PHOENIX GROUP

Interim results 2018

23 August 2018

Agenda

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

Business update

Clive Bannister

Key HY18 highlights: a strong performance for Phoenix

Strong cash generation supports dividend	• Strong cash generation of £349 million in HY18 • Expect to exceed upper end of 2017-2018 target range of £1.0 - £1.2 billion • Interim 2018 dividend of 22.6p, consistent with Final 2017 dividend
Improved capital resilience	• Solvency II surplus of £2.3 billion, 180% coverage ratio[(1)] • A+[(2)] Fitch Rating affirmed in July and on "stable" outlook • £500 million restricted Tier 1 issuance in April
Improved customer outcomes	• Fee caps on unitised non-workplace pensions • Digital enhancements improve customer service and reduce cost
Delivered on strategic priorities	• AXA Wealth and Abbey Life integrations completed • First BPA transaction announced in May • Continued investment in illiquid assets for annuity backing assets

(1) Shareholder Capital Coverage Ratio excludes Own Funds and SCR of unsupported with-profits funds and PGL Pension Scheme
(2) Insurer Financial Strength rating of Phoenix Life Limited and Phoenix Life Assurance Limited

Acquisition of Standard Life Assurance anticipated to complete on 31 August

Shareholder approval obtained	• 99.98% of shareholders voted in favour of the acquisition
Acquisition funding in place	• £500 million restricted Tier 1 issuance in April • £950 million rights issue completed in July with 96.25% uptake
Dividend uplift confirmed	• Final 2018 dividend expected to increase to 23.4p per share, a 3.5% uplift
Regulatory approval expected	• Regulatory approval from the PRA and FCA received • Regulatory approval from CBI expected by 30 August
Leadership team in place	• Chairman and NED appointments to PGH and Lifeco Boards confirmed • Group Executive Committee strengthened
Transition planning underway	• Design of target operating model underway • No change to announced synergy benefits and cash generation
Completion imminent	• Anticipate completion of the acquisition on 31 August • 19.99% holding taken by Standard Life Aberdeen on completion

Financial review

Jim McConville

Financial highlights

£		HY18	HY17	FY17
Cash	Operating companies' cash generation	349m	360m	653m
	Holding company cash	1,039m	691m	535m
Group capital	PGH Solvency II surplus	2.3bn(1)	1.7bn(1)	1.8bn
	Shareholder Capital Coverage Ratio	180%(1)	166%(1)	164%
IFRS	Group operating profit	216m	215m	368m
AuM	Life company assets	72bn	75bn	74bn
Dividends	Dividend per share	22.6p	22.6p(2)	22.6p(2)

(1) Estimated HY18 Solvency II capital position assumes dynamic recalculation of transitionals as at 30 June 2018. Estimated HY17 Solvency II capital position pro forma for Tier 2 bond issue in July 2017 and assumes dynamic recalculation of transitionals as at 30 June 2017

(2) Rebased to take into account the bonus element of the rights issue completed in July 2018

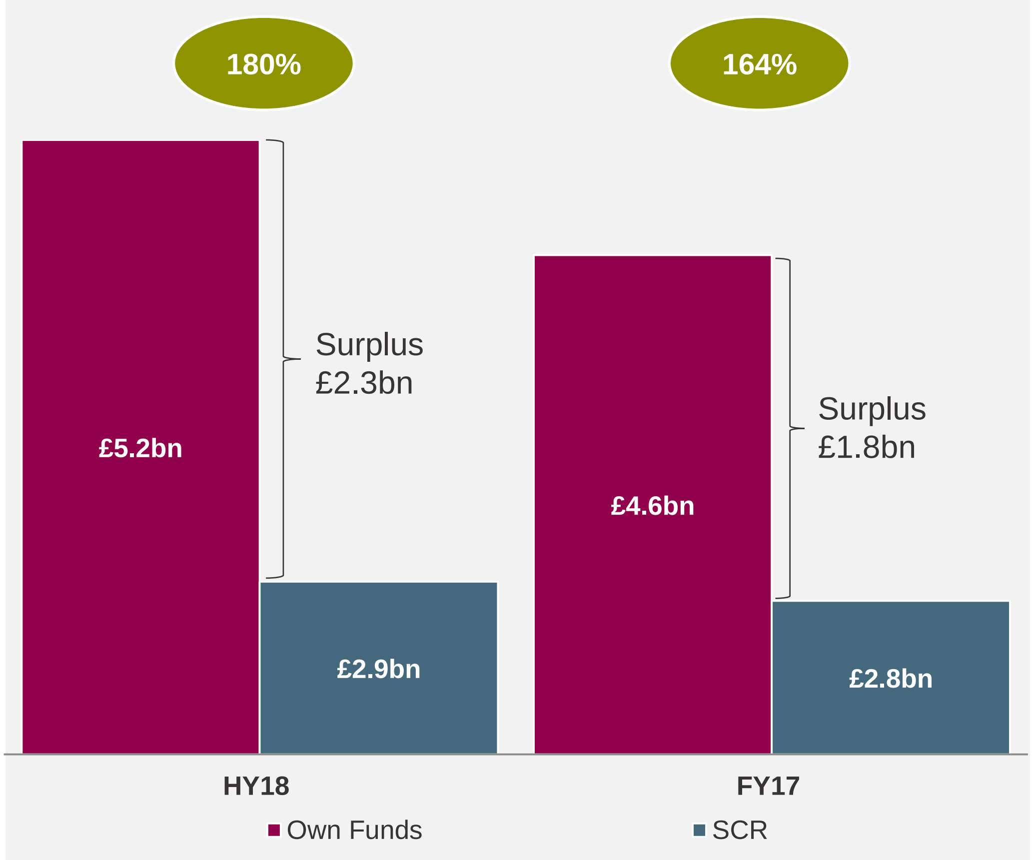
Increase in Holdco cash driven by strong cash generation and bond issue

£m	HY18	HY17	FY17
Opening cash and cash equivalents	**535**	**570**	**570**
Total cash receipts	**349**	**360**	**653**
Uses of cash			
Operating expenses	(19)	(17)	(36)
Pension scheme contributions	(23)	(38)	(92)
Non-recurring cash outflows	(188)	(20)	(84)
Debt interest	(10)	(13)	(60)
Debt repayments	-	(503)	(1,053)
Shareholder dividend	(99)	(94)	(193)
Total cash outflows	**(339)**	**(685)**	**(1,518)**
Equity and debt raisings (net of fees)	494	446	830
Closing cash and cash equivalents	**1,039**	**691**	**535**

- Non-recurring cash outflows include:
  - £92 million associated with hedging equity and currency risk in Phoenix and Standard Life Assurance
  - £30 million of acquisition and integration costs
  - £62 million of support provided to Phoenix Life Limited to fund BPA activity based on a conservative asset mix
- Net proceeds of £494 million from Restricted Tier 1 bond issue in April

Solvency II Shareholder Capital Coverage Ratio of 180%

PGH Shareholder Capital position[1]

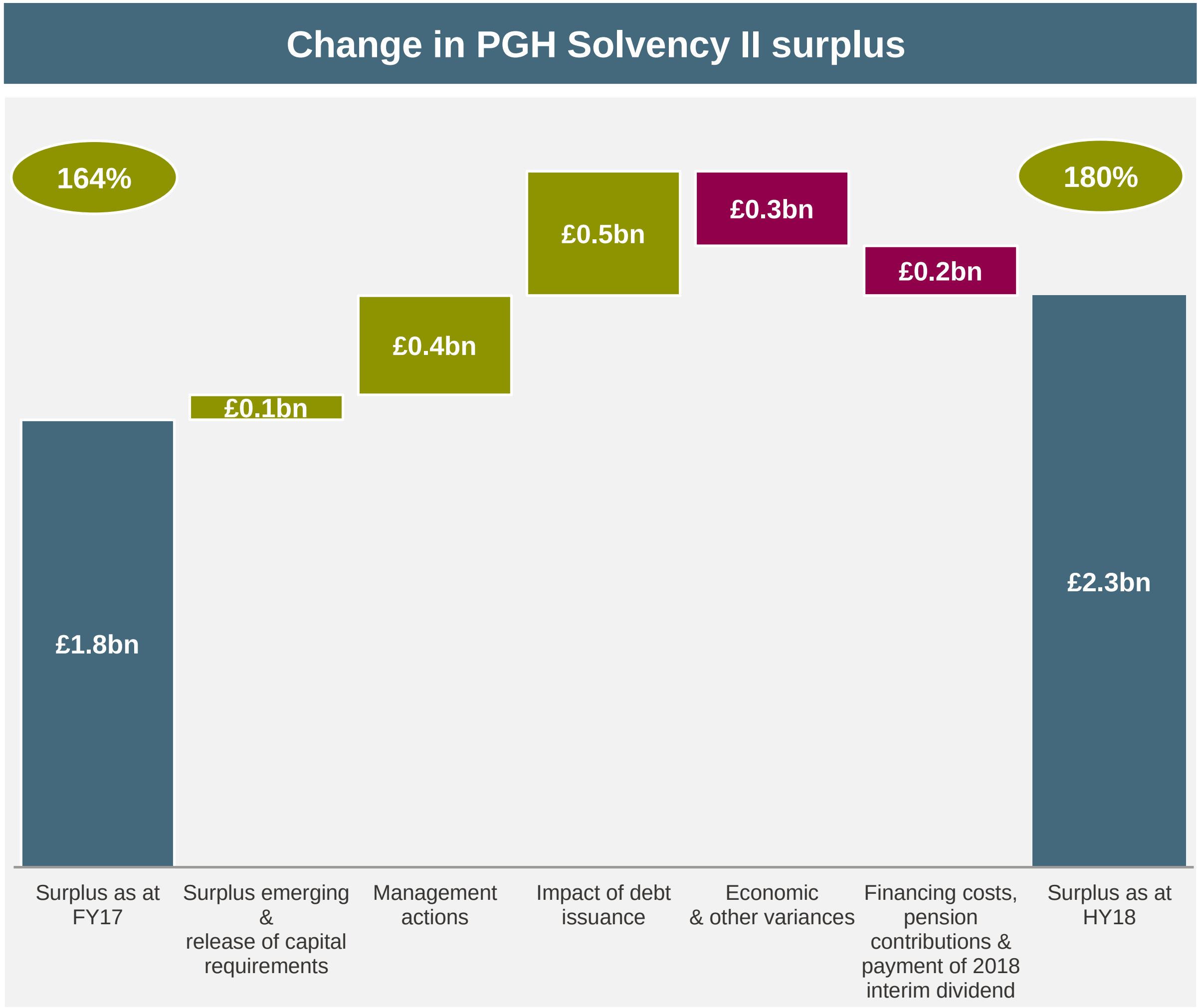


- Shareholder Capital Coverage Ratio calculation excludes Own Funds and SCR of unsupported with-profit funds and PGL pension scheme[2]
- £0.9 billion of unrecognised surplus in unsupported with-profit funds and PGL pension scheme
- Abbey Life is now within Phoenix's Internal Model and the Group is therefore reported on a full Internal Model basis
- Use of bond proceeds to fund the acquisition of Standard Life Assurance will lead to reduction in the ratio at completion

