# Standard Life plc
# Half year results 2016
# 9 August 2016

## Diversification delivers growth in challenging markets

- Assets under administration up 7% to £328.0bn (FY 2015: £307.4bn) helped by gross inflows into our growth channels of £20.6bn (H1 2015: £20.5bn) and net inflows of £4.1bn (H1 2015: £7.4bn)
- Institutional and Wholesale channels benefiting from diversification:
  - Global Institutional business AUM up to £78.1bn helped by net inflows of £2.0bn representing an annualised 6% of opening AUM
  - Wholesale AUM up to £47.3bn with net outflows of £0.4bn in a challenging environment for mutual funds, representing an annualised outflow of 2% of opening AUM
  - Third party[1] investment performance ahead of benchmark over 1 year: 29%; 3 years: 85%; 5 years: 84%
- Workplace and Retail channels continuing to see steady growth with net inflows of £2.8bn (H1 2015: £2.9bn), representing an annualised 7% of opening AUA:
  - Assets on our leading adviser Wrap platform up 20% year-on-year to £28.0bn (FY 2015: £25.5bn; H1 2015: £23.3bn) with net inflows in H1 2016 up 3% to £2.1bn
  - Regular contributions into workplace pensions up 4% to £1.5bn
- Fee based revenue up 4% to £794m representing 93% of total operating income, with revenue across growth channels up 8% to £577m
- Underlying performance* up 14% and operating profit[2] before tax up 18% to £341m with diluted operating EPS up 16% to 13.5p (H1 2015: 11.6p)
- Profit for the period attributable to equity holders of £226m (H1 2015: £69m) and basic EPS of 11.5p (H1 2015: 3.2p)
- Underlying cash generation up 10% to £254m and a strong and stable Solvency II surplus of £2.2bn[3]
- Creating shareholder value in India:
  - Increased our stake in HDFC Life from 26% to 35% for £179m
  - HDFC Life has agreed terms that, subject to approvals, will see the combination of the life insurance businesses of HDFC Life and Max Life, creating the leading private sector life insurer in India
  - The enlarged HDFC Life in which Standard Life would hold a 24.1% stake will, as a result of the combination and subject to approvals, have listings on the Bombay Stock Exchange and the National Stock Exchange of India
- Interim dividend up 7.5% to 6.47p

## Keith Skeoch, Chief Executive, commented:

*"Standard Life continues to make good progress towards building a world-class investment company, against a backdrop of volatile investment markets, by growing assets, profits, cash flows and returns to shareholders.*

*"Despite elevated uncertainty we are benefiting from our strong long-term relationships with a broad range of clients and customers who reacted in different ways to the changing market environment. The increase in the stake in HDFC Life and the proposed combination with Max Life will increase our exposure to the attractive and fast growing Indian market, while the agreement to acquire Elevate will strengthen our leading position in the advised platform market.*

*"Targeted investments to further our diversification agenda, together with our sharpened focus on operational efficiency will increase our pace of strategic delivery. This will ensure we continue to meet changing client and customer needs and generate sustainable returns for our shareholders."*

*Unless otherwise stated, all figures are reported on a continuing operations basis[4].*

* Underlying performance is operating profit before tax after excluding the impact of spread/risk operating actuarial assumption changes and specific management actions. A full reconciliation to profit for the period attributable to equity holders of Standard Life plc is presented on page 2 of this release.

# Financial highlights

## Profitability

| | H1 2016 £m | H1 2015 £m |
|---|---|---|
| Fee based revenue | 794 | 761 |
| Spread/risk margin | 63 | 40 |
| Total operating income | 857 | 801 |
| Total operating expenses | (566) | (533) |
| Capital management | 13 | 1 |
| Share of associates' and joint ventures' profit before tax | 37 | 30 |
| **Underlying performance** | **341** | 299 |
| One-off contribution to with profits business in Germany (operating expenses) | - | (9) |
| **Operating profit before tax** | **341** | 290 |
| Tax on operating profit | (69) | (37) |
| Share of associates' and joint ventures' tax expense | (5) | (5) |
| **Operating profit after tax** | **267** | 248 |
| Non-operating items | (61) | (158) |
| Tax on non-operating items | 20 | 19 |
| Singapore included in discontinued operations segment[5] | - | (40) |
| **Profit for the period attributable to equity holders of Standard Life plc** | **226** | 69 |
| IFRS profit from discontinued operations[5] | - | 1,142 |
| **Total IFRS profit for the period attributable to equity holders of Standard Life plc** | **226** | 1,211 |

## Underlying performance

| | H1 2016 £m | H1 2015 £m |
|---|---|---|
| **Standard Life Investments** | **176** | 154 |
| UK spread/risk margin | 55 | 38 |
| UK excluding spread/risk margin | 96 | 103 |
| **UK Pensions and Savings** | **151** | 141 |
| **Europe Pensions and Savings** | **18** | 15 |
| Hong Kong | (2) | 6 |
| Share of associates' and joint ventures' profit before tax | 21 | 15 |
| **India and China** | **19** | 21 |
| **Other** | **(23)** | (32) |
| **Underlying performance** | **341** | 299 |

