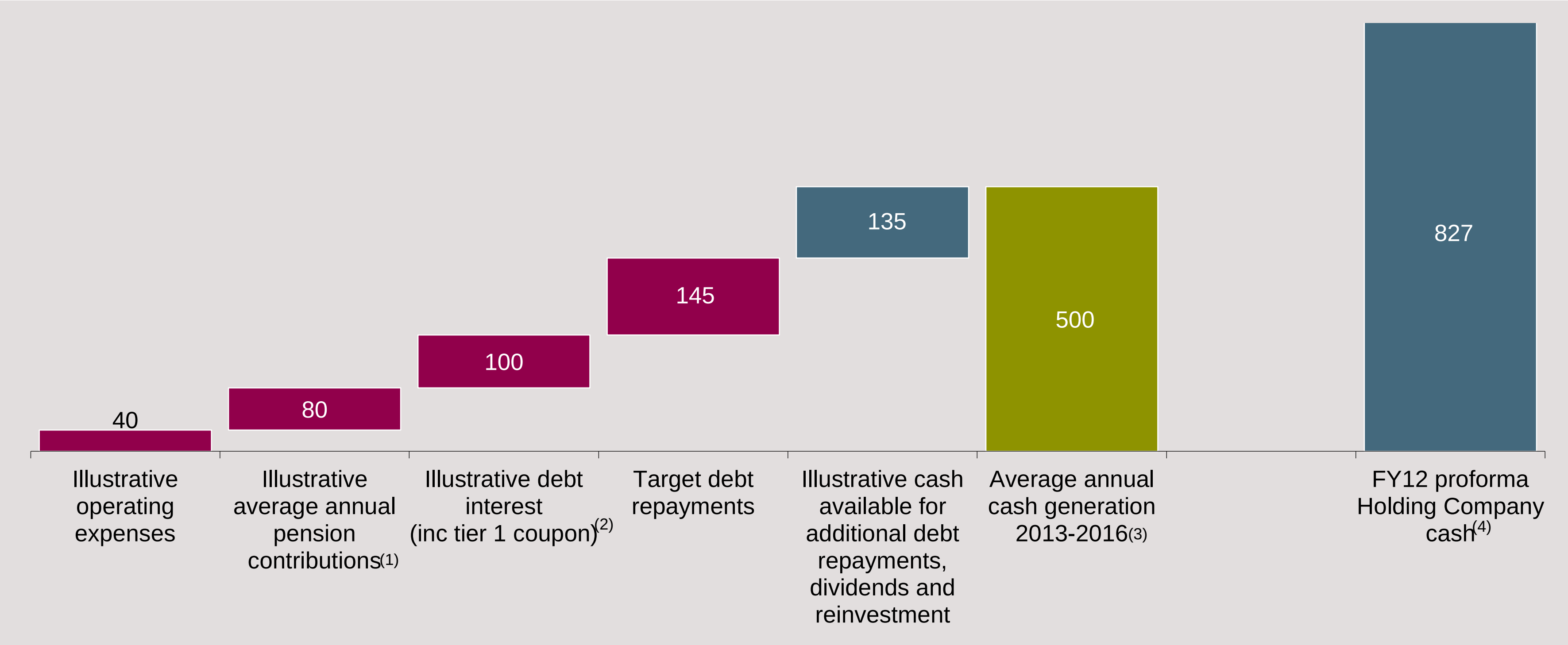
Value of dividend[2] (£m)	2009	2010	2011	2012
	£20m	£70m	£73m	£96m

- 2012 final dividend 27% higher vs. 2011 final dividend
- Amended dividend conditions allow for further dividend growth
- Dividend capacity of £125m for dividends declared in respect of 2013, with capacity to increase by £10m p.a. thereafter

Notes:
(1) 2009 dividend per share in respect of the four month period to 31 December 2009, post the Liberty acquisition
(2) 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
(3) Increases in dividend capacity subject to debt repayments in excess of target amortisation

Future dividends met by strong and predictable cash generation

Illustrative annual Holding Company cashflow 2013 to 2016 (£m)