(1) Estimated HY18 Solvency II capital position assumes dynamic recalculation of transitionals as at 30 June 2018

(2) Shareholder Capital Coverage Ratio excludes both unsupported with-profit funds together with the PGL Pension Scheme, whose Own Funds exceed its SCR. Where the Own Funds of a with-profit fund or Group pension scheme do not cover its SCR, those amounts are included in the Shareholder Capital surplus

Management actions have increased PGH Solvency II surplus



- Management actions and the RT1 issue have increased surplus by £0.9 billion
- Economic and other variances include strains from the Standard Life Assurance equity hedge and introduction of non-workplace pension fee caps together with the strain of writing BPA business
- The HY18 surplus reflects the 2018 interim dividend of £163 million

Solvency II surplus and long term cash generation remain resilient to market movements

Scenario[1]	Solvency II surplus: £2.3 billion as at HY18	Cash generation target: £2.5 billion between 2018-22
Longevity increase[2]	£(0.3) billion impact	£(0.3) billion impact
Credit spread widening[3]	£(0.1) billion impact	£(0.1) billion impact
Interest rate fall[4]	£(0.0) billion impact	£(0.1) billion impact
Lapse rates[5]	£(0.1) billion impact	£(0.1) billion impact

- **Solvency II surplus and cash generation have limited sensitivity to equity and property markets**

(1) Scenarios reflect the impact on the Phoenix standalone business and assume each stress occurs on 1 July 2018
(2) Assumes a 6% decrease in annuitant mortality rates. Equivalent of 6 months increase in longevity applied to the annuity portfolio
(3) Credit stress equivalent to an average 150bps spread widening across ratings, 10% of which is due to defaults/downgrades
(4) Assumes 80bps fall in interest rates and recalculation of transitionals (subject to PRA approval)
(5) Assumes most onerous impact of a 10% increase/decrease in lapse rates across different product groups

Phoenix delivers on capital synergies by implementing hedging strategy

Strategy to manage equity risk

- Phoenix is exposed to equity risk on charges on unit-linked business and shareholder transfers on with-profit funds
- Phoenix manages this risk by using short forward positions and options
- Hedging protects the Solvency II position and cash generation but introduces volatility in IFRS
- Phoenix hedged the £1.8 billion Standard Life Assurance equity exposure from announcement
- Expect hedging strategy to deliver circa £0.3 billion of announced capital synergy target

Impact of SLA equity hedging on key metrics

- Prior to completion, Phoenix is exposed to movements in the hedge positions without the offsetting movements in the Standard Life Assurance VIF
- Equity markets rose between announcement and 30 June 2018. This has increased the value of the Standard Life Assurance VIF
- Phoenix has reported an IFRS loss of £105 million and a solvency strain of £137 million on the hedge positions in the HY18 results
- The solvency strain will offset on completion
- Costs of £22 million have been incurred on this hedging activity to date

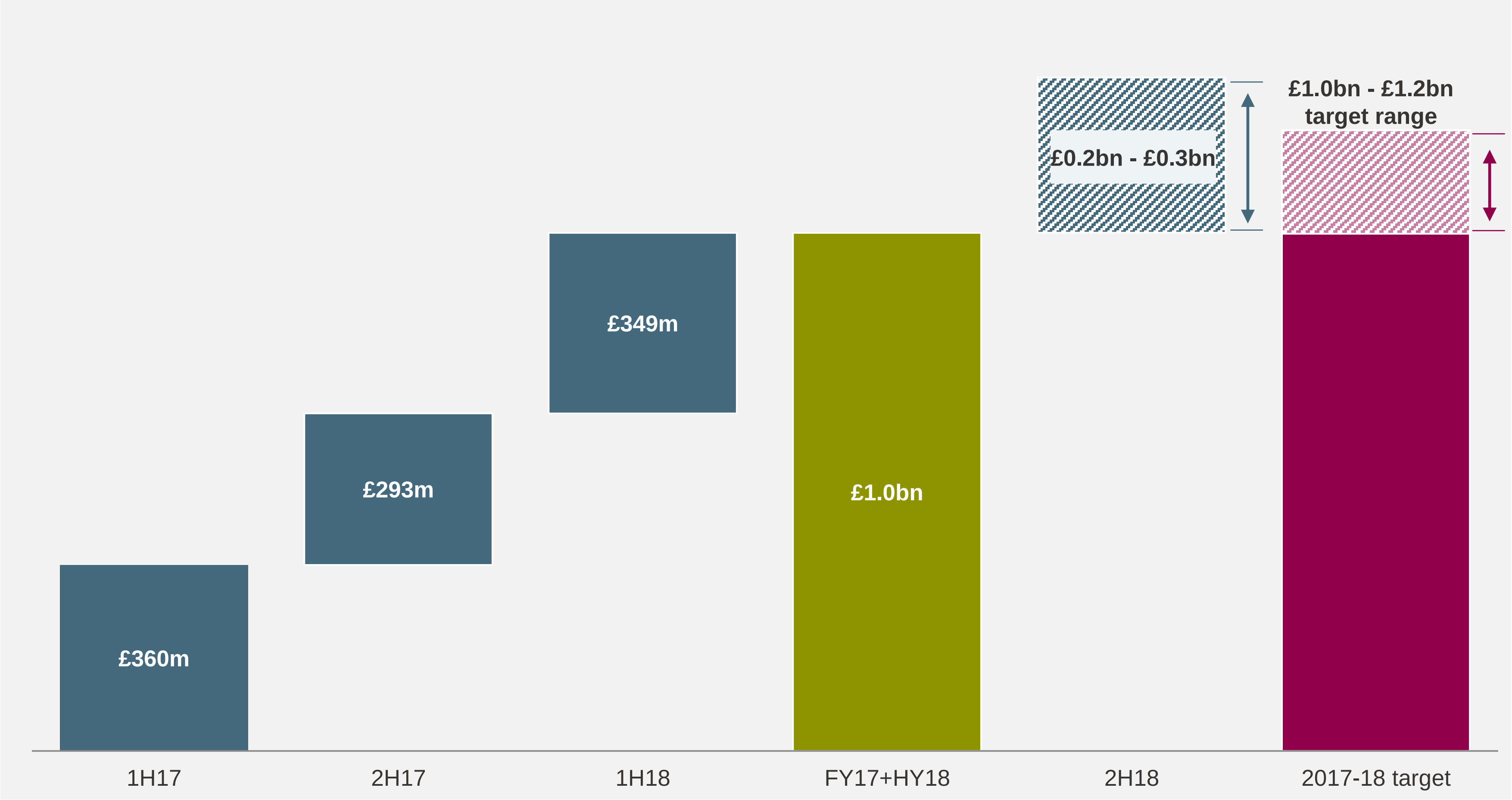
IFRS operating profit of £216 million in HY18

£m	HY18	HY17	FY17
Phoenix Life	228	226	388
Group costs	(12)	(11)	(20)
Total operating profit	**216**	**215**	**368**
Investment return variances and economic assumption changes	(109)	(133)	(93)
Amortisation of intangibles	(54)	(50)	(119)
Other non-operating items	(37)	(82)	(80)
Finance costs	(54)	(51)	(104)
Loss before tax attributable to owners	**(38)**	**(101)**	**(28)**
Tax credit attributable to owners	14	5	1
Loss for period attributable to owners	**(24)**	**(96)**	**(27)**

- Phoenix Life operating profits reflect enhanced management actions and positive experience variances in the period
- Investment return variances include adverse impact of losses on Group derivative positions, including the Standard Life Assurance equity hedge
- Other non-operating items includes acquisition and integration project costs and the impact of capping charges on non-workplace pensions, partially offset by cost savings from process improvements and continued investment in digitalisation of the customer journey

Phoenix expects to exceed the upper end of the 2017-2018 cash generation target range