## Other performance indicators

| | H1 2016 | H1 2015 |
|---|---|---|
| Operating profit before tax (£m) | 341 | 290 |
| Underlying cash generation (£m) | 254 | 230 |
| Assets under administration (£bn) | 328.0 | 307.4[6] |
| Net inflows (£bn) | 0.9 | 3.4 |

## Other financial highlights

| | | H1 2016 | H1 2015 |
|---|---|---|---|
| Solvency II capital surplus (£bn): | Regulatory view | 2.2[3] | 2.1[6] |
| | Investor view | 3.0[3] | 3.3[6] |
| Solvency II solvency ratio: | Regulatory view | 154%[3] | 162%[6] |
| | Investor view | 200%[3] | 222%[6] |
| Profit for the period attributable to equity holders of Standard Life plc (£m) | | 226 | 69 |
| Diluted operating EPS (p)[5,7] | | 13.5 | 11.6 |
| Diluted EPS (p)[5,7] | | 11.4 | 3.2 |
| Basic EPS (p)[5,7] | | 11.5 | 3.2 |
| Interim dividend per share (p) | | 6.47 | 6.02 |

## Group performance

Standard Life has continued to deliver profitable growth and has shown resilience in volatile markets. We have grown assets, revenue and profits as we continue to make good progress in building a world-class investment company.

### Assets and flows

Assets under administration (AUA) increased by 7% to £328.0bn benefiting from net inflows of £0.9bn and positive market and other movements of £19.7bn.

Gross inflows were £21.8bn (H1 2015: £21.7bn) including inflows of £20.6bn (H1 2015: £20.5bn) into our growth channels primarily Standard Life Investments' Institutional and Wholesale, and Pensions and Savings' Workplace and Retail.

Net inflows of £0.9bn (H1 2015: £3.4bn) included net inflows of £4.1bn (H1 2015: £7.4bn) into our growth channels. This was partly offset by net outflows of £2.9bn (H1 2015: £3.6bn) from the natural run-off of fee business mature books. Net inflows also reflected ongoing progress in our India and China associate and joint venture life businesses which generated net inflows of £0.2bn (H1 2015: £0.1bn). Scheduled net outflows from annuities amounted to £0.5bn (H1 2015: £0.5bn).

Standard Life Investments continued to deliver strong long-term investment performance growing total assets under management (AUM) by 6% to £269.0bn (FY 2015: £253.2bn). Within this, third party AUM in our growth channels increased by 6% to £137.7bn (FY 2015: £130.5bn) with the benefits of our increasingly diversified business reflected in net inflows of £1.6bn into Institutional and Wholesale. Within Standard Life Wealth, net inflows increased to £0.2bn while net outflows from our Ignis business improved to £0.1bn. Strategic partner life business AUM of £131.3bn (FY 2015: £122.7bn), which includes mature books managed on behalf of Standard Life Group and the Phoenix Group, reflects the benefit of positive market movements which more than offset scheduled outflows from annuities and conventional with profits as well as outflows from the assets managed for the Phoenix Group.

AUA in UK Pensions and Savings of £139.2bn (FY 2015: £131.6bn) also benefited from steady flows in our growth channels. Net inflows into Workplace and Retail of £2.8bn represented an annualised 7% of opening assets. Regular contributions into Workplace increased by 4% to £1.5bn (H1 2015: £1.4bn) while our Wrap platform continues to lead the UK adviser market[8] and attracted net inflows of £2.1bn (H1 2015: £2.1bn).

Steady net inflows in Europe, India and China also contributed to the growth in AUA.

Market movements of £19.7bn benefited from the positive impact of foreign exchange as Sterling weakened against other currencies and a reduction in bond yields following the outcome of the EU referendum.

### Profitability

Operating profit before tax increased by 18% to £341m (H1 2015: £290m). Fee based revenue increased to £794m (H1 2015: £761m) with revenue generated by our growth channels, up 8% to £577m (H1 2015: £535m), more than offsetting a £9m reduction in revenue from mature books to £217m (H1 2015: £226m). Spread/risk margin of £63m (H1 2015: £40m) included a £22m benefit from an acceleration of payments from our main with profits fund relating to changes to the scheme of demutualisation in response to the transition to Solvency II. Our cost/income ratio[9] improved to 62% (FY 2015: 63%) and with an ongoing focus on operational efficiency, we will continue to drive our cost/income ratio to significantly below its current level.

Profit for the period attributable to equity holders was £226m (H1 2015: £69m) reflecting increased operating profit and a decrease in non-operating costs including restructuring expenses.

### Proposed dividend

The Board has proposed an interim dividend of 6.47p per share (H1 2015: 6.02p), an increase of 7.5%. We continue to apply our existing progressive pence per share dividend policy taking account of market conditions and the Group's financial performance.

### Group capital surplus

Our solvency position remains strong and stable with a Solvency II capital surplus of £2.2bn[3] (FY 2015: £2.1bn), representing solvency cover of 154%[3] (FY 2015: 162%).

These figures do not recognise additional entity level capital of £0.8bn. This additional capital helps absorb market and other volatility, resulting in a resilient Solvency II capital surplus. For example, the Solvency II capital surplus of £2.2bn[3] would change by £0.1bn or less following a 20% rise or fall in equities; 100bps rise or fall in fixed interest yields; or a 50bps rise or fall in credit spreads.

