

Standard Life plc

Full year results 2015

Driving performance and growth

Standard Life 

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Agenda

Annual results presentation

- Driving performance and growth
- Full year results 2015
- Building a simplified and well diversified investment company
- Questions & answers

Solvency II insight session

Driving performance and growth

- Growth channels gross inflows up 28% to £40.8bn (2014: £31.8bn) with net inflows up 144% to £14.9bn (2014: £6.1bn)
- Launched 13 new investment propositions and MyFolio AUM now over £8bn
- Helped over 50,000 people through pension freedoms in 2015 and have now added over 820,000 customers since auto enrolment began
- Agreed to increase stake in HDFC Life to 35% subject to regulatory approval
- Completed sale of Canada and return of £1.75bn to shareholders
- Operating profit of £665m
- Well capitalised with a stable Solvency II surplus of £2.1bn and ratio of 162%
- Final dividend of 12.34p, up 8.0%, making a total of 18.36p for the year

Building a simplified and well diversified investment company



Well positioned to capitalise on major global trends shaping the savings and investments landscape

Democratisation of financial risk

Innovation, technology and digitalisation

Rebuilding trust in financial services

Slow growth, low inflation, compressed return environment

Our vision for a world-class investment company

- World-class investment company
 - Putting long-term client and customer needs at our heart
 - Trusted to look after client and customer assets
 - Business that people aspire to work for and be associated with
 - A common culture built on teamwork, respect and a commitment to excellence in all we do
- Simplified and well diversified
 - Diversified across geographies, asset classes and client and customer channels
 - Revenues and profit driven by asset growth
 - Strengthening leading strategic positions to drive sustainable growth

**Bringing together best-in-class investment management,
distribution platforms and propositions**

How we think about our business

- **Growth channels** driving increase in assets, revenue and profit

Primarily:

- Standard Life Investments **Institutional** and **Wholesale**
- UK Pensions and Savings **Workplace** and **Retail** new style propositions

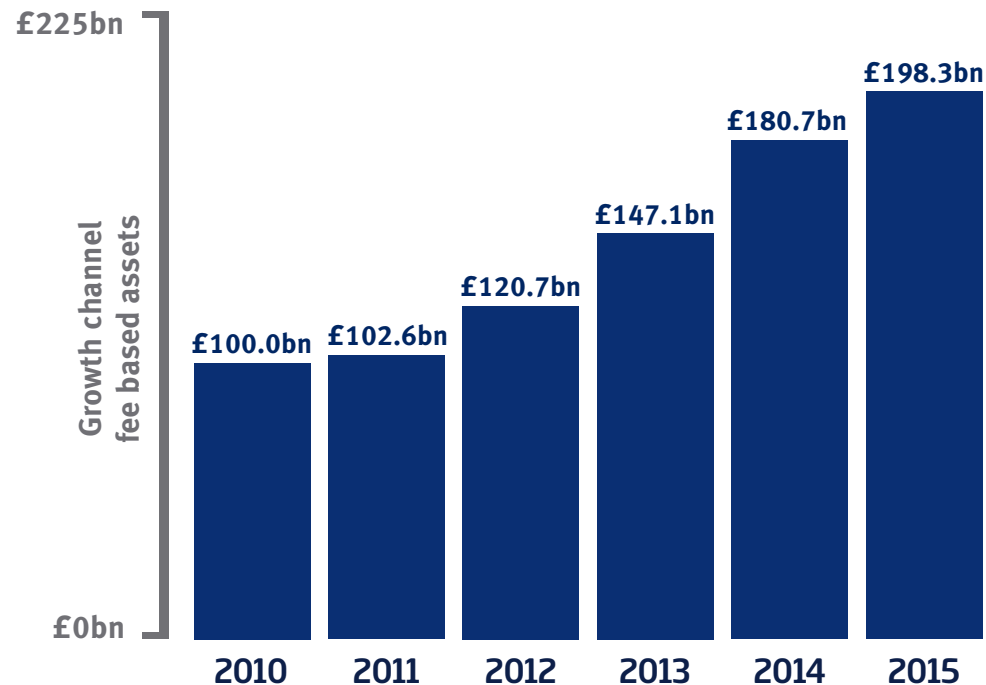
- **Mature books** providing stable and consistent contribution to profit and a source of financial strength underpinned by a strong Solvency II position

Primarily:

- UK Mature Retail and Annuities
- Phoenix life book bringing additional scale

- Strategic **associate and joint venture life businesses** in India and China

Growth channels driving increase in fee AUA

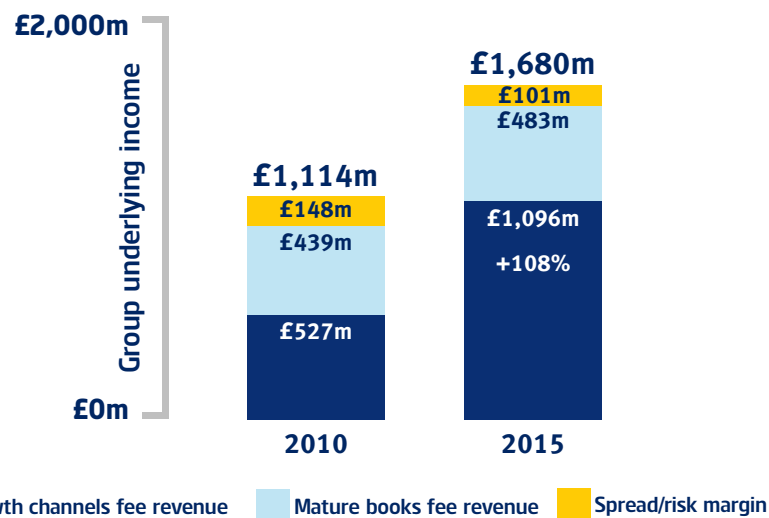


Growth channels with almost £200bn of assets and 5 year CAGR of 15%

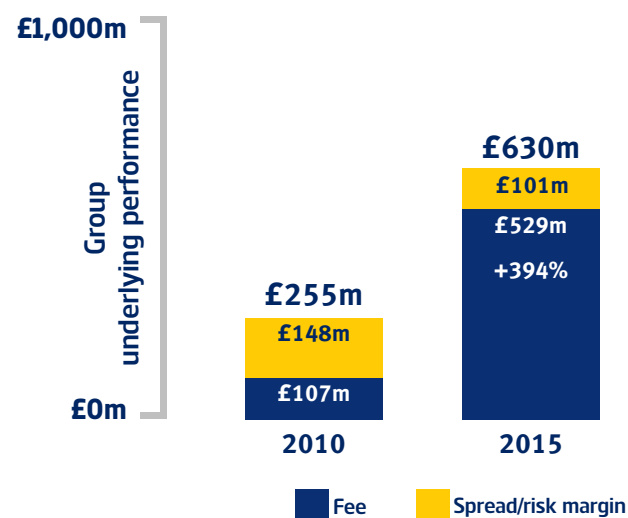
All figures are reported on a continuing operations basis.

Growth channels driving increase in revenue and profit

Group underlying income



Group underlying performance



- **Growth channels** driving increase in fee revenue:

- Growth channel fee revenue more than doubled since 2010 to £1,096m
- 5 year CAGR of 16%

- **Scalable business model:**

- Majority of increase in fee revenue falling through to the bottom line
- Underlying performance from fee business up £422m or 394% to £529m (2010: £107m)
- 5 year CAGR of 38%

All figures are reported on a continuing operations basis.

Full year results 2015

Driving performance and growth

Luke Savage

Standard Life 

Delivering across our simple business model

Increasing assets

Group AUA
up 4% to **£307.4bn**
(2014: £296.6bn)

Maximising revenue

Fee based revenue
up 10% to **£1,579m**
(2014: £1,429m)

Total expense costs
down 6 bps to **40bps¹**
(2014: 46bps²)

Lowering unit costs

Driving profit

Group underlying performance
up 12% to **£630m**
(2014: £565m)
ex spread/risk margin
up 24% to **£529m**
(2014: £425m)
Diluted operating EPS
of 26.1p

Optimising the balance sheet, generating cash and growing the dividend by 7.8%

Solvency II surplus of £2.1bn and Solvency II capital ratio of 162%
Return of £1.75bn to shareholders

1. Excluding £9m contribution to with profits business in Germany. 2. Excluding £17m HWPF adjustment.
All figures are reported on a continuing operations basis.

Group operating profit

Group operating profit before tax - continuing operations

	2015 £m	2014 £m
Fee revenue	1,579	1,429
Spread/risk margin	101	140
Total income	1,680	1,569
Total operating expenses	(1,115)	(1,045)
Capital management	9	2
Share of associates and JVs	56	39
Group underlying performance	630	565
Group underlying performance (ex spread/risk margin)	529	425
One-off contribution to with profits business in Germany	(9)	-
Operating assumption and actuarial reserving changes	44	43
Group operating profit before tax	665	608

Fee revenue up 10% with 94% of income now fee based

Non-operating items

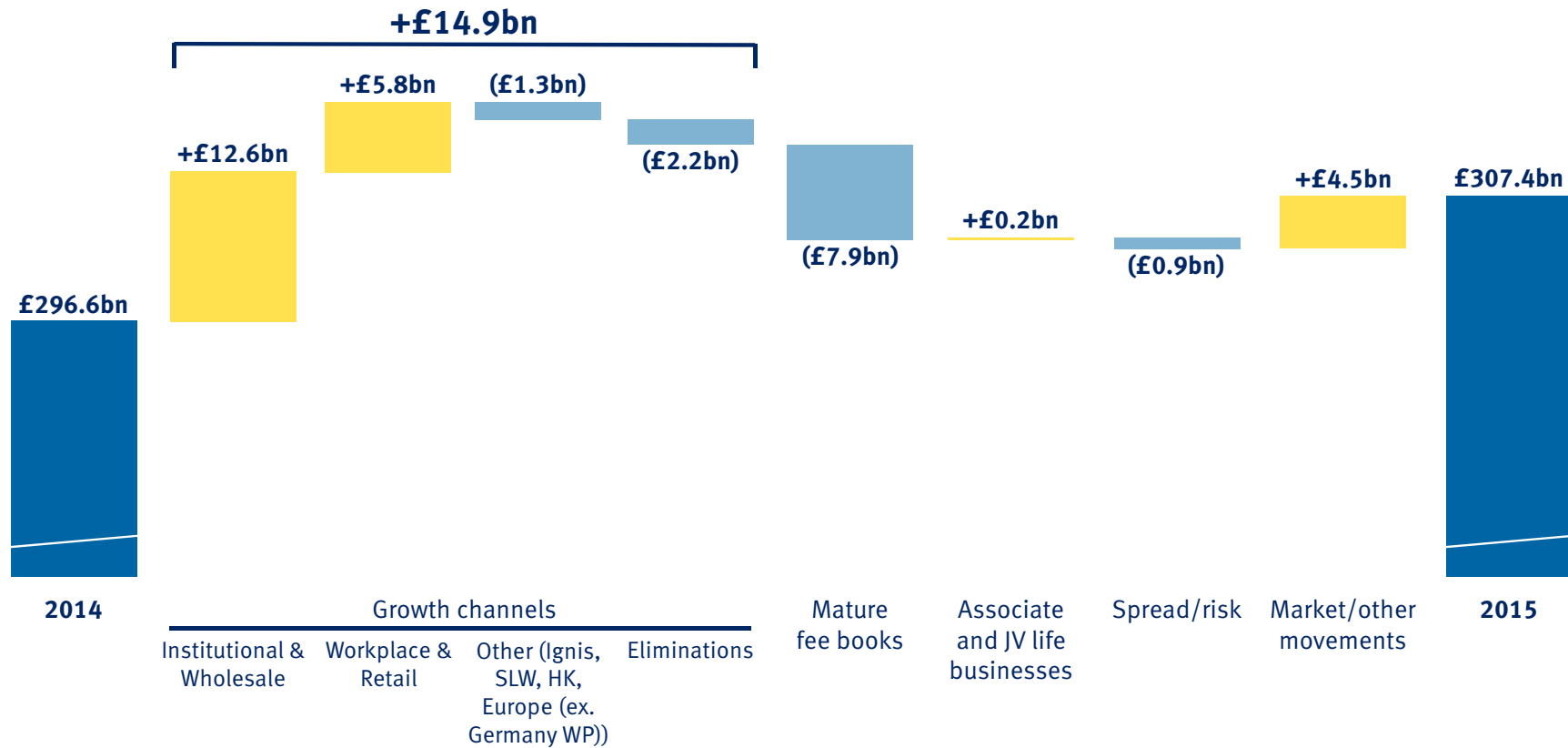
Total non-operating items - continuing and discontinued operations

	2015 £m	2014 £m
One-off		
Gain on sale of Canadian business	1,102	-
Closure of Singapore insurance business	(40)	-
Acceleration of DAC amortisation in Hong Kong	(46)	-
Impairment of intangible assets	(7)	(47)
Defined benefit pension scheme restructuring costs	(35)	(15)
Other		
Short-term fluctuations in investment return and economic assumption changes	1	88
Restructuring expenses	(83)	(125)
Amortisation of intangibles	(20)	(15)
Other	(7)	(10)
Total non-operating items	865	(124)

Expect lower level of restructuring expenses in 2016

Continuing growth in assets in volatile markets ...