Notes:
(1) Comprises £55m of contributions into the Pearl Scheme, representing average of contributions under new funding plan of £70m p.a. in 2013 and 2014 and £40m p.a. in 2015 and 2016, and £25m of contributions into the PGL Scheme (for illustrative purposes only) being the 2012 contribution into the PGL Scheme
(2) Represents illustrative average interest cost over 4 years to 2016, assuming target amortisation on Impala of £120 million and mandatory amortisation on Pearl of £25m
(3) Based on increased long-term cash generation target of £3.5bn between 2011 and 2016, less cash generation achieved in 2011 and 2012 totalling £1.5bn
(4) FY12 Holding Company cash of £1,066 million adjusted for Impala debt prepayment made from internal resources of £239 million

The Phoenix Way

Mike Merrick

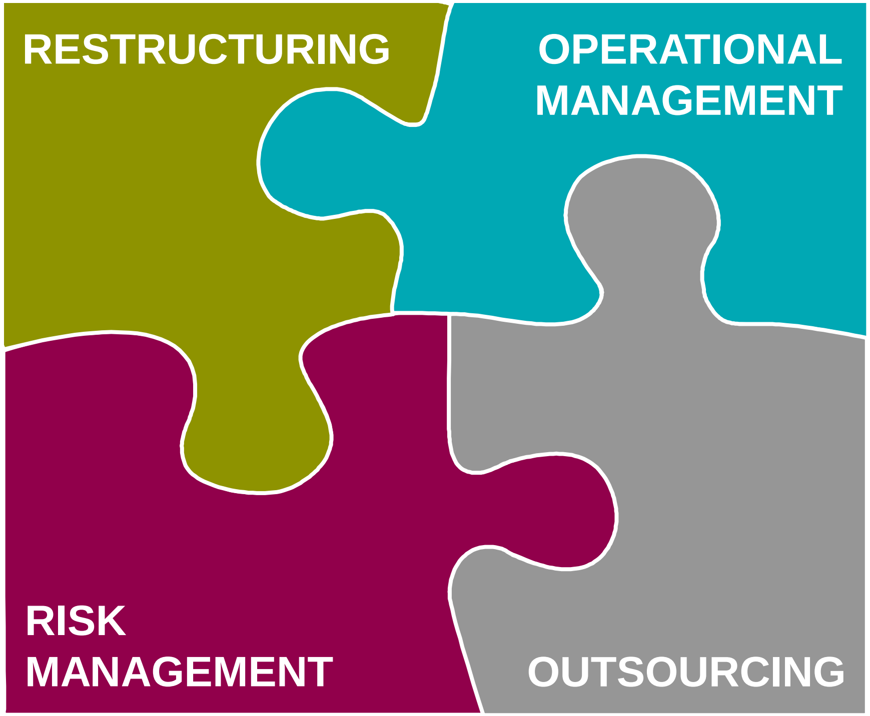
The Phoenix Way

Challenge

- Delivering increased value for shareholders and policyholders
- Cashflows for shareholders
- Higher payouts for customers

