Financial Overview

PHOENIX

Founded in 1851, Phoenix is a financially strong and stable company with a history of keeping our promises. We manage our company by the metrics important to the strength of a life insurance business, such as capital, liquidity, persistency and mortality, and our priorities are to:

- Deliver the financial security our customers expect; and
- Build value for shareholders

We are maintaining our strength and flexibility as we pursue new avenues to enhance our competitive position.

Our business is designed and built with a long-term view, in keeping with the long-term commitments we make to policyholders and contract holders. Our sense of stewardship has guided us through many cycles over our long history and continues to do so today.

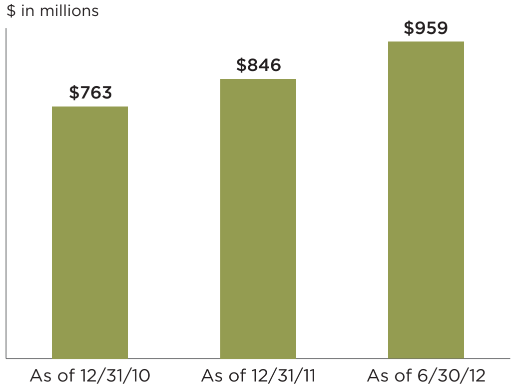
Our strategy is built on four pillars from which to grow.

1 HEALTHY BALANCE SHEET	2 POLICYHOLDER SERVICE	3 OPERATIONAL EFFICIENCY	4 PROFITABLE GROWTH
Balance capital preservation and generation while maintaining quality of investment portfolio, low leverage and a conservative liability profile	Maintain quality service as we simplify policy administration and meet new business demands	Increase profitability by investing in growth while reducing operating expenses	Increase market presence and diversify sources of revenue by expanding distribution relationships and offering well-designed, differentiated annuity and life insurance products

1 HEALTHY BALANCE SHEET

Statutory surplus and AVR levels are rising.

STATUTORY SURPLUS & AVR
$ in millions



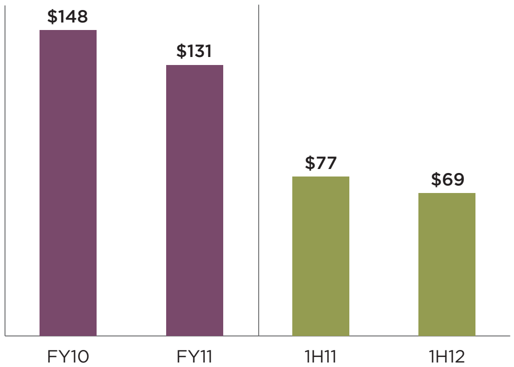
AS OF JUNE 30, 2012

- Total Statutory Assets: $14.0 billion
- Total Statutory Reserves & Other Liabilities: $13.2 billion

Phoenix's statutory surplus grew 13% from year-end 2011, demonstrating the earnings capacity of our in-force business and the strength of our investment portfolio.

Statutory earnings contribute to capital.

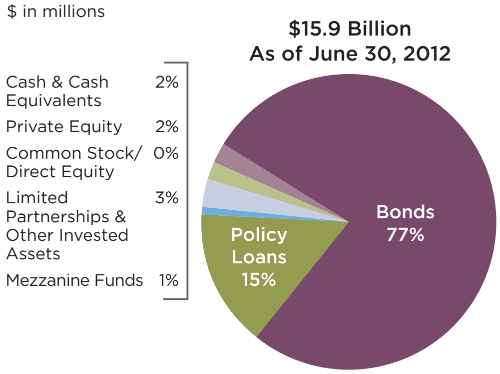
PHOENIX LIFE STATUTORY NET GAIN FROM OPERATIONS
$ in millions



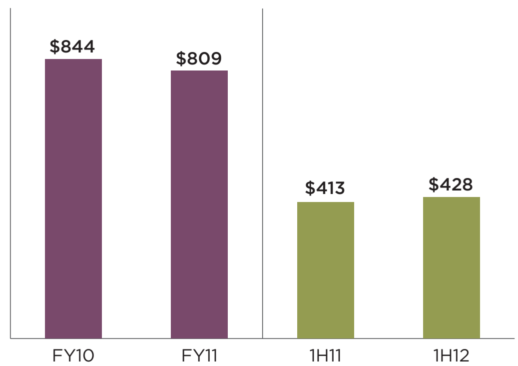
Phoenix continues to generate capital organically through earnings. Benefit payments (e.g., mortality) that are modestly favorable compared with long-term expectations and investment income both contribute.

