Standard Life Aberdeen plc

Half year results 2018

7 August 2018

Strong business with a clear focus on our areas of strength and long-term growth

Transforming our business to achieve success in a changing market landscape

A tough market and an industry in transition

- Growth of passive investing and ETFs is putting pressure on fees and flows in "traditional active" asset management
- Growing demand for "new active" capabilities: alternatives, solutions and active specialities which together account for c3/4[1] of industry revenues
- Strong performance and delivery against client outcomes key to attracting new business
- Scale needed to drive efficiency, global reach and breadth of capabilities to compete on global stage
- Increasing importance of retail customers in a world of growing personal financial responsibility

Well positioned to respond to and capitalise on these trends

- We have diverse and innovative "new active" capabilities, growing strength in Quantitative and new ETF capability
- Fully integrated investment teams with over 1,000 professionals focused on delivering client outcomes
- Supporting our investment teams in addressing performance in GARS, EM and Global Equities – remaining true to our style
- Global scale with local presence in 46 locations – building momentum in distribution with growing inflows returning to pre-merger levels
- Diversification and access to retail customers through our leading platforms and promising partnership with Phoenix

Acceleration of the first tranche of the share buyback programme underpinned by a strong capital position and consistent with a clear focus on maximising value and returns to shareholders

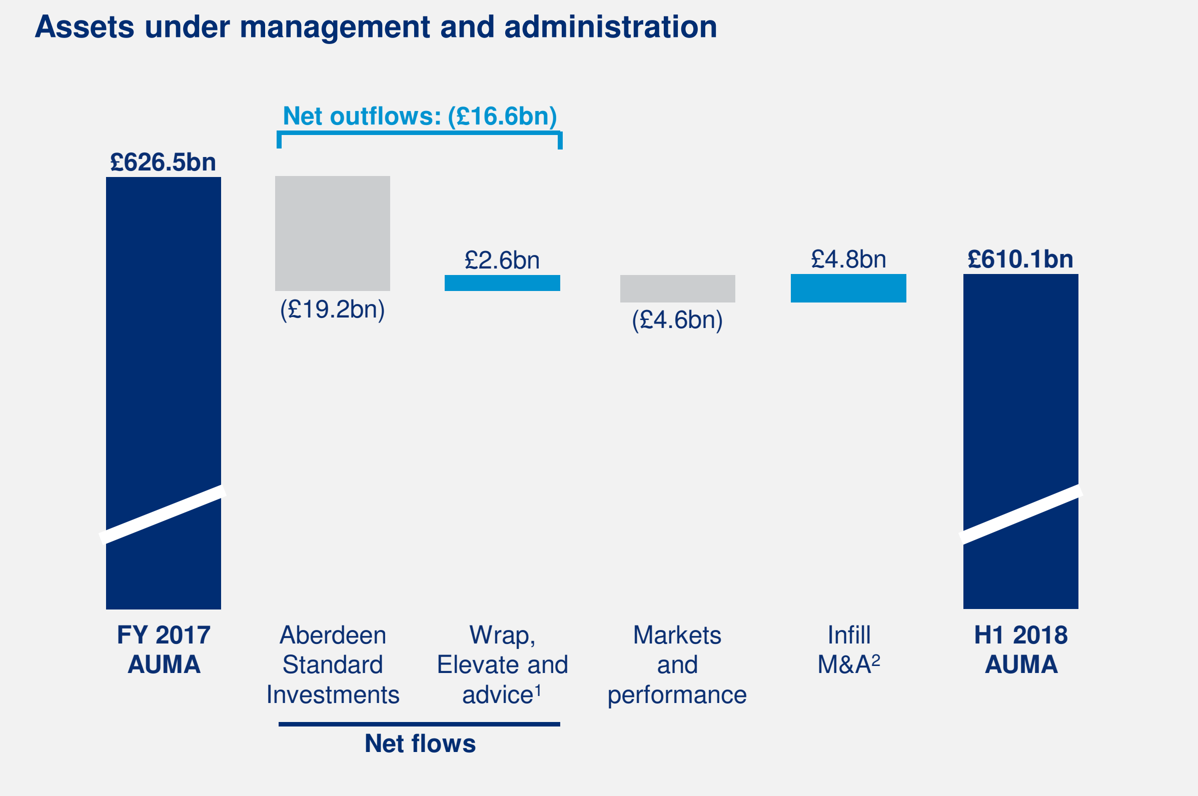
1. Source: BCG, July 2018.

Financial highlights

	H1 2017	H2 2017	H1 2018
Adjusted profit before tax (£m)	521	518	478
Adjusted diluted earnings per share (p)	15.3	13.6	12.8
Interim dividend per share (p)	7.00	N/A	7.30
Continuing operations:			
Adjusted profit before tax (£m)	355	305	311
Adjusted diluted earnings per share (p)	9.7	7.5	8.2
Assets under management and administration (£bn)	627.0	626.5	610.1
Total gross inflows (£bn)	39.5	36.0	38.0
Total net flows (£bn)	(12.4)	(17.9)	(16.6)

Assets under management and administration

Net flows remain a challenge in difficult market conditions



- ASI net outflows reflect movement on long established products and natural run-off from insurance business:

	ASI net flows		
	H1 2017 £bn	H2 2017 £bn	H1 2018 £bn
Absolute return, EM, APAC and Global equities	(8.0)	(9.2)	(12.5)
Natural run-off from strategic insurance clients	(7.4)	(7.8)	(5.6)
	(15.4)	**(17.0)**	**(18.1)**
Other capabilities	(1.0)	(3.9)	(1.1)
	(16.4)	**(20.9)**	**(19.2)**

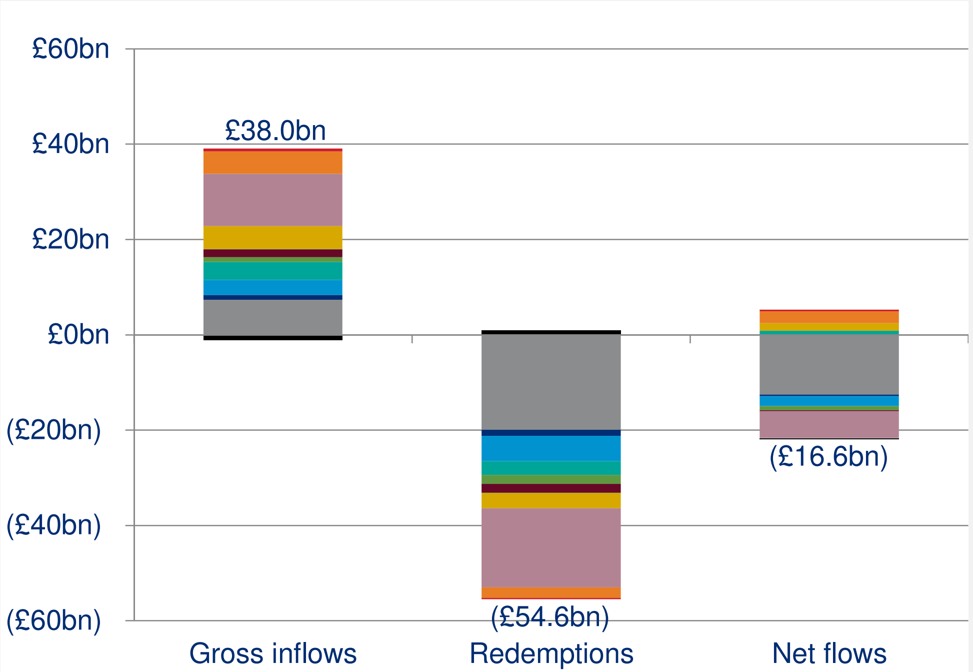
- Continued growth in Wrap, Elevate and advice with net inflows of £2.6bn[1]
- Good pipeline of business won but not yet funded
- Significant potential from Phoenix

All figures are stated on a continuing operations basis.
1. Includes India and China life net inflows of £0.3bn and Eliminations of -£0.2bn. 2. Corporate actions in the period include assets acquired through the transactions with Alpine Woods Capital Investors LLC, Hark Capital and ETF Securities U.S..