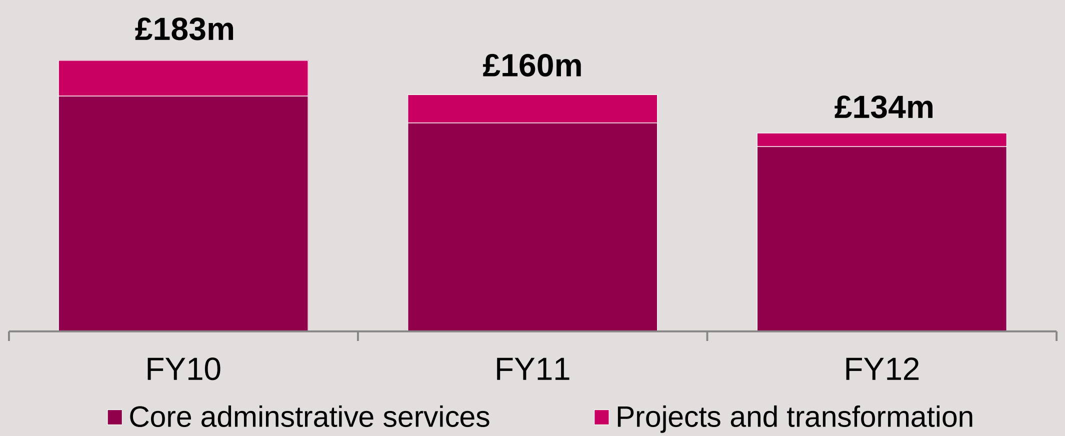
Operating environment

- Myriad of reporting bases and methodologies
- Book of business with varied legacy heritage
- Changing regulatory landscape
- Need for flexible cost base



Outsource model provides low cost efficient operating platform

Outsourcer costs[1] (£m)



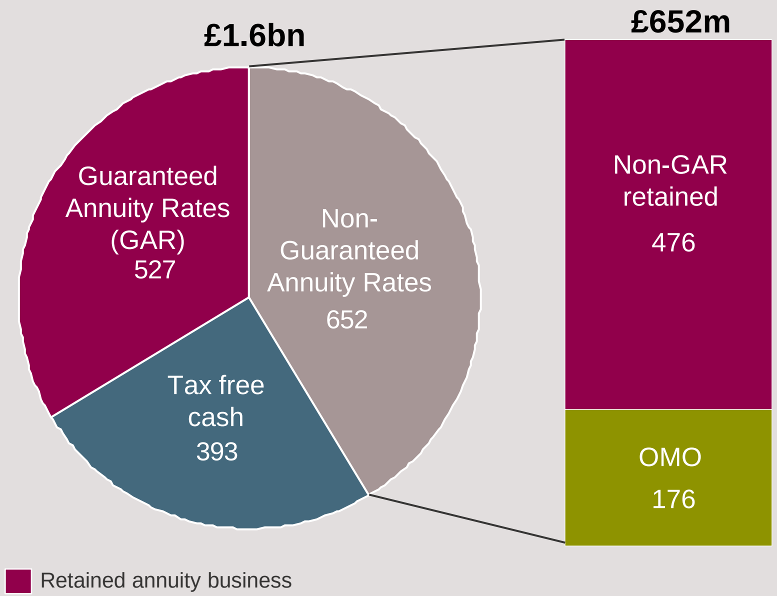
	FY10 - FY12
Annual policy run off	c.8%
Annual reduction in cost of core administrative services	c.9%

- Outsource arrangements ensure cost base reduces in line with policy run off
- Almost two thirds of Phoenix Life cost base converted from fixed to variable through outsource arrangements
- Simple scalable model provides low cost efficient operating platform ready for future growth

Note: (1) Outsourcer costs per audited group accounts. Includes amounts paid in respect of projects undertaken by outsource partners to transform business

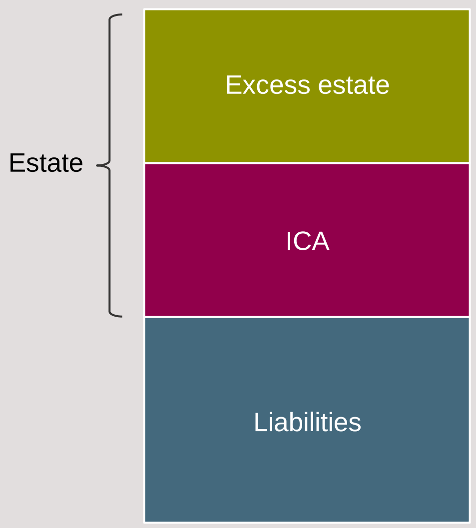
Focus on improving policyholder outcomes

Annuities pricing (£m)



- £1bn of annuity vestings retained in FY12
- 99% of policyholders with GARs use them
- Phoenix annuity rates are competitive vs. top providers

Inherited estate distribution[1]

