

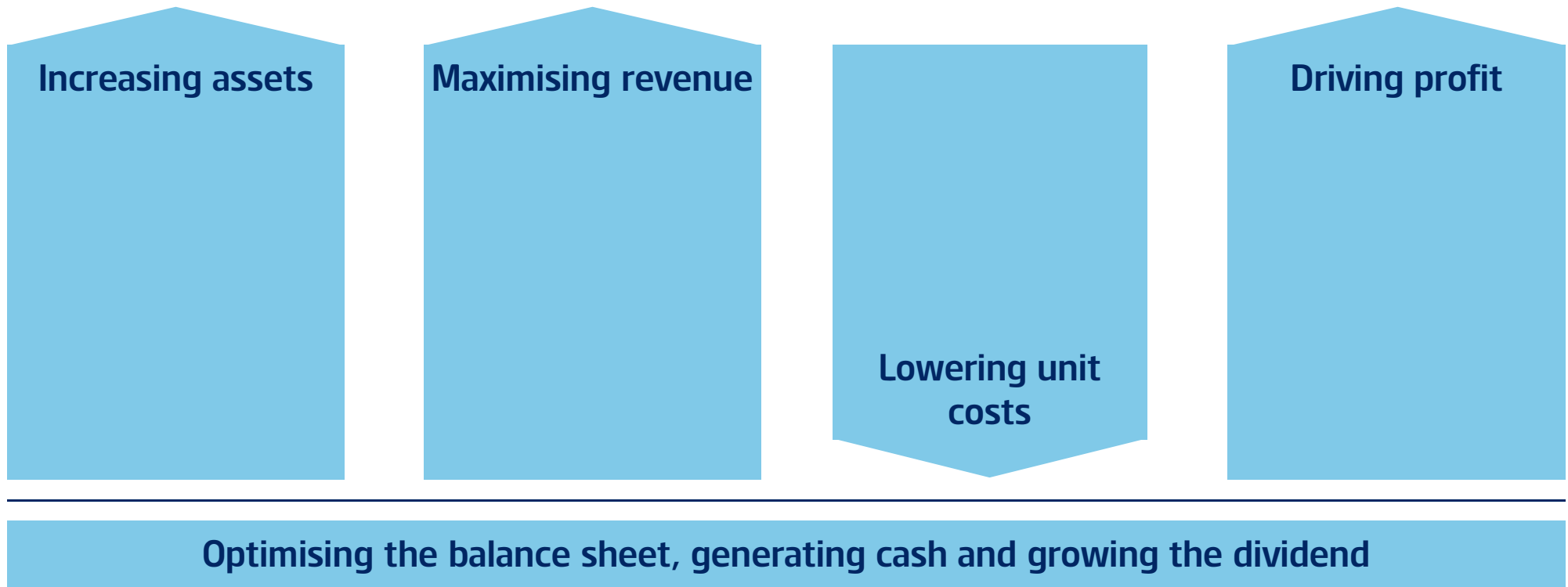
Half year results 2015

Focus on fee business driving growth and performance

Standard Life 

This presentation 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 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 presentation or any other forward-looking statements it may make.

Our simple business model will continue to drive further returns for shareholders



Delivering growth, performance and value for shareholders

- Completed sale of Canada and return of £1.75bn to shareholders
- Increasingly global reach driven by Standard Life Investments and strategic partners
- Delivering for our customers in the new pensions world
- Focus on fee business driving growth
- Interim dividend up 7.5% to 6.02p

Strong strategic positions in our chosen markets

Half year results 2015

Focus on fee business driving growth and performance

Luke Savage

Standard Life 

Delivering across our simple business model

Increasing assets

Group AUA
up 2% to **£302.1bn**
(FY 2014: £296.6bn)
(H1 2014: £223.9bn)

Maximising revenue

Fee based revenue
up 17% to **£761m**
(H1 2014: £652m)