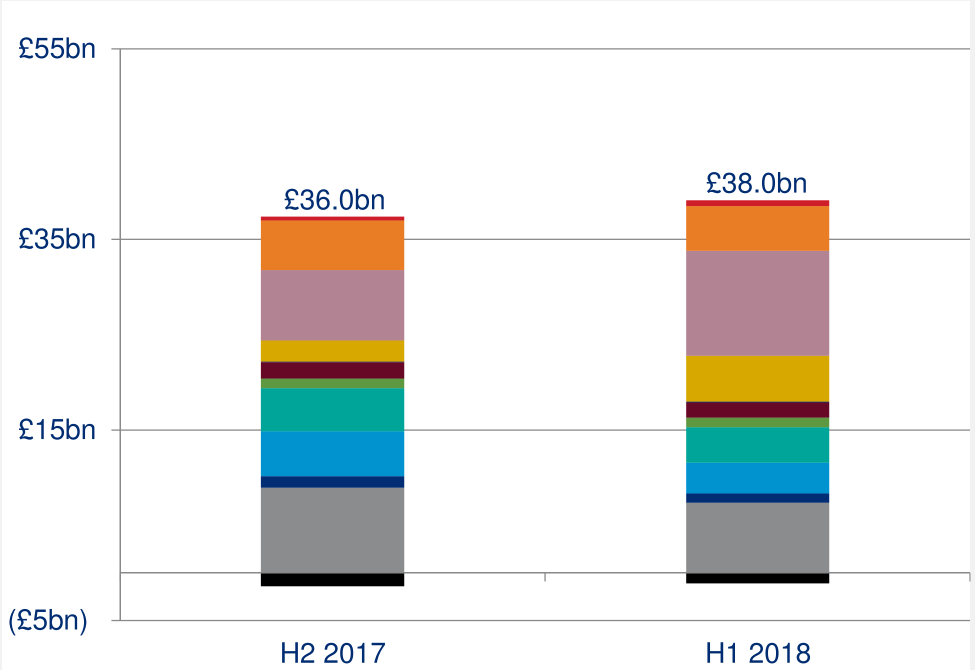
Diverse gross inflows well balanced across all asset classes

Redemptions focused in specific strategies and insurance client books in natural run-off

H1 2018 annualised net outflows of 5.3% of opening AUMA



Gross inflows returning to pre-merger levels



Absolute return, EM, APAC and Global equities | DM equities | Fixed Income | Multi-asset ex GARS | Private markets and Alternatives | Real estate | Cash/Liquidity | Strategic insurance partners | Wrap, Elevate and advice | India and China life | Eliminations

All figures on a continuing operations basis unless stated otherwise.

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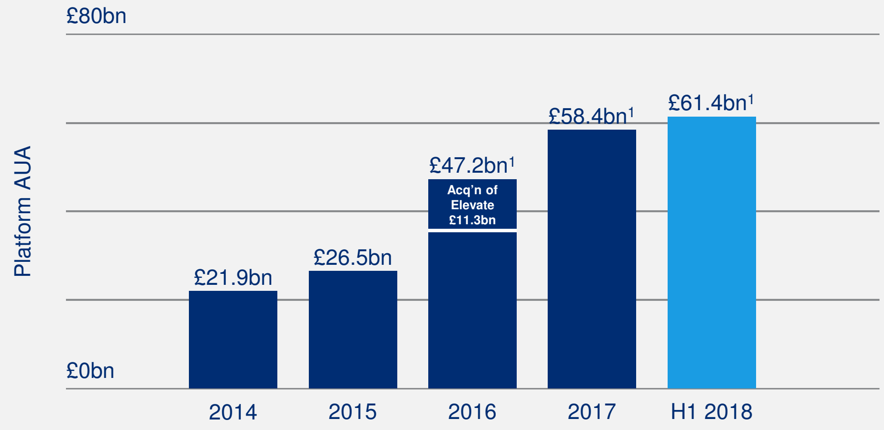
Sustained growth in retail platforms and financial advice capability

Highly scalable through operational leverage and a clear path to growing profitability

Strong growth in AUA and flows



	2014	2015	2016	2017	H1 2018
Net inflows	£3.6bn	£4.4bn	£5.0bn[1]	£8.3bn[1]	£3.1bn[1]
% of opening AUA	21%	20%	19%	18%	11%[2]

Retail platform profitability (Wrap, Elevate and Parmenion)

	H1 2017[1]	H1 2018[1]	Change
Fee based revenue	£69m	£79m	+14%
Adjusted operating expenses	(£57m)	(£65m)	+14%
Adjusted profit before tax	£12m	£14m	+17%

	FY 2017	H1 2018	Change
Cost/income ratio	88%	82%	-6ppt

All figures on a continuing operations basis unless stated otherwise.

1. Includes Parmenion – assets of £5.1bn (FY 2017: £4.4bn, FY 2016: £3.0bn); net inflows of £0.6bn (FY 2017: £1.3bn, FY 2016: £0.8bn); fee revenue of £9m (H1 2017: £7m) and adjusted profit before tax of £nil (H1 2017: £1m). 2. Based on annualised net inflows.

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Half year results 2018

Adjusted profit from continuing operations up on H2 2017

Lower revenues more than offset by reduction in expenses and growth from associates and JV

Adjusted profit before tax

	FY 2017 £m	H1 2017 £m	H2 2017 £m	H1 2018 £m
Adjusted operating income	2,099	1,041	1,058	966
Adjusted operating expenses	(1,551)	(739)	(812)	(712)
Adjusted operating profit	548	302	246	254
Capital management	13	-	13	(3)
Share of associates' and joint ventures' profit before tax	99	53	46	60
Adjusted profit before tax from continuing operations	**660**	**355**	**305**	**311**
Discontinued operations	379	166	213	167
Adjusted profit before tax including discontinued operations	**1,039**	**521**	**518**	**478**

Adjusted profit after tax and adjusted EPS

Future EPS will benefit from share of profit from Phoenix and impact of capital return

	FY 2017 £m	H1 2017 £m	H2 2017 £m	H1 2018 £m
Total adjusted profit before tax	**1,039**	**521**	**518**	**478**
Total tax on adjusted profit	(175)	(63)	(112)	(95)
Total adjusted profit after tax	**864**	**458**	**406**	**383**
Dividend paid on preference shares	(5)	(3)	(2)	(3)
Total adjusted profit after tax attributable to equity holders	**859**	**455**	**404**	**380**
Earnings per share:				
Investment management, retail platforms and advice	15.3p	8.2p	7.1p	6.8p
Participating investments	1.9p	1.5p	0.4p	1.4p
Adjusted diluted earnings per share from continuing operations	**17.2p**	**9.7p**	**7.5p**	**8.2p**
Discontinued operations	11.7p	5.6p	6.1p	4.6p
Adjusted diluted earnings per share	**28.9p**	**15.3p**	**13.6p**	**12.8p**

Equates to pro forma adjusted EPS of 12.0p[1] based on reduced share count following the capital return[2] of £1.75bn (without taking account of further cost synergies to be achieved in future periods)

1. Based on the reduction in share count calculated using the share price as at 30 June 2018 and an estimated annual adjusted PBT of £100m from Phoenix Group. 2. Subject to regulatory approval.

Analysis of adjusted operating income and revenue margins

Total adjusted operating income and revenue margins

	H1 2017 £m	H2 2017 £m	H1 2018 £m	H1 2017 bps[1]	H2 2017 bps[1]	H1 2018 bps[1]
Equities	327	340	311	66.7	69.1	67.1
Fixed income	73	72	66	29.3	29.4	27.9
Multi-asset and Quantitative	227	208	189	57.6	55.1	52.9
Private markets and Alternatives	53	58	41	38.5[2]	36.6	32.3
Real estate	79	82	77	54.2	54.6	53.7
Cash/Liquidity	8	6	7	7.8	6.9	8.3
Strategic insurance partners	183	196	180	13.3	14.1	13.5
Retail (incl. Wrap, Elevate and advice)	84	91	89	36.0	35.4	34.4[3]
India and China life	7	5	6	N/A	N/A	N/A
Total adjusted operating income	**1,041**	**1,058**	**966**	**33.7[2]**	**34.0**	**32.5[3]**

- Modest reduction in revenue margins principally because of mix effects
- Stable margins across the strategic partner life business

All figures are stated on a continuing operations basis.
1. Calculated using annualised fee revenue (excluding performance fees) and average AUM (excluding HDFC AMC). 2. Adjusted to exclude non-recurring impact of £7m deferred revenue. 3. Adjusted to reflect one-off impact of adopting the new revenue recognition accounting standard IFRS 15.

Adjusted operating expenses

Driving down the cost/income ratio to 60% over the medium term

- Improvement in cost/income ratio to 69.4% (FY 2017: 70.6%)
- Annualised cost efficiencies of at least £350m[1] to be achieved by end of 2020:
  - £135m already implemented
  - H1 2018 has benefited by c£40m (i.e. c£80m annualised), with further benefit in H2 2018
- The £270m of annualised savings yet to be implemented equates to approximately 9p of pro forma EPS before any reinvestment in the business

1. Comprises annualised efficiencies from merger related cost synergies (£250m) and simplification of our operating model (£100m).

