BofA CEO Conference

‘Navigating COVID-19 and beyond’

Phoenix Group

September 2020

Phoenix has a clear strategy and a simple framework

A CLEAR STRATEGY

Heritage	Manage in-force business for cash and resilience and deliver customer outcomes
M&A and integration	Complete value accretive M&A, accessing synergies through integration
Open	Grow through new business in Open and BPA

A SIMPLE FRAMEWORK

- ✓ "Cash is King" and the sustainability of the dividend is paramount
- ✓ Underpinned by a strong, diversified, resilient balance sheet
- ✓ Long term cash progression giving confidence for the future

c. £7bn market capitalisation

£324bn AUA

13.8m policies

FTSE 100 and FTSE All World

c.7,500 employees

£19bn long-term cash

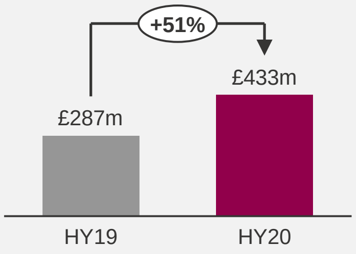
UK, Germany, Ireland locations

Phoenix delivered a strong set of 1H 2020 results

Cash

£433 million

Cash generation



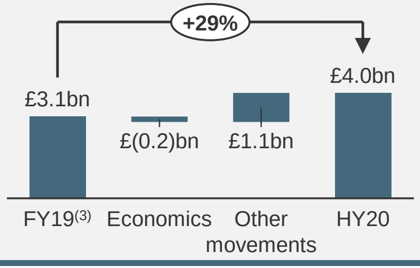
Resilience

£4.0 billion

PGH Solvency II surplus[1]

169%

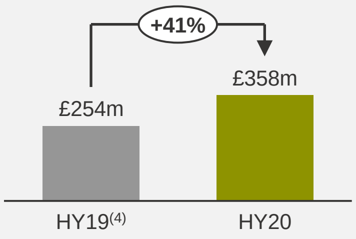
PGH Shareholder Capital Coverage Ratio[1,2]



Growth

£358 million

Incremental long-term cash generation from new business



See slide 11 for footnotes

Phoenix's business model has been resilient during the pandemic

Resilient **solvency** position through dynamic hedging and active management of high quality credit portfolio

Cash generation continues to be predictable with targets on track

Payment of **dividend** provides income stream to retail savers and the funds they invest in

Proactive management of numerous challenges caused by the pandemic

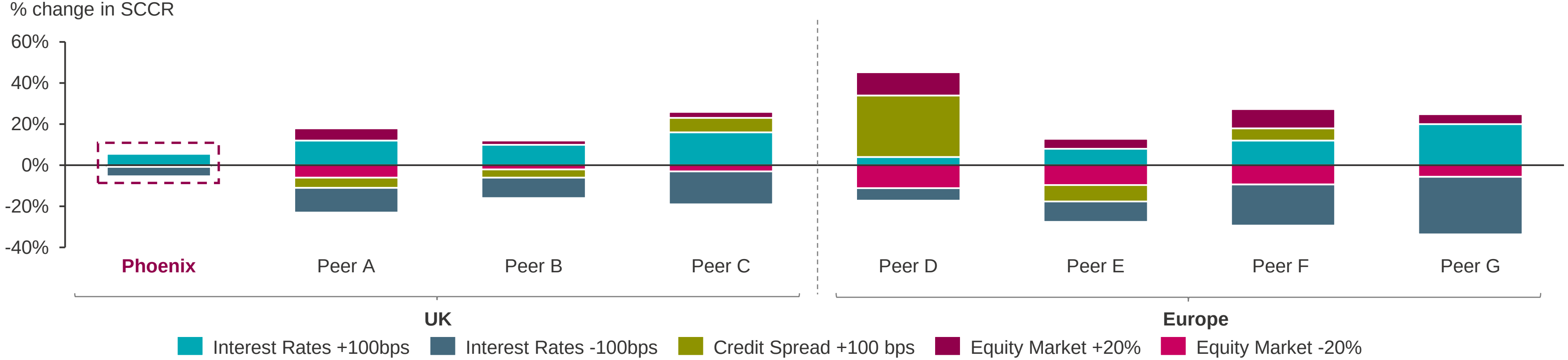
99% of **colleagues** working from home within 10 days and no colleagues furloughed or government support schemes accessed