Total expense costs
down 5 bps to **41bps¹**
(FY 2014: 46bps²)

Lowering unit costs

Driving profit

Group underlying performance
up 9% to **£299m**
(H1 2014: £274m)

ex spread/risk margin up
33% to **£259m**
(H1 2014: £195m)

Optimising the balance sheet, generating cash and growing the dividend by 7.5%

Group capital surplus of **£2.6bn** (FY 2014: £2.9bn)

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

	H1 2015 £m	H1 2014 £m
Fee revenue	761	652
Spread/risk margin	40	79
Total income	801	731
Total operating expenses	(533)	(473)
Capital management	1	(4)
Share of associates and JVs	30	20
Group underlying performance	299	274
One-off contribution to with-profits business in Germany	(9)	-
Group operating profit before tax	290	274

Fee revenue up 17% with 95% of income now fee based

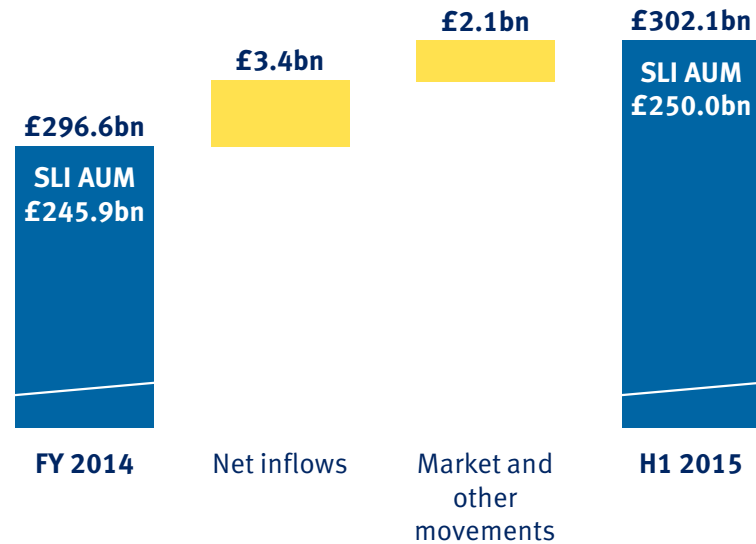
Non-operating items

Total non-operating items - continuing and discontinued operations

	H1 2015 £m	H1 2014 £m
Gain on sale of Canadian business	1,097	-
Acceleration of DAC amortisation in Hong Kong	(46)	-
Closure of Singapore insurance business	(38)	-
Defined benefit pension scheme restructuring costs	(20)	-
Restructuring expenses	(45)	(27)
Short-term fluctuations in investment return and economic assumption changes	21	50
Amortisation of intangibles	(10)	(2)
Other	2	(8)
Total non-operating items	961	13

Continuing growth in assets in volatile markets

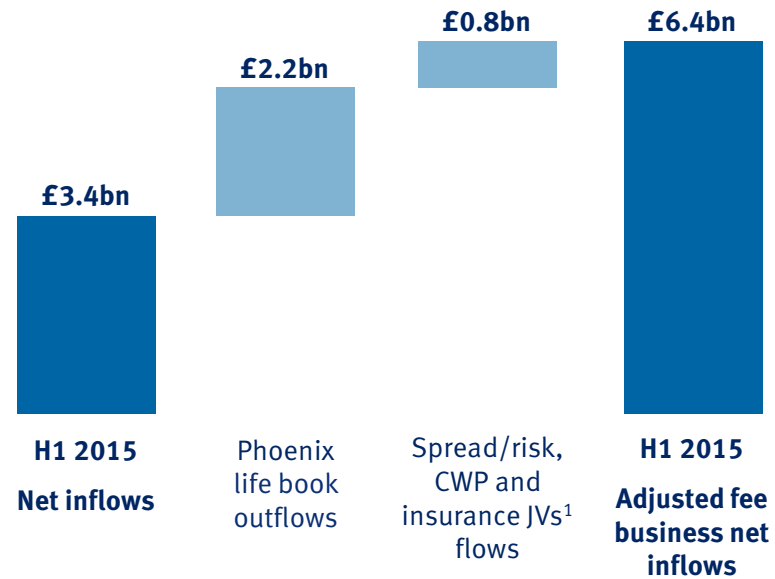
Increasing assets



All figures are reported on a continuing operations basis.