Increasing assets



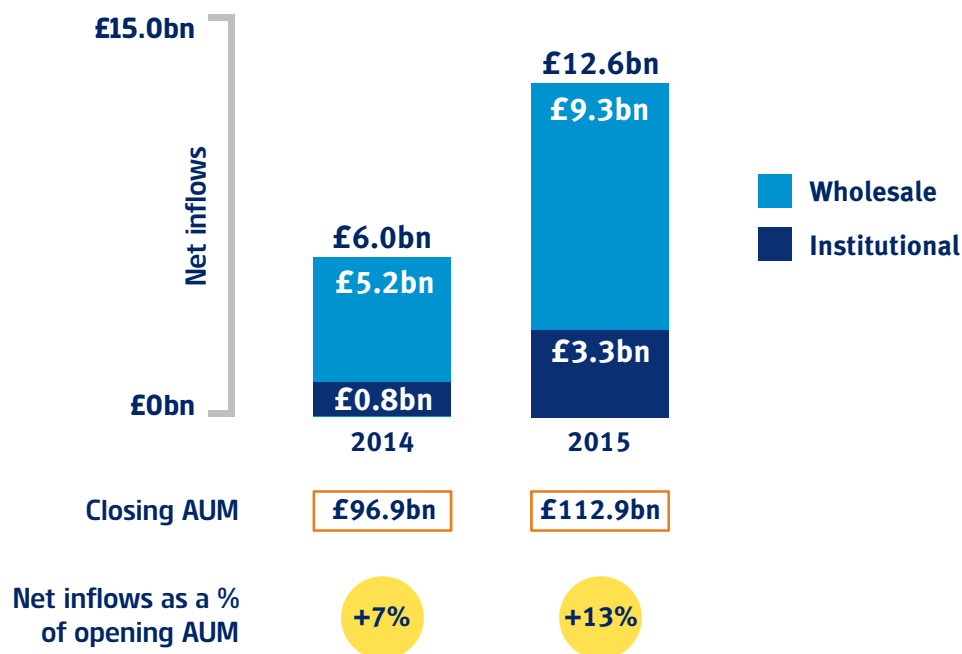
Growth channels net inflows driving increase in assets

All figures are reported on a continuing operations basis.

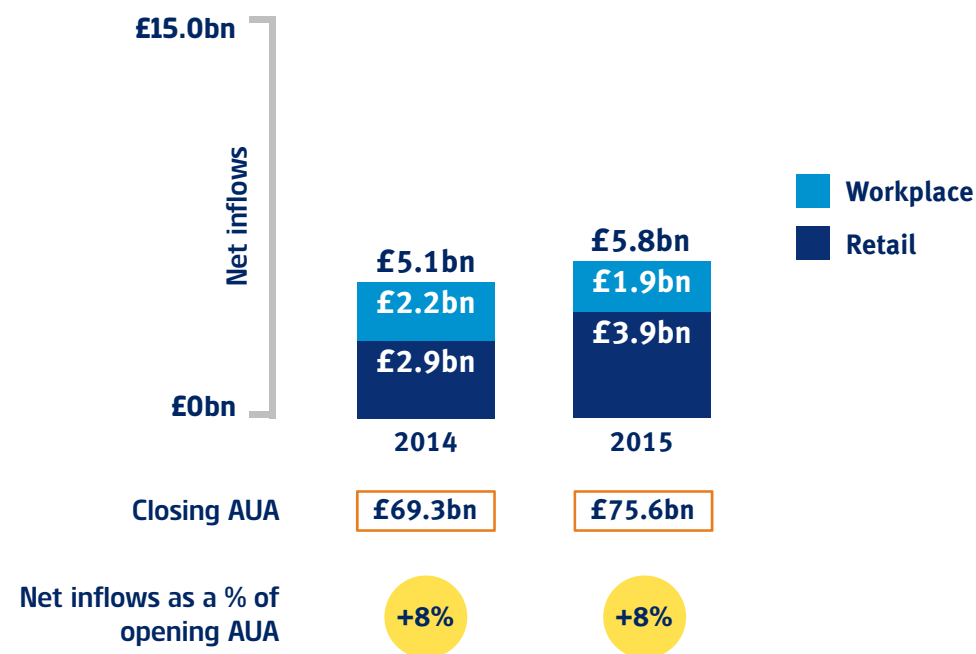
... driven by strong net inflows across our growth channels ...

Increasing assets

Institutional and Wholesale



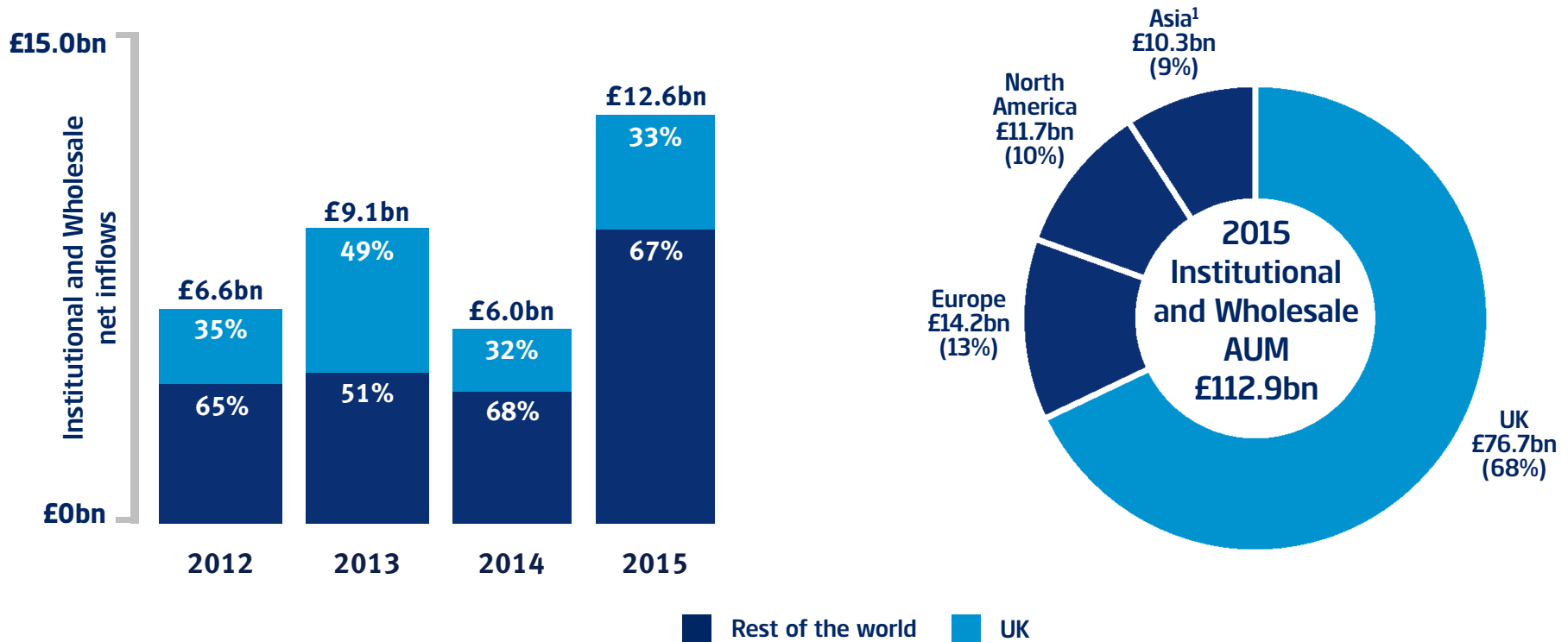
Workplace and Retail



Net inflows 11% of opening assets

... with Institutional and Wholesale benefiting from an increasingly global client base ...

Increasing assets



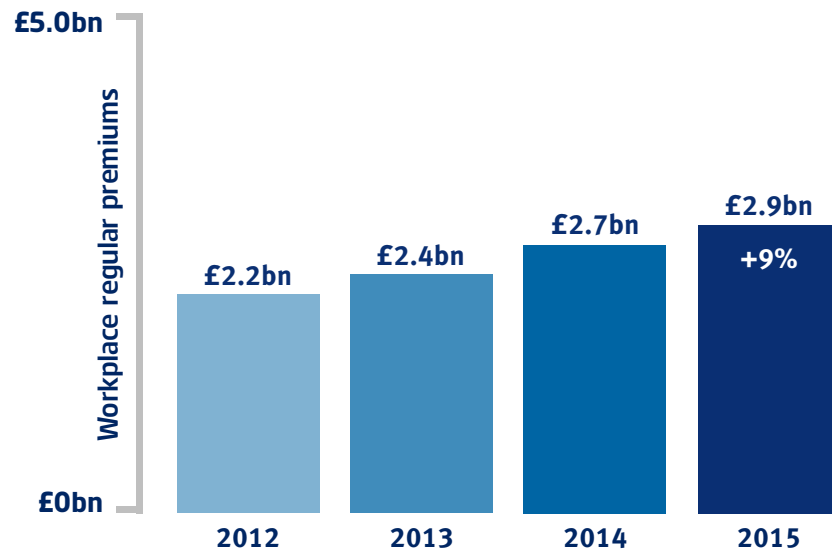
Two thirds of net inflows from outside of the UK

1. Asia Pacific and India.

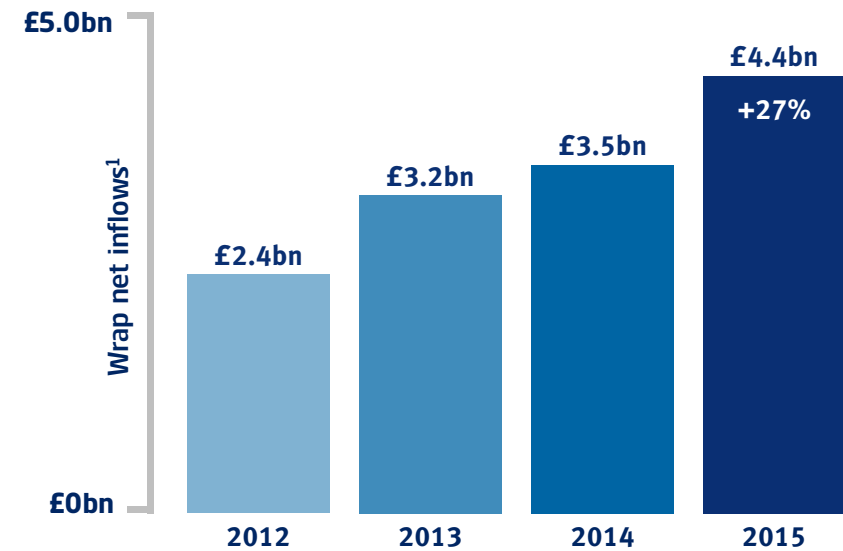
... and Workplace and Retail continuing to see strong customer demand