Strong **customer** service with customer satisfaction remaining above 90% and call answer rates above 93% during lockdown

Charitable donations to and colleague volunteering in our **communities**

Our resilient balance sheet is well-positioned to navigate risk events

Pro-forma HY20 Phoenix Shareholder Capital Coverage Ratio (SCCR) sensitivities relative to Life peers(5)



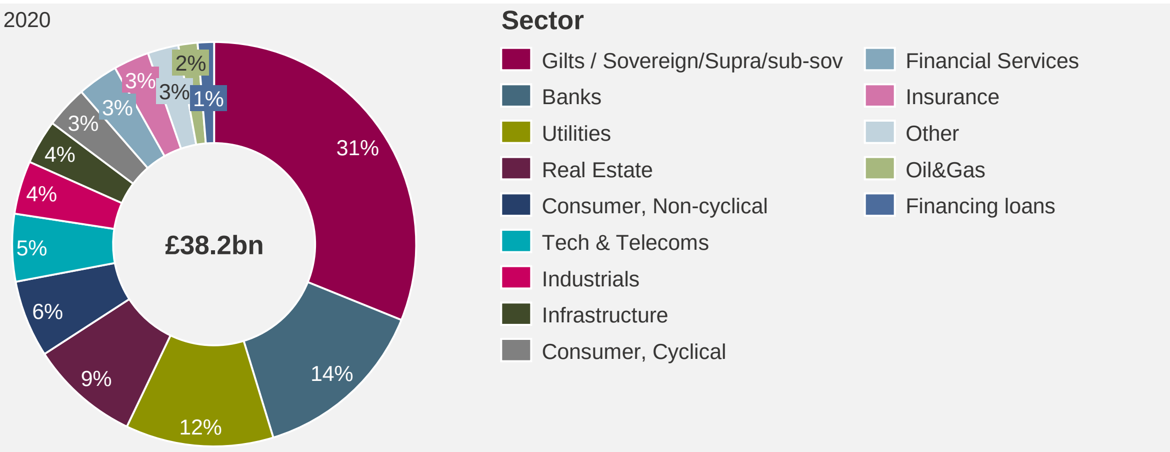
- Phoenix's strategy is focused on protecting the Group's capital position with the primary focus on protecting the overall quantum of surplus.
- Hedging mitigates the majority of our exposures to market risks such as equity, currency and interest rate risk.
- As a result, Phoenix tends to have lower sensitivities to market risks than its peers.
- The Group is well-prepared to navigate the turbulent market backdrop with a pro-forma Solvency II surplus of £4.4bn(6) and a Shareholder Capital Coverage Ratio of 150%(7), well within our target range of 140% - 180%.

See slide 11 for footnotes

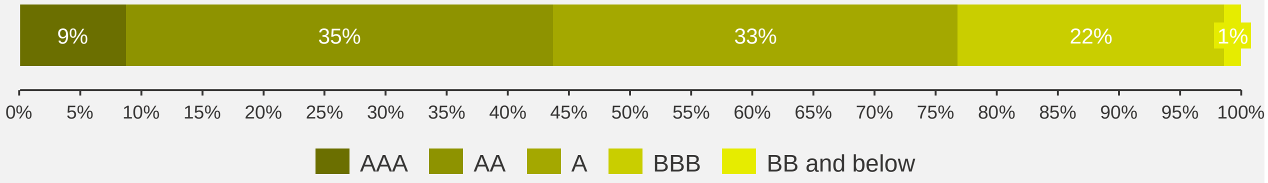
Phoenix has diversified asset portfolios with high credit quality

Pro-forma group debt portfolio by sector and credit quality

30 June 2020



Credit quality(8)



- 99% of the pro-forma Combined Group shareholder debt portfolio is investment grade
- 1.5% exposure to oil & gas sector
- 2.5% exposure to airlines, hotel, leisure & traditional retail
- Active management of credit portfolio has resulted in limited downgrade experience
- There have been no defaults