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Interim dividend up 4.3% to 7.30p

Unbroken track record of delivering progressive dividends

Pro forma dividend cover of 1.1x from continuing operations based on last 12 months dividend of 21.6p

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

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Half year results 2018

The record outperformance of ‘Growth’ vs. ‘Value’

‘Growth’ has outperformed ‘Value’ for 11.5 years since December 2006

MSCI World Value vs. Growth

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Robust investment performance across most asset classes

Focused on improving performance in GARS, EM and Global Equities

	1 year	3 years	5 years
AUM above benchmark[1]	61%	53%	66%

Robust performance across most asset classes

Alternatives; UK, Japanese and Smaller Companies equities; Quantitative; Credit, EMD and Government fixed income; MyFolio and other multi-asset (ex. absolute return); Real estate; Money market funds

Performance enhancement plans in place focused on idea generation, capture and implementation

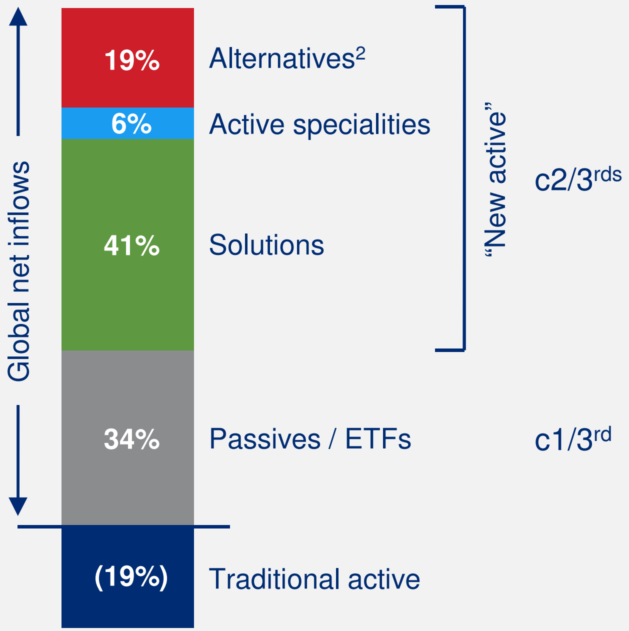
- New combined research platform strengthened by appointment of heads of research
- Research Institute to drive macro and longer term thematic house views
- Investing in new talent and rolled out enhanced risk analytics tools to drive alpha generation
- Oversight through new Performance and Investment Review Committee and Board Investment Performance Committee
- Enhancing our processes while remaining true to our approach – no style drift

1. Percentage of weighted average total AUM outperforming benchmark (gross of fees).

Positioned to benefit from global demand for “new active” investment capabilities

Through existing strength in “new active” capabilities and ongoing investment in innovation

2016-2020 Global estimated net flows[1]



“New active” AUM to grow from $32tn in 2016 to $55tn by 2022[1]

Positioned to benefit from strong demand for “new active” investment capabilities

Alternatives / Private Markets

- **Private Markets[3]** £28bn, 3rd in UK
- **Real Estate[3]** £39bn, 4th in Europe
- + Hark Capital (private markets)

Solutions / Multi-asset

- **Insurance Clients** £266bn, 1st in UK
- **Multi-asset[3]** £87bn, Broad range
- + Phoenix enhanced partnership

Active specialities

- **Active Equities** £94bn, Broad range
- **Active FI** £50bn, Broad range
- + Alpine Woods Capital Investors LLC US closed-end funds

Quantitative/ETFs

- **Quantitative/Passive[3]** £67bn, Strong performance
- + ETF Securities U.S.

1. Source: BCG, July 2016, July 2017 and July 2018. Percentages shown are as a proportion of global estimated net inflows into growth categories. 2. Includes hedge funds, private equity, real estate, infrastructure, commodity funds and liquid alternative mutual funds. 3. Includes overlap with insurance clients of: Private Markets – £1.1bn; Real Estate – £10.2bn; Multi-asset – £20.3bn; and Quantitative – £64.5bn.

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A track record of innovation in “new active” investment solutions

Designed to deliver specific client outcomes

Total AUM	Accumulation	Preservation	Income
	Selected examples	Selected examples	Selected examples
<1 year since launch c£4bn AUM	GTAA Strategies Equity Impact Listed Private Capital Global Private Markets Residential Conversion Global FoF (RE)	Global Short Duration Corp Bond Global Loans Fund Secure Income & Cash Flow	Private Equity Fund Financing Diversified Income & Growth Pan-European Residential Euro Logistics Income PLC Smart Beta Low Vol Equity Income
AUM 1 to 8 years since launch c£67bn AUM	Enhanced Index Funds Liquid Alternatives Euro Club I, II, III (RE) EDGF China A Shares Global Focused Strategies RE Secondaries I, II MyFolio Accumul-ation Global Small Cap Private Equity SOF I, II, III Integrated Liability Plus Solutions	Real Assets Strategies (FLAG) EM Bonds Buy & Maintain Credit Global High Yield Bond Euro SRI Corporate Bond ARGBS US Comingled Bonds Short Duration GILB Total Return Credit	Diversified Income Fund European Real Estate Funds European Economic Infra I, II GEM Equity Income MyFolio Income Concession Infra Ground Rent Fund Commercial Real Estate Debt Fund

- Accelerated through 20 launches in H1 2018 compared to 22 across the whole of 2017
- Focused on areas of market growth – Private Markets; Alternatives; Real Estate; Multi-asset solutions; and Active Speciality – Fixed Income and Equities
- Strong pipeline of innovative ideas across region, channel, asset class and outcome

Transforming our business

Focus on financial discipline to deliver £350m of annual cost efficiencies

- Merger integration progressing well:
  - Investment professionals and distribution teams now fully integrated and focused on client outcomes and increasing distribution activity
  - All of our people now co-located
- New operating model to capitalise on our simplified business and to drive growth:
  - New leadership team in place to drive regional growth and improved efficiency
- Sale[1] of insurance business for £3.3bn[2] on track to complete by end of Q3

1. Subject to regulatory approval. 2. Comprising cash consideration of £2.3bn and current value of future Phoenix stake of £1.0bn.

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Ensuring efficient allocation of capital with acceleration of share buyback programme

Track record of reshaping our balance sheet and returning capital to shareholders

Sale[1] of insurance business completes transformation to a capital light investment company allowing return[1] of up to £1.75bn of capital to shareholders (c19% of market cap) and reduction[1] in debt

Accelerating part of the share buyback programme with initial tranche of £175m to commence in the next few days

up to £0.75bn
Share Buyback Programme

+

£1.0bn
B Share Scheme and Share Capital Consolidation

=

up to £1.75bn
Proposed return[1] of capital to equity holders

Retaining one of the strongest[2] balance sheets in the industry with significant strategic optionality:

- Providing support to our progressive and sustainable dividend
- Funding merger integration, SLAL separation and business simplification programmes to drive efficiency
- Allowing investment for growth, including new investment capabilities and seeding

Maximising shareholder value from participating investments

1. Subject to regulatory approval. 2. Including certain listed investments of £4.5bn.

One of the strongest balance sheets in the industry

With substantial listed investments and strong net cash resources

- Future strategic listed investment in Phoenix worth £1.0bn[1]:
  - c19.99% stake
  - Source of earnings and dividends as well as current and future AUM
- Indian listed investments worth £4.5bn[1]:
  - 30.03% stake in HDFC AMC worth £1.3bn[1] following successful IPO of HDFC AMC which also raised c£180m
  - 29.28% stake in HDFC Life worth £3.2bn[1]
- Strong capital position with £4.6bn[2] of cash/liquid resources post sale of SLAL and debt of £1.9bn[3]

Continued strong source of value for shareholders as we reshape the business

All figures are stated on a continuing operations basis.
1. Valuation as at 6 August 2018. 2. Proforma cash/liquid resources from across the group including proceeds from the disposal of our UK and European insurance business (SLAL) and the sale of part of our stake in HDFC AMC but prior to return of capital and repayment of debt. 3. Nominal value of debt as at 6 August 2018.