The solvency cover prescribed by Solvency II regulations of 154% is diluted by the inclusion of £1.1bn of capital requirements for with profits funds and our defined benefit pension scheme. These capital requirements are covered in full by surplus assets in those funds.

Adjusting for the treatment of with profits funds and the defined benefit pension scheme and including the additional entity level capital, the Investor view surplus is £3.0bn[3] (FY 2015: £3.3bn) with a solvency ratio of 200%[3] (FY 2015: 222%). The reduction in surplus mainly reflects the amount paid to increase our stake in HDFC Life of £0.2bn.

## Outlook

The first half of 2016 can only be characterised as a challenging external environment. While it would be rash to extrapolate the economic and political noise of the last six months, it is clear that the uncertainty that always accompanies economies, politics and markets will remain elevated. This will reinforce the global trends that are shaping the savings and investment landscape, which Standard Life's long-term strategy is designed to take advantage of.

We are already benefiting from our strong long-term relationships with a broad range of clients and customers who reacted in different ways to the changing market environment. Targeted investments to further our diversification agenda, together with a sharpened focus on operational efficiency as we drive our cost income ratio to significantly below its current level, will increase our pace of strategic delivery. This will ensure we continue to meet changing client and customer needs and generate sustainable returns for our shareholders.

## Business highlights

Standard Life has a simple and consistent business model that continues to drive growth in assets, maximise revenue and lower unit costs. This drives higher profits, and together with optimisation of our balance sheet, delivers value for our shareholders.

We continue to make good progress in each of our businesses focusing on our key growth channels:

### Institutional and Wholesale driving profit in Standard Life Investments

- Benefiting from strong long-term investment performance, ongoing product innovation, high levels of client service and an increasingly global client base
- Operating profit before tax up 14% to £176m (H1 2015: £154m), benefiting from an 11% increase in third party revenue from our growth channels to £331m, a continuing shift in mix towards higher margin products and controlled growth in expenses
- Average revenue yield on third party AUM from our growth channels increased to 53bps (FY 2015: 52bps)
- EBITDA up 13% to £182m (H1 2015: £161m) with EBITDA margin up to 42% (H1 2015: 40%)
- Our associate, HDFC AMC, a leading Indian private asset manager with AUM of £20.6bn (FY 2015: £17.4bn), contributed £16m (H1 2015: £15m) to operating profit
- Third party net inflows from our growth channels of £1.7bn (H1 2015: £5.2bn) including net inflows of £2.0bn (H1 2015: £1.8bn) into our increasingly global Institutional business and resilient Wholesale performance with net outflows of £0.4bn (H1 2015: £5.3bn net inflows) in a challenging environment for mutual funds
- MyFolio AUM up 10% to £8.9bn (FY 2015: £8.1bn) with c85% distributed through UK Pensions and Savings
- Strong long-term money weighted average investment performance with third party[1] AUM above benchmark: 1 year 29%; 3 years 85%; and 5 years 84%

### Workplace and Retail driving continuing growth in UK Pensions and Savings

- Our UK Pensions and Savings business continues to benefit from structural market changes and careful strategic positioning, as well as its attractive propositions and investment solutions
- Operating profit before tax of £151m (H1 2015: £141m) reflects ongoing momentum in our Workplace and Retail fee business growth channels and increased spread/risk margin
- Spread/risk margin of £55m (H1 2015: £38m) benefited from £16m (H1 2015: £6m) of asset liability management and an £18m benefit from the acceleration of payments from our main with profit fund
- UK fee revenue increased to £321m (H1 2015: £314m) benefiting from an 8% increase in Workplace and Retail revenue to £197m (H1 2015: £182m) which more than offset a reduction in Mature Retail revenue to £124m (H1 2015: £132m). Average fee revenue yield remains stable at 59bps (FY 2015: 59bps).
- UK cost/income ratio stable at 59% (FY 2015: 59%) and reflects an additional £7m expenses from the scaling up of our financial advice business, 1825
- Our Wrap platform continues to lead the market[8] with net inflows of £2.1bn and AUA up 10% to £28.0bn (FY 2015: £25.5bn), while the number of adviser firms using our Wrap platform increased by 30 to 1,493
- 21% of Wrap platform AUA of £28.0bn is managed by Standard Life Investments
- Agreed to acquire the Elevate platform from AXA and expect the transaction to complete in H2 2016
- Assets in our market-leading drawdown propositions increased by 8% to £14.7bn (FY 2015: £13.6bn)
- Continued building 1825 by completing two acquisitions and announcing our intention to make a further two acquisitions, broadening our reach across the UK

### Ongoing growth in Europe fee AUA

- Europe operating profit increased to £18m (H1 2015: £6m) and includes a spread/risk benefit of £4m from the acceleration of payments from our main with profits fund. H1 2015 included a one-off £9m negative impact from shareholder support provided to the German with profits business.
- Fee AUA increased 15% to £20.7bn (FY 2015: £18.0bn) driven by favourable foreign exchange movements and continued momentum in our Europe growth business