See slide 11 for footnotes

Resilient balance sheet and strong cash generation supported payment of final 2019 and 2020 interim dividends

2020 interim dividend

Capital

- Phoenix stand-alone Solvency II surplus of £4.0 billion[1]
- £5.8 billion of SCR over and above best estimate liabilities

Resilience

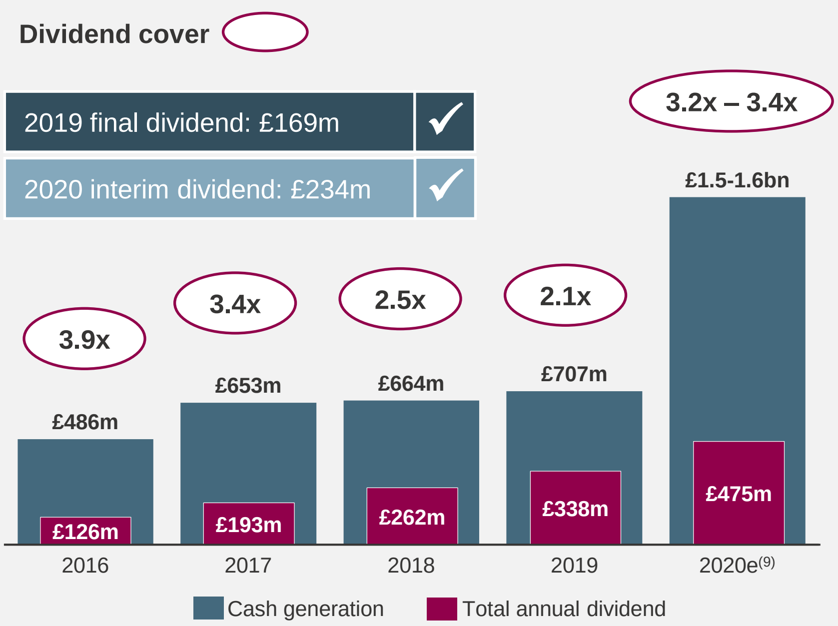
- Our approach to risk management ensures we remain resilient under a range of stress scenarios

Liquidity

- Holdco cash of £1.8 billion
- Dependable future cash generation

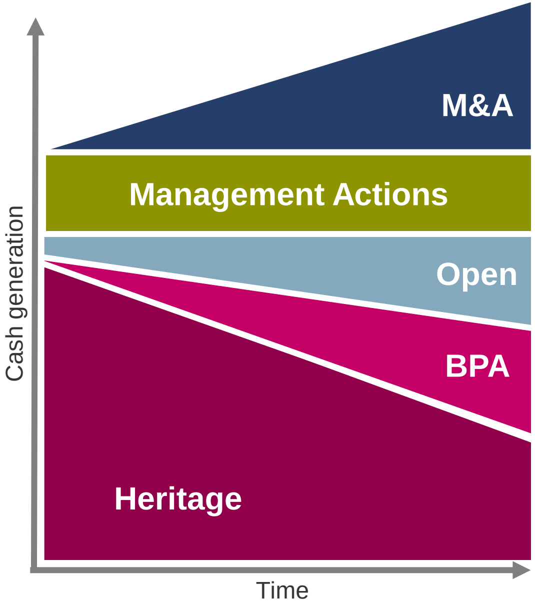
PAYMENT OF FINAL 2019 AND 2020 INTERIM DIVIDENDS