Phoenix cash generation



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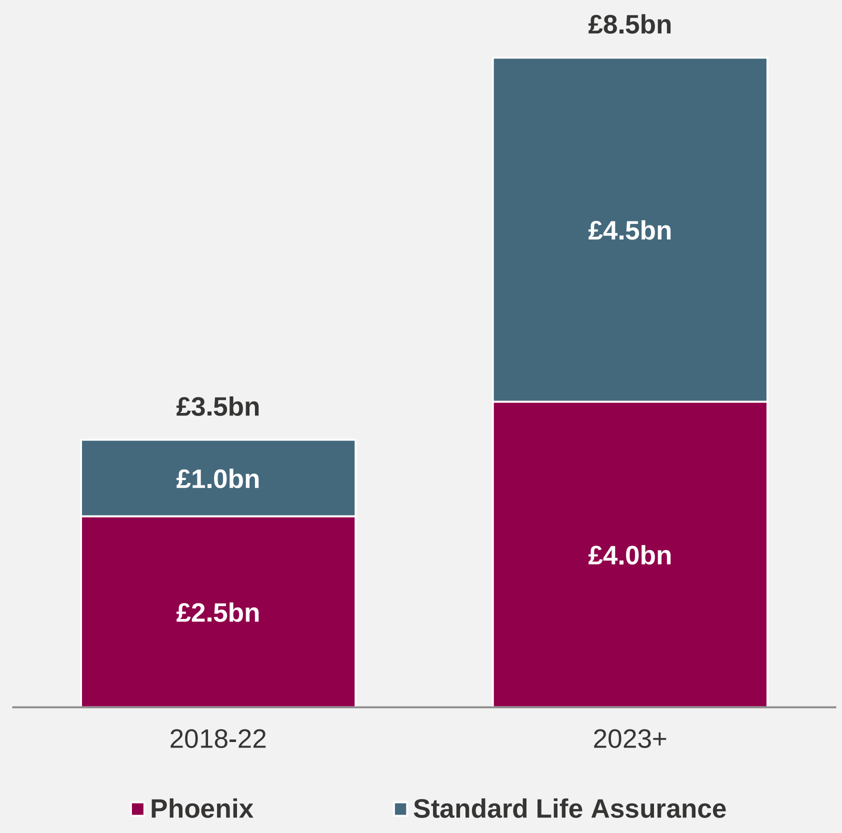
Cash generation for the combined group increases to £12 billion

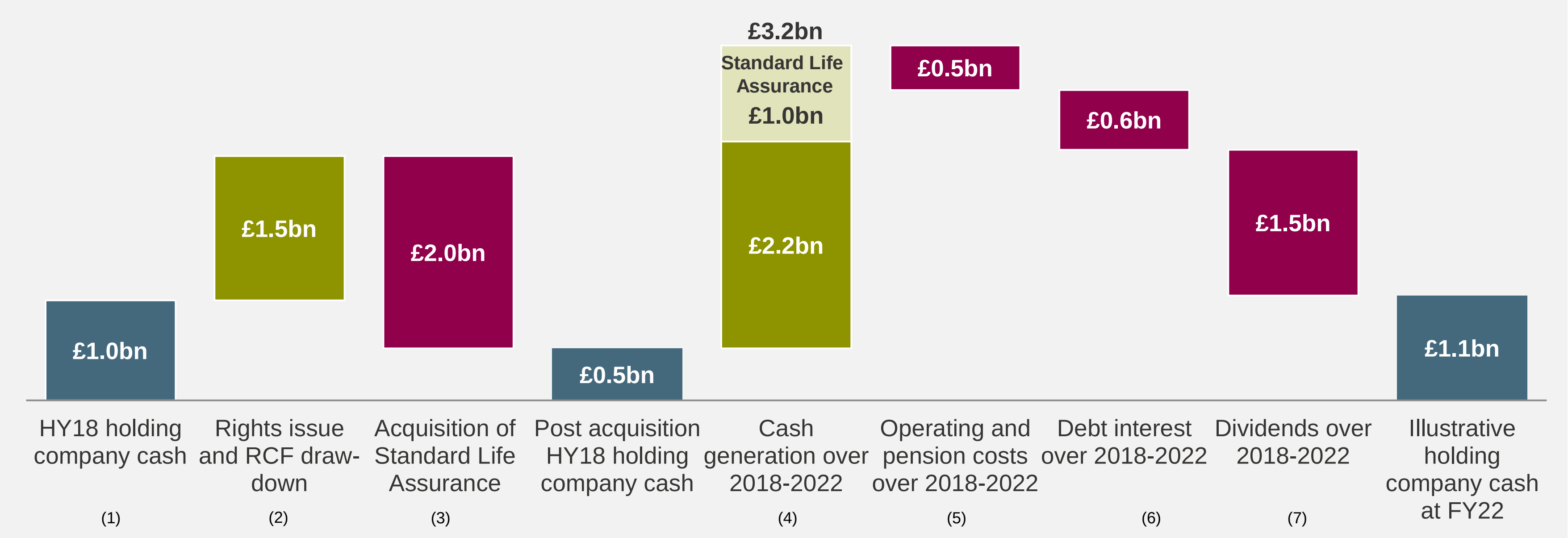
Future cash generation from in-force business



- Phoenix has set a target of £2.5 billion between 2018-2022
- £1.0 billion of cash generation expected from Standard Life Assurance over this period
- £1.0 billion cash generation target is net of circa £250 million Brexit costs expected to be incurred in 2019
- Phoenix cash generation beyond 2022 increased by BPA deal by £0.2 billion to £4.0 billion
- Post 2022 cash generation of £8.5 billion ensures dividend sustainability. It excludes management actions and BPA

Cash generation for the combined group builds holding company cash and supports the dividend

Combined Group: Illustrative uses of cash from 2018 - 2022



(1) Phoenix HY18 holding company cash of £1,039m

(2) Further acquisition finance raised to fund the acquisition of Standard Life Assurance Limited comprising proceeds of the rights issue of £932m plus drawn down on existing Revolving Credit Facility £545m

(3) Total cash consideration payable on the acquisition of £1,971m. In addition, Standard Life Aberdeen will take a 19.99% stake in the Group at completion

(4) £2.5bn Phoenix cash generation target with £2.2bn remaining between 2H18-2022. A further £1.0bn expected from the Standard Life Assurance acquisition (in-force business only)

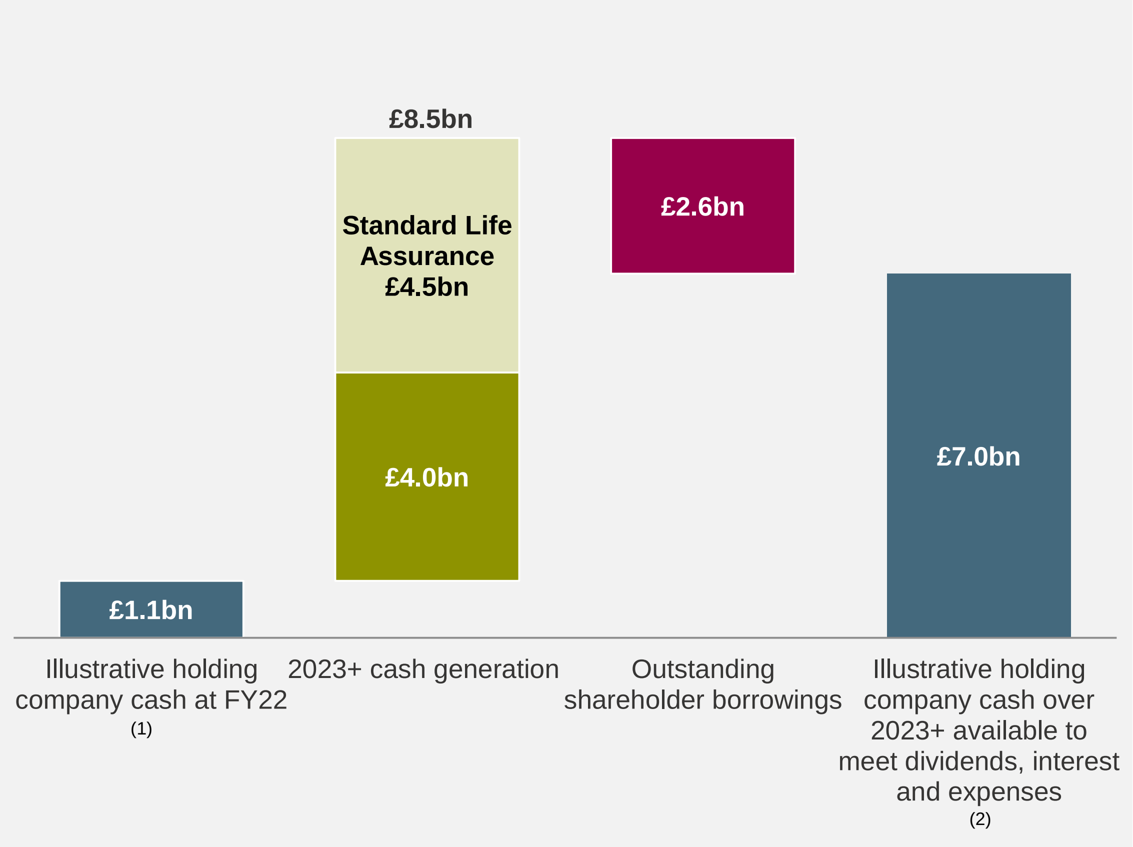
(5) Illustrative Phoenix operating expenses of £35m p.a. over 2H 2018 to 2022. Phoenix pension scheme contributions estimated in line with current funding agreements, comprising £130m in respect of the Pearl scheme and £41m in respect of the Abbey Life scheme. Assumes integration costs of £135m (net of tax)

(6) Includes interest on the Group's listed bonds, excluding interest on PLL Tier 2 bonds which are incurred directly by Phoenix Life Limited. Assumes a further £0.5bn of acquisition debt is issued at the existing average cost of debt. Assumes maturing debt during period is refinanced

(7) Interim 2018 dividend of £163m, Final 2018 dividend of £169m and annualised £338m dividend over 2019 to 2022

Beyond 2022, additional cash generation of the combined group enhances dividend sustainability

Combined Group: Illustrative uses of cash from 2023 onward



- Significant long term cash flows from Standard Life Assurance enhances dividend sustainability
- No management actions or BPA are assumed in this period
- Strategic partnership with Standard Life Aberdeen will provide additional value from future new business that will increase cash generation

(1) Illustrative holding company cash as at FY22 as calculated on previous slide

(2) Total shareholder borrowings of £2,085m as at HY18 plus assumed additional acquisition debt of £545m