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

- Operating profit before tax of £19m (H1 2015: £21m) reflects higher profit from associate and joint venture life businesses which increased to £21m (H1 2015: £15m) partly offset by lower profitability in our Hong Kong business which is continuing to adapt to regulatory change
- Increased stake in HDFC Life from 26% to 35% for £179m
- HDFC Life has agreed terms that, subject to approvals, will see the combination of the life insurance businesses of HDFC Life and Max Life, creating the leading private sector life insurer in India
- The enlarged HDFC Life in which Standard Life would hold a stake of 24.1% will, as a result of the combination and subject to approvals, have listings on the Bombay Stock Exchange and the National Stock Exchange of India
- In China, Heng An Standard Life continues to build a sustainable and profitable business with strong growth in new business sales in H1 2016 (up 31%)

For further information please contact:


**Institutional Equity Investors**

| | |
|---|---|
| Jakub Rosochowski* | 0131 245 8028 / 07515 298 608 |
| Neil Longair* | 0131 245 6466 / 07711 357 595 |
| Chris Stewart* | 0131 245 2176 / 07525 149 377 |

**Retail Equity Investors**

| | |
|---|---|
| Capita Asset Services* | 0345 113 0045 |

**Media**

| | |
|---|---|
| Steve Hartley* | 0131 245 1365 / 07702 934 651 |
| Barry Cameron* | 0131 245 6165 / 07712 486 463 |
| Tulchan Communications | 020 7353 4200 |

**Debt Investors**

| | |
|---|---|
| Stephen Percival* | 0131 245 1571 |
| Nick Mardon* | 0131 245 6371 |


* Calls may be monitored and/or recorded to protect both you and us and help with our training. Call charges will vary.

### Newswires and online publications

A conference call for newswires and online publications will take place on Tuesday 9 August at 7.15am (UK time). Participants should dial +44 (0)20 3059 8125 and quote Standard Life half year results 2016. A replay facility will be available for seven days after the event. To access the replay please dial +44 (0)121 260 4861 followed by the passcode 3749117#.

### Investors and Analysts

The half year results 2016 analyst and investor presentation will take place on Tuesday 9 August at 8.30am (UK time). The presentation will take place at Goldman Sachs International, River Court, 120 Fleet Street, London EC4A 2BE. There will also be a live webcast and teleconference starting at 8.30am, both of which will have the facility to ask questions at the end of the formal presentation. Participants should dial +44 (0)20 3059 8125 and quote Standard Life half year results 2016. A replay facility will be available for seven days after the event. To access the replay please dial +44 (0)121 260 4861 followed by passcode 4677589#.

### Notes to Editors:

1. Excluding strategic partner life business.
2. Operating profit is IFRS profit before tax adjusted to remove the impact of short-term market driven fluctuations in investment return and economic assumptions, restructuring costs, amortisation and impairment of intangible assets acquired in business combinations, gain or loss on the sale of a subsidiary, associate or joint venture and other significant one-off items which are not indicative of the long-term operating performance of the Group.
3. Based on draft regulatory returns.
4. Continuing operations excludes the Canadian and Singapore operations reported as discontinued operations in 2015.
5. Under IFRS 5, Singapore did not constitute a discontinued operation and was included under continuing operations in the IFRS condensed consolidated income statement. Therefore the analysis of Group operating profit includes the reclassification of Singapore results between discontinued and continuing operations. The Group diluted operating earnings per share from continuing operations excludes Singapore while the Group diluted and basic earnings per share from continuing operations includes Singapore.
6. As at 31 December 2015 (Solvency II as at 1 January 2016).
7. The Company undertook a share consolidation in 2015 followed by a return of value to shareholders. In accordance with IAS 33, earnings per share were not restated following the share consolidation as there was an overall corresponding change in resources. As a result of the share consolidation, earnings per share from continuing operations for the six months ended 30 June 2016 are not directly comparable with prior periods.
8. Source: Fundscape latest available net inflow data.
9. On a rolling 12 months basis, operating expenses divided by operating income (including share of associates' and joint ventures' profit before tax).
10. For more detailed information on the statutory results of the Group refer to the half year results 2016.

## Forward-looking statements

This document may contain certain “forward-looking statements” with respect to certain of Standard Life's plans and its current goals and expectations relating to its future financial condition, performance, results, strategy and objectives. Statements containing the words “believes”, “intends”, “expects”, “plans”, “pursues”, “seeks” and “anticipates”, and words of similar meaning, are forward-looking. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond Standard Life's control including among other things, UK domestic and global political, economic and business conditions, market related risks such as fluctuations in interest rates and exchange rates, and the performance of financial markets generally; the policies and actions of regulatory authorities, the impact of competition, inflation, and deflation; experience in particular with regard to mortality and morbidity trends, lapse rates and policy renewal rates; the timing, impact and other uncertainties of future acquisitions or combinations within relevant industries; and the impact of changes in capital, solvency or accounting standards, and tax and other legislation and regulations in the jurisdictions in which Standard Life and its affiliates operate. This 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’s actual future financial condition, performance and results may differ materially from the plans, goals, and expectations set forth in the forward-looking statements. Standard Life undertakes no obligation to update the forward-looking statements contained in this press release or any other forward-looking statements it may make.