Strong business with a clear focus on our areas of strength and long-term growth

Continued progress towards achieving our world-class ambitions

- Completed integration across our client and consultant facing investment and distribution teams – now one of the largest in the industry and building momentum
- Diverse and innovative client offering relevant to the “new active” needs of clients globally
- Diversification and access to retail customers through our leading adviser platforms and an enhanced partnership with Phoenix
- Progress towards a 60% cost/income ratio and delivery of combined merger and simplification efficiencies of at least £350m
- Clear focus on maximising value and returns to shareholders with capital return[1] of up to £1.75bn including acceleration of the share buyback programme
- Financial strength to invest in innovation, technology and our people to drive long-term growth in a disrupted industry

1. Subject to regulatory approval.

Questions

This presentation may contain certain “forward-looking statements” with respect to the financial condition, performance, results, strategy, objectives, plans, goals and expectations of Standard Life Aberdeen plc (“Standard Life Aberdeen”) and its affiliates. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Standard Life Aberdeen about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. For example, statements containing words such as “may”, “will”, “should”, “could”, “continue”, “aims”, “estimates”, “projects”, “believes”, “intends”, “expects”, “hopes”, “plans”, “pursues”, “seeks”, “targets” and “anticipates”, and words of similar meaning, may be forward-looking. These statements are based on assumptions and assessments made by Standard Life Aberdeen in light of its experience and its perception of historical trends, current conditions, future developments and other factors it believes appropriate. By their nature, all forward-looking statements involve risk and uncertainty because they are based on information available at the time they are made, including current expectations and assumptions, and relate to future events and depend on circumstances which may be or are beyond Standard Life Aberdeen’s control, including among other things: UK domestic and global political, economic and business conditions (such as the United Kingdom’s exit from the European Union); market related risks such as fluctuations in interest rates and exchange rates, and the performance of financial markets generally; the impact of inflation and deflation; experience in particular with regard to mortality and morbidity trends, lapse rates and policy renewal rates; the impact of competition; the timing, impact and other uncertainties associated with future acquisitions, disposals or combinations undertaken by Standard Life Aberdeen or its affiliates (including those associated with acquisitions, disposals or combinations announced by Standard Life Aberdeen or its affiliates which have yet to complete including the proposed sale of Standard Life Aberdeen’s UK and European insurance business to Phoenix Group Holdings (“Phoenix”)) and/or within relevant industries; the value of and earnings from Standard Life Aberdeen’s strategic investments and ongoing commercial relationships (including the value of and earnings from the proposed enhanced strategic partnership between Standard Life Aberdeen and Phoenix); default by counterparties; information technology or data security breaches; natural or man-made catastrophic events; the failure to attract or retain necessary key personnel; the policies and actions of regulatory authorities; and the impact of changes in capital, solvency or accounting standards, and tax and other legislation and regulations (including changes to the regulatory capital requirements that Standard Life Aberdeen is subject to) in the jurisdictions in which Standard Life Aberdeen and its affiliates operate. These may for example result in changes to assumptions used for determining results of operations or re-estimations of reserves for future policy benefits. As a result, Standard Life Aberdeen’s actual future financial condition, performance and results may differ materially from the plans, goals, objectives and expectations set forth in the forward-looking statements. Persons receiving this presentation should not place undue reliance on forward-looking statements. Neither Standard Life Aberdeen nor its affiliates assume any obligation to update or correct any of the forward-looking statements contained in this presentation or any other forward-looking statements it or they may make (whether as a result of new information, future events or otherwise), except as required by law. Past performance is not an indicator of future results and the results of Standard Life Aberdeen and its affiliates in this presentation may not be indicative of, and are not an estimate, forecast or projection of, Standard Life Aberdeen’s or its affiliates’ future results.

Unless otherwise stated, all figures in this presentation are on a continuing operations basis and 2017 comparatives are provided on a pro forma basis as if Standard Life Group and Aberdeen had always been merged.

Appendix

Analysis of profit by business unit

	Aberdeen Standard Investments		Standard Life Pensions and Savings		India and China life		Other		Total continuing operations		Discontinued operations		Eliminations		Total	
	H1 2017 £m	**H1 2018 £m**	H1 2017 £m	**H1 2018 £m**	H1 2017 £m	**H1 2018 £m**	H1 2017 £m	**H1 2018 £m**	H1 2017 £m	**H1 2018 £m**	H1 2017 £m	**H1 2018 £m**	H1 2017 £m	**H1 2018 £m**	H1 2017 £m	**H1 2018 £m**
Total adjusted operating income	950	871	84	89	7	6	-	-	1,041	966	431	450	(66)	(69)	1,406	1,347
Total adjusted operating expenses	(609)	(580)	(97)	(102)	(7)	(5)	(26)	(25)	(739)	(712)	(258)	(280)	66	69	(931)	(923)
Adjusted operating profit	341	291	(13)	(13)	-	1	(26)	(25)	302	254	173	170	-	-	475	424
Capital management	(9)	-	13	14	-	-	(4)	(17)	-	(3)	(7)	(3)	-	-	(7)	(6)
Share of associates' and joint ventures' profit before tax	20	26	-	-	33	34	-	-	53	60	-	-	-	-	53	60
Adjusted profit before tax (pro forma basis[1])	**352**	**317**	**-**	**1**	**33**	**35**	**(30)**	**(42)**	**355**	**311**	**166**	**167**	**-**	**-**	**521**	**478**
Adjust for Aberdeen results pre-merger completion (pre-14 August 2017)	(163)	-	-	-	-	-	-	-	(163)	-	-	-	-	-	(163)	-
Adjusted profit before tax (reported basis[1])	**189**	**317**	**-**	**1**	**33**	**35**	**(30)**	**(42)**	**192**	**311**	**166**	**167**	**-**	**-**	**358**	**478**
Tax on adjusted profit	(33)	(56)	(3)	3	-	-	5	5	(31)	(48)	1	(29)	-	-	(30)	(77)
Share of associates' and joint ventures' tax expense	(5)	(11)	-	-	(2)	(7)	-	-	(7)	(18)	-	-	-	-	(7)	(18)
Adjusted profit after tax	151	250	(3)	4	31	28	(25)	(37)	154	245	167	138	-	-	321	383
Total adjusting items	(18)	(142)	(8)	(16)	(24)	(2)	(41)	(6)	(91)	(166)	55	(74)	-	-	(36)	(240)
Tax on adjusting items	3	33	2	2	-	-	16	-	21	35	(14)	10	-	-	7	45
Profit attributable to non-controlling interests (preference shares)	-	(3)	-	-	-	-	-	-	-	(3)	-	-	-	-	-	(3)
Profit for the period attributable to equity holders of SLA plc	**136**	**138**	**(9)**	**(10)**	**7**	**26**	**(50)**	**(43)**	**84**	**111**	**208**	**74**	**-**	**-**	**292**	**185**

1. The merger of Standard Life plc and Aberdeen Asset Management plc (Aberdeen) completed on 14 August 2017, with the merger accounted for as an acquisition of Aberdeen by Standard Life plc on that date. The Reported results reflect this accounting treatment. Pro forma results for the Group are prepared as if Standard Life plc and Aberdeen had always been merged and are included in these results to assist in explaining trends in financial performance. The difference between the Reported results and Pro forma results is the results of Aberdeen in the period prior to completion of the merger.

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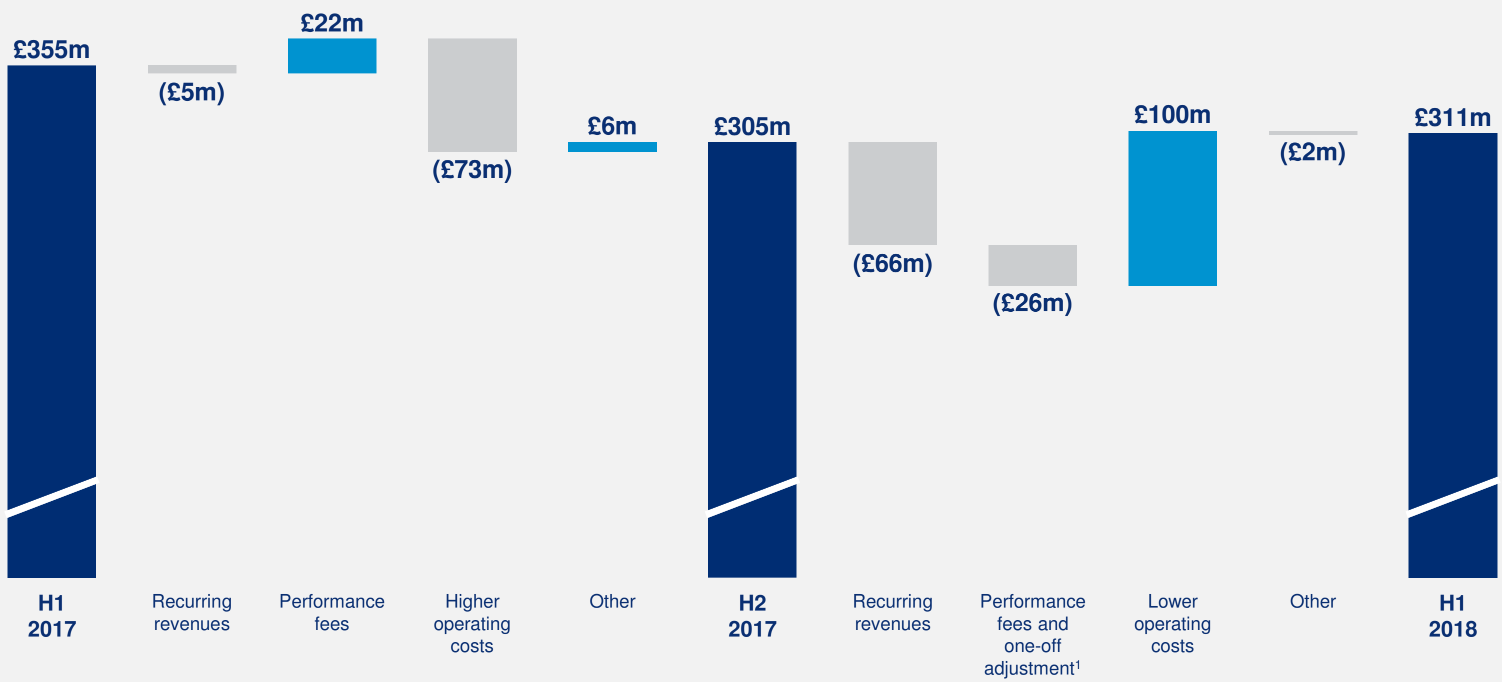
Adjusted profit before tax

Supported by cost control and initial benefits of merger synergies

Adjusted profit before tax



All figures are stated on a continuing operations basis.
1. One-off adjustment relates to a £5m negative impact following adoption of the new revenue recognition accounting standard IFRS 15.