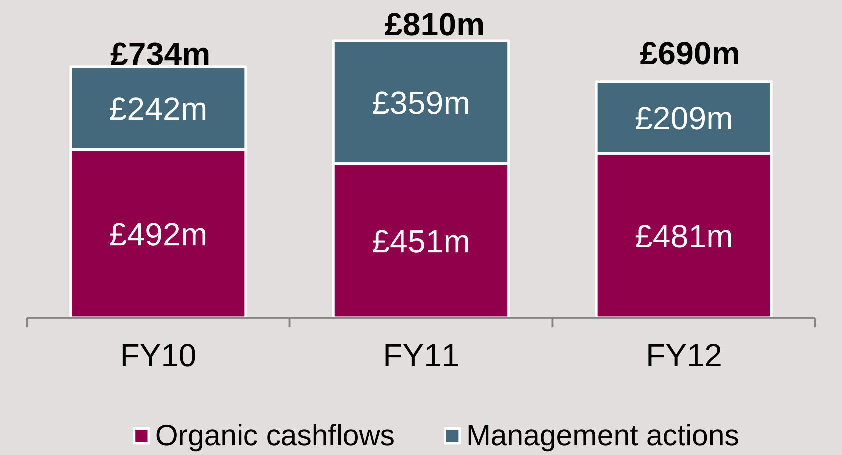


Note: (1) Chart is illustrative and not to scale

- £109m of estate distributed during FY12
- Shareholders' share of FY12 distribution was £10m
- Estates in WPFs total £2.3bn at FY12

Proven ability to accelerate cash and increase value through management actions

Cash generation (£m)



2012 cash generation management actions (£m)

£m	FY12	Category
Modelling improvements through AST	60	Operational
Equity and other market de-risking	43	Risk
Policy harmonisation	29	Operational
Funds mergers	22	Restructuring
Operational risk reduction through AST	22	Operational
Other	33	Largely operational
Total	**209**	

- £0.8bn of cash accelerated in last three years, in addition to £1.4bn of recurring cash generation
- £209m of cash accelerated in FY12
- Strength in managing closed life funds efficiently will continue to accelerate cash from existing business

Clear focus on management actions in 2013 and beyond

- Operational management
- Outsourcing
- Restructuring
- Risk management

- Cash acceleration
- Incremental MCEV
- Group solvency
- IFRS operating profits

- Further management action opportunities exist in current book of business
- Skills and expertise in enhancing value and accelerating cash can be applied to other closed life funds in future

Outlook

Clive Bannister

The Phoenix Group has a clear strategy to deliver long term shareholder value

Vision

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

Continue operational delivery and develop platform for growth

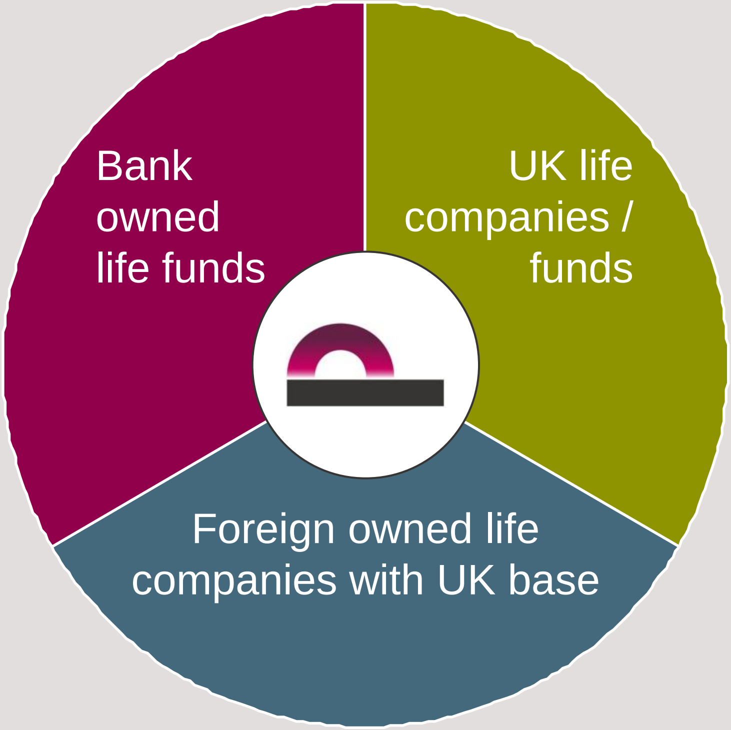
- Improve policyholder outcomes
- Stronger investment performance
- Greater capital and cost efficiencies
- Access debt capital markets