Phoenix's financial strength further enhanced in HY18

- Expect to exceed the 2017-2018 cash generation target of £1.0 - £1.2 billion
- Robust capital position with Solvency II surplus of £2.3 billion and 180% coverage ratio(1)
- Dividend sustainability significantly enhanced from Standard Life Assurance cash generation expectations
- Successful equity and Restricted Tier 1 bond issuances ensures acquisition financing in place
- Successful completion of AXA and Abbey integrations supports our ability to deliver synergy targets on Standard Life Assurance acquisition

(1) Shareholder Capital Coverage Ratio excludes Own Funds and SCR of unsupported with-profits funds and PGL Pension Scheme

Phoenix Life

Andy Moss

Key Phoenix Life achievements in HY18

Management actions to support cashflow	✓ Management actions have added £384 million to Solvency II surplus in HY18 ✓ AXA and Abbey Life integrations completed ✓ Holding of illiquid assets increased to 20% of annuity backing assets ✓ Abbey Life indemnity operating as expected
Improved customer outcomes	✓ Capping of ongoing charges on individual personal pensions improving customers outcomes ✓ Continued investment in digital journey improving customer service and delivering cost savings ✓ Review of investment strategy by asset class to improve returns and reduce costs for customers and shareholders ✓ Direct buy back of small pot annuities

Management actions have added £384 million to Solvency II surplus

Increase overall cash flows

Increase Solvency II Own Funds

- Investment in illiquid assets, primarily equity release mortgages and private placements
- Investment fee reductions
- Expense reductions including savings from outsourcer investment in the digital journey

£330 million[1] benefit in HY18

Accelerate cash flows

Reduce Solvency II SCR

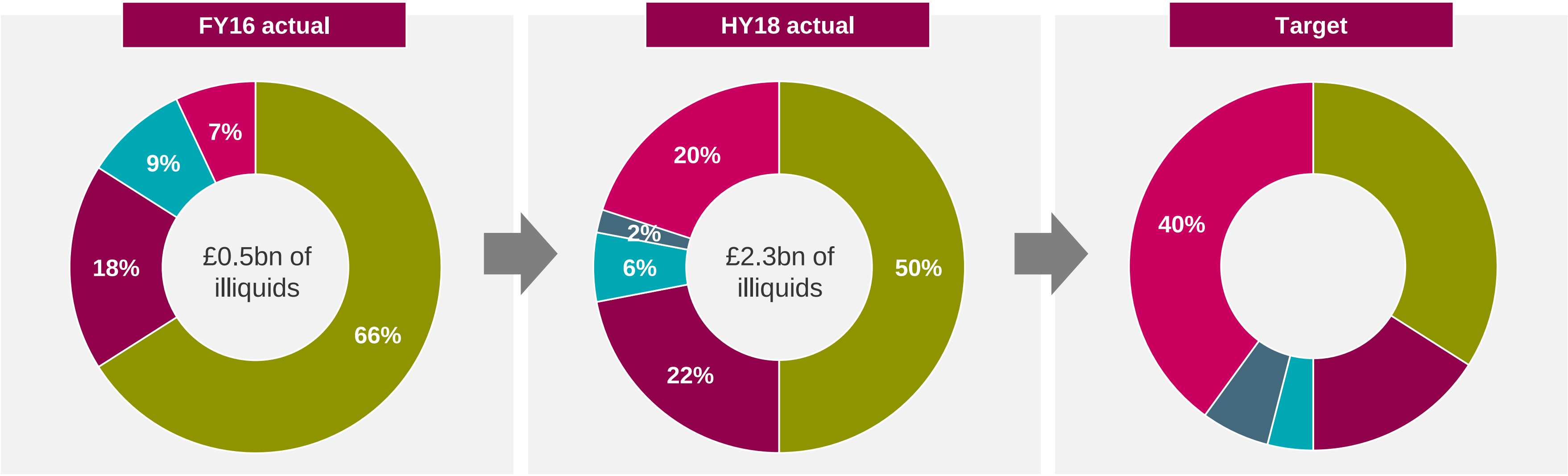
- Approval to include Abbey Life in Phoenix's Internal Model
- Modelling enhancements
- Credit and Matching Adjustment optimisation

£54 million benefit in HY18

(1) Represents the increase in Solvency II surplus in the period which comprises a £472m increase in own funds offset by a £142m increase in SCR

Illiquid asset strategy is a key management action for Phoenix

Shareholder exposure to illiquid assets has increased to 20% towards a 40% target



- Circa £11 billion of Phoenix's total assets of £72 billion back annuity liabilities
- Increasing the allocation of these annuity backing assets to illiquid asset classes is a key management action for the Group and supports our BPA strategy
- Current 20% illiquid holding comprises ERM, CRE and private placements
- Target allocation of an upper limit of 40% to be achieved through the origination of £0.7bn - £1bn of illiquid assets per annum, subject to appropriate pricing
- Originated £0.8 billion of illiquid assets in HY18 taking current allocation to 20%

Legend

- Illiquid assets
- Corporates (GBP)
- Cash & gilts (incl. derivatives)
- Sovereigns and supranationals
- Corporates (other currencies)

CP13/18 proposals will not impact on cash generation targets

ERM strategy

- ERM is an important asset class with a cashflow profile more closely aligned to those of our annuity liabilities
- Current ERM holding of £1.8 billion built
    - 2/3 from back book purchases; and
    - 1/3 from origination through established partnerships
- Average current Loan to Value of 33% and average age of customers is 79 years

Impact of CP13/18

- The potential impacts of CP13/18 for Phoenix are driven by the requirement for transitional provisions to be tested against a risk neutral valuation
- We estimate this could reduce PGH Group SII Surplus by circa £0.2 billion
- However, we do not expect this to cause us to revise our cash generation targets
- Asset class will continue to be integral part of our shareholder investment strategy

Capping of ongoing charges on non-workplace pensions improves customer outcomes

Improving customer outcomes

- Phoenix is committed to a charging structure which improves customer outcomes
- Phoenix has circa 1 million unitised non-workplace pension policies including many old complex products which offer benefits such as guarantees and protection benefits
- The majority of these policies (circa 750,000) have ongoing charges of less than 1.5% pa

Additional charging caps introduced

- Phoenix will introduce charge caps on all non-workplace pension policies as follows:
  - 1.5% pa cap on ongoing product charges for policies with a value over £5,000; and
  - 3.0% pa cap on ongoing charges and removal of exit charges on policies valued at less than £5,000
- £68 million one off cost recognised for overall impact
- Average ongoing charge for non-workplace pension policies will reduce to 1.1%

Continued delivery of strong service for customers

Customer actions

- Review of investment strategy by asset class to improve returns and reduce costs
- Direct buyback of small value annuities in payment where the annuity commenced pre Pension Freedoms.
- Full on-line customer access to pension value launched in July 2018 with digital self service
- Digital journeys expanded to allow more customers to encash online

Customer service metrics

	HY18	Full year target[1]
Speed of Pension Transfer pay-outs (ORIGO)	10.86 days	<12 days
Customer Satisfaction	93%	90% rating satisfactory or above
FOS overturn rate	17%	<33%
Service complaints (as a percentage of customer transactions)	0.6%	<0.6%

(1) Targets for "Speed of pension transfer pay-outs" and "FOS overturn rate" based on external industry metrics. FOS overturn rate shown as at FY 2017 as HY 2018 figure unavailable at the time of production

Outlook and Q&A

Clive Bannister

The acquisition of Standard Life Assurance brings strategic and financial benefits

- £5.5 billion cash generation on in-force business taking combined group total to £12 billion
- Additional cash generation enhances dividend sustainability and supports dividend increase
- Cost and capital synergies estimated to create £720 million of value
- Delivers scale with an increase of £166 billion of assets and 4.8 million policyholders
- Organic future growth in assets from Customer Service and Proposition Agreement
- Optionality for future European expansion (Germany and Ireland), with a potential c.£160 billion market opportunity
- Strategic partnership with Standard Life Aberdeen underpinned by 19.99% stake in Phoenix

Timetable for Standard Life Assurance transition and market communications

Transition programme milestones

3 Sep 2018 = Day 1

- Governance structure in place
- Strategic partnership operational

31 Dec 2018 = Day 100

- Transition planning complete
- End state operating model refined
- Combined Group operating plan