Total adjusting items

	H1 2017 £m (Reported basis)	H1 2018 £m
Restructuring and corporate transaction expenses	(57)	(59)
Amortisation and impairment of intangible assets acquired in business combinations and through the purchase of customer contracts	(10)	(108)
Other	(24)	1
Total adjusting items	**(91)**	**(166)**

All figures are stated on a continuing operations basis.

Standard Life Pensions and Savings adjusted profit before tax analysis

	Platforms		Advice		Other		Total	
	H1 2017 £m	H1 2018 £m	H1 2017 £m	H1 2018 £m	H1 2017 £m	H1 2018 £m	H1 2017 £m	H1 2018 £m
Total adjusted operating income[1]	62	70	16	18	6	1[1]	84	89[1]
Total adjusted operating expenses	(51)	(56)	(18)	(19)	(28)	(27)	(97)	(102)
Adjusted operating profit	11	14	(2)	(1)	(22)	(26)	(13)	(13)
Capital management	-	-	-	-	13	14	13	14
Standard Life Pensions and Savings adjusted profit before tax	**11**	**14**	**(2)**	**(1)**	**(9)**	**(12)**	**-**	**1**

All figures are stated on a continuing operations basis.
1. Includes one-off impact of adopting the new revenue recognition accounting standard IFRS 15.

Standard Life Aberdeen

AUMA and flows supplementary information

	Gross inflows			Net flows			AUMA			Adjusted operating income			Fee revenue yield[1]		
	H1 2017 £bn	H2 2017 £bn	H1 2018 £bn	H1 2017 £bn	H2 2017 £bn	H1 2018 £bn	H1 2017 £bn	H2 2017 £bn	H1 2018 £bn	H1 2017 £m	H2 2017 £m	H1 2018 £m	H1 2017 bps	H2 2017 bps	H1 2018 bps
Equities	8.2	8.0	7.1	(3.4)	(4.8)	(7.6)	103.8	104.5	94.1	327	340	311	66.7	69.1	67.1
Fixed income	3.7	4.7	3.2	(1.6)	(1.7)	(2.1)	53.0	51.4	49.9	73	72	66	29.3	29.4	27.9
Multi-asset	7.2	6.7	5.0	(3.8)	(3.1)	(4.4)	74.3	72.4	66.6	226	206	188	59.0	56.2	54.2
Private markets and Alternatives	0.9	1.0	1.0	(0.5)	(0.3)	(0.9)	25.0	24.5	27.2	53	58	41	38.5[2]	36.6	32.3
Real estate	1.9	1.7	1.6	(0.7)	(0.3)	(0.2)	28.1	28.5	28.9	79	82	77	54.2	54.6	53.7
Quantitative	0.1	0.1	0.1	(0.4)	(0.1)	-	2.2	2.2	2.2	1	2	1	13.0	11.0	10.1
Cash/Liquidity	4.5	2.2	4.8	1.4	(2.8)	1.6	22.7	20.4	22.1	8	6	7	7.8	6.9	8.3
	26.5	**24.4**	**22.8**	**(9.0)**	**(13.1)**	**(13.6)**	**309.1**	**303.9**	**291.0**	**767**	**766**	**691**	**50.7[2]**	**51.0**	**48.7**
Standard Life Pensions and Savings	1.7	1.6	1.6	(1.4)	(1.3)	(1.1)	90.2	92.2	90.2	N/A	N/A	N/A	N/A	N/A	N/A
Third party strategic insurance partners	6.5	5.8	9.4	(6.0)	(6.5)	(4.5)	180.4	179.6	175.9	N/A	N/A	N/A	N/A	N/A	N/A
Strategic insurance partners	**8.2**	**7.4**	**11.0**	**(7.4)**	**(7.8)**	**(5.6)**	**270.6**	**271.8**	**266.1**	**183**	**196**	**180**	**13.3**	**14.1**	**13.5**
Aberdeen Standard Investments	**34.7**	**31.8**	**33.8**	**(16.4)**	**(20.9)**	**(19.2)**	**579.7**	**575.7**	**557.1**	**950**	**962**	**871**	**32.9[2]**	**33.3**	**31.6**
Retail (incl. Wrap, Elevate and advice)	**5.5**	**5.2**	**4.7**	**3.7**	**3.3**	**2.5**	**49.2**	**54.0**	**56.3**	**84**	**91**	**89**	**36.0**	**35.4**	**34.4[3]**
India and China life	**0.6**	**0.4**	**0.6**	**0.3**	**0.2**	**0.3**	**5.2**	**4.8**	**4.9**	**7**	**5**	**6**	**N/A**	**N/A**	**N/A**
Eliminations	(1.3)	(1.4)	(1.1)	-	(0.5)	(0.2)	(7.1)	(8.0)	(8.2)	-	-	-	N/A	N/A	N/A
Total continuing operations	**39.5**	**36.0**	**38.0**	**(12.4)**	**(17.9)**	**(16.6)**	**627.0**	**626.5**	**610.1**	**1,041**	**1,058**	**966**	**33.7[2]**	**34.0**	**32.5[3]**
Discontinued	4.8	4.4	4.4	(1.4)	(1.6)	(1.2)	131.1	134.1	133.2	431	534	450	N/A	N/A	N/A
Discontinued eliminations	(2.3)	(2.3)	(2.3)	1.1	1.2	0.7	(103.1)	(105.7)	(104.0)	(66)	(70)	(69)	N/A	N/A	N/A
Total Standard Life Aberdeen	**42.0**	**38.1**	**40.1**	**(12.7)**	**(18.3)**	**(17.1)**	**655.0**	**654.9**	**639.3**	**1,406**	**1,522**	**1,347**	**N/A**	**N/A**	**N/A**

1. Calculated using annualised fee revenue (excluding performance fees) and average AUM (excluding HDFC AMC). 2. Adjusted to exclude non-recurring impact of £7m deferred revenue. 3. Adjusted to reflect one-off impact of adopting the new revenue recognition accounting standard IFRS 15.

Aberdeen Standard Investments flows analysis

	Gross inflows			Redemptions			Net flows		
	H1 2017 £bn	**H2 2017 £bn**	**H1 2018 £bn**	**H1 2017 £bn**	**H2 2017 £bn**	**H1 2018 £bn**	**H1 2017 £bn**	**H2 2017 £bn**	**H1 2018 £bn**
Absolute return, EM, APAC and Global equities	10.1	9.5	7.2	(18.1)	(18.7)	(19.7)	(8.0)	(9.2)	(12.5)
Natural run-off from strategic insurance clients	8.2	7.4	11.0	(15.6)	(15.2)	(16.6)	(7.4)	(7.8)	(5.6)
	18.3	16.9	18.2	(33.7)	(33.9)	(36.3)	(15.4)	(17.0)	(18.1)
Other capabilities	16.4	14.9	15.6	(17.4)	(18.8)	(16.7)	(1.0)	(3.9)	(1.1)
Aberdeen Standard Investments	**34.7**	**31.8**	**33.8**	**(51.1)**	**(52.7)**	**(53.0)**	**(16.4)**	**(20.9)**	**(19.2)**