Re-term bank debt ✓

- Align debt profile to longer term cashflow profile

Opportunities for growth

Potential market opportunities totalling over £200bn[1]



- We firmly believe that further consolidation will increase shareholder value and improve policyholder protection
- Any acquisition activity must satisfy the following criteria:
  - ✓ Closed life
  - ✓ Value accretive
  - ✓ Reduce gearing

Note: (1) Deutsche Bank analysis based on FY11 FSA returns. Excludes Phoenix Group assets

Strong cash generation and management actions have allowed increases in long term target

Long term cash generation targets		
2010 prospectus (published June 2010)	**£2.7bn**	**2010 – 2014**
FY10 results (published March 2011)	**£3.2bn**	**2011 – 2016**
FY11 results (published March 2012)	**£3.2bn**	**2011 – 2016**
HY12 results (published August 2012)	**£3.3bn**	**2011 – 2016**
FY12 results (published March 2013)	**£3.5bn**	**2011 – 2016**

- Strong and predictable cash generation provides the confidence to set long term targets
- Long term cash generation target increased twice in last twelve months
- Consistently achieved or exceeded annual cash generation targets

Financial targets for 2013 and beyond

Cash generation	• 2011-2016 cumulative target **increased by £0.2bn** from £3.3bn to £3.5bn • 2013 target of £650m to £750m
MCEV	• Reiterate cumulative target of £400m incremental embedded value from management actions over 2011 to 2014
Gearing[(1)]	• Long-term target to reduce gearing to 40% on new methodology by end 2016

Note: (1) Gross shareholder debt as a percentage of Gross MCEV

We have entered the next phase of the Group's journey

2009	Q1 2013	2013 and beyond

- ✓ Focused simple business model
- ✓ Strong operating platform
- ✓ Clear strategy and focus on delivery
- ✓ Long-term capital structure
- ✓ Platform for future growth

Our objectives are to deliver

- Continued cashflow delivery
- Incremental MCEV
- Further de-gearing
- Continued operational focus and delivery
- Incremental growth in Ignis third party franchise
- Further consolidation of closed life funds

Q&A

PHOENIX GROUP

Appendices

Appendix I:
Evolution of cash generation targets

	2010	2011	2012	2013	2014	2015	2016	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

Appendix II:
Management actions and cash sensitivities

Cash acceleration

	FY12	FY11
Restructuring	£24m	£173m
Risk management	£43m	£104m
Operational management	£142m	£82m
Total	**£209m**	**£359m**

Incremental EV

	FY12	FY11
Restructuring	£20m	£32m
Risk management	£36m	£39m
Operational management	£111m	£94m
Total	**£167m**	**£165m**

Cash sensitivities

	1 Jan 2011-31 Dec 2016
Base case – 6 year target	£3.5bn
20% fall in equity markets	£3.4bn
15% fall in property values	£3.4bn
75bps increase in yields(1)	£3.5bn
Credit spreads widening with no change in expected defaults	£3.3bn

Notes: (1) Represents a real yield reduction of 25bps, given 75bps parallel increase in nominal yields
(2) 10 year term: AAA – 46bps, AA – 77bps, A – 99bps, BBB – 140bps