31 Dec 2021 = Day 1000

- End state operating model in place
- Deal synergies delivered

Market communications

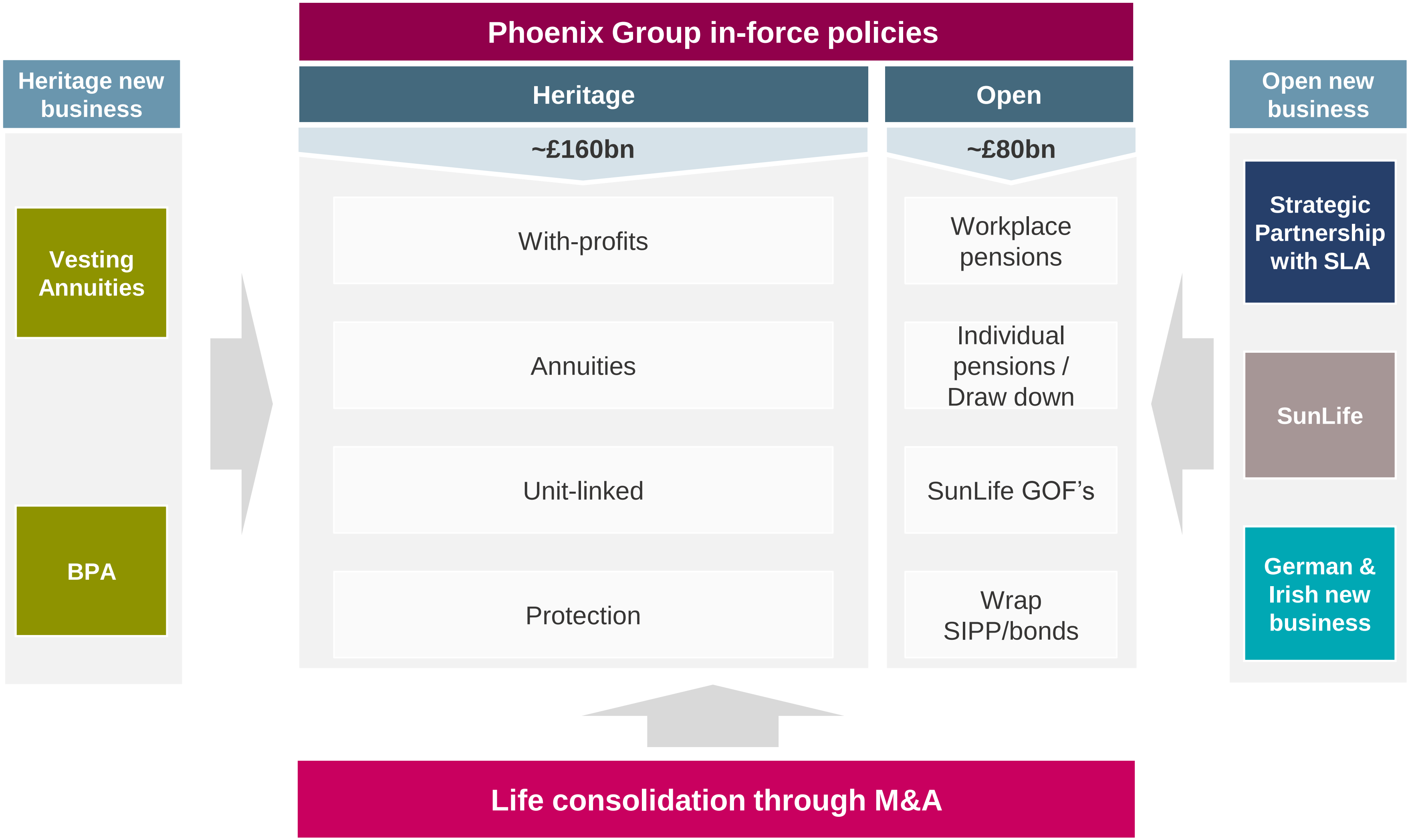
29 Nov 2018

Capital Markets Day

March 2019

Full Year 2018 Results

Phoenix continues to be predominantly a Heritage business; but now with open business



Phoenix has a range of organic and inorganic growth opportunities

Inorganic growth will deliver scale		Market size estimate
Closed life consolidation	• Evidence of the industry bifurcating	£540bn[(1)]
Bulk Purchase Annuities	• Completed first external buy-in transaction	£18bn[(2)]
Organic growth will dampen our run off		**Annual new business estimate[(3)]**
Strategic Partnership with SLA	• Product manufacturing and risk underwriting of capital light products	£6.30bn
Vesting annuities	• Continue to write annuities for vesting policyholders	£0.70bn
SunLife	• Distribution company in place, with Phoenix Life Limited underwriting risk	£0.03bn
German & Irish new business	• New business generated in Germany and Ireland	£0.40bn

(1) Phoenix estimate of market size in UK, Germany and Ireland

(2) 2018 expected bulk annuity volumes

(3) Standard Life Assurance 2017 net flows of £6.3 billion on workplace pension and SIPP/draw down products. 2017 vesting annuity premiums of £0.7 billion for Phoenix and Standard Life Assurance. 2017 premiums of £0.03 billion on SunLife business. Standard Life Assurance 2017 European net flows of £0.4 billion.

The Standard Life Assurance transaction is evidence of the continued bifurcation of the insurance industry

Traditional insurance companies are splitting in two

Capital "heavy"	Capital "light"
• Insurance firms	• Distribution / advice / asset management firms
• Balance sheet led business model	• Focused on future customer proposition
• Expertise in product manufacturing and administration	• Expertise in distribution, advice and investment management
• Investors focused on cash generation and dividends	• Investors focused on fee-based earnings stream

Phoenix's vision is to be Europe's Leading Life Consolidator through this bifurcation process

Phoenix has a clear set of strategic priorities for 2018

Cash generation	• To exceed the upper end of the £1.0 - £1.2 billion range for 2017 - 2018 • Long-term cash generation target of £2.5 billion between 2018 - 2022
Transition Standard Life Assurance	• Transition planning for end state operating model underway • Focus on delivering capital and cost synergy targets and embedding strategic partnership
Improve customer outcomes	• Implementation of charging caps • Improved customer communications including further development of digital proposition
Group structure	• Target completion of final stage of on-shoring in Q4 2018 • Redemptions of warrants completed
Growth	• Consider further value accretive acquisitions • Continue to selectively participate in the BPA market

Q&A

PHOENIX GROUP

Appendices

- I Standard Life Assurance transaction potential cost and capital synergies
- II Phoenix's stable and sustainable dividend track record
- III Change in Phoenix Life Free Surplus
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- V Breakdown of SCR and Own Funds
- VI Phoenix Life operating profit drivers
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- VIII Total debt exposure by country
- IX Credit rating analysis of debt portfolio
- X Current corporate structure
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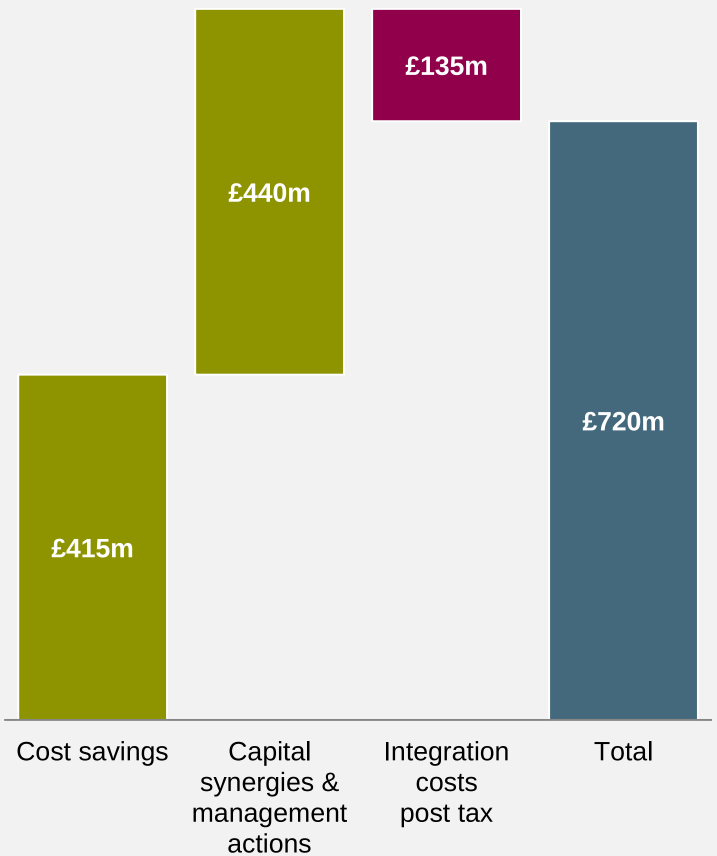
- XII Leadership team changes
- XIII Combined group FY2017 sensitivities

Appendix I:
Standard Life Assurance transaction potential cost and capital synergies

Indicative net value of synergies[1]



Sources of synergies

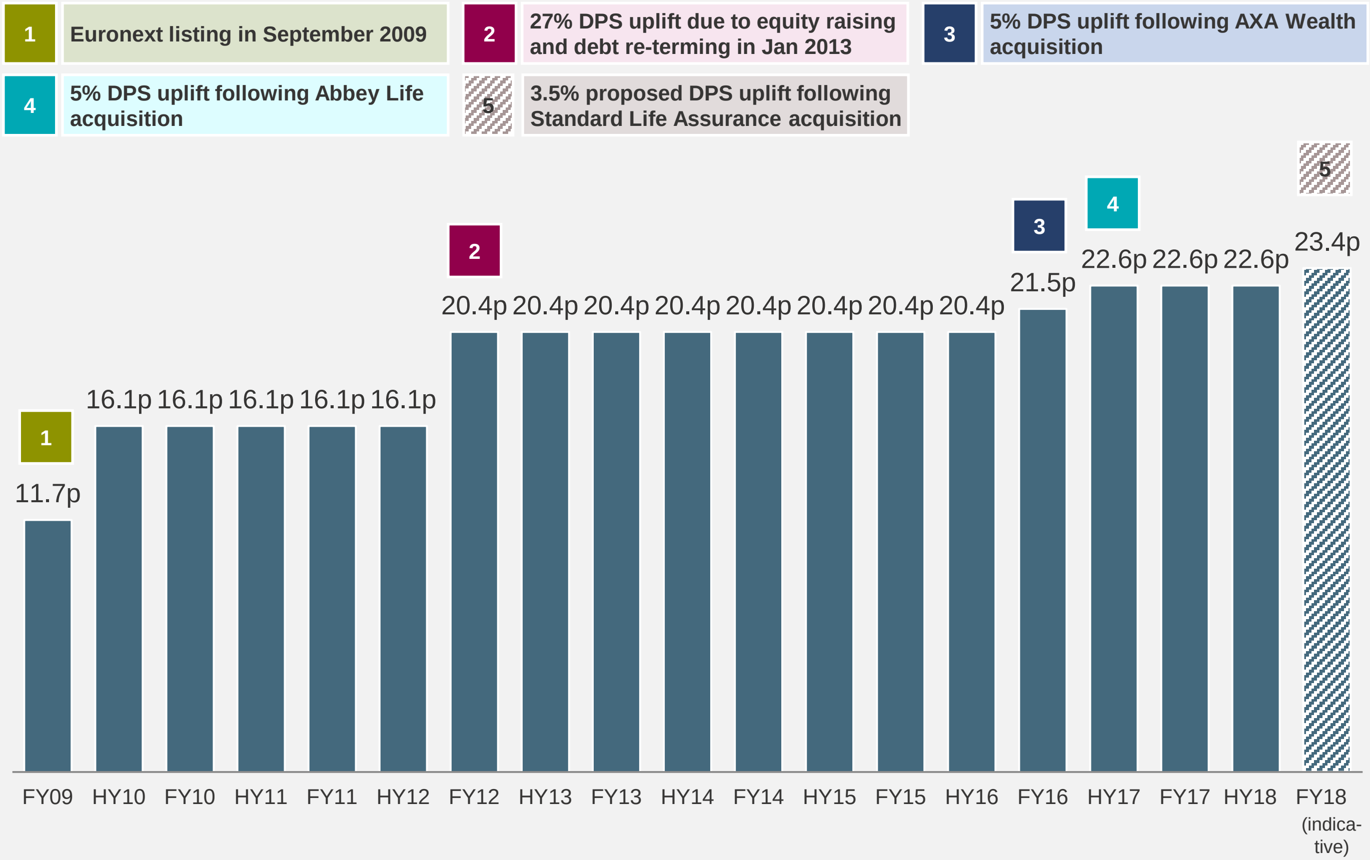
- **Cost savings of £50 million p.a. (pre tax):**
  - Combination of life company management and support functions
  - Leverage Phoenix operating model
- **Capital synergies and management actions of £440 million:**
  - Hedging of unit-linked VIF
  - Application of Phoenix's Strategic Asset Allocation to annuity portfolio
- **Integration costs:**
  - Total post-tax costs expected to be £135 million