Flows by channel analysis

	Gross inflows			Redemptions			Net flows		
	H1 2017 £bn	H2 2017 £bn	H1 2018 £bn	H1 2017 £bn	H2 2017 £bn	H1 2018 £bn	H1 2017 £bn	H2 2017 £bn	H1 2018 £bn
Institutional	13.1	11.2	10.9	(20.6)	(23.4)	(21.5)	(7.5)	(12.2)	(10.6)
Wholesale	12.3	11.9	10.5	(14.2)	(13.5)	(13.8)	(1.9)	(1.6)	(3.3)
Wealth/Digital	1.1	1.3	1.4	(0.7)	(0.6)	(1.1)	0.4	0.7	0.3
	26.5	24.4	22.8	(35.5)	(37.5)	(36.4)	(9.0)	(13.1)	(13.6)
Strategic insurance partners	8.2	7.4	11.0	(15.6)	(15.2)	(16.6)	(7.4)	(7.8)	(5.6)
Aberdeen Standard Investments	**34.7**	**31.8**	**33.8**	**(51.1)**	**(52.7)**	**(53.0)**	**(16.4)**	**(20.9)**	**(19.2)**
Retail (incl. Wrap, Elevate and advice)	**5.5**	**5.2**	**4.7**	**(1.8)**	**(1.9)**	**(2.2)**	**3.7**	**3.3**	**2.5**
India and China life	**0.6**	**0.4**	**0.6**	**(0.3)**	**(0.2)**	**(0.3)**	**0.3**	**0.2**	**0.3**
Eliminations	(1.3)	(1.4)	(1.1)	1.3	0.9	0.9	-	(0.5)	(0.2)
Total flows	**39.5**	**36.0**	**38.0**	**(51.9)**	**(53.9)**	**(54.6)**	**(12.4)**	**(17.9)**	**(16.6)**
Annualised net flows as a % of opening AUMA							***(4.0%)***	***(5.7%)***	***(5.3%)***

All figures are stated on a continuing operations basis.

Quarterly net flows analysis

	Q2 2017 £bn	Q3 2017 £bn	Q4 2017 £bn	Q1 2018 £bn	Q2 2018 £bn
Equities	(1.9)	(1.9)	(2.9)	(3.7)	(3.9)
Fixed income	(1.4)	(1.1)	(0.6)	(1.2)	(0.9)
Multi-asset	(1.8)	(1.8)	(1.3)	(1.5)	(2.9)
Private markets and Alternatives	(0.3)	(0.2)	(0.1)	(0.3)	(0.6)
Real estate	(0.6)	(0.2)	(0.1)	(0.2)	-
Quantitative	(0.4)	(0.1)	-	-	-
Cash/Liquidity	0.1	(2.1)	(0.7)	0.2	1.4
	(6.3)	**(7.4)**	**(5.7)**	**(6.7)**	**(6.9)**
Standard Life Pensions and Savings	(0.7)	(0.7)	(0.6)	(0.5)	(0.6)
Third party strategic insurance partners	(3.1)	(3.6)	(2.9)	(2.0)	(2.5)
Strategic insurance partners	**(3.8)**	**(4.3)**	**(3.5)**	**(2.5)**	**(3.1)**
Aberdeen Standard Investments	**(10.1)**	**(11.7)**	**(9.2)**	**(9.2)**	**(10.0)**
Retail (incl. Wrap, Elevate and advice)	**1.8**	**1.7**	**1.6**	**1.5**	**1.0**
India and China life	**0.1**	**0.1**	**0.1**	**0.2**	**0.1**
Eliminations	-	(0.4)	(0.1)	(0.1)	(0.1)
Total Standard Life Aberdeen	**(8.2)**	**(10.3)**	**(7.6)**	**(7.6)**	**(9.0)**

All figures are stated on a continuing operations basis.

Standard Life Aberdeen

Aberdeen Standard Investments asset class analysis

	Opening AUM as at 1 Jan 2018 £bn	Gross inflows £bn	Redemptions £bn	Net flows £bn	Markets and performance £bn	Corporate actions £bn	Closing AUM as at 30 Jun 2018 £bn
Developed Markets equities	16.3	1.0	(1.3)	(0.3)	-	-	16.0
Emerging Markets equities	37.0	3.0	(7.6)	(4.6)	(2.8)	-	29.6
Asia Pacific equities	27.7	2.1	(3.9)	(1.8)	(0.8)	-	25.1
Global equities	23.5	1.0	(1.9)	(0.9)	(0.4)	1.2	23.4
Equities	**104.5**	**7.1**	**(14.7)**	**(7.6)**	**(4.0)**	**1.2**	**94.1**
Developed Markets credit	32.9	1.7	(3.3)	(1.6)	0.1	0.9	32.3
Developed Markets rates	5.7	0.4	(0.6)	(0.2)	(0.2)	-	5.3
Emerging Markets fixed income	12.8	1.1	(1.4)	(0.3)	(0.2)	-	12.3
Fixed income	**51.4**	**3.2**	**(5.3)**	**(2.1)**	**(0.3)**	**0.9**	**49.9**
Absolute return	39.8	1.1	(6.3)	(5.2)	(0.8)	-	33.8
Diversified growth/income	1.5	0.3	(0.2)	0.1	-	-	1.6
MyFolio	13.3	1.5	(0.7)	0.8	-	-	14.1
Other multi-asset	6.5	0.6	(1.1)	(0.5)	(0.6)	-	5.4
Parmenion	4.4	1.1	(0.5)	0.6	0.1	-	5.1
Standard Life Wealth	6.9	0.4	(0.6)	(0.2)	(0.1)	-	6.6
Multi-asset	**72.4**	**5.0**	**(9.4)**	**(4.4)**	**(1.4)**	**-**	**66.6**
Private equity	12.4	0.4	(1.0)	(0.6)	0.2	-	12.0
Private credit and solutions	0.3	0.2	-	0.2	(0.4)	-	0.1
Alternative investment solutions	8.0	0.4	(0.6)	(0.2)	1.7	2.1	11.6
Infrastructure equity	3.8	-	(0.3)	(0.3)	-	-	3.5
Private markets and Alternatives	**24.5**	**1.0**	**(1.9)**	**(0.9)**	**1.5**	**2.1**	**27.2**
UK real estate	15.8	0.7	(1.1)	(0.4)	-	-	15.4
European real estate	11.1	0.9	(0.6)	0.3	(0.1)	-	11.3
Global real estate	0.1	-	-	-	0.1	0.6	0.8
Real estate multi-manager	1.5	-	(0.1)	(0.1)	-	-	1.4
Real estate	**28.5**	**1.6**	**(1.8)**	**(0.2)**	**-**	**0.6**	**28.9**
Quantitative	**2.2**	**0.1**	**(0.1)**	**-**	**-**	**-**	**2.2**
Cash/Liquidity	**20.4**	**4.8**	**(3.2)**	**1.6**	**0.1**	**-**	**22.1**
Growth AUM	**303.9**	**22.8**	**(36.4)**	**(13.6)**	**(4.1)**	**4.8**	**291.0**

Standard Life Aberdeen

Calculation of Aberdeen Standard Investments fee revenue yield

	Average AUM (ex. HDFC AMC)			Fee based revenue (ex. performance fees)			Fee revenue yield[1]		
	H1 2017	H2 2017	H1 2018	H1 2017	H2 2017	H1 2018	H1 2017	H2 2017	H1 2018
	£bn	£bn	£bn	£m	£m	£m	bps	bps	bps
Equities	97.9	98.1	92.6	327	339	311	66.7	69.1	67.1
Fixed income	49.9	48.2	46.8	73	71	65	29.3	29.4	27.9
Multi-asset	76.2	73.1	69.3	226	206	188	59.0	56.2	54.2
Private markets and Alternatives	24.0	23.7	25.2	53	43	41	38.5[2]	36.6	32.3
Real estate	29.1	29.3	28.3	79	80	76	54.2	54.6	53.7
Quantitative	2.3	2.1	2.2	1	2	1	13.0	11.0	10.1
Cash/Liquidity	19.9	18.2	18.1	8	6	7	7.8	6.9	8.3
	299.3	**292.7**	**282.5**	**767**	**747**	**689**	**50.7[2]**	**51.0**	**48.7**
Strategic insurance partners	272.3	269.9	266.2	181	191	179	13.3	14.1	13.5
Total	**571.6**	**562.6**	**548.7**	**948**	**938**	**868**	**32.9[2]**	**33.3**	**31.6**
Average AUM from HDFC Asset Management	11.4	12.8	13.2	N/A	N/A	N/A			
Revenue from performance fees	N/A	N/A	N/A	2	24	3			
Total Aberdeen Standard Investments	**583.0**	**575.4**	**561.9**	**950**	**962**	**871**			

1. Fee revenue yield calculated using fee revenue excluding performance fees and average AUM (excluding HDFC AMC). 2. Adjusted to exclude non-recurring impact of £7m deferred revenue.