Strong cash dividend cover



See slide 11 for footnotes

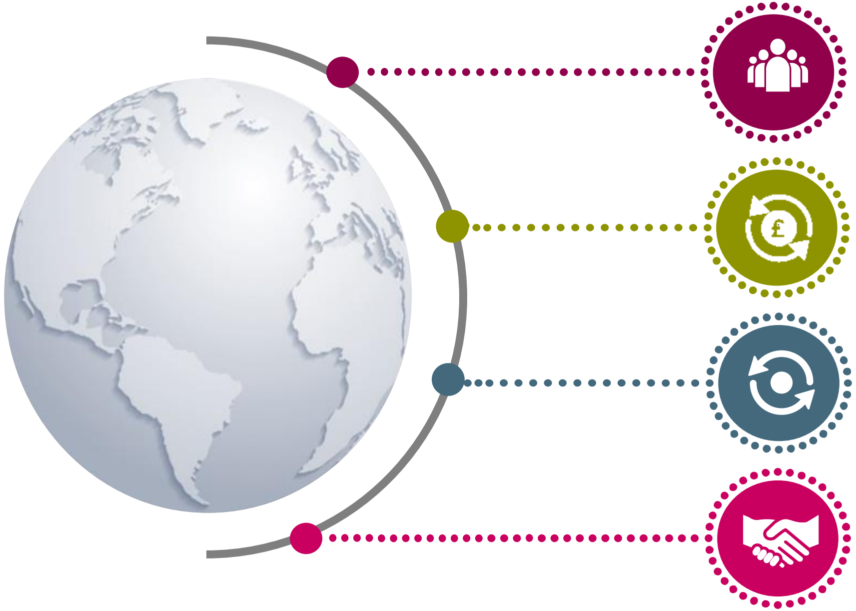
Phoenix is well placed to benefit strategically from the industry drivers of change, which COVID-19 has accelerated



Industry driver	Drivers are accelerating	Phoenix's advantages
Insurers are consolidating: **>£600 billion** across the UK, Germany and Ireland	• More pressure on insurer balance sheets • Greater need to free up trapped capital from Heritage books	✓ Differentiated capability in Heritage management ✓ Unrivalled scalable operating model and financing capability ✓ Leading capability in M&A and integration delivery
Strong DC pension growth: **£24 billion** DC contributions p.a.	• Increased demand for protection and financial security • More willingness to engage directly and seek guidance	✓ UK's largest long-term savings and retirement business ✓ Top 3 Workplace pension provider ✓ Market leading partnership with TCS
Corporates are de-risking: **£25 billion** p.a. and growing	• Short-term dislocation in pricing in favour of insurers • Continued demand for de-risking from FDs	✓ Better diversification as a result of annuities making up only circa 10% of our UK balance sheet

Phoenix is united behind its sustainability vision of "Committing to a sustainable future"

Phoenix focuses on four key areas of commitment as part of our sustainability strategy…



Deliver for our customers

We aim to provide the right products, solutions and services to our customers to help them enjoy a secure financial future.

Foster responsible investment

We aim to make responsible investment decisions and consider the sustainability of our investments in safeguarding the interests of our customers, shareholders and other stakeholders.

Reduce our environmental impact

We aim to minimise our impact on the environment and promote good environmental practice.

Be a good corporate citizen

We aim to be a diverse, engaged and enabled workforce and good corporate citizen in the communities in which we are based.

… to ensure we manage our business in accordance with our core social purpose.

Q&A

Footnotes

(1) The HY20 Solvency II capital position is an estimated position and reflects a dynamic recalculation of transitionals for the Group's Life companies. Had the dynamic recalculation not been assumed, the Solvency II surplus and the Shareholder Capital Coverage Ratio would decrease by £0.3 billion and 6% respectively.
(2) The Shareholder Capital Coverage Ratio excludes Solvency II own funds and Solvency Capital Requirements of unsupported with-profit funds and the PGL and Pearl Pension Schemes.
(3) The FY19 Solvency II capital position reflects a regulator approved recalculation of transitionals as at 31 December 2019.
(4) HY19 figures have been restated to include SunLife new business contribution of £3 million, incremental long-term cash generation of £4 million and capital strain of £3 million.
(5) All sensitivities based on HY20 disclosures. The sensitivities for Phoenix are pro-forma for the acquisition of ReAssure Group plc which completed on 22 July 2020.
(6) The pro-forma position for the Combined Group assumes the acquisition of ReAssure and the novation of equity hedging instruments from the Group's holding companies to ReAssure Assurance Limited took place on 30 June 2020.
(7) The Shareholder Capital Coverage Ratio excludes Solvency II own funds and Solvency Capital Requirements of the unsupported with-profit funds and the unsupported pension schemes of the Combined Group.
(8) Approximate percentages.
(9) 2020e reflects expected dividend based on application of proposed 3% increase announced for ReAssure transaction.

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