# Supplementary information
## Analysis of flows, AUA and revenue by channel

We analyse our simplified business in three distinct components:

- **Growth channels** which are sources of strong scalable growth and diversification by geography, asset class, product, client and customer. These primarily comprise the Institutional and Wholesale channels of Standard Life Investments, and the Workplace and Retail channels of UK Pensions and Savings.
- **Mature books** of largely legacy pension and insurance business that provide a stable contribution to revenue and profit as well as being a source of financial strength
- Our strategic **associate and joint venture life businesses** in India and China that are sources of future potential growth and diversification

| | Gross flows | | Net flows | | AUA | | Fee based revenue | | Fee revenue yield |
|---|---|---|---|---|---|---|---|---|---|
| | H1 2016 £bn | H1 2015 £bn | H1 2016 £bn | H1 2015 £bn | H1 2016 £bn | H1 2015 £bn | H1 2016 £m | H1 2015 £m | H1 2016 bps |
| **Institutional** | 8.4 | 5.4 | 2.0 | 1.8 | 78.1 | 64.6 | 178 | 157 | 49 |
| **Wholesale** | 6.5 | 8.9 | (0.4) | 5.3 | 47.3 | 40.6 | 125 | 102 | 70 |
| **Workplace** | 2.0 | 2.1 | 0.8 | 1.1 | 34.0 | 33.2 | 91 | 88 | 54 |
| **Retail** | 4.1 | 3.6 | 2.0 | 1.8 | 45.7 | 40.4 | 106 | 94 | 49 |
| Standard Life Wealth | 0.5 | 0.4 | 0.2 | - | 6.7 | 6.3 | 24 | 19 | 79 |
| Ignis[1] | 0.3 | 1.3 | (0.1) | (1.9) | 5.6 | 12.9 | 4 | 20 | 8 |
| Europe Growth | 0.7 | 0.7 | 0.3 | 0.3 | 10.4 | 9.0 | 39 | 32 | 71 |
| Hong Kong | - | - | - | - | 0.6 | 0.4 | 10 | 23 | - |
| Fee business eliminations | (1.9) | (1.9) | (0.7) | (1.0) | (19.5) | (17.1) | - | - | - |
| **Total Growth fee** | **20.6** | **20.5** | **4.1** | **7.4** | **208.9** | **190.3** | **577** | **535** | **60** |
| UK Mature Retail | 0.4 | 0.4 | (1.2) | (1.2) | 32.6 | 33.4 | 124 | 132 | 77 |
| Europe Mature fee | 0.3 | 0.4 | 0.1 | 0.2 | 10.3 | 7.9 | 47 | 50 | 129 |
| Third party strategic partner life business | - | - | (1.4) | (2.2) | 43.0 | 42.1 | 34 | 34 | 20 |
| Other fee including CWP[2] | - | - | (0.4) | (0.4) | 1.0 | 1.7 | 12 | 10 | - |
| **Total Mature fee** | **0.7** | **0.8** | **(2.9)** | **(3.6)** | **86.9** | **85.1** | **217** | **226** | **53** |
| **Total fee** | **21.3** | **21.3** | **1.2** | **3.8** | **295.8** | **275.4** | **794** | **761** | **-** |
| Spread/risk | 0.1 | 0.1 | (0.5) | (0.5) | 16.1 | 15.4 | - | - | - |
| Associate and joint venture life businesses | 0.4 | 0.3 | 0.2 | 0.1 | 3.5 | 2.2 | - | - | - |
| Other | - | - | - | - | 13.2 | 9.5 | - | - | - |
| Other eliminations | - | - | - | - | (0.6) | (0.4) | - | - | - |
| **Total** | **21.8** | **21.7** | **0.9** | **3.4** | **328.0** | **302.1** | **794** | **761** | **-** |

1. In H1 2016 a number of Ignis funds were merged with other SLI funds, resulting in a decrease in reported Ignis AUM of £5.6bn. These assets are now included in Institutional (£4.0bn) and Wholesale (£1.6bn).
2. 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.

# Supplementary information *continued*

# Assets under administration and net flows

Assets under administration (AUA) is a measure of the total assets administered on behalf of individual customers and institutional clients. It includes those assets for which we provide investment management services, as well as those assets we administer where the customer has made a choice to select an external third party investment manager. As an investment company, AUA and net flows are key drivers of shareholder value.