Increasing assets

AE success driving regular premium growth



Wrap continues to lead the advised platform market

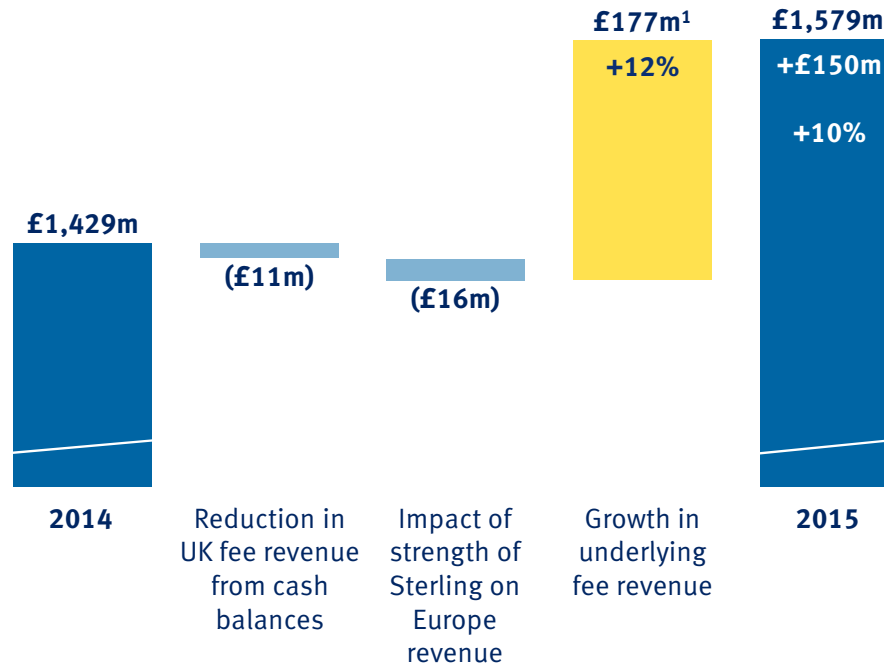


Ongoing momentum in Workplace and Retail

1. Includes offshore bond reported within Europe growth fee (2015: £0.4bn; 2014: £0.2bn).

Growth in assets driving strong increase in fee revenue

Maximising revenue

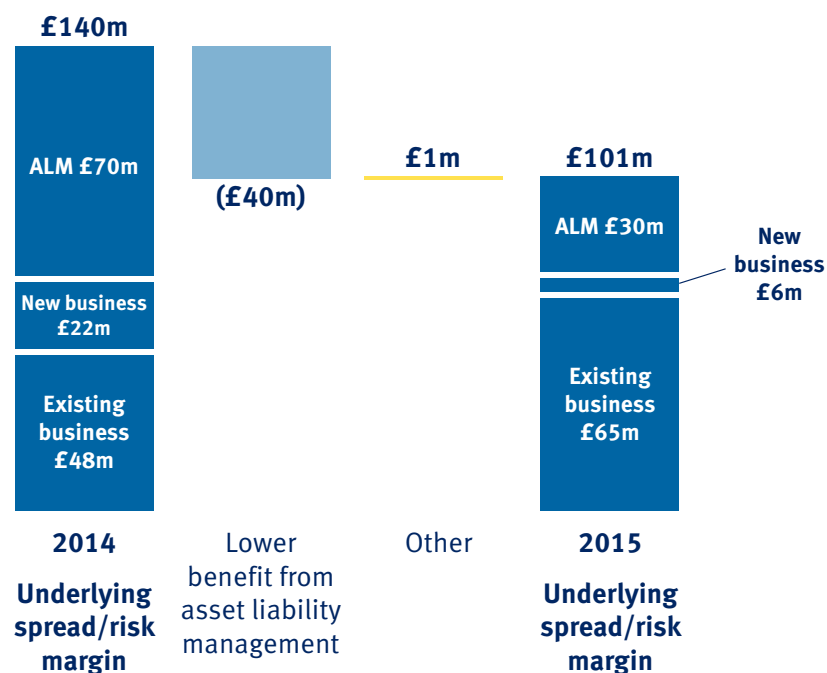


Underlying fee revenue up 12%

1. Includes increase in revenue from Ignis of £33m.
All figures are reported on a continuing operations basis.

Spread/risk margin reduced in line with expectations

Maximising revenue

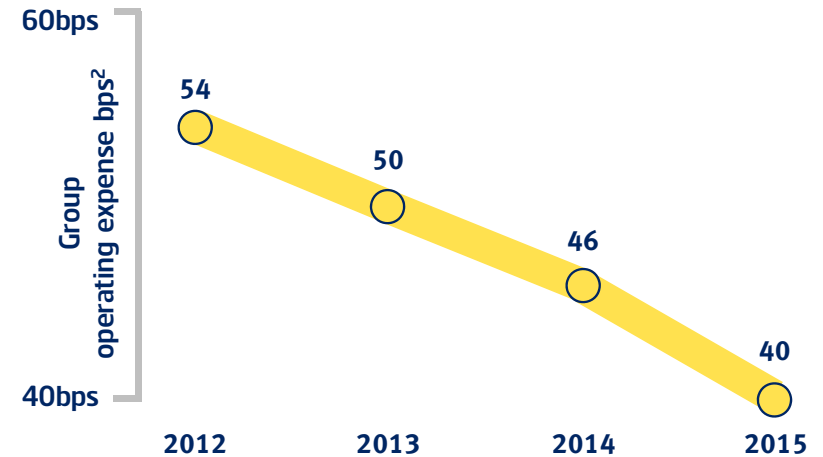
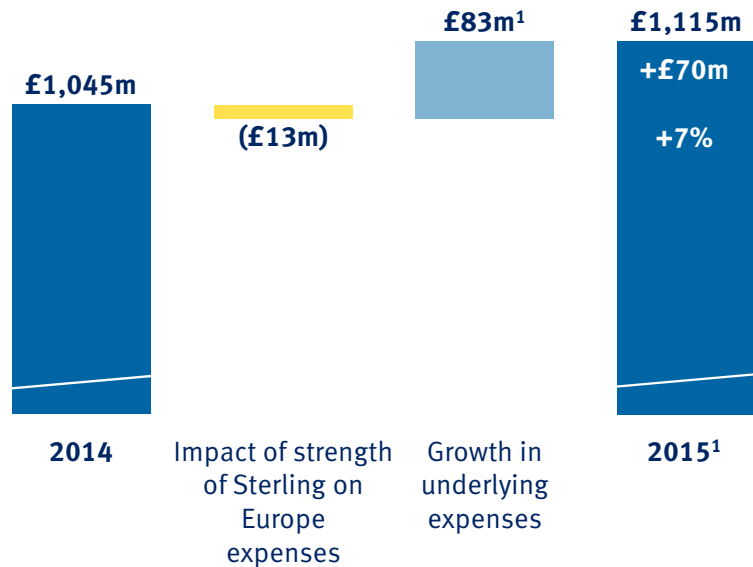


- Reduction in annuity new business profit in line with expectations
- Lower level of asset liability management – in line with previous guidance for 2015 of £30m-£40m (2014: £70m)
- Expect contribution from asset liability management to halve in 2016

All figures are reported on a continuing operations basis.

Ongoing reduction in unit costs

Lowering unit costs

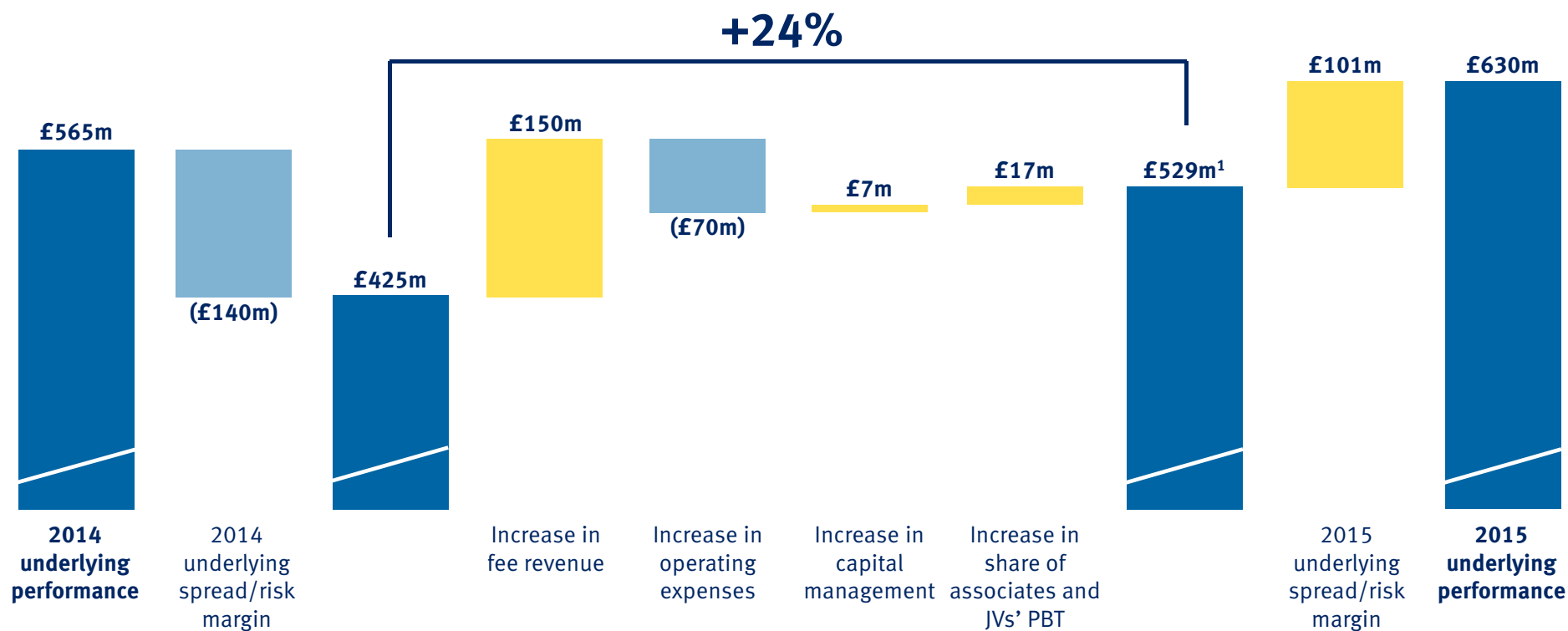


- Increase in expenses more than offset by growth in AUA with unit costs down 6bps²
- Integration of Ignis on track to achieve £50m of annual cost savings by 2017
- Continued investment in new propositions, geographic reach and capabilities to support growth

1. Includes increase in expenses from Ignis of £23m. 2. Includes acquisition, maintenance and group corporate centre costs (excludes £17m HWPF adjustment in 2014). All figures are reported on a continuing operations basis.

Fee revenue growth and scalability driving profit

Driving profit



1. Includes increase in underlying performance from Ignis of £10m.
All figures are reported on a continuing operations basis.

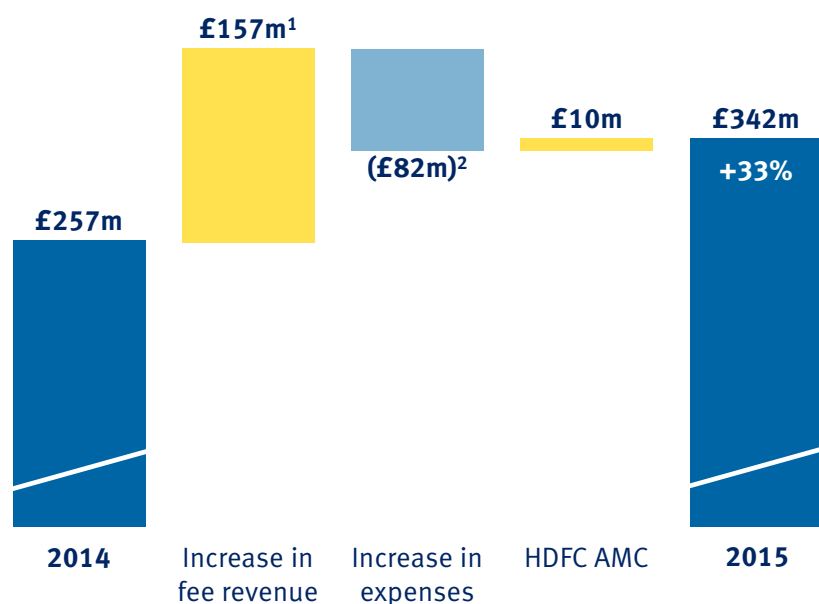
Group underlying performance by business unit

	2015 £m	2014 £m
Standard Life Investments	342	257
UK spread/risk margin	100	134
UK excluding spread/risk margin	191	174
UK Pensions and Savings	291	308
Europe Pensions and Savings	31	39
India and China (including associate and joint venture life businesses)	27	23
Other	(61)	(62)
Group underlying performance	630	565

All figures are reported on a continuing operations basis.

Institutional and Wholesale driving profit in SLI

Standard Life Investments underlying performance



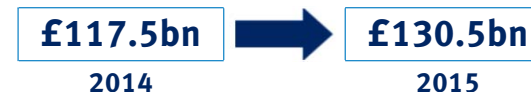
Investment performance³



Total AUM



Third party AUM⁴



Third party revenue bps⁴



EBITDA margin⁵

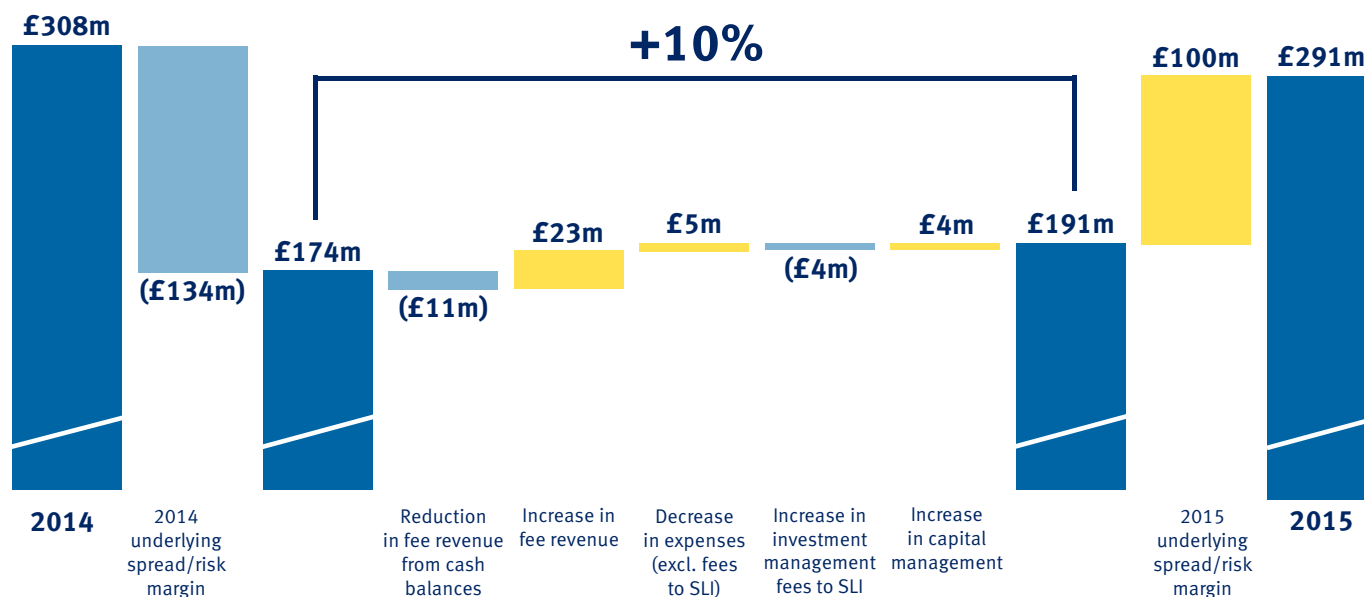


1. Includes increase in revenue from Ignis of £33m. 2. Includes increase in expenses from Ignis of £23m. 3. Third party AUM above benchmark (excluding strategic partner life business).

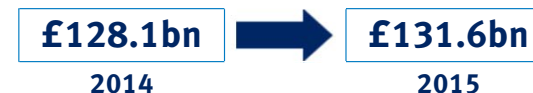
4. Excluding strategic partner life business. 5. Earnings before interest, tax, depreciation and amortisation.

Continuing growth in Workplace and Retail

UK Pensions and Savings underlying performance



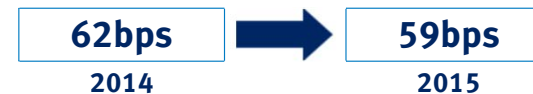
Total AUA



Workplace & Retail net inflows



Fee revenue bps



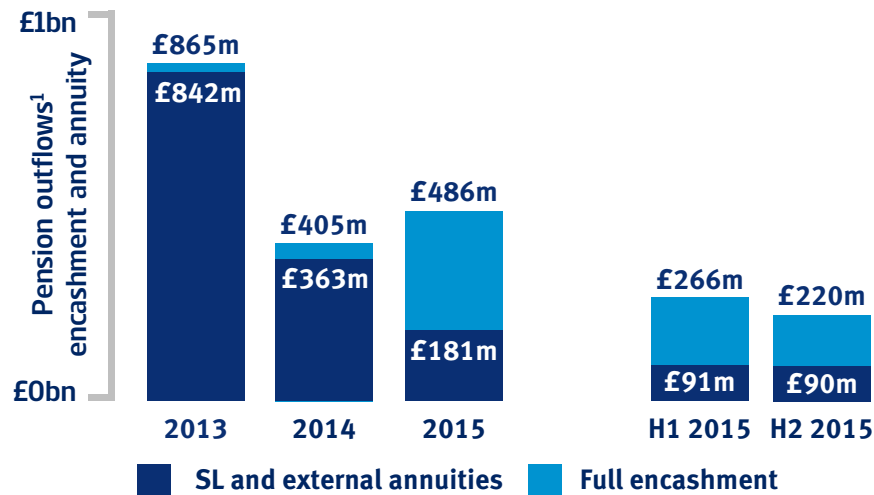
Operating expense bps¹



1. Excluding £17m HWPF adjustment in 2014.

Delivering for our customers in the new pensions world

Increased encashment offset by fall in outflows to annuities



- Helped over 50,000 customers to access their pension savings since 6 April:
 - £0.3bn encashed across Workplace, Retail and old Retail
 - Encashments in Q4 were a third of Q2 peak

