

Our Reference: Final Bonus/LO'N
October 2009

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Dear Intermediary

Phoenix Ireland – With-Profits Funds update

I am writing to update you with details of our revised final bonuses & market value reductions (MVRs) which came into effect from 1 October 2009 for Phoenix Life Limited SPI With-Profits Fund.

Final bonuses and MVRs have been reviewed against the existing scales and take into account current investment conditions and investment experience since the rates were last reviewed.

Phoenix Life Limited – SPI With-Profits Fund

Traditional With-Profits Maturing Policies

Final bonus review / MVRs applicable from 1 October 2009 can be found under the “Latest News” section of our website www.phoenixireland.ie where you can also find a copy of the latest **Principles and Practices of Financial Management (PPFM) for the SPI With-Profits Fund of Phoenix Life Limited.**

Smoothing

Our PPFM sets out our practice and approach to the frequency of the final bonus review. Principle 13.7 and its associated practices set out our smoothing practices.

Given the extreme investment conditions recently, we have allowed larger changes in payouts on similar policies than we would under normal circumstances. This is described in our PPFM.

Traditional Life

Regular premium plans

Maturity payouts on similar policies have increased by up to 12.5% as a result of the October 2009 final bonus review.

Single premium bonds

For 10-year Single Premium Endowment Bonds, we have increased final bonus to policies maturing from 1 October 2009 to 1%.

Continued

Traditional Pensions

E-Types and SEDA Plans

Maturity payouts on similar policies have increased by up to 10% as a result of the October 2009 final bonus review.

Encashment / Transfer Values

We have also reviewed surrender and transfer values to take into account the latest investment performance of the with-profits fund. Encashment / transfer values have generally increased from 1 October 2009.

Unitised With Profits

Final bonus rates have been reviewed from 1 October 2009 and market value reductions (MVR's) have been reviewed regularly in 2009 to ensure that payouts remain at a fair level. Market value reductions may be applied to reduce final bonuses on surrender.

Payouts on maturing unitised with-profits policies have increased by up to 13.2% as a result of the October 2009 review. We will continue to review market value reductions regularly.

We will normally review final bonuses twice each year, from 1 January and 1 July and MVR's will be reviewed more frequently.

Final bonuses and MVR's are not guaranteed and are subject to change at any time.

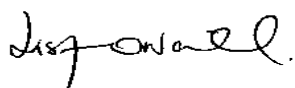
If there are other individuals in your organisation that you feel should have a copy of this note, can you please pass it on to them?

Further information can be obtained using one of the following options:

- From our website www.phoenixireland.ie
- Writing to the address at the top of this letter
- Calling our contact team on (01) 639 9859.

Our office is open from 9.00am to 5.00pm Monday to Friday.

Yours sincerely



Lisa O'Neill
Operations Manager