## Assets under administration (summary)
## 6 months ended 30 June 2016

| | | Opening AUA at 1 Jan 2016 £bn | Gross flows £bn | Redemptions £bn | Net flows £bn | Market and other movements £bn | Closing AUA at 30 Jun 2016 £bn |
|---|---|---|---|---|---|---|---|
| | **Total Growth channels** | 198.3 | 20.6 | (16.5) | 4.1 | 6.5 | 208.9 |
| | **Total Mature Books fee** | 82.0 | 0.7 | (3.6) | (2.9) | 7.8 | 86.9 |
| | **Total Mature Books spread/risk** | 14.9 | 0.1 | (0.6) | (0.5) | 1.7 | 16.1 |
| | **Total Other** | 12.2 | 0.4 | (0.2) | 0.2 | 3.7 | 16.1 |
| | **Total AUA** | **307.4** | **21.8** | **(20.9)** | **0.9** | **19.7** | **328.0** |
| Growth channels | Institutional | 67.0 | 8.4 | (6.4) | 2.0 | 9.1 | 78.1 |
| Growth channels | Wholesale | 45.9 | 6.5 | (6.9) | (0.4) | 1.8 | 47.3 |
| Growth channels | Wealth | 6.5 | 0.5 | (0.3) | 0.2 | - | 6.7 |
| Growth channels | Ignis[1] | 11.1 | 0.3 | (0.4) | (0.1) | (5.4) | 5.6 |
| Growth channels | **Standard Life Investments** | **130.5** | **15.7** | **(14.0)** | **1.7** | **5.5** | **137.7** |
| Growth channels | Workplace | 33.0 | 2.0 | (1.2) | 0.8 | 0.2 | 34.0 |
| Growth channels | Retail[2] | 42.6 | 4.1 | (2.1) | 2.0 | 1.1 | 45.7 |
| Growth channels | **UK Pensions and Savings** | **75.6** | **6.1** | **(3.3)** | **2.8** | **1.3** | **79.7** |
| Growth channels | Europe Growth[2] | 9.6 | 0.7 | (0.4) | 0.3 | 0.5 | 10.4 |
| Growth channels | **Pensions and Savings** | **85.2** | **6.8** | **(3.7)** | **3.1** | **1.8** | **90.1** |
| Growth channels | Hong Kong | 0.5 | - | - | - | 0.1 | 0.6 |
| Growth channels | Eliminations[3] | (17.9) | (1.9) | 1.2 | (0.7) | (0.9) | (19.5) |
| Growth channels | **Total Growth channels** | **198.3** | **20.6** | **(16.5)** | **4.1** | **6.5** | **208.9** |
| Mature books | UK Mature Retail | 32.7 | 0.4 | (1.6) | (1.2) | 1.1 | 32.6 |
| Mature books | Europe Mature fee | 8.4 | 0.3 | (0.2) | 0.1 | 1.8 | 10.3 |
| Mature books | Third party strategic partner life business | 39.6 | - | (1.4) | (1.4) | 4.8 | 43.0 |
| Mature books | Other fee including CWP | 1.3 | - | (0.4) | (0.4) | 0.1 | 1.0 |
| Mature books | **Total Mature Books fee** | **82.0** | **0.7** | **(3.6)** | **(2.9)** | **7.8** | **86.9** |
| Mature books | Spread/risk | 14.9 | 0.1 | (0.6) | (0.5) | 1.7 | 16.1 |
| Mature books | **Total Mature Books** | **96.9** | **0.8** | **(4.2)** | **(3.4)** | **9.5** | **103.0** |
| | Associate and joint venture life businesses[4] | 2.3 | 0.4 | (0.2) | 0.2 | 1.0 | 3.5 |
| | Other[5] | 10.4 | - | - | - | 2.8 | 13.2 |
| | Other eliminations[3] | (0.5) | - | - | - | (0.1) | (0.6) |
| | **Total** | **307.4** | **21.8** | **(20.9)** | **0.9** | **19.7** | **328.0** |

1. In H1 2016 a number of Ignis funds were merged with other SLI funds, resulting in a decrease in reported Ignis AUM of £5.6bn. These assets are now included in Institutional (£4.0bn) and Wholesale (£1.6bn) with the transfers shown in Market and other movements.
2. Wrap AUA is reported predominantly within Retail: £25.8bn (FY 2015: £23.4bn). International bond AUA is reported within Europe growth fee business: £2.2bn (FY 2015: £2.1bn).
3. Certain products are included in both Pensions and Savings growth AUA and Standard Life Investments growth AUM. Therefore, at a Group level an elimination adjustment is required to remove any duplication, in addition to other necessary consolidation adjustments. Comprises £19.5bn (FY 2015: £17.9bn) related to growth channels business eliminations and £0.6bn (FY 2015: £0.5bn) related to other consolidation/eliminations.
4. Market and other movements includes £0.8bn relating to stake increase in HDFC Life in April 2016.
5. Other comprises Assets not backing products of £10.5bn (FY 2015: £7.7bn) and Other corporate assets of £2.7bn (FY 2015: £2.7bn).