Building on our leading position in the drawdown market

- New inflows into drawdown up 60% to £1.7bn and drawdown AUA up 18% to £13.6bn (2014: £11.5bn)
 - Average pot size of customers moving into drawdown is over £135,000
 - 78% of customers taking drawdown with pots over £50k are taking tax-free cash only
- Our newly launched non-advised drawdown proposition has accumulated £400m of assets:
 - 70% of customers transacted online
 - Majority of assets managed by Standard Life Investments
- Achieving excellent customer satisfaction (92% would recommend to a friend) and recognition with 6 awards for our online journey

1. Outflows from individual and workplace customers aged 55+.

Solvency II, cash generation and dividend

Standard Life 

Well capitalised with a stable Solvency II surplus



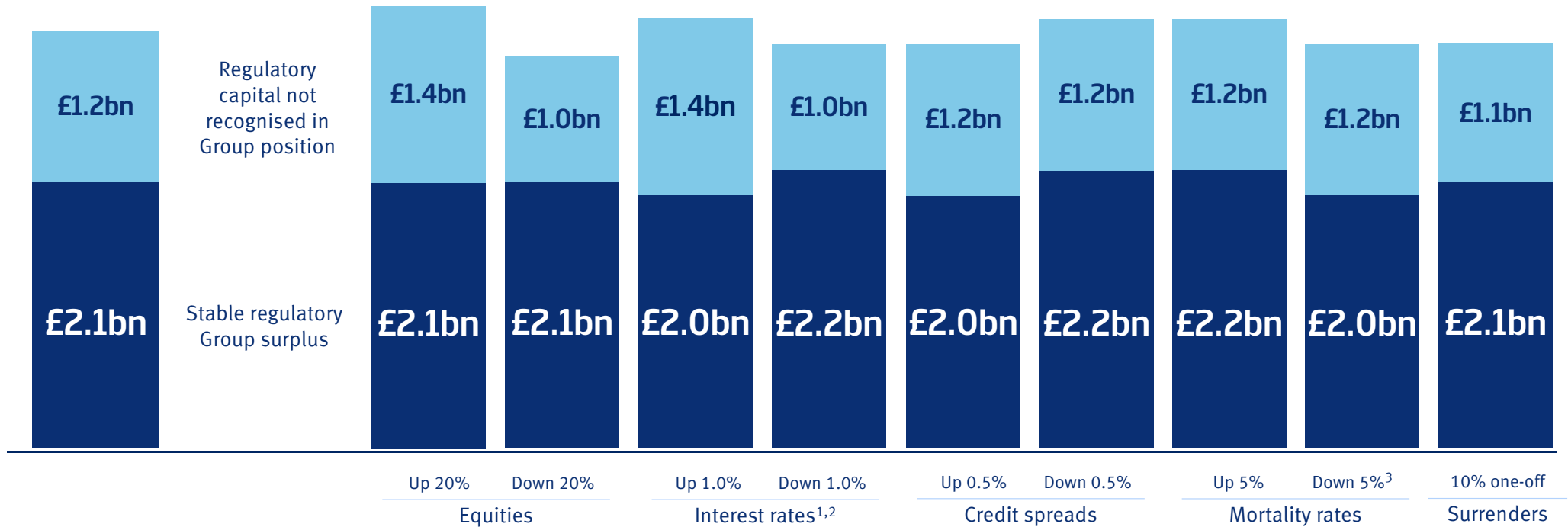
£2.1bn Group regulatory surplus

162% Group regulatory solvency ratio

- Position reflects our focus on fee business and supports our progressive dividend policy
- Stable regulatory surplus



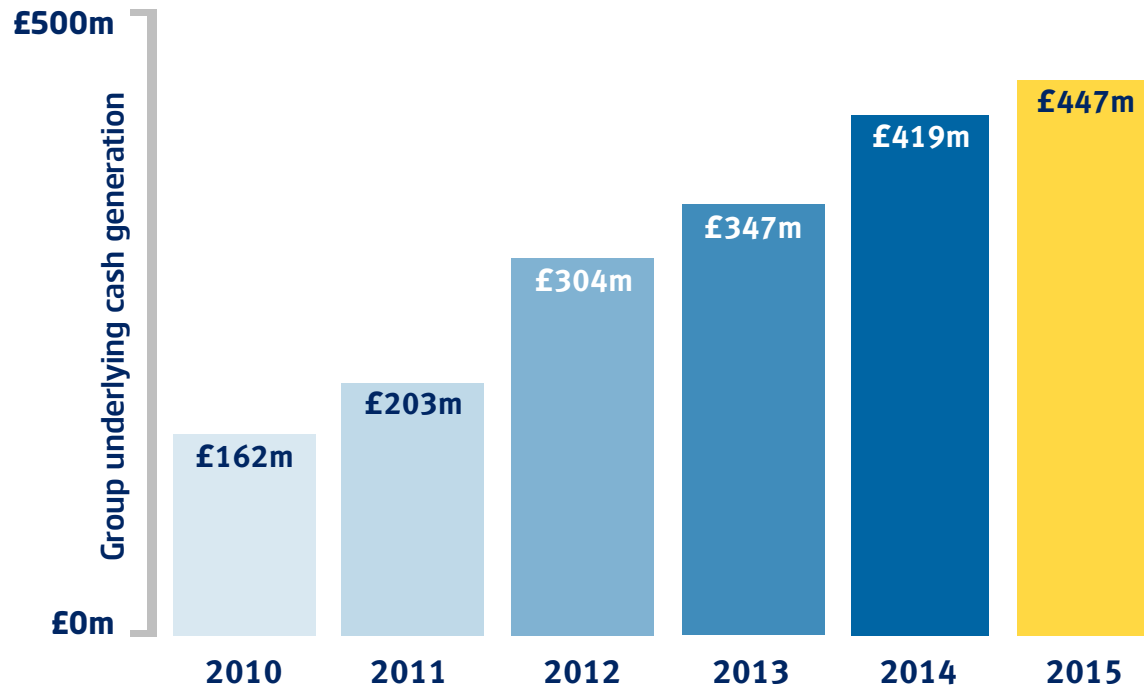
Stable regulatory surplus



Stable Group surplus consistent with stable IFRS earnings

1. Interest rate sensitivities assume transitionals are recalculated. 2. Yield floor of -0.3%. 3. 95% of actual rates, implies 5 month increase in life expectancy for 65 year old male.

Underlying cash generation and methodology unaffected by Solvency II



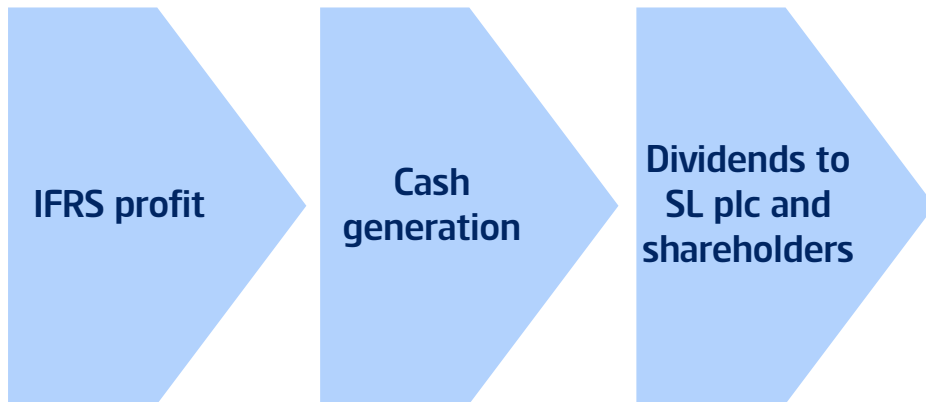
- Underlying cash generation continues to be aligned to IFRS earnings with 94% of underlying income from fee business
- Excludes share of operating profit from JVs of £56m (2014: £39m)
- Effective rate of tax of 20% (2014: 14%) now more reflective of long-term rate

Underlying cash generation up 7%

All figures are reported on a continuing operations basis.

How we think about capital

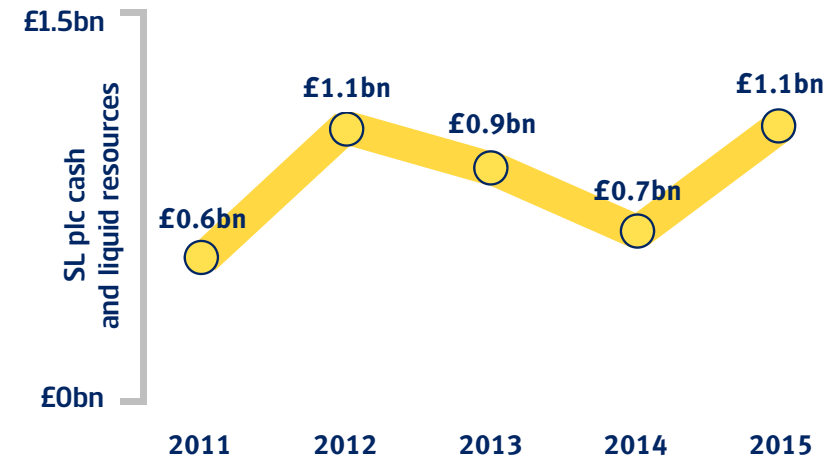
Dividends not constrained by regulatory capital



Driving dividends to shareholders:

- 94% of underlying income is fee based
- Subsidiaries efficiently capitalised – regulatory strength at Group and subsidiary level not a constraint
- IFRS profits drive dividends to SL plc and shareholders

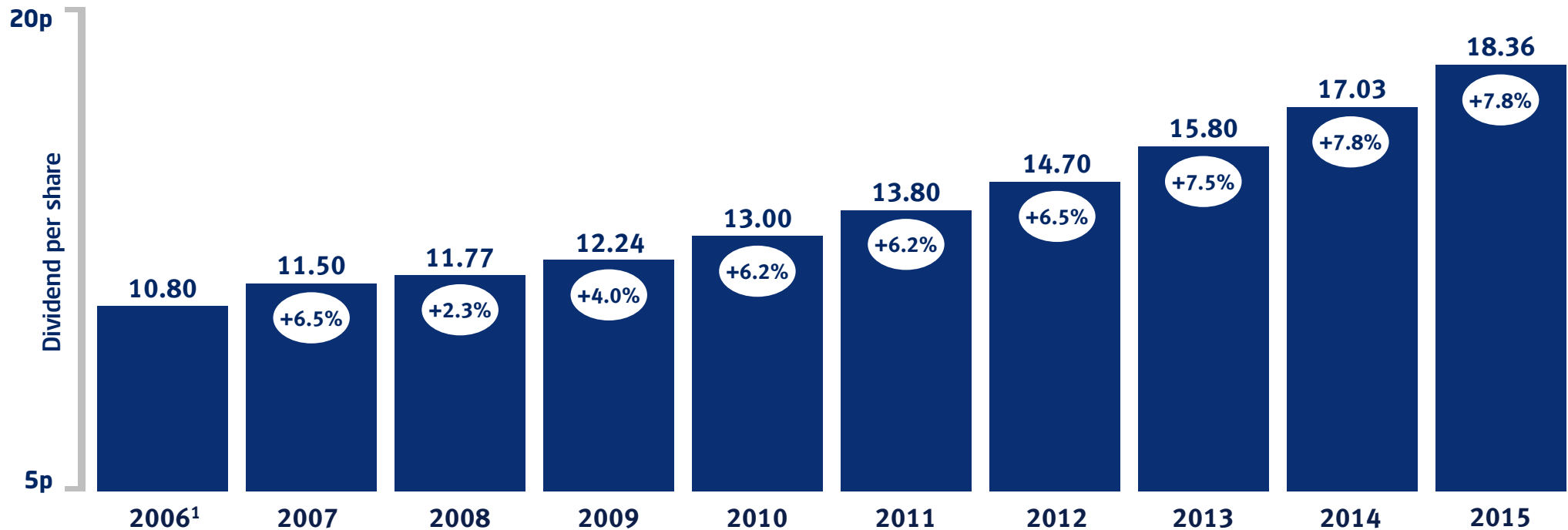
Continued focus on SL plc liquid resources



£1.1bn of liquid resources supporting:

- Planned increase in HDFC Life stake to 35% (subject to regulatory approval)
- Progressive dividend buffer
- Organic growth / bolt-on acquisitions

Full year dividend up 7.8% to 18.36p



- £1.75bn return of value following sale of Canadian business
- Cash generation from continuing operations equivalent to 22.7p per share

Continuation of progressive dividend policy

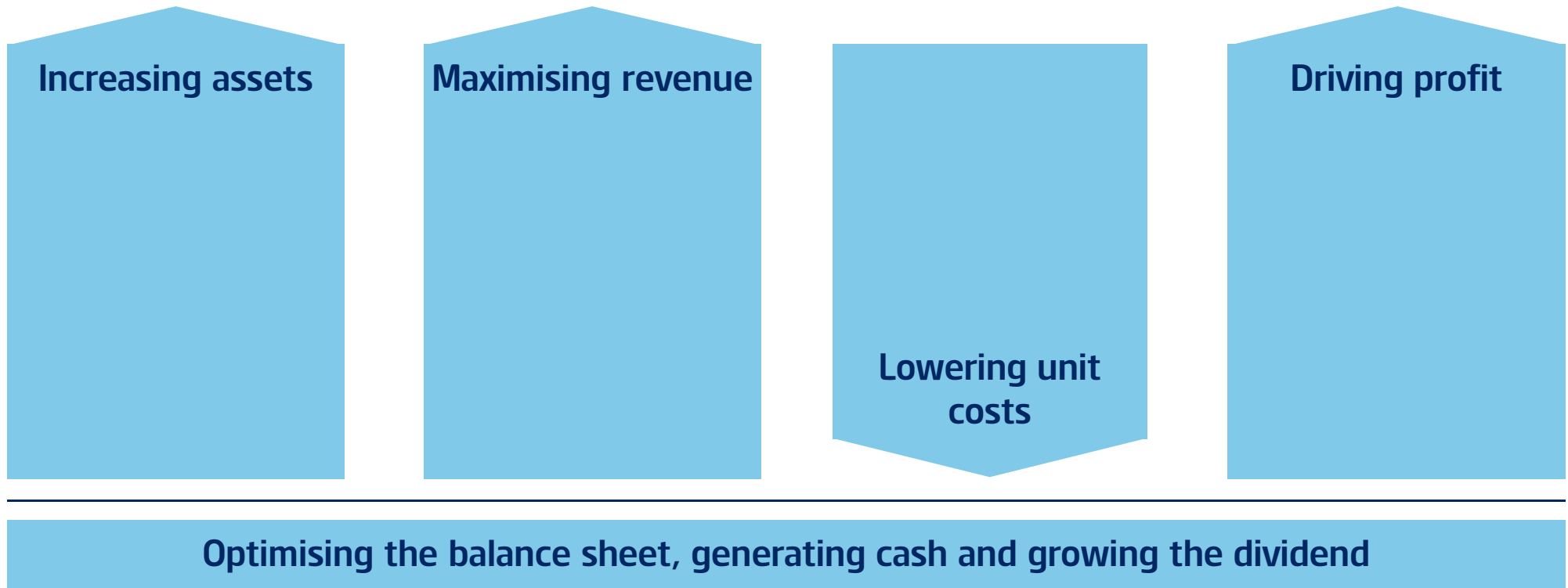
1. Implied final dividend based on 5.40p dividend for period from demutualisation to 31 December 2006.