Appendix III:
Phoenix Life IFRS operating profit drivers

		FY12			FY11		
		Reported IFRS Op Profit	Opening liability/ Equity[2]	Expected return margin[1]	Reported IFRS Op Profit	Opening 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	75	29.8	25	69	24.9	28
With-profit (internal capital support)	Return on with-profit funds which are supported with capital from shareholder funds	(14)	5.2	nm	66	10.1	nm
Unit linked	Margin earned on unit linked business	72	10.8	56	75	12.1	69
Annuities	Spread earned on annuities	155	10.8	71[3]	76	9.5	63[3]
Protection and other non-profit	Investment return and release of margins	57	0.9	nm[4]	45	0.8	nm[4]
Shareholder funds	Return earned on shareholder fund assets	54	2.1	257	64	2.6	235
Total		**399**			**395**		

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 - 38bps in FY12 and 28bps in FY11. FY12 annuities operating profit higher than FY11 due to impact of positive experience variances and the impact of modelling improvements and policy harmonisations. These are not included in the expected return margin calculation

(4) Not meaningful as relates to insurance margin

Appendix IV:
Ignis IFRS operating profit drivers

	FY12			FY11		
	IFRS results	Closing AUM	Margin(1)	IFRS results	Closing AUM	Margin(1)
	£m	£bn	bps	£m	£bn	bps
Retail	15	1.4	92	17	1.9	79
Institutional, international and Group pension(2)	17	10.5	20	12	6.7	22
Life funds(3)	108	54.1	18	114	62.1	19
Other	3	n/a	n/a	3	n/a	n/a
Total revenue/Ignis AUM	**143**	**66.0bn(4)**		**146**	**70.7bn(4)**	
Staff costs	(64)			(64)		
Other operating expenses	(36)			(36)		
Total Ignis IFRS operating profit	**43**			**46**		
Operating profit margin	30%			31%		

Notes:
(1) Margin based on average AUM over period
(2) Revenue including performance fees of £3m in FY12 and £1m in FY11
(3) Revenue includes performance fees of £26m in FY12 and £33m in FY11
(4) Excludes Holding Companies' cash and Phoenix Life assets managed by third parties and not administered by Ignis of £2.6bn in FY12 and £1.4bn in FY11

Appendix V:
Ignis 3rd party new business flows

£m	FY12	FY11
Gross flows[1]		
Retail	577	644
Institutional[2]	149	538
International	585	137
Liquidity funds (net)	1,095	1,242
Total	**2,406**	**2,561**
Net flows[1]		
Retail	58	(68)
Institutional[2]	40	432
International	384	61
Liquidity funds (net)	1,095	1,242
Total	**1,577**	**1,667**

Notes: (1) Excludes £3.1bn of assets relating to the annuity transfer transaction with Guardian
(2) FY11 includes £430m from new rates LDI mandate from the Group pension scheme

Appendix VI:
Recap of Phoenix Capital Management Framework

Phoenix Group Holdings

IGD

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

UK Holding Companies[1]

PLHL ICA calculation

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

Phoenix life companies

Individual life company solvency calculations

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

Note: (1) Headed by PLHL

Appendix VII:
Asset mix of life companies

At 31 Dec 2012 £m unless otherwise stated	Total shareholder, non-profit and supported with-profits[2]	%	Policyholder funds[3]		Total Policyholder	Total assets[1]
			Non-supported with-profits funds	Unit linked		
Cash deposits	3,373	21	8,298	972	9,270	12,643
Debt securities						
Debt securities – gilts	3,847	24	10,255	800	11,055	14,902
Debt securities – bonds	7,600	46	10,357	872	11,229	18,829
Total debt securities	**11,447**	**70**	**20,582**	**1,672**	**22,254**	**33,701**
Equity securities	**392**	**2**	**5,889**	**7,517**	**13,406**	**13,798**
Property investments	**235**	**1**	**1,074**	**308**	**1,382**	**1,617**
Other investments[4]	**903**	**6**	**2,279**	**25**	**2,304**	**3,207**
Total	**16,350**	**100**	**38,152**	**10,494**	**48,646**	**64,996**

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. In the second half of 2012 one with-profit fund moved from 'Participating non-supported' to 'Participating supported'

(4) Includes repurchase loans of £1,683m, policy loans of £16m, other loans of £22m, net derivatives of £647m and other investments of £839m