# Assets under administration and net flows

## Assets under administration (summary)
## 6 months ended 30 June 2015

| | | Opening AUA at 1 Jan 2015 £bn | Gross flows £bn | Redemptions £bn | Net flows £bn | Market and other movements £bn | Closing AUA at 30 Jun 2015 £bn |
|---|---|---|---|---|---|---|---|
| **Total Growth channels** | | 180.7 | 20.5 | (13.1) | 7.4 | 2.2 | 190.3 |
| **Total Mature Books fee** | | 87.9 | 0.8 | (4.4) | (3.6) | 0.8 | 85.1 |
| **Total Mature Books spread/risk** | | 16.1 | 0.1 | (0.6) | (0.5) | (0.2) | 15.4 |
| **Total Other** | | 11.9 | 0.3 | (0.2) | 0.1 | (0.7) | 11.3 |
| **Total AUA** | | **296.6** | **21.7** | **(18.3)** | **3.4** | **2.1** | **302.1** |
| Growth channels | Institutional | 61.4 | 5.4 | (3.6) | 1.8 | 1.4 | 64.6 |
| | Wholesale | 35.5 | 8.9 | (3.6) | 5.3 | (0.2) | 40.6 |
| | Wealth | 6.1 | 0.4 | (0.4) | - | 0.2 | 6.3 |
| | Ignis | 14.5 | 1.3 | (3.2) | (1.9) | 0.3 | 12.9 |
| | **Standard Life Investments** | **117.5** | **16.0** | **(10.8)** | **5.2** | **1.7** | **124.4** |
| | Workplace | 32.0 | 2.1 | (1.0) | 1.1 | 0.1 | 33.2 |
| | Retail[1] | 37.3 | 3.6 | (1.8) | 1.8 | 1.3 | 40.4 |
| | **UK Pensions and Savings** | **69.3** | **5.7** | **(2.8)** | **2.9** | **1.4** | **73.6** |
| | Europe Growth[1] | 8.7 | 0.7 | (0.4) | 0.3 | - | 9.0 |
| | **Pensions and Savings** | **78.0** | **6.4** | **(3.2)** | **3.2** | **1.4** | **82.6** |
| | Hong Kong | 0.4 | - | - | - | - | 0.4 |
| | Eliminations[2] | (15.2) | (1.9) | 0.9 | (1.0) | (0.9) | (17.1) |
| | **Total Growth channels** | **180.7** | **20.5** | **(13.1)** | **7.4** | **2.2** | **190.3** |
| Mature books | UK Mature Retail | 33.5 | 0.4 | (1.6) | (1.2) | 1.1 | 33.4 |
| | Europe Mature fee | 8.5 | 0.4 | (0.2) | 0.2 | (0.8) | 7.9 |
| | Third party strategic partner life business | 43.8 | - | (2.2) | (2.2) | 0.5 | 42.1 |
| | Other fee including CWP | 2.1 | - | (0.4) | (0.4) | - | 1.7 |
| | **Total Mature Books fee** | **87.9** | **0.8** | **(4.4)** | **(3.6)** | **0.8** | **85.1** |
| | Spread/risk | 16.1 | 0.1 | (0.6) | (0.5) | (0.2) | 15.4 |
| | **Total Mature Books** | **104.0** | **0.9** | **(5.0)** | **(4.1)** | **0.6** | **100.5** |
| Associate and joint venture life businesses | | 2.1 | 0.3 | (0.2) | 0.1 | - | 2.2 |
| Other[3] | | 10.2 | - | - | - | (0.7) | 9.5 |
| Other eliminations[2] | | (0.4) | - | - | - | - | (0.4) |
| **Total** | | **296.6** | **21.7** | **(18.3)** | **3.4** | **2.1** | **302.1** |

1. Wrap AUA is reported predominantly within Retail: £21.4bn. International bond AUA is reported within Europe growth fee business: £1.9bn.
2. Certain products are included in both Pensions and Savings growth AUA and Standard Life Investments growth AUM. Therefore, at a Group level an elimination adjustment is required to remove any duplication, in addition to other necessary consolidation adjustments. Comprises (£17.1bn) related to growth channels business eliminations and (£0.4bn) related to other consolidation/eliminations.
3. Other comprises Assets not backing products of £6.8bn and Other corporate assets of £2.7bn.

# Supplementary information *continued*
# Standard Life Investments assets under management and net flows

## 6 months ended 30 June 2016

| | | Opening AUM at 1 Jan 2016 £bn | Gross flows £bn | Redemptions £bn | Net flows £bn | Market and other movements £bn | Closing AUM at 30 Jun 2016 £bn |
|---|---|---|---|---|---|---|---|
| Growth AUM | UK | 83.2 | 8.6 | (7.5) | 1.1 | 7.0 | 91.3 |
| | Europe | 14.2 | 2.5 | (3.1) | (0.6) | 2.7 | 16.3 |
| | North America | 11.7 | 3.0 | (2.5) | 0.5 | 0.3 | 12.5 |
| | Asia Pacific | 3.3 | 0.5 | (0.5) | - | 0.4 | 3.7 |
| | India | 7.0 | 0.8 | - | 0.8 | 0.5 | 8.3 |
| | Ignis[1] | 11.1 | 0.3 | (0.4) | (0.1) | (5.4) | 5.6 |
| | **By geography of client** | **130.5** | **15.7** | **(14.0)** | **1.7** | **5.5** | **137.7** |
| | Equities | 16.9 | 1.6 | (2.2) | (0.6) | (0.6) | 15.7 |
| | Fixed income | 21.8 | 2.8 | (2.5) | 0.3 | 3.1 | 25.2 |
| | Multi-asset[2] | 50.3 | 6.5 | (5.9) | 0.6 | 1.1 | 52.0 |
| | Real estate | 8.6 | 0.6 | (0.7) | (0.1) | 2.3 | 10.8 |
| | MyFolio | 8.1 | 1.2 | (0.5) | 0.7 | 0.1 | 8.9 |
| | Other[3] | 13.7 | 2.7 | (1.8) | 0.9 | 4.9 | 19.5 |
| | Ignis[1] | 11.1 | 0.3 | (0.4) | (0.1) | (5.4) | 5.6 |
| | **By asset class** | **130.5** | **15.7** | **(14.0)** | **1.7** | **5.5** | **137.7** |
| | Institutional | 67.0 | 8.4 | (6.4) | 2.0 | 9.1 | 78.1 |
| | Wholesale | 45.9 | 6.5 | (6.9) | (0.4) | 1.8 | 47.3 |
| | Wealth | 6.5 | 0.5 | (0.3) | 0.2 | - | 6.7 |
| | Ignis[1] | 11.1 | 0.3 | (0.4) | (0.1) | (5.4) | 5.6 |
| | **By channel** | **130.5** | **15.7** | **(14.0)** | **1.7** | **5.5** | **137.7** |
| Standard Life Group | | 83.1 | 1.9 | (2.7) | (0.8) | 6.0 | 88.3 |
| Phoenix Group | | 39.6 | - | (1.4) | (1.4) | 4.8 | 43.0 |
| **Strategic partner life business AUM** | | **122.7** | **1.9** | **(4.1)** | **(2.2)** | **10.8** | **131.3** |
| **Standard Life Investments AUM** | | **253.2** | **17.6** | **(18.1)** | **(0.5)** | **16.3** | **269.0** |