Building a simplified and well diversified investment company

Keith Skeoch

Standard Life 

Our simple business model continues to serve us well



Building a simplified and well diversified investment company



Our vision for a world-class investment company

- World-class investment company
 - Putting long-term client and customer needs at our heart
 - Trusted to look after client and customer assets
 - Business that people aspire to work for and be associated with
 - A common culture built on teamwork, respect and a commitment to excellence in all we do
- Simplified and well diversified
 - Diversified across geographies, asset classes and client and customer channels
 - Revenues and profit driven by asset growth
 - Strengthening leading strategic positions to drive sustainable growth

**Bringing together best-in-class investment management,
distribution platforms and propositions**

Well positioned to capitalise on major global trends shaping the savings and investments landscape

Democratisation of financial risk

- Regulatory change driving evolution of customer needs
- Shift from DB to DC and auto enrolment driving growth in DC pensions
- End of compulsory annuitisation increases options for customers and complexity
- Growing need for guidance and advice

Rebuilding trust in financial services

- Increased industry regulation
- Focus on value for customers and clients
- Opportunities for trusted brands
- Individuals want to own their assets not look through to providers' balance sheets

Innovation, technology and digitalisation

- Technology used to enable scalability and drive efficiencies
- Improves access to assets for customers – increasing importance of relationships, service and brand
- Increasing demand for new and innovative investment solutions to meet evolving needs
- Cost of advice driving demand for online guidance and advice

Slow growth, low inflation, compressed return environment

- Favours active investment management
- Focus on outcome orientation
- Expertise in asset allocation key to success of outcome orientated solutions

Simplified business driven forward by one team



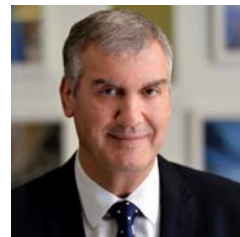
Keith Skeoch
Chief
Executive



Raj Singh
Chief
Risk Officer



Colin Walklin
Chief
Operating Officer



Paul Matthews
Chief Executive,
UK & Europe



Luke Savage
Chief
Financial Officer



Colin Clark
Global
Client Director



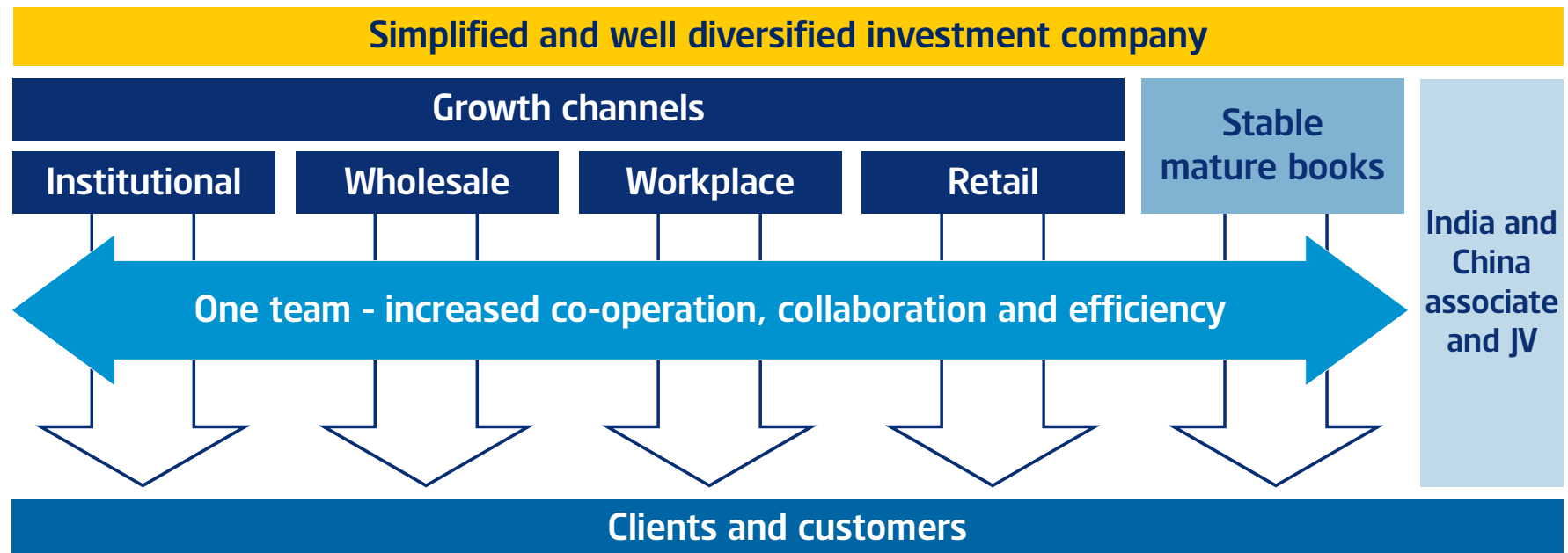
Rod Paris
Chief
Investment Officer



Sandy Begbie
Chief
People Officer

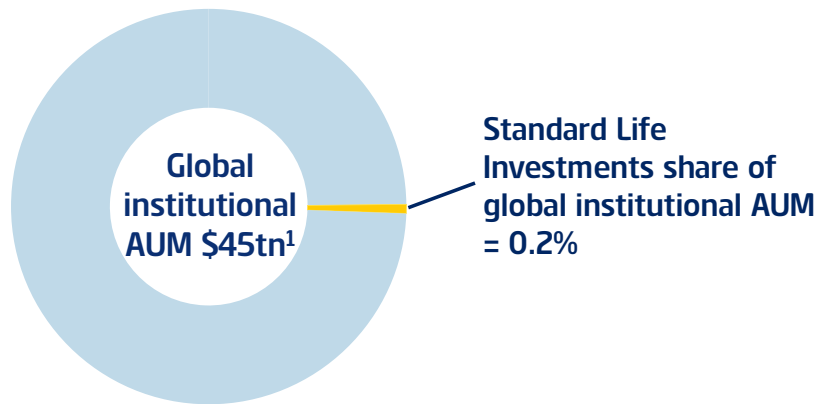
Increasing co-operation, collaboration and efficiency

One company, one culture, one vision

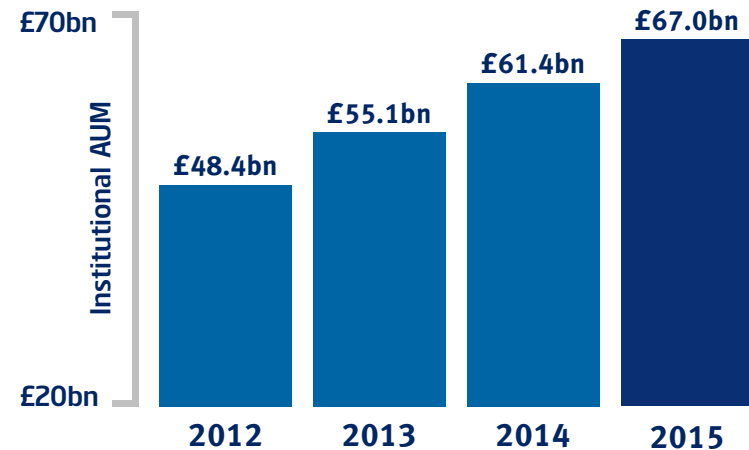


Institutional - meeting the needs of clients globally

Institutional market opportunity is large



Leveraging Institutional distribution capability



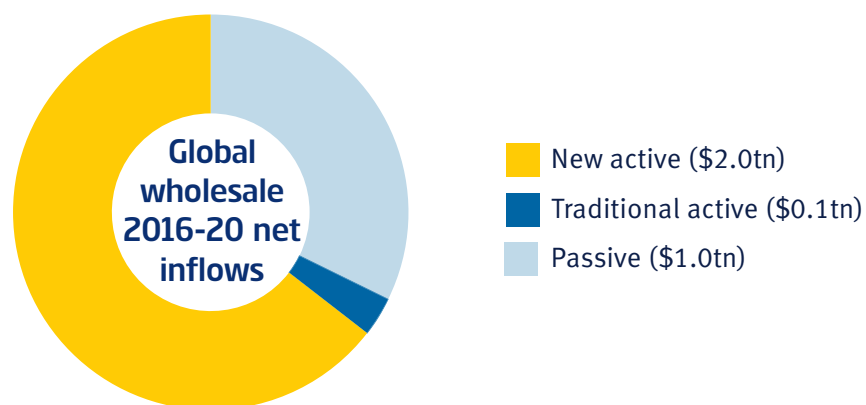
- More outcome-oriented solutions – seeking optimised performance to meet liabilities over long term
- Slow growth, compressed return environment favours active managers that can deliver performance
- Particular opportunities in management of insurance assets (ILPS), DC pensions and sovereign wealth funds

- Leader in institutional active management in the UK with institutional market share of 5%²
- Increase in net inflows to £3.3bn (2014: £0.8bn)
- Serving clients in 46 countries
- Benefiting from increasing global reach of our distribution
- Opportunities to grow through strategic partners

1. Source: Boston Consulting Group, 2014 global institutional AUM. 2. Source: FTfm pension fund managers survey, November 2014.

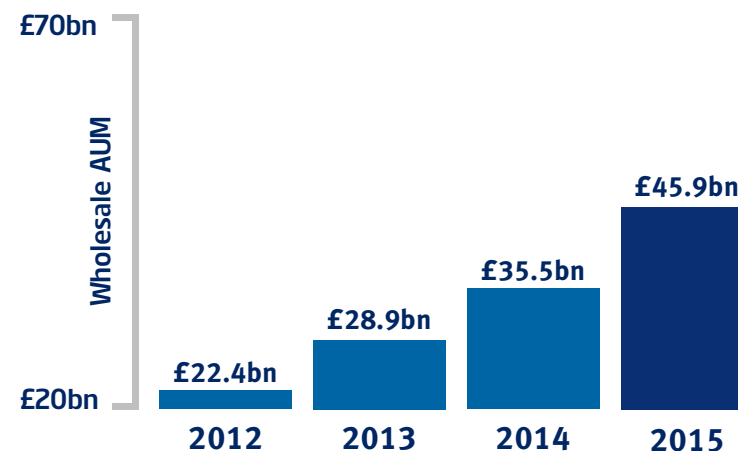
Wholesale - benefiting from growing demand from individuals

Fastest growing market segment globally 2016-2020¹



- Individuals demand new active solutions: multi-asset, real assets, unconstrained strategies
- Individuals want to look through to own assets rather than providers' balance sheets
- Importance of brand, reputation and service – not just investment performance

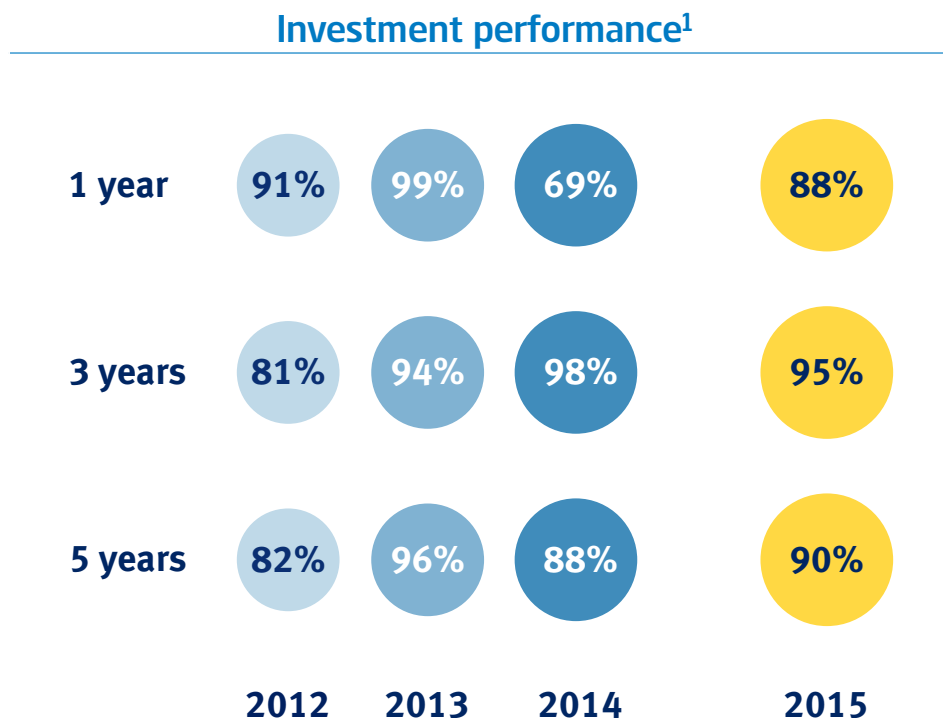
Our market share of higher margin Wholesale is growing



- 79% increase in net inflows to £9.3bn (2014: £5.2bn)
- UK market share of 5.4% trebled since 2008 and ranked 3rd by AUM (2010: 18th)²
- MyFolio AUM up 37% to £8.1bn (2014: £5.9bn) with net inflows of £1.9bn (32% of opening AUM)