(1) Value of cost synergies calculated after tax and capitalised over 10 years

Appendix II:
Phoenix's stable and sustainable dividend track record

Stable dividend profile with uplifts following acquisitions[1]

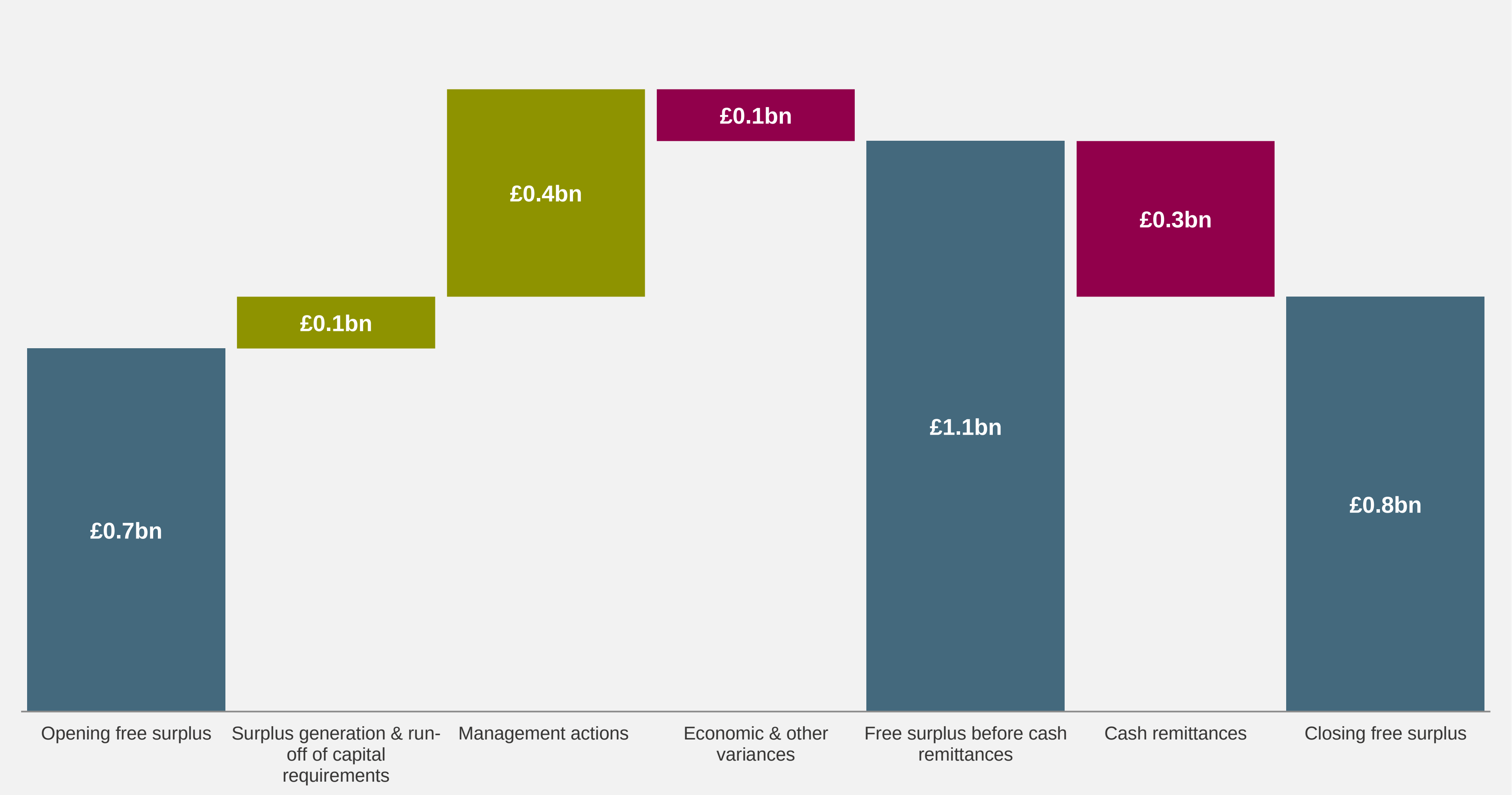
- Stable and sustainable dividend policy given run-off profile of closed life business
- 5% DPS increases following AXA Wealth and Abbey Life acquisitions respectively
- Expected annualised cost of dividend to increase to £338 million as at 2018 Final dividend
- Equates to a c.3.5% increase in dividend per share



(1) Historic dividends per share rebased to take into account the bonus element of the rights issue completed in November 2016 and of the rights issue completed in July 2018

Appendix III:
Change in Phoenix Life Free Surplus

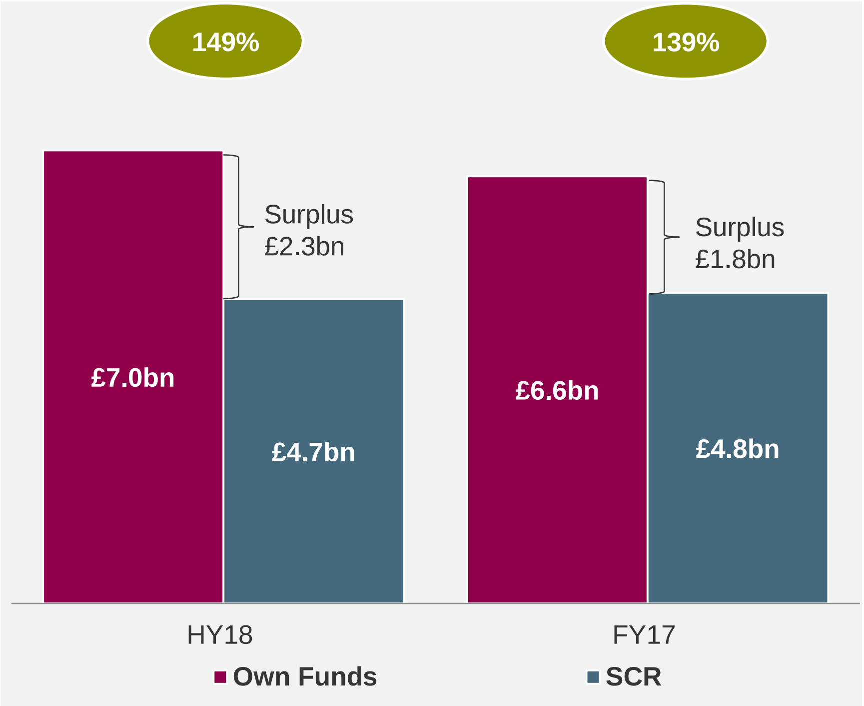
Change in Phoenix Life Free Surplus in HY18 (£bn) (1)



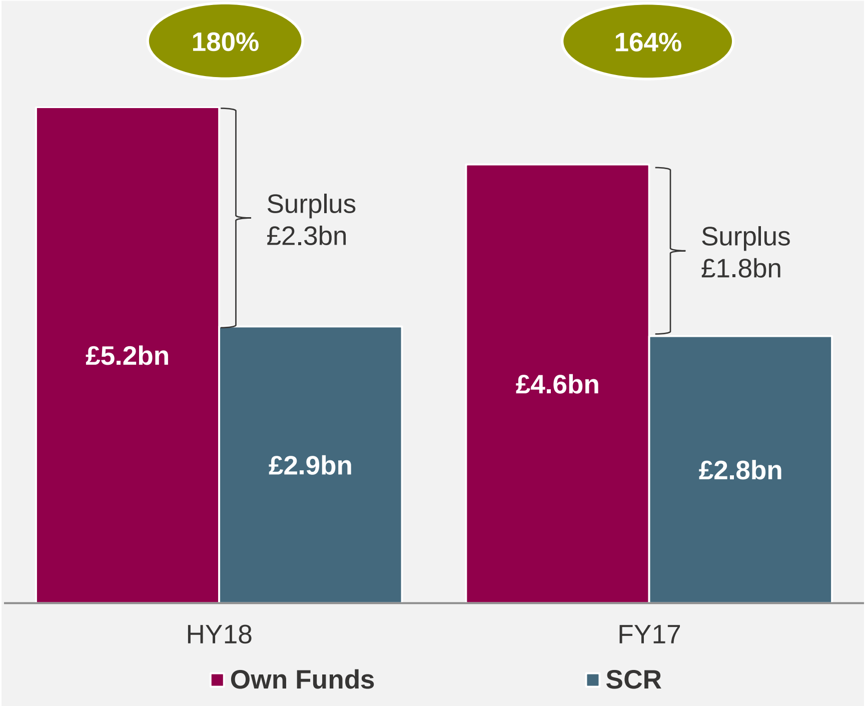
(1) Estimated position including the impact of the recalculation of transitionals