## 6 months ended 30 June 2015

| | | Opening AUM at 1 Jan 2015 £bn | Gross flows £bn | Redemptions £bn | Net flows £bn | Market and other movements £bn | Closing AUM at 30 Jun 2015 £bn |
|---|---|---|---|---|---|---|---|
| Growth AUM | UK | 75.5 | 7.7 | (5.6) | 2.1 | 2.5 | 80.1 |
| | Europe | 11.3 | 3.1 | (0.9) | 2.2 | (1.0) | 12.5 |
| | North America | 8.1 | 2.3 | (0.8) | 1.5 | 0.1 | 9.7 |
| | Asia Pacific | 2.0 | 1.1 | (0.3) | 0.8 | 0.1 | 2.9 |
| | India | 6.1 | 0.5 | - | 0.5 | (0.3) | 6.3 |
| | Ignis | 14.5 | 1.3 | (3.2) | (1.9) | 0.3 | 12.9 |
| | **By geography of client** | **117.5** | **16.0** | **(10.8)** | **5.2** | **1.7** | **124.4** |
| | Equities | 15.5 | 1.3 | (1.4) | (0.1) | 0.9 | 16.3 |
| | Fixed income | 22.0 | 1.9 | (1.5) | 0.4 | (1.2) | 21.2 |
| | Multi-asset[2] | 38.6 | 8.9 | (3.3) | 5.6 | 1.7 | 45.9 |
| | Real estate | 7.4 | 0.5 | (0.3) | 0.2 | 0.4 | 8.0 |
| | MyFolio | 5.9 | 1.3 | (0.4) | 0.9 | 0.1 | 6.9 |
| | Other[3] | 13.6 | 0.8 | (0.7) | 0.1 | (0.5) | 13.2 |
| | Ignis | 14.5 | 1.3 | (3.2) | (1.9) | 0.3 | 12.9 |
| | **By asset class** | **117.5** | **16.0** | **(10.8)** | **5.2** | **1.7** | **124.4** |
| | Institutional | 61.4 | 5.4 | (3.6) | 1.8 | 1.4 | 64.6 |
| | Wholesale | 35.5 | 8.9 | (3.6) | 5.3 | (0.2) | 40.6 |
| | Wealth | 6.1 | 0.4 | (0.4) | - | 0.2 | 6.3 |
| | Ignis | 14.5 | 1.3 | (3.2) | (1.9) | 0.3 | 12.9 |
| | **By channel** | **117.5** | **16.0** | **(10.8)** | **5.2** | **1.7** | **124.4** |
| Standard Life Group | | 84.6 | 2.3 | (3.5) | (1.2) | 0.1 | 83.5 |
| Phoenix Group | | 43.8 | - | (2.2) | (2.2) | 0.5 | 42.1 |
| **Strategic partner life business AUM** | | **128.4** | **2.3** | **(5.7)** | **(3.4)** | **0.6** | **125.6** |
| **Standard Life Investments AUM** | | **245.9** | **18.3** | **(16.5)** | **1.8** | **2.3** | **250.0** |

1. Ignis fund mergers in H1 2016 transferred £5.6bn of AUM, shown in Market and other movements, into the following categories – by geography: UK (£5.6bn); by asset class: real estate (£1.6bn) and other (£4.0bn); by channel: Institutional (£4.0bn) and Wholesale (£1.6bn).
2. Comprises absolute return strategies, enhanced diversification strategies, risk-based portfolios and traditional balanced portfolios.
3. Comprises cash, private equity, liquidity funds and Wealth. Net inflows from India cash funds £0.5bn (H1 2015: net inflow £0.2bn), net inflows from liquidity funds of £nil (H1 2015: net inflows £0.7bn).