1. Source: Casey Quirk, November 2015. 2. Source: Investment Association Q3 2015.

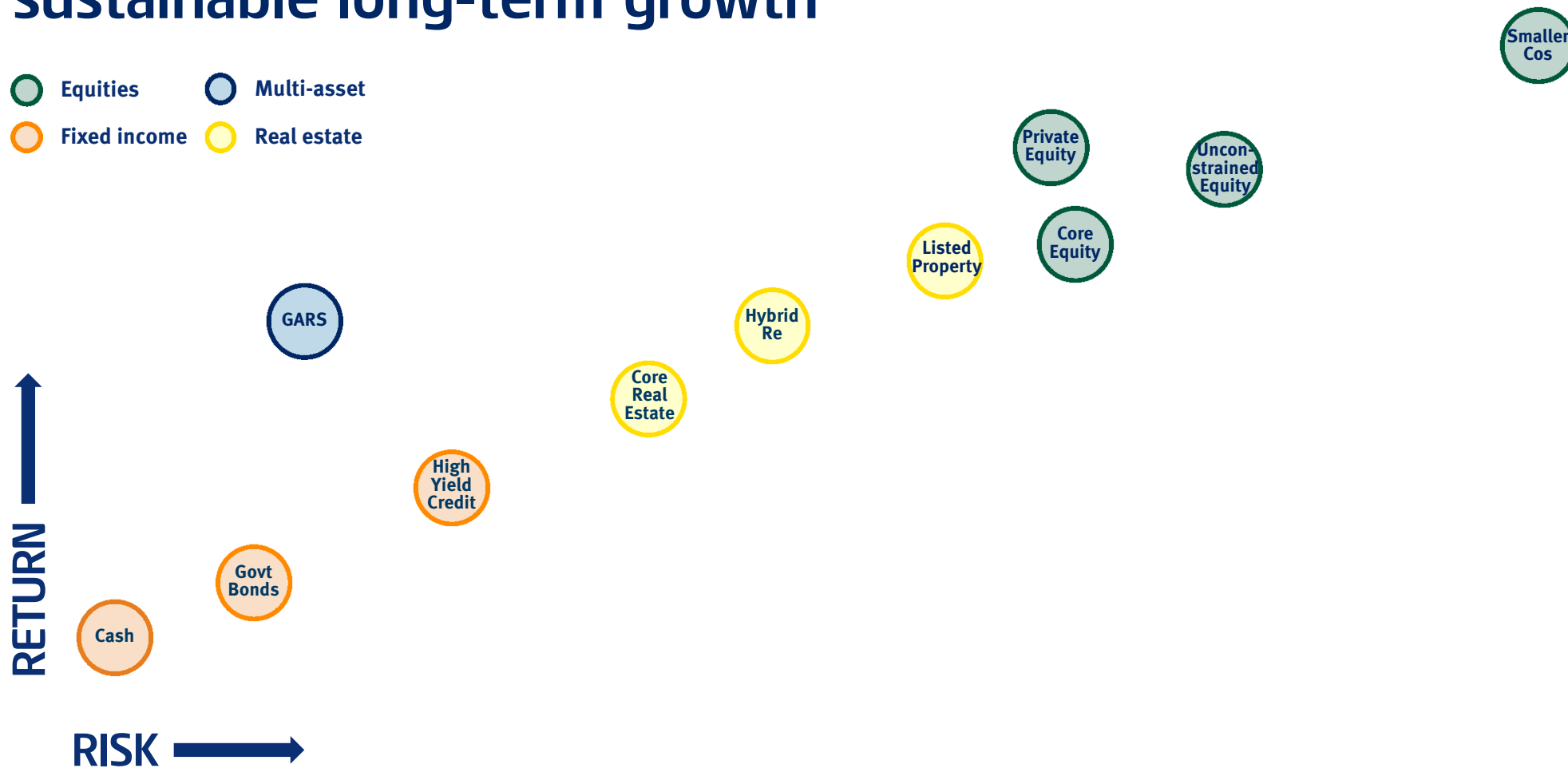
Backed by consistently strong investment performance



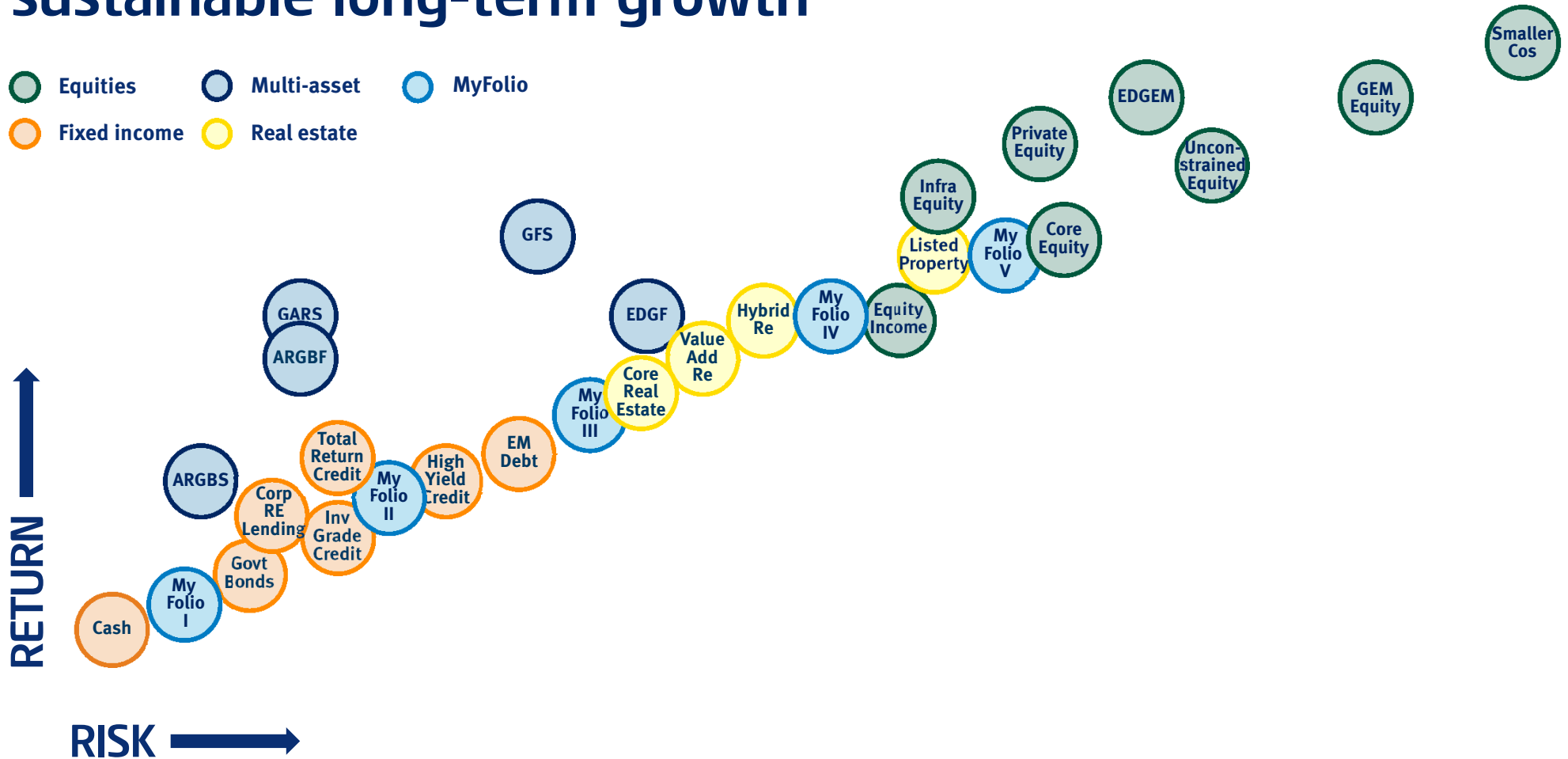
1. Third party AUM above benchmark (excluding strategic partner life business).

We have a range of proven investment solutions to drive sustainable long-term growth

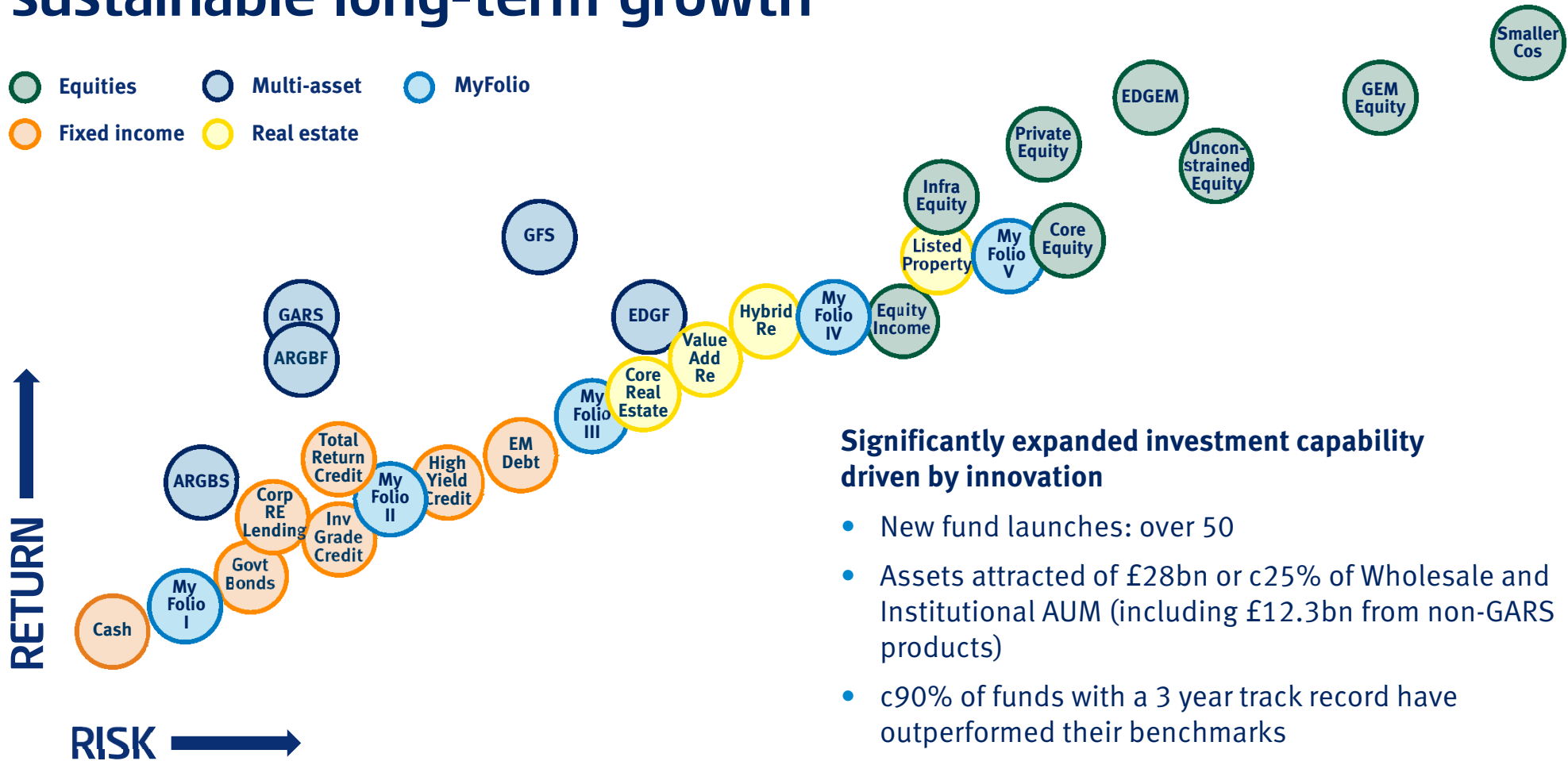
- Equities
- Multi-asset
- Fixed income
- Real estate



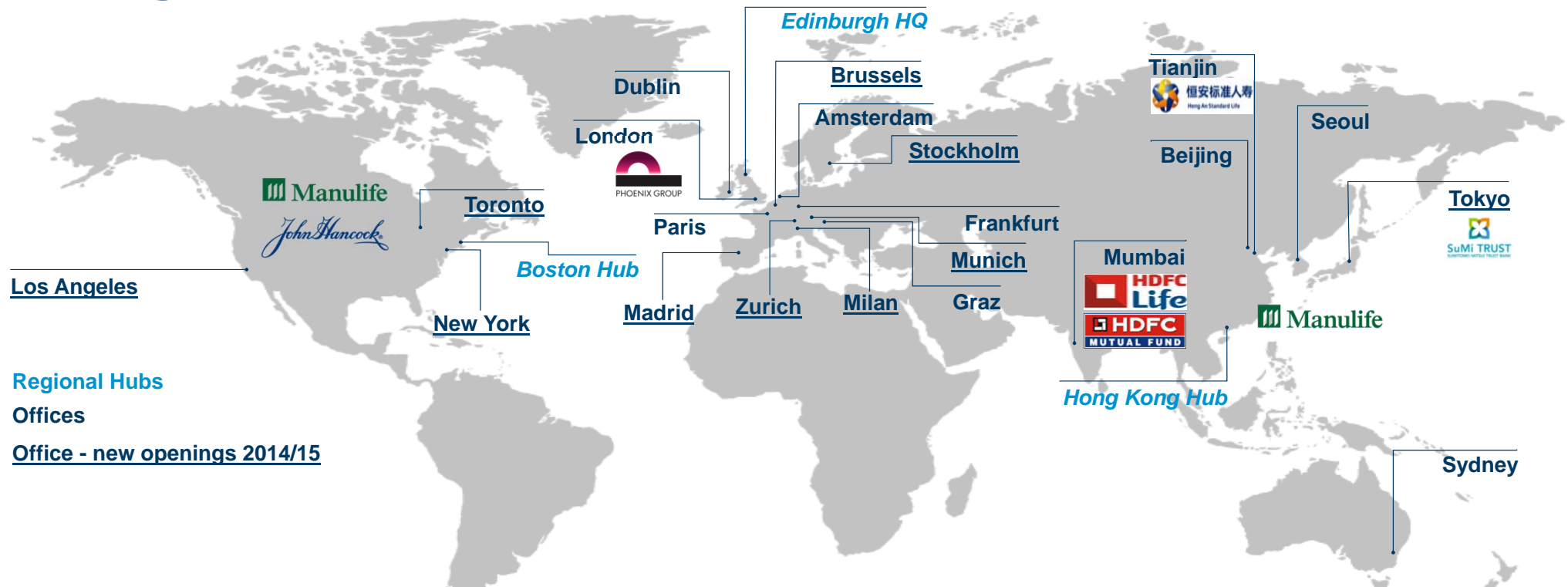
We have a range of proven investment solutions to drive sustainable long-term growth