Appendix VIII:
Total debt exposure by country

At 31 Dec 2012 £m	Other Government and Supranational		Corporate: Financial Institutions		Corporate: Other		Asset backed securities		Total debt securities		Total debt
	Shareholder	Policyholder	Shareholder	Policyholder	Shareholder	Policyholder	Shareholder	Policyholder	Shareholder[1]	Policyholder	
UK	3,851	11,156	1,609	2,280	1,518	2,439	506	656	7,484	16,531	24,015
EIB	776	726	-	-	-	-	-	-	776	726	1,502
USA	20	41	400	565	335	418	36	19	791	1,043	1,834
Germany	711	993	77	132	124	140	14	61	926	1,326	2,252
France	4	23	64	86	231	290	2	7	301	406	707
Netherlands	17	60	266	538	244	406	30	64	557	1,068	1,625
Portugal	-	-	-	-	-	6	-	1	-	7	7
Italy	-	5	2	15	55	27	5	15	62	62	124
Ireland	-	-	-	1	6	85	28	60	34	146	180
Greece	-	-	-	-	4	4	-	-	4	4	8
Spain	4	2	4	14	29	60	7	16	44	92	136
Other[2]	34	194	133	274	273	365	28	40	468	873	1,341
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**
At 31 Dec 2011 £m											
Total debt exposure	**7,215**	**15,299**	**2,896**	**3,809**	**4,028**	**3,592**	**795**	**1,248**	**14,934**	**23,948**	**38,882**
of which Peripheral Eurozone	**9**	**139**	**88**	**49**	**196**	**174**	**70**	**114**	**363**	**476**	**839**

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

(2) Other mainly includes Australia, Switzerland and Japan

Appendix IX:
MCEV sensitivities

£m	FY12
Base at 31 December 2012	3,263
1% decrease in risk free rates	91
1% increase in risk free rates	(95)
10% decrease in equity market values	(70)
10% increase in equity market values	69
10% decrease in property market values	(48)
10% increase in property market values	47
100 bps increase in credit spreads(1)	(150)
100 bps decrease in credit spreads(1)	175
25% increase in equity/property implied volatilities	(9)
25% increase in swaption implied volatilities	(1)
25% decrease in lapse rates and paid-up rates	(38)
5% decrease in annuitant mortality	(148)
5% decrease in non-annuitant mortality	29
Required capital equal to minimum regulatory capital(2)	15

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 X:
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 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