Appendix IV:
Estimated Solvency II surplus and SCR coverage ratio

Solvency II Coverage Ratio[(1)]



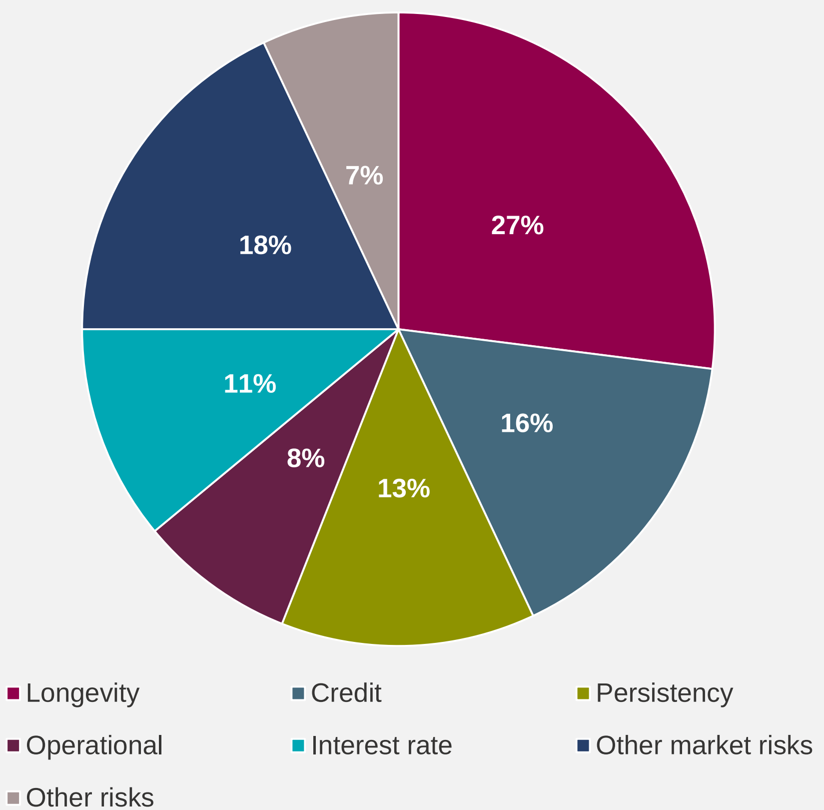
Shareholder Capital Ratio[(1)]



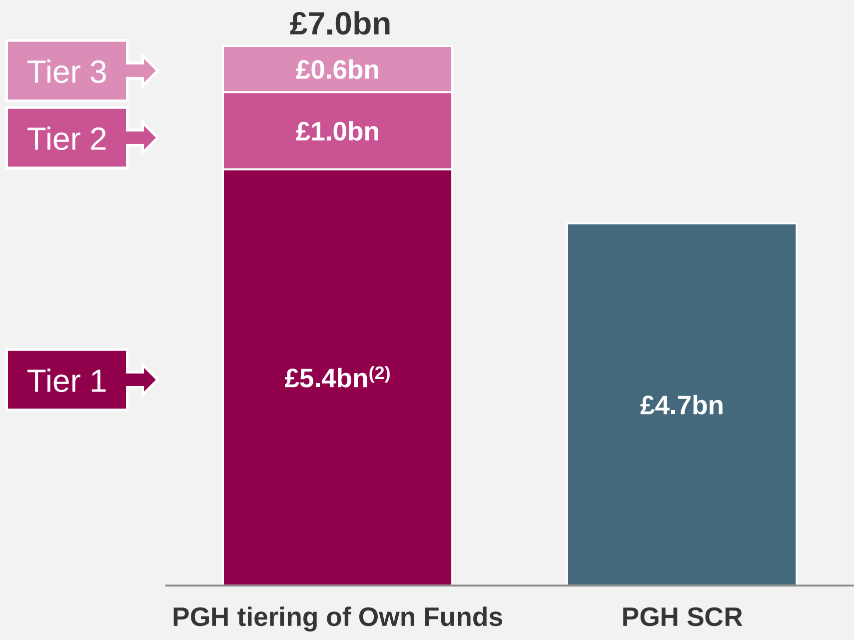
(1) Estimated position including the impact of the recalculation of transitionals

Appendix V:
Breakdown of SCR and Own Funds

SCR by risk type (HY18)



Own Funds by capital tier (HY18) (1)



(1) Estimated position including the impact of the recalculation of transitionals

(2) Includes £0.5bn of Restricted Tier 1 capital

Appendix VI:
Phoenix Life operating profit drivers

Fund type	How profits are generated	HY18 Reported IFRS Op Profit	HY18 Closing liability/ equity[2]	HY18 Expected return margin[1]	HY17 Reported IFRS Op Profit	HY17 Closing liability/ equity[2]	HY17 Expected return margin[1]
		£m	£bn	bps	£m	£bn	bps
With-profit	Our share of bonuses paid to policyholders of with-profit business	40	22.2	34	39	23.6	32
With-profit (internal capital support)	Return on with-profit funds which are supported with capital from shareholder funds	(6)	4.4	nm	(76)	4.6	nm
Unit linked	Margin earned on unit linked business	73	23.8	34	78	24.4	39
Annuities	Spread earned on annuities	106	10.5[3]	53[4]	135	10.1[3]	52[4]
Protection and other non-profit	Investment return and release of margins	-	0.2	nm[5]	34	0.3	nm[5]
Shareholder funds	Return earned on shareholder fund assets[6]	15	2.2	168	16	2.4	136
Total		**228**			**226**		

(1) Expected return margin represents the underlying recurring operating profit earned in the period as a proportion of the opening relevant class of policyholder liabilities and shareholder equity. Non-economic variances and assumption changes which are included within reported IFRS operating profit are not included within the expected return margin calculation as they are non-recurring. It is therefore not possible to recalculate the expected margin using the information presented above

(2) Net of reinsurance

(3) Includes insurance liabilities subject to longevity swap arrangement

(4) Excludes operating profit margin on new business calculated as new business profits as a percentage of opening liabilities: positive 17bps in HY18 and negative 19 bps in HY17

(5) Not meaningful due to the recognition of negative reserves within insurance liabilities for protection business. New business profits in respect of the Sun Life business were £7 million in HY18 (HY17: £5 million)

(6) Includes Management Services business unit profit of £8 million in HY18 (HY17: £11 million)

Appendix VII:
Asset mix of life companies

At 30 June 2018 £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	4,484	23	4,016	2,482	6,498	10,982
Debt securities						
Debt securities – gilts	3,243	17	6,129	946	7,075	10,318
Debt securities – bonds	8,781	46	5,879	3,001	8,880	17,661
Total debt securities	**12,024**	**63**	**12,008**	**3,947**	**15,955**	**27,979**
Equity securities	208	1	5,178	16,253	21,431	21,639
Property investments	152	1	829	614	1,443	1,595
Other investments(4)	2,230	12	1,239	6,022	7,261	9,491
Total	**19,098**	**100**	**23,270**	**29,318**	**52,588**	**71,686**

(1) The analysis of the asset portfolio comprises assets held by the Group's life companies. It excludes other Group assets such as cash held in holding companies and service companies, the assets held by non-controlling interests in collective investment schemes and 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 £1,776 million, other loans of £186 million, net derivatives of £1,011 million, reinsurers' share of investment contracts of £6,009 million and other investments of £509 million