We have a range of proven investment solutions to drive sustainable long-term growth

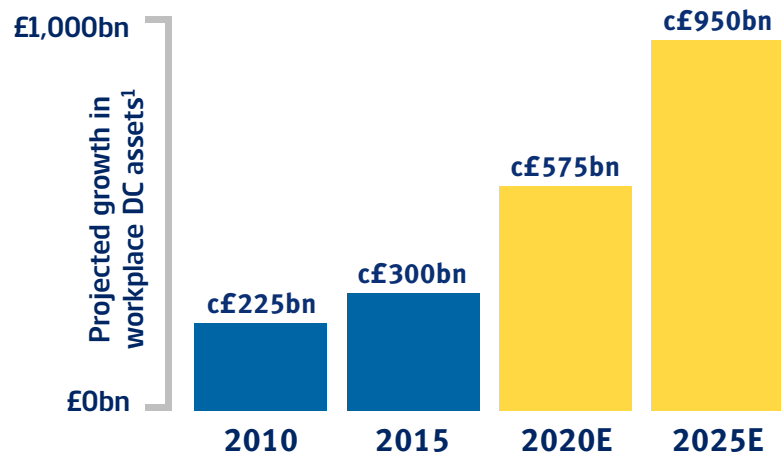


Benefiting from an increasingly global presence and strong strategic partners

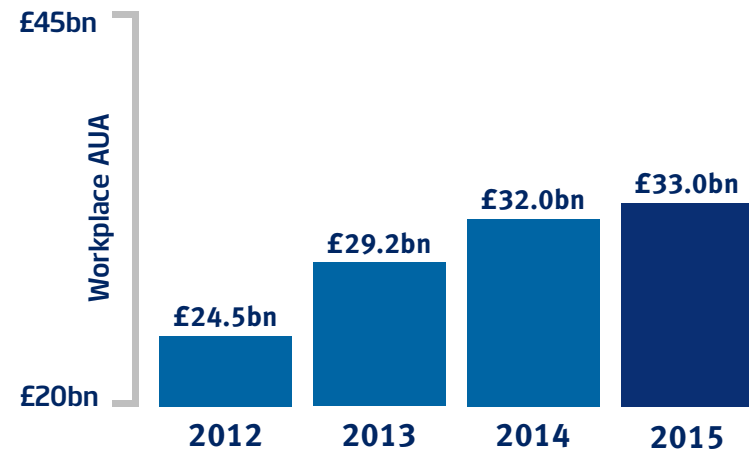


Workplace - positioned to benefit from DC market growth

DC workplace pensions market expected to grow strongly



We are a leading provider of workplace pensions



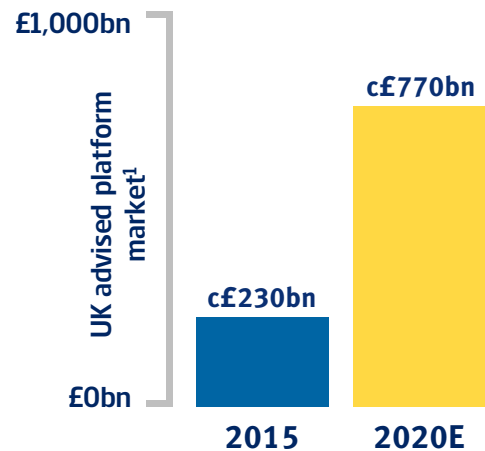
- Shift from DB to DC and auto enrolment driving growth in DC pensions
- Members of DC pension schemes expected to increase from c7 million at start of auto enrolment in 2012 to over 26 million by 2025¹
- Average contributions expected to increase

- 1.7 million customers (820,000 new customers since auto enrolment began in October 2012)
- Growing regular premiums into workplace through auto enrolment
- Also a source of growth for our retail businesses with £6.0bn transferred since 2012

1. Source: Spence Johnson, November 2015.

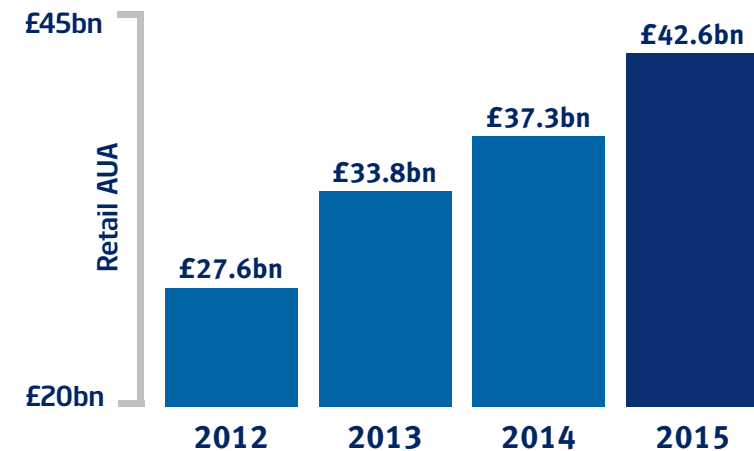
Retail - growth benefiting from success of our platform

Advisers turning to platforms to drive scalability and efficiency



- The platform market remains fragmented but scale will become increasingly important
- Growing need for financial advice with assets expected to remain invested for longer as popularity of drawdown increases

We have the leading platform in the advised retail market

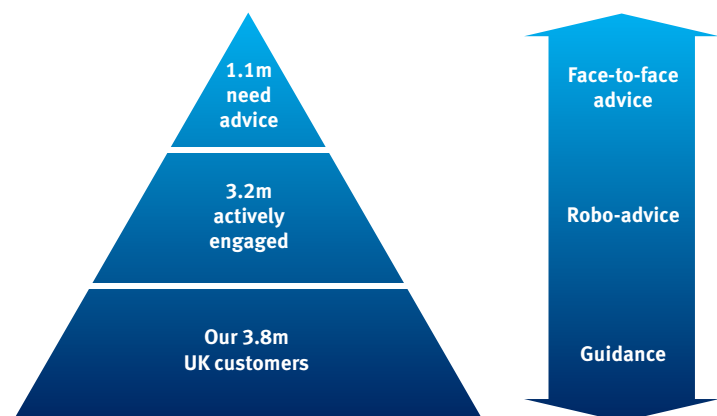


- Retail benefiting from market-leading Wrap platform with record net inflows of £4.4bn in 2015²
- Driving assets to Wholesale with c85% of MyFolio distributed through Retail and c25% of Wrap assets managed by Standard Life Investments

1. Source: Fundscape Platform Report Q3 2015. 2. Includes offshore bond reported within Europe growth fee.

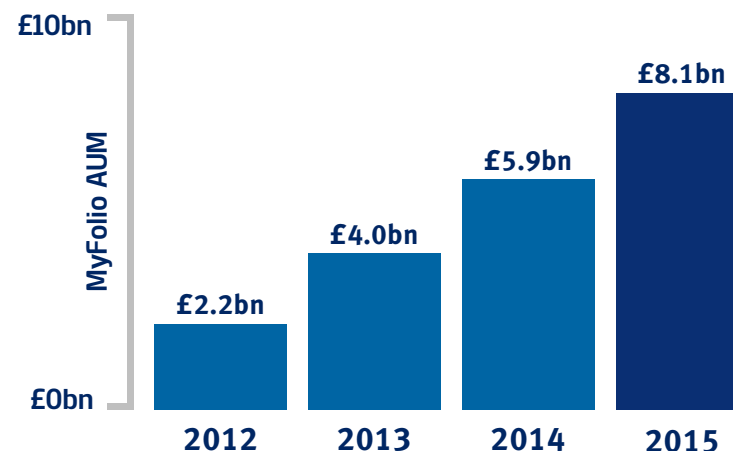
Workplace and Retail - further opportunities for greater engagement with our customers

Growing demand for guidance and advice



- Driven by increased complexity and personal responsibility
- Tailored approach required to meet different customer and client needs
- Growing importance of relationships, service and brand

We have the solutions to meet our customers' needs

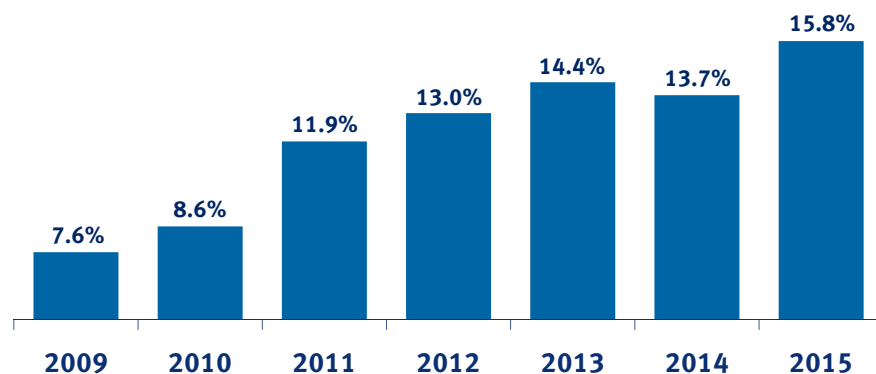


- Leading range of risk based funds with MyFolio AUM >£8bn and innovative non-advised drawdown solution
- Building our own UK-wide advice business 1825 and have a growing wealth manager in Standard Life Wealth
- Access to growing number of new customers through Workplace

India is a rich source of opportunity for growth

HDFC Life is a leading private life insurer

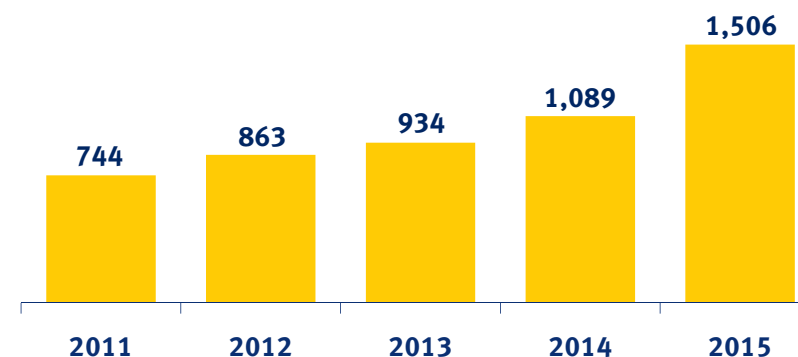
HDFC Life share of private life insurance premiums¹



- Benefiting from growing economy, rising employment and potential for higher insurance penetration
- Existing 26% stake valued at c£0.5bn compared to original investment of <£0.1bn
- Potential for further value creation from increase in stake to 35% (subject to regulatory approval)

HDFC AMC is the largest mutual funds company in India

HDFC AMC AUM INR bn¹

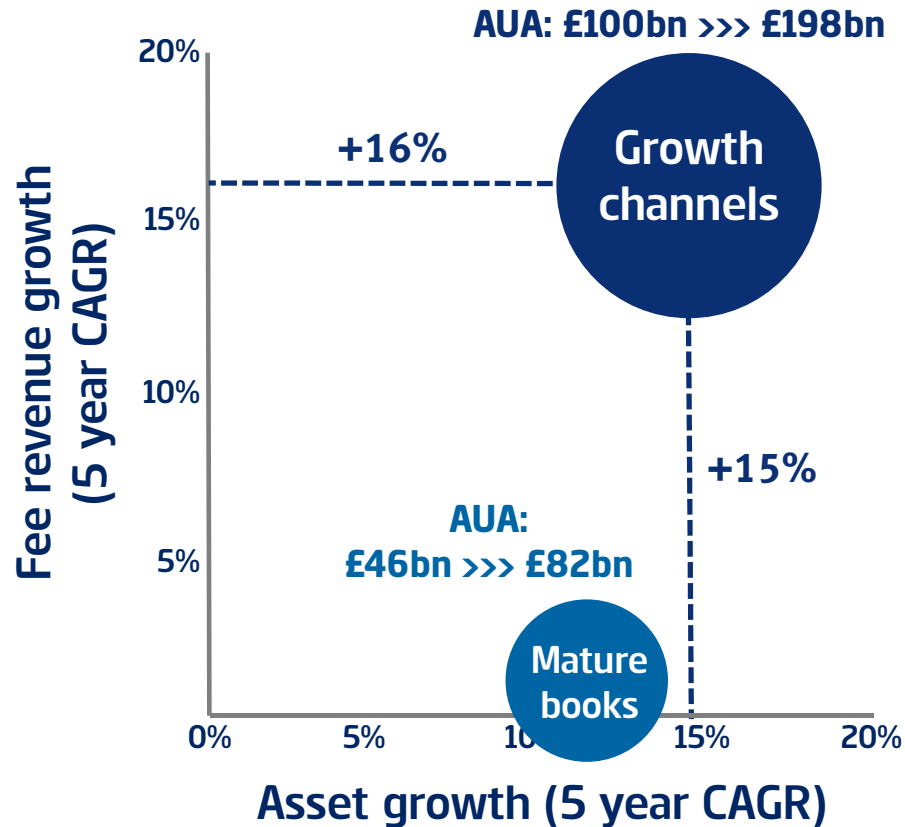


- Broad offering diversified by client type and asset class
- AUM of £17.4bn (2014: £15.1bn) including AUM CAGR of 15% over last 5 years²
- Clear leader in equities with 18.25% of equity AUM in Indian market

We have two valuable and fast growing Indian businesses

1. Financial year of HDFC Life and HDFC AMC ends 31 March. 2. In constant currency.

Delivering strong organic asset and revenue growth



Almost £200bn or over 2/3rds of our fee assets in fast growing growth channels

- 5 year annual asset growth of 15%
- 5 year annual revenue growth of 16%

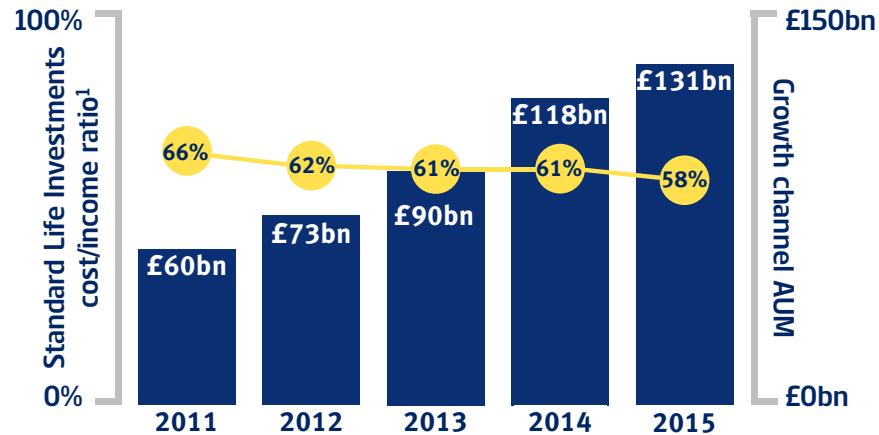
Stable mature books benefit from additional scale of Phoenix Life book AUM