Investment portfolio is high quality and well diversified.

TOTAL GAAP INVESTED ASSETS
$ in millions



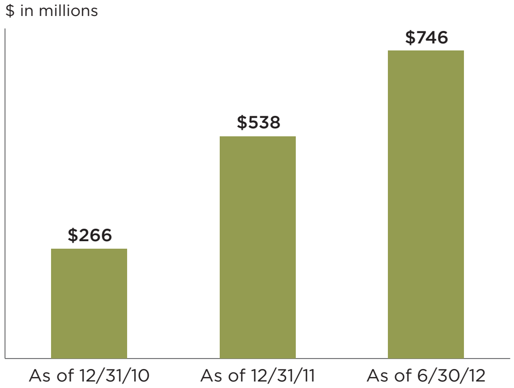
GAAP NET INVESTMENT INCOME
$ in millions



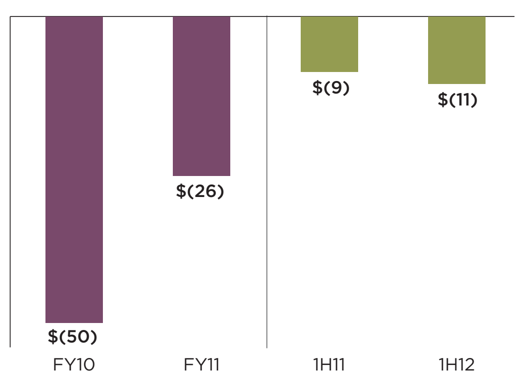
Phoenix's investment portfolio is well diversified and liquid. The overall quality of the portfolio has improved, with the percentage of below-investment-grade bonds at 8.4% as of June 30, 2012, well within the company's target range of 6-10%. The annualized yield for the second quarter of 2012 was 5.9%.

Portfolio market value and credit results continue to be favorable.

GAAP NET UNREALIZED GAINS
$ in millions



GAAP IMPAIRMENTS
$ in millions

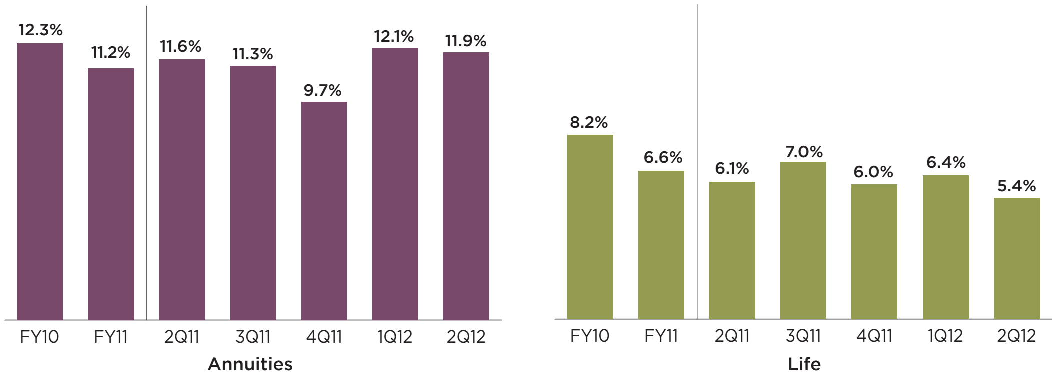


Phoenix's fixed income investment portfolio appreciated further to a net unrealized gain position of $746 million at June 30, 2012, providing continued strength to our balance sheet. Credit results continue to be favorable in 2012 with impairment losses remaining below long-term averages.

2 POLICYHOLDER SERVICE

Persistency is improved.

ANNUALIZED SURRENDER RATIOS

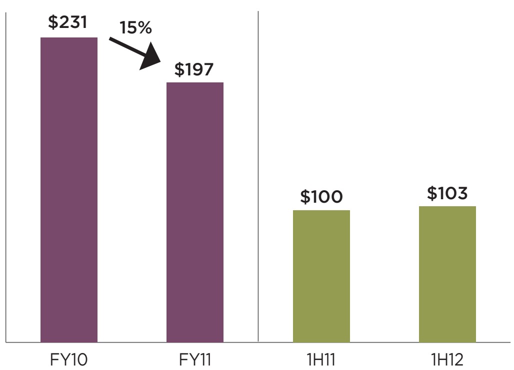


Phoenix has a large, stable book of in-force business comprised almost entirely of individual life insurance policies and annuity contracts. After spiking in 2009, surrender levels improved in 2010 and 2011 and have returned to more normal levels. This improvement in persistency has allowed us to reduce portfolio liquidity and enhance investment income.