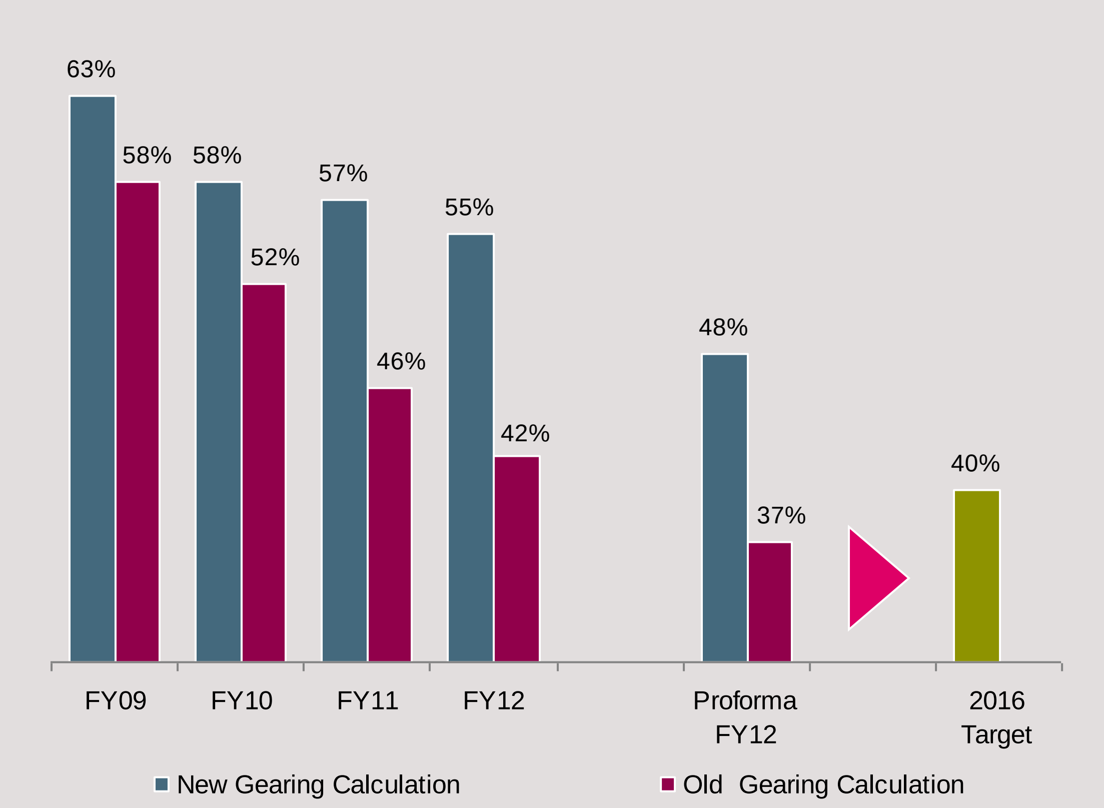
Appendix XI:
Summary of bank facilities

£m	Coupon	Balance at FY12 FY12	Amortisation 2013	2014	2015	2016	2017	2018	2019	Total
Pearl facility										
Pearl bank facility mandatory amortisation	L+125bps	**375**	25	25	25	300	-	-	-	**375**
Subordinated Lender Loan Notes	L+100bps	**80**[1]	-	-	-	-	-	-	-	**80**[1]
Total Pearl		**455**	**25**	**25**	**25**	**300**	**-**	**-**	**-**	**455**
Impala facility										
Mandatory amortisation		n/a	60	60	60	60	60	60	-	**360**
Additional planned amortisation		n/a	60	60	60	60	60	60		**360**
Target amortisation		n/a	120	120	120	120	120	120		**720**
Initial prepayment and final repayment		n/a	450						682	**1,132**
Total Impala[2]	L+475bps[3]	**1,852**	**570**	**120**	**120**	**120**	**120**	**120**	**682**	**1,852**
Total mandatory/ planned prepayments		**2,307**	**595**	**145**	**145**	**420**	**120**	**120**	**682**	**2,307**[4]

Notes:
(1) 2024 maturity. Includes accrued interest of £5m. 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 (£80m) maturing in 2024

Appendix XII:
Comparison of gearing calculations

Reduced gearing



- NEW GEARING:
  Gross shareholder debt as a percentage of Gross MCEV
- OLD GEARING:
  Net shareholder debt as a percentage of the sum of Group MCEV, net shareholder debt and the present value of future profits of Ignis

Appendix XIII:
Overview of dividend payment arrangements

Group dividend formula
• Dividend conditions amended and new formula in place regarding dividend capacity • 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

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- This presentation in relation to Phoenix Group Holdings and its subsidiaries (the ‘Group’) contains, and we may make other statements (verbal or otherwise) containing, forward-looking statements 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’, ‘expects’, ‘plans’, ‘seeks’, ‘continues’, ‘targets’ and ‘anticipates’ or other words of similar meaning are forward-looking. Forward-looking statements 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 we have 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, 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 FSA’s planned ‘ICA+’ regime and ultimate transition to the European Union's ‘Solvency II’ on the Group’s capital maintenance requirements; impact of inflation and deflation; market competition; changes in assumptions in pricing and reserving for insurance business (particularly with regard to mortality and morbidity trends, gender pricing and lapse rates); the timing, impact and other uncertainties of future acquisitions or combinations within relevant industries; risks associated with arrangements with third parties, including joint ventures; 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 within this presentation. The Group undertakes no obligation to update any of the forward-looking statements contained within this presentation or any other forward-looking statements it may make
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