- 5 year annual asset growth of 12%
- 5 year annual revenue growth of 2%

Driven by our growth channels

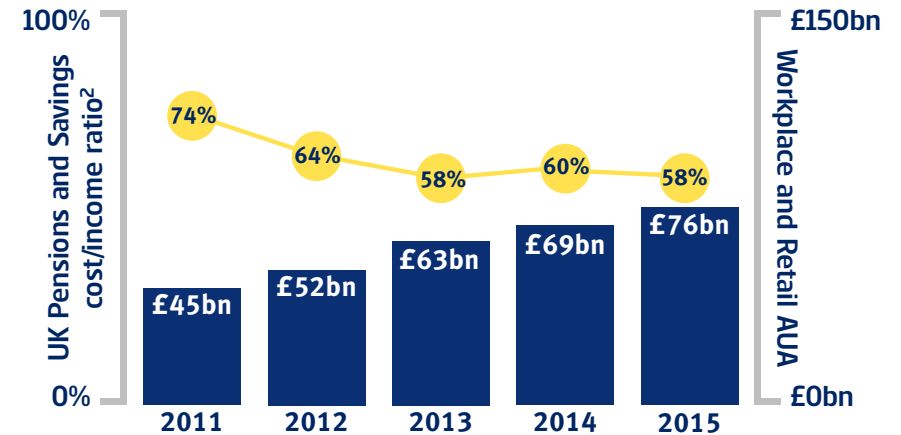
Continuing to reduce unit costs and invest for growth

Growing investments business while managing costs



- Continuing to invest in broadening our propositions, improving global distribution capability and technology to support growth
- Continuing growth driving reduction in unit costs

Highly scalable Workplace and Retail business



- Benefiting from investment in technology and scalable workplace and retail platforms
- Focusing on managing absolute costs to drive unit cost efficiencies

Ongoing focus on driving efficiencies

1. 100% less EBITDA margin. 2. Excluding investment fees paid to SLI.

Our simple business model will continue to serve us well under Solvency II

- Standard Life is well capitalised with a stable Solvency II surplus
- Solvency II regulatory capital position reflects our focus on fee business
- We continue to think about capital in the same way
- Our business model and IFRS earnings support cash generation and our progressive dividend policy

We will continue to balance investing for growth with returns to shareholders

Building a simplified and well diversified investment company

- Delivering strong organic asset and revenue growth
 - c£200bn of assets in Growth Channels with 15% AUA and 16% revenue CAGR (2010-2015)
 - Stable revenue from Mature Books
- Meeting the investment needs of clients and customers is at the heart of what we do
- Continuing focus on innovation and strong investment performance
- Expanding global reach of Standard Life Investments
- Leveraging our leading platform and pensions positions in the UK
- Ongoing focus on driving down unit costs benefiting from scalable business

One company, one culture, one vision

Questions and answers

Standard Life 

Appendix

Standard Life 

Operating profit by business unit

	Standard Life Investments		UK		Europe		India and China		Other		Eliminations		Total (continuing operations)		Discontinued operations ¹		Total	
	2015 £m	2014 £m	2015 £m	2014 £m	2015 £m	2014 £m	2015 £m	2014 £m	2015 £m	2014 £m	2015 £m	2014 £m	2015 £m	2014 £m	2015 £m	2014 £m	2015 £m	2014 £m
Fee based revenue	843	686	631	619	177	183	38	49	-	-	(110)	(108)	1,579	1,429	21	223	1,600	1,652
Spread/risk margin	-	-	100	134	1	6	-	-	-	-	-	-	101	140	9	191	110	331
Total income	843	686	731	753	178	189	38	49	-	-	(110)	(108)	1,680	1,569	30	414	1,710	1,983
Total operating expenses	(532)	(450)	(366)	(371)	(125)	(126)	(36)	(44)	(56)	(54)	-	-	(1,115)	(1,045)	(29)	(302)	(1,144)	(1,347)
Investment management fees to SLI	-	-	(89)	(85)	(21)	(23)	-	-	-	-	110	108	-	-	-	-	-	-
Capital management	-	-	15	11	(1)	(1)	-	-	(5)	(8)	-	-	9	2	2	15	11	17
Share of associates' and joint ventures' profit before tax ²	31	21	-	-	-	-	25	18	-	-	-	-	56	39	-	-	56	39
Group underlying performance	342	257	291	308	31	39	27	23	(61)	(62)	-	-	630	565	3	127	633	692
Underlying adjustments	-	-	43	42	(8)	1	-	-	-	-	-	-	35	43	-	-	35	43
Operating profit/(loss) before tax	342	257	334	350	23	40	27	23	(61)	(62)	-	-	665	608	3	127	668	735
Tax on operating profit/(loss)	(64)	(51)	(48)	(50)	(6)	7	-	(1)	4	13	-	-	(114)	(82)	-	(42)	(114)	(124)
Share of associates' and joint ventures' tax expense	(11)	(7)	-	-	-	-	(2)	2	-	-	-	-	(13)	(5)	-	-	(13)	(5)
Operating profit/(loss) after tax	267	199	286	300	17	47	25	24	(57)	(49)	-	-	538	521	3	85	541	606
Non-operating items	(53)	(102)	(106)	(30)	(25)	(3)	(47)	-	(26)	(22)	-	-	(257)	(157)	1,122	33	865	(124)
Tax on non-operating items	11	17	17	20	(1)	(2)	5	-	5	5	-	-	37	40	(20)	(19)	17	21
Singapore/Dubai included in discontinued segment ¹	-	-	-	-	-	-	(42)	(28)	-	-	-	-	(42)	(28)	42	28	-	-
Profit for the period attributable to equity holders of Standard Life plc	225	114	197	290	(9)	42	(59)	(4)	(78)	(66)	-	-	276	376	1,147	127	1,423	503

1. Under IFRS 5, Dubai and Singapore do not constitute discontinued operations and are included under continuing operations in the consolidated income statement. Therefore the analysis of Group operating profit by segment above includes the reclassification of Singapore and Dubai results between discontinued and continuing operations. 2. Share of associates' and joint ventures' profit before tax comprises the Group's share of results of HDFC Standard Life Insurance Company Limited, Heng An Standard Life Insurance Company Limited and HDFC Asset Management Company Limited.

Growth and mature channel supplementary information

	Gross flows		Net flows					AUA					Fee based revenue					Fee revenue yield	
	2014	2015	2011	2012	2013	2014	2015	2011	2012	2013	2014	2015	2011	2012	2013	2014	2015	2015	
	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£m	£m	£m	£m	£m	bps	
Growth channels	Institutional	9.4	11.1	1.5	2.6	3.9	0.8	3.3	42.2	48.4	55.1	61.4	67.0	159	181	234	269	314	48
	Wholesale	11.8	16.8	2.3	4.0	5.2	5.2	9.3	17.1	22.4	28.9	35.5	45.9	75	89	135	177	239	69
	Workplace and Retail	9.9	11.6	5.4	3.5	4.8	5.1	5.8	45.0	52.0	63.0	69.3	75.6	287	325	342	356	372	51
	Standard Life Wealth	0.7	0.9	0.4	0.7	0.5	-	0.2	0.9	1.8	5.8	6.1	6.5	7	12	22	39	46	73
	Ignis	1.9	2.6	-	-	-	(4.3)	(2.5)	-	-	-	14.5	11.1	-	-	-	32	25	19
	Europe growth fee	1.4	1.6	0.7	0.6	0.6	0.7	0.9	5.5	6.5	7.7	8.7	9.6	48	49	54	62	62	67
	Hong Kong	0.1	0.1	-	0.1	-	0.1	0.1	0.1	0.2	0.3	0.4	0.5	36	46	52	49	38	-
	Fee business eliminations	(3.4)	(3.9)	(0.5)	(1.8)	(2.1)	(1.5)	(2.2)	(8.2)	(10.6)	(13.7)	(15.2)	(17.9)	-	-	-	-	-	-
Total Growth fee	31.8	40.8	9.8	9.7	12.9	6.1	14.9	102.6	120.7	147.1	180.7	198.3	612	702	839	984	1,096	59	
Mature books	Mature retail	0.6	0.7	(2.8)	(3.0)	(2.6)	(2.2)	(2.4)	32.1	31.9	33.5	33.5	32.7	266	252	261	263	259	77
	Europe mature fee	0.8	0.7	0.5	0.5	0.5	0.4	0.2	5.5	6.4	7.2	8.5	8.4	134	123	138	121	115	137
	Third party strategic partner life business	-	0.2	-	-	-	(1.6)	(4.8)	-	-	-	43.8	39.6	-	-	-	41	81	19
	Other fee including CWP ¹	0.1	-	(1.5)	(1.5)	(1.5)	(1.0)	(0.9)	5.3	4.1	2.9	2.1	1.3	21	15	16	20	28	-
	Total Mature fee	1.5	1.6	(3.8)	(4.0)	(3.6)	(4.4)	(7.9)	42.9	42.4	43.6	87.9	82.0	421	390	415	445	483	57
Total fee	33.3	42.4	6.0	5.7	9.3	1.7	7.0	145.5	163.1	190.7	268.6	280.3	1,033	1,092	1,254	1,429	1,579	-	
Spread/risk	0.3	0.2	(0.7)	(0.5)	(0.7)	(0.9)	(0.9)	15.0	15.9	15.1	16.1	14.9	-	-	-	-	-	-	
Associate and joint venture life businesses	0.4	0.4	0.3	0.2	0.2	0.2	0.2	1.2	1.5	1.6	2.1	2.3	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	8.6	8.5	7.7	10.2	10.4	-	-	-	-	-	-	
Other eliminations	-	-	-	-	-	-	-	(0.3)	(0.3)	(0.4)	(0.4)	(0.5)	-	-	-	-	-	-	
Total continuing operations	34.0	43.0	5.6	5.4	8.8	1.0	6.3	170.0	188.7	214.7	296.6	307.4	1,033	1,092	1,254	1,429	1,579	-	

1. Fee based revenue income from investment management expenses charged directly to internal policyholder funds managed by Standard Life Investments for the Standard Life Group. These policyholder funds largely comprise assets across both growth channels and mature books as well as conventional with profits. AUA and flows comprise conventional with profits only.

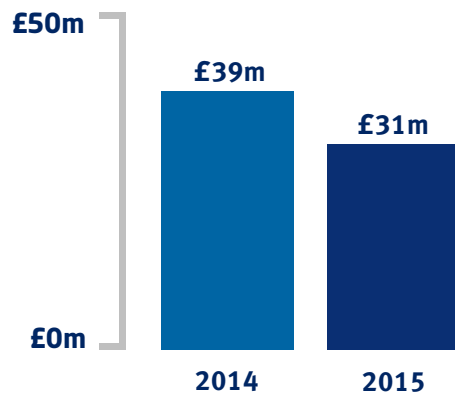
UK profit contribution

	2011	2012	2013	2014	2015
	£m	£m	£m	£m	£m
Workplace and retail (ex cash margin)	50	127	149	165	182
Revenue from cash balances	13	15	16	16	5
Workplace and retail contribution	63	142	165	181	187
Mature Retail	186	179	188	189	186
Fee based business contribution¹	249	321	353	370	373
Spread/risk contribution	81	100	102	125	92
Indirect expenses and capital management	(171)	(160)	(165)	(187)	(174)
Underlying performance	159	261	290	308	291
Underlying adjustments	49	90	40	42	43
Operating profit	208	351	330	350	334

1. Profit contribution reflects the income and expenses directly attributable to each of the UK lines of business. Comparative data has not been restated for changes in allocation between individual lines.

Ongoing growth in fee AUA in Europe

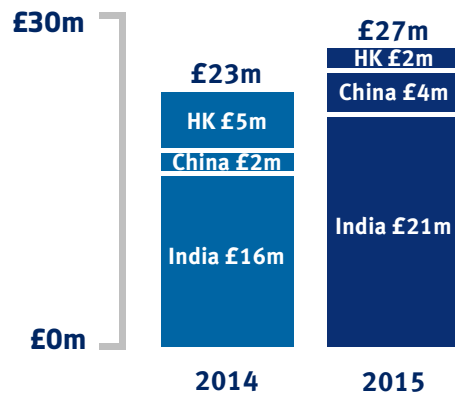
Europe Pensions and Savings underlying performance



- Increased fee AUA by 5% to £18.0bn driven by net inflows of £1.1bn offsetting adverse FX movements
 - German unit-linked net inflows doubled and now represent c30% of Germany net inflows (2014: 12%)
 - Leader in offshore investment bonds and Irish MyFolio assets up 43% to £0.7bn
- Fee based revenue up 6% in constant currency
- Operating profit of £23m includes £9m cost of one-off contribution to German with profits fund in H1 2015
- Expect similar level of operating profit in 2016 and 2017

Continued progress in India and China associate and joint venture life businesses

India and China underlying performance



- Agreed to increase stake in HDFC Life from 26% to 35% for £175m¹ (subject to regulatory approval)
- Existing 26% stake valued at c£0.5bn compared to original investment of <£0.1bn
- HDFC Life continues to perform strongly:
 - Over 20m customers in a highly attractive market
 - Ranked 3rd for new business sales in the private life insurance market²
 - Leader in the online market with award-winning and innovative products
- Growth in sales and profit from our joint venture in China
- Hong Kong underlying performance reflects changing regulatory environment

1. Based on INR exchange rate as at 31 December 2015. 2. As at 31 December 2015.

www.standardlife.com

Read our latest financial results

Our financial results are available online and on our iPad app at



standardlife.com/results

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