3 OPERATIONAL EFFICIENCY

Expenses remain lower.

CORE GAAP EXPENSES[1]
$ in millions



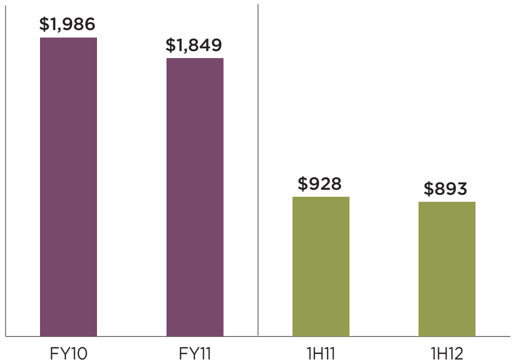
1. Consolidated GAAP other operating expenses before deferrals excluding Expense Allowance Payments (EAP), premium taxes, reinsurance allowances, commissions, sales incentives and unusual expenses of $60 million and $48 million in 2010 and 2011 and $19 million and $20 million in 1H11 and 1H12.

Phoenix continues to manage expenses to make the company more profitable. Core GAAP expenses in 2011 were 15% lower than 2010, and the company has targeted additional reductions through 2013.

4 PROFITABLE GROWTH

Revenue base is stable as growth initiatives gain traction.

TOTAL GAAP REVENUE
$ in millions



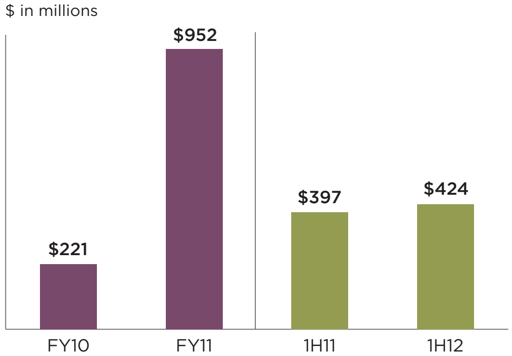
KEY ELEMENTS OF GROWTH STRATEGY

- Repositioned product lines for broader middle market.
- Established and deepened new distribution relationships with independent agents.
- Launched distribution company, Saybrus Partners, and secured agreements with institutional clients.

Phoenix's in-force policies and contracts generate a sizable, ongoing revenue stream. In addition, we are pursuing new revenue sources through product launches, expanded distribution, and a distribution company that serves both Phoenix and third-party clients.

Annuity product sales are strong.

ANNUITY DEPOSITS
$ in millions



Sales in Phoenix's annuity product line gained momentum in independent marketing organizations that serve the middle market and are at a sustainable level. Annuity funds under management grew 6% from year-end 2011 to $4.8 billion at June 30, 2012, reflecting new sales, modest surrenders and market appreciation.

Glossary of Financial Terms

Generally Accepted Accounting Principles (GAAP) – Conventions, rules and procedures that define accepted U.S. accounting practice, governed by the Financial Accounting Standards Board (FASB).

Statutory Accounting Practice – Conventions, rules and procedures that define insurance regulatory accounting practice, governed by the National Association of Insurance Commissioners (NAIC).

Annualized Surrender Ratio – Measures the persistency, or staying quality, of policies and contracts. It is the ratio of lapsed business to total business, translated to an annual rate at the end of each month and quarter.

GAAP Credit Impairments – A loss recognized on an investment, regardless of whether or not it was sold. Some level of impairments is expected in managing an insurance company investment portfolio.

GAAP Revenue – The sum of premiums, fees, net investment income and other miscellaneous income.

GAAP Net Investment Income – Income received from invested assets such as bonds, stocks, hedge funds, loans and other investments less related investment expenses.

GAAP Unrealized Gains/Losses – A gain or loss in an investment that has not been recognized, which happens only when the investment is sold or impaired. The gain or loss reflects the fluctuation in market value of the investment.

Mortality – The rate of death claims.

Statutory Net Gain from Operations – Statutory net income before realized capital gains/losses.

Statutory Surplus & Asset Valuation Reserve (AVR) – The excess of assets over liabilities including policy reserves plus a reserve based on an NAIC formula to cover credit-related and equity risks of the company's assets.