Appendix VIII:
Total debt exposure by country

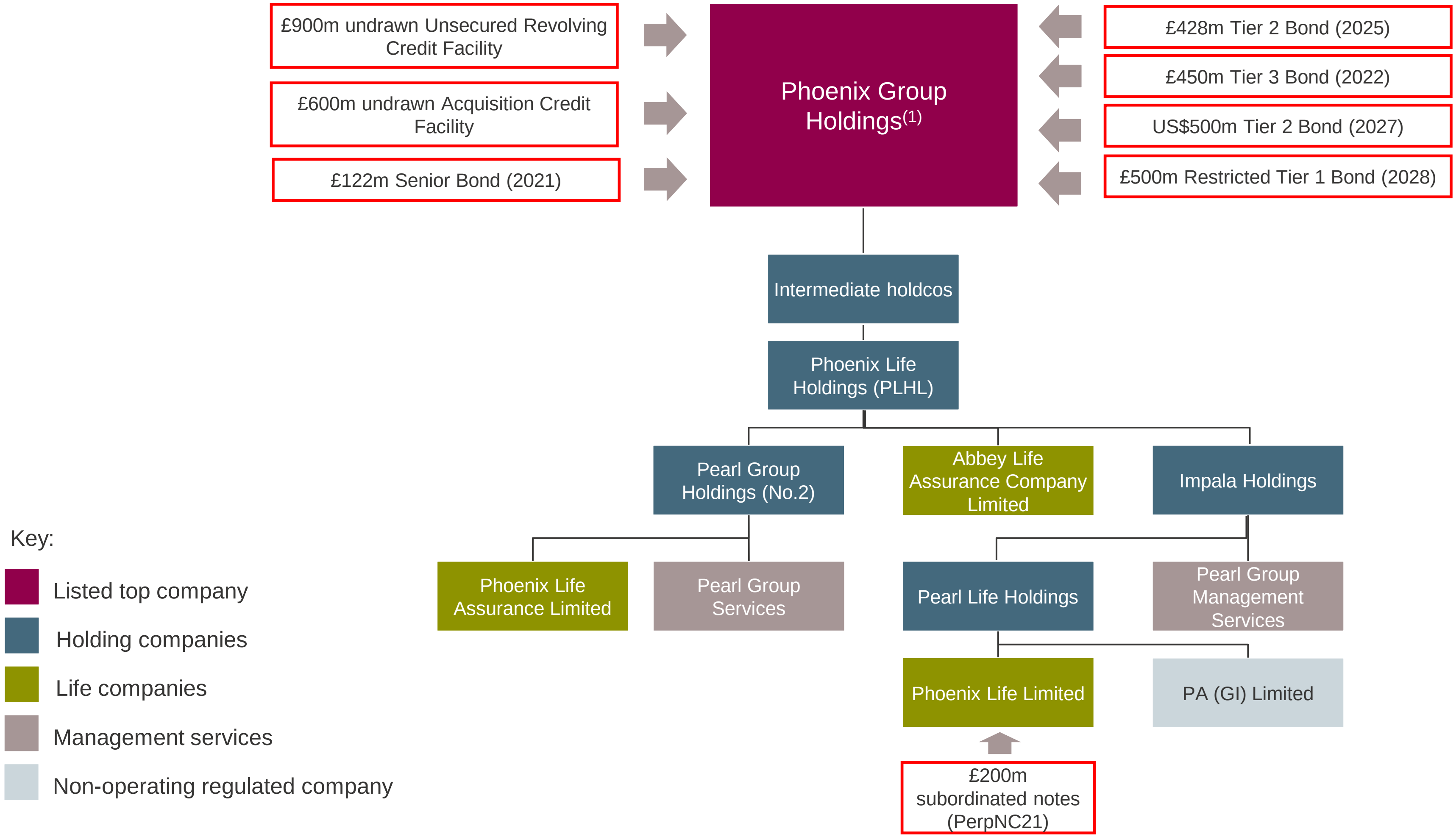
At 30 June 2018 £m	Other Government and Supranational		Corporate: Financial Institutions		Corporate: Other		Asset backed securities		Total debt securities		Total debt
	Shareholder	Policyholder	Shareholder	Policyholder	Shareholder	Policyholder	Shareholder	Policyholder	Shareholder	Policyholder	
UK	3,673	7,346	1,559	923	1,226	1,336	969	553	7,427	10,158	17,585
Supranationals	669	425	-	-	-	-	-	-	669	425	1,094
USA	3	354	616	401	543	331	-	2	1,162	1,088	2,250
Germany	121	564	87	42	293	178	18	4	519	788	1,307
France	59	219	139	58	219	138	27	9	444	424	868
Netherlands	46	128	208	103	6	20	105	49	365	300	665
Italy	47	45	6	3	45	41	-	-	98	89	187
Ireland	-	-	-	-	6	-	28	26	34	26	60
Spain	-	49	3	8	38	17	-	-	41	74	115
Other – non-Eurozone(2)	79	1,116	576	300	395	962	21	5	1,071	2,383	3,454
Other – Eurozone	13	81	40	27	103	74	38	18	194	200	394
Total debt exposure	**4,710**	**10,327**	**3,234**	**1,865**	**2,874**	**3,097**	**1,206**	**666**	**12,024**	**15,955**	**27,979**
of which Peripheral Eurozone	**47**	**94**	**9**	**11**	**89**	**58**	**28**	**26**	**173**	**189**	**362**
At 31 December 2017											
Total debt exposure	**5,025**	**10,404**	**3,255**	**2,089**	**2,971**	**3,512**	**1,267**	**634**	**12,518**	**16,639**	**29,157**
of which Peripheral Eurozone	**55**	**71**	**10**	**23**	**100**	**67**	**36**	**26**	**201**	**187**	**388**

(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:
Credit rating analysis of debt portfolio

At 30 June 2018 £m	Total shareholder, non-profit and supported with-profits	Policyholder funds		Total Policyholder	Total assets
		Non-supported with-profits funds	Unit linked		
AAA	2,010	1,549	617	2,166	4,176
AA	4,741	6,768	1,034	7,802	12,543
A	3,501	1,151	396	1,547	5,048
BBB	1,494	1,659	375	2,034	3,528
BB	21	186	65	251	272
B and below	-	83	30	113	113
Non-rated	257	612	1,430	2,042	2,299
As at 30 June 2018	**12,024**	**12,008**	**3,947**	**15,955**	**27,979**

Appendix X:
Current corporate structure



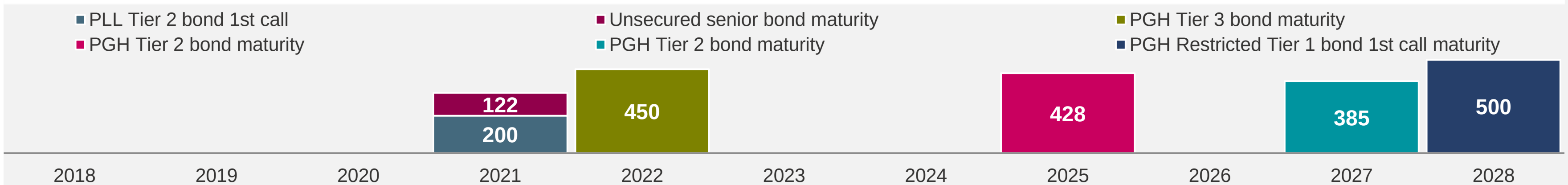
(1) Phoenix Group Holdings (PGH), is registered in Cayman Islands and was Jersey resident until 31 January 2018 when it became UK tax resident
(2) All shareholdings are 100%; All debt figures as of 30 June 2018

Appendix XI:
Outline of current debt structure

Structure of £2,085 million of outstanding debt as at 30 June 2018

	Instrument	Issuer/borrower	Maturity	Drawn amount /Face value
Bank Debt	**£900m unsecured Revolving Credit Facility (L+110bps)[1]**	Phoenix Group Holdings	June 2021	- [1]
Bank Debt	**£600m acquisition credit facility (L+50bps)[2]**	Phoenix Group Holdings	12 months after completion[2]	--
Bonds	**Unsecured Senior Bond (5.750% due Jul-2021, XS1081768738)**	Phoenix Group Holdings	July 2021	£122m
Bonds	**Subordinated Tier 3 Bond (4.125% due Jul-2022, XS1551285007)**	Phoenix Group Holdings	July 2022	£450m
Bonds	**Subordinated Tier 2 Bond (6.625% due Dec-2025, XS1171593293)**	Phoenix Group Holdings	December 2025	£428m
Bonds	**Subordinated Tier 2 Bond[3] (5.375% due Jul-2027, XS1639849204)**	Phoenix Group Holdings	July 2027	US$500m[3]
Bonds	**Subordinated Tier 2 Bond (7.250% Perpetual NC2021, XS0133173137)**	Phoenix Life Limited	March 2021 (first call date)	£200m
Bonds	**Restricted Tier 1 Bond (5.750% Perpetual NC2028, XS1802140894)**	Phoenix Group Holdings	April 2028 (first call date)	£500m

Debt maturity profile as at 30 June 2018 (£m)



(1) Revolving Credit Facility has an interest margin of 110bps. In addition, a utilisation fee of 10bps is payable if the RCF is utilised by up to 33% of the £900m facility, 20bps is payable if the RCF is utilised by between 33% and 67% of the £900 million facility, and 40bps if utilised by more than 67% of the £900 million facility. Commitment fees of 35% of margin are payable on undrawn amounts

(2) The applicable interest for the first 6-month period following Completion of the Standard Life Assurance acquisition will be L+50bps, with the margin increasing on each 6-month anniversary of Completion. Phoenix is entitled to request two six-month extensions to the term of the facility to a maximum of 24 months

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

Appendix XII: Leadership team changes

Phoenix Group Holdings Board

- Nicholas Lyons - Chairman
- Barry O’Dwyer - Standard Life Aberdeen representative
- Campbell Fleming - Standard Life Aberdeen representative

Executive Committee

- Susan McInnes - CEO of Standard Life Assurance and Group Director, Open Business
- Jim McConville - Group Finance Director and Group Director, Scotland
- Jonathan Pears - Phoenix Group Chief Risk Officer
- John McGuigan - Group Head of Customer

Life Company Board

- Life Company Board Non Executive Directors aligned across all life entities
- Mike Urmston - Chairman of Standard Life Assurance Limited
- Amanda Bowe and Richard Houghton – appointed to Phoenix Life Boards

Appendix XIII:
Combined group FY2017 sensitivities

Scenario[1]	Solvency II surplus: £2.5 billion as at FY17	Cash generation: £3.5 billion between 2018-22
Longevity increase[2]	£(0.5) billion impact	£(0.5) billion impact
Credit spread widening[3]	£(0.2) billion impact	£(0.2) billion impact
Interest rate fall[4]	£(0.1) billion impact	£(0.2) billion impact
Lapse rates[5]	£(0.3) billion impact	£(0.2) billion impact

- Longevity continues to represent the most material underwriting risk
- Allowing for the pre-acquisition market hedge, Solvency II surplus and cash generation have limited sensitivity to equity and property markets and currency risk

(1) Assumes stress occurs on 1 January 2018. SLAL stresses were provided by SLAL management. Phoenix management applied overlays to align with the Phoenix approach (e.g. where SLAL apply a different level of stress the impact has been scaled)

(2) Assumes a 6% decrease in annuitant mortality rates. For the Phoenix annuity portfolio, this is equivalent to 6 months increase in longevity

(3) Credit stress equivalent to c100bps widening in spreads for A rated bonds of 15yr term (other bonds stressed proportionately), based on average historical default rates

(4) Assumes 80bps fall in interest rates and recalculation of transitionals (subject to PRA approval)

(5) Most onerous impact of a 10% increase/decrease in lapse rates across different product groups. For SLAL 10% increase in lapse rates for funds exposed to increased lapses

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