India and China life

India and China life adjusted profit before tax

	H1 2017 £m	H1 2018 £m
Hong Kong adjusted operating income	7	6
Hong Kong adjusted operating expenses	(7)	(5)
Adjusted profit before tax	-	1
Share of associates' and joint ventures' profit before tax:		
- HDFC Life	27	24
- Heng An SL	6	10
Adjusted profit before tax	**33**	**35**

- Positive operating performance from our wholly-owned business in Hong Kong
- Lower profit from HDFC Life reflects reduced stake following IPO and an adverse movement in the exchange rate
- Growth in sales and premium income in our joint venture in China driving profit
- Completion of the sale[1] of our wholly-owned Hong Kong insurance business to our 50% owned Chinese JV Heng An Standard Life expected to complete in H2 2018

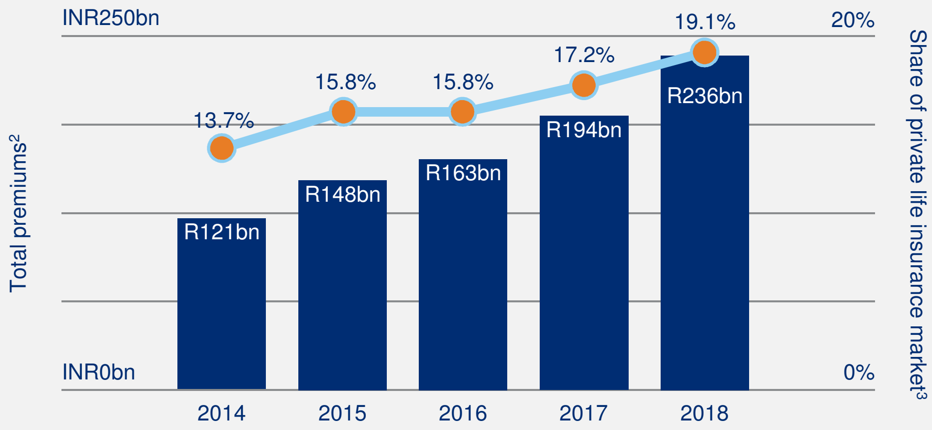
1. Subject to regulatory approvals.

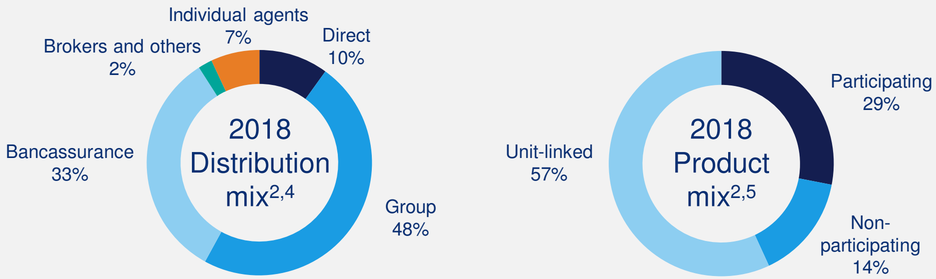
Standard Life Aberdeen

HDFC Life – a leading private Indian life insurer

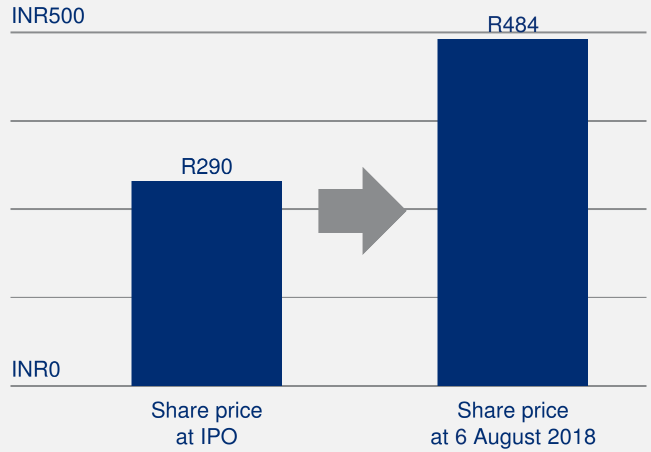
A fast growing business leveraging one of India's most valuable brands[1]

Consistently ranked in top 3 private life insurers in India[2]





Successful IPO of HDFC Life completed



Market cap[6]: £10.9bn / 975Rs bn – up 67% since IPO

- Both promoters will have to sell further shares by November 2020 to reach free float requirement of 25%:
  - Current stake of 29.28% locked up until November 2018
  - Of which 9ppt locked up until March 2021

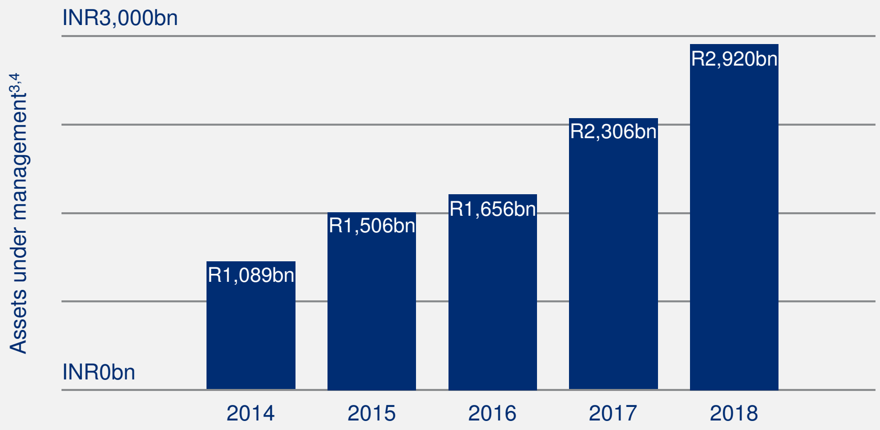
1. HDFC Bank, source: WPP, Kantar Millward Brown, 2017. 2. Source: Annual reports, for 12 months ending 31 March. 3. HDFC Life market share sourced from IRDAI. Measured as share of private market overall new business for years ended 31 March. 4. Based on total New Business Premiums. 5. Based on individual Annual Premium Equivalent. 6. As at 6 August 2018 using data from the National Stock Exchange of India.

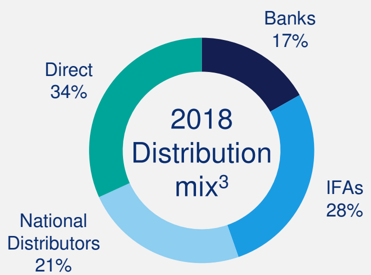
Standard Life Aberdeen

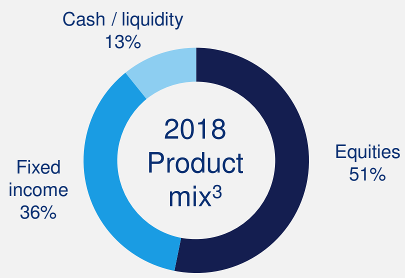
HDFC AMC – India's leading asset manager

A fast growing business leveraging one of India's most valuable brands[1]

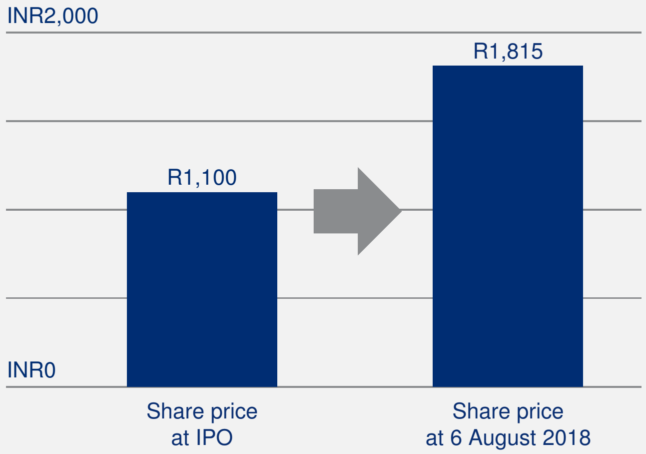
AUM of £31.9bn with CAGR of 26% over the last 5 years[2]







Successful IPO of HDFC AMC completed



Market cap[5]: £4.3bn / 385Rs bn

- Remaining stake of 30.03% will be reduced to 24.99% by August 2021 to create necessary free float:
  - 30.03% locked up until August 2019
  - Of which 7.24ppt locked up until August 2021

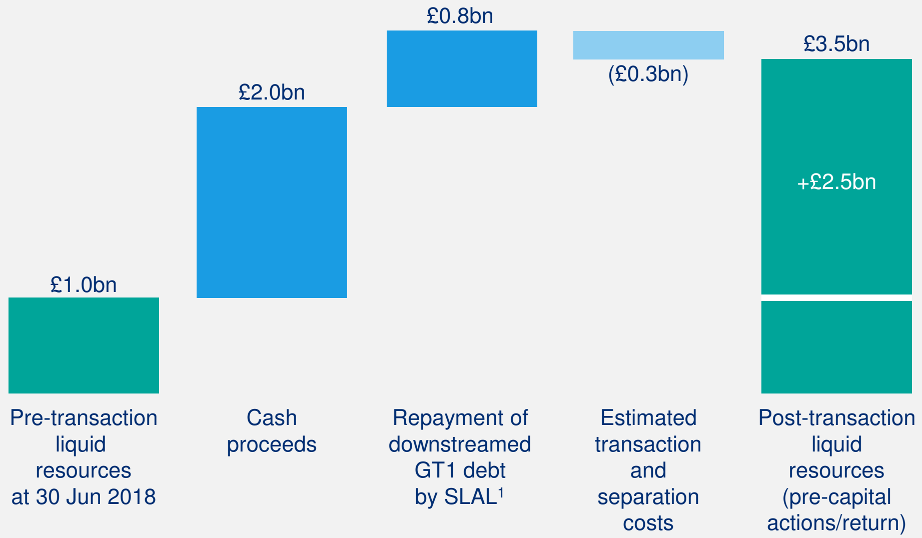
1. HDFC Bank, source: WPP, Kantar Millward Brown, 2017. 2. In constant currency. 3. Data source: HDFC AMC Red Herring Prospectus filed 23 July 2018. 4. Mutual funds AUM as at 31 March. 5. As at 6 August 2018 using data from the National Stock Exchange of India.

Standard Life Aberdeen

Significantly strengthened holding company liquid resources

Significant liquid resources over and above ongoing requirements to invest for growth

Holding company liquidity



Aim to maintain a pre-transaction level of liquid resources sufficient to allow:

- Dividend buffer to support progressive dividend even in times of market stress
- Bolt-on/in-fill M&A, seeding/co-investment and further investment in the business
- Completion of merger integration work

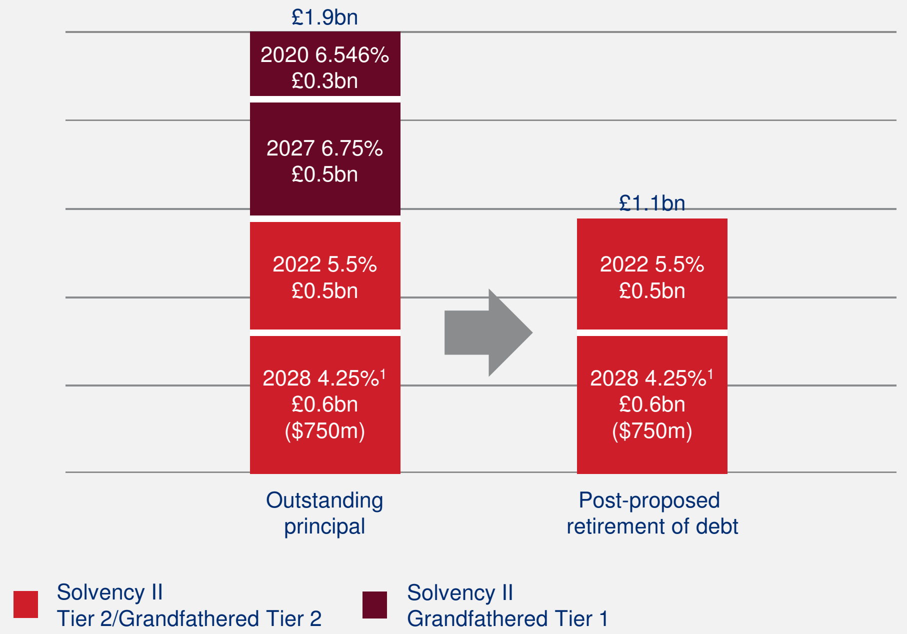
1. £0.8 billion of liquidity received by the Retained Group on Completion following the repayment by the Transferring Group of inter-company debt.

Standard Life Aberdeen

Reducing leverage reflecting transformation to a fully fee based business

Further opportunities to optimise debt structure over time in line with asset management peers

Outstanding debt



Impact of transition to CRD IV[2]:

- All existing SII debt will lose regulatory credit under CRD IV[2]
- More limited capacity to use debt under CRD IV[2]

Proposed retirement of a proportion of outstanding debt:

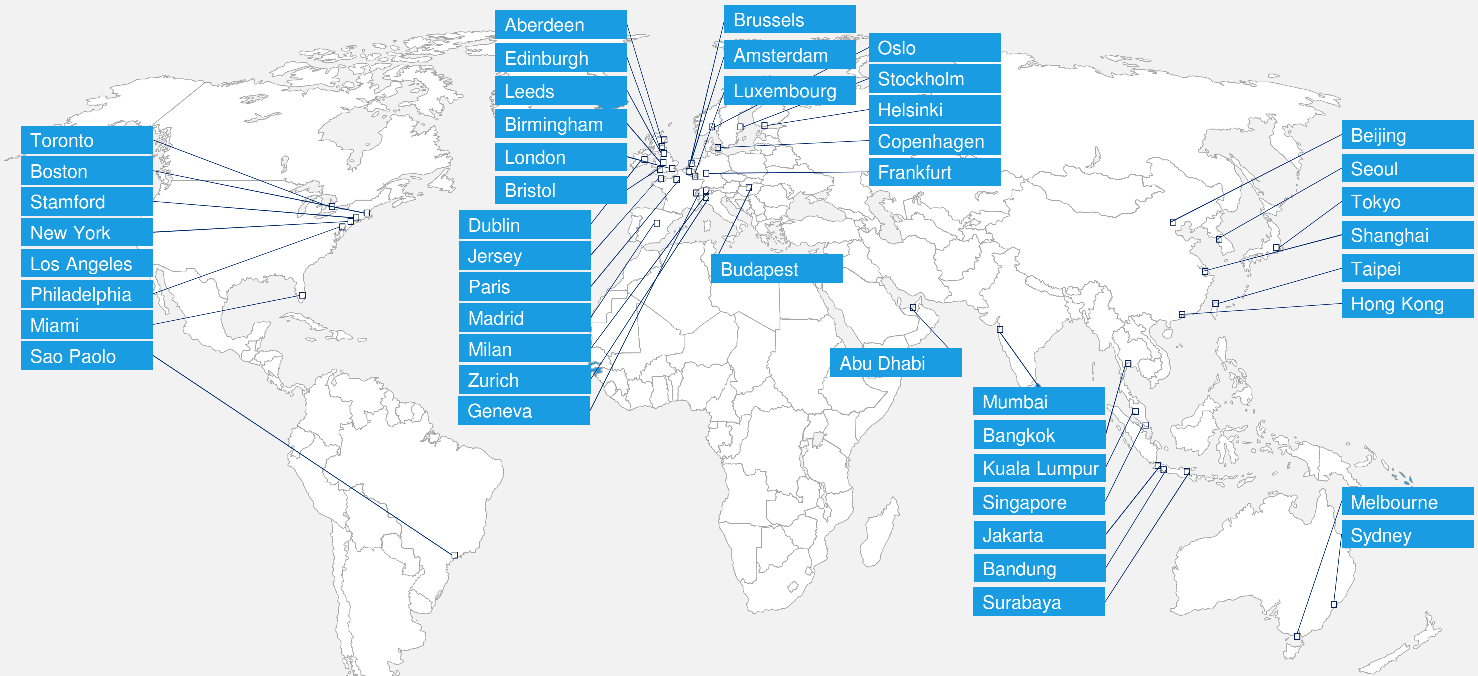
- Agreed to use commercially reasonable endeavours to retire GT1 debt (£0.8bn) currently guaranteed by SLAL[3]
- Potential financial impact:
  - Estimated one-off cost of £0.2bn reflecting bonds trading above par
  - Ongoing reduction in coupon payments of £53m p.a.

Continue to evaluate options to optimise quantum and regulatory treatment of Tier 2 instruments

1. Swapped to GBP at 3.2%. 2. It is our expectation that, post-Completion, the Retained Group will be subject to the CRD IV regime for group-level prudential regulatory capital purposes. This will be subject to receiving regulatory approval. The actual level of surplus will depend on the capital requirements of the Retained Group, which will be subject to regulatory review. 3. £0.8bn of liquidity received by the Retained Group on Completion following the repayment by the Transferring Group of inter-company debt, will be used to retire a proportion of the Retained Group's outstanding debt of £1.9bn. It is intended that the Retained Group will undertake an exercise to retire the outstanding tier 1 bonds, while continuing to evaluate options in relation to the outstanding tier 2 instruments, with a focus on maximising the efficiency of the Retained Group's capital and liquidity.

Building a strong platform to compete globally

Capitalising on global opportunities



Global Coverage:
46 unique distribution locations

Global Clients:
Clients in over 80 countries

Strategic partners: Mitsubishi UFJ, LBG, HDFC, Heng An, Sumitomo Mitsui, Phoenix Group, John Hancock, Manulife, Bosera, Challenger

Standard Life Aberdeen