Ongoing strong momentum in fee business net inflows

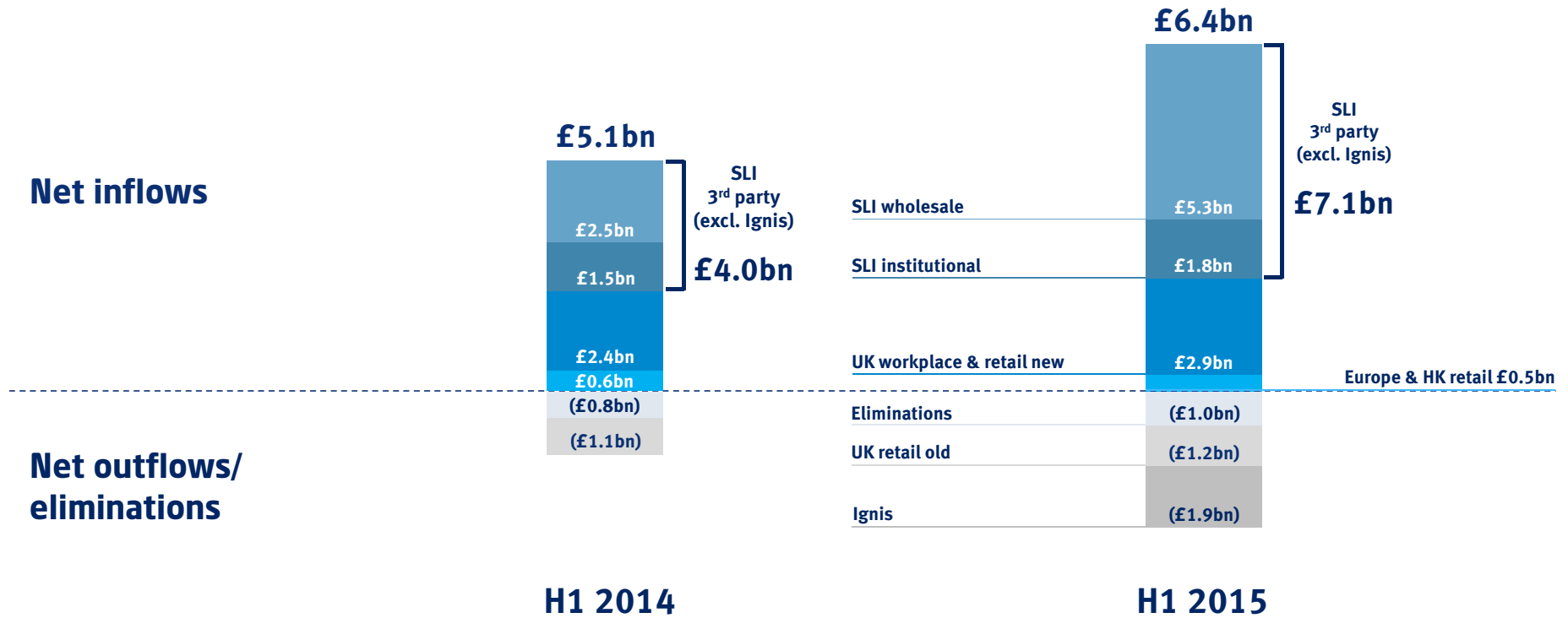
Increasing assets



1. Comprises net outflows from spread/risk and conventional with profits of £0.9bn and net inflows from JVs of £0.1bn. All figures are reported on a continuing operations basis.

Strong performance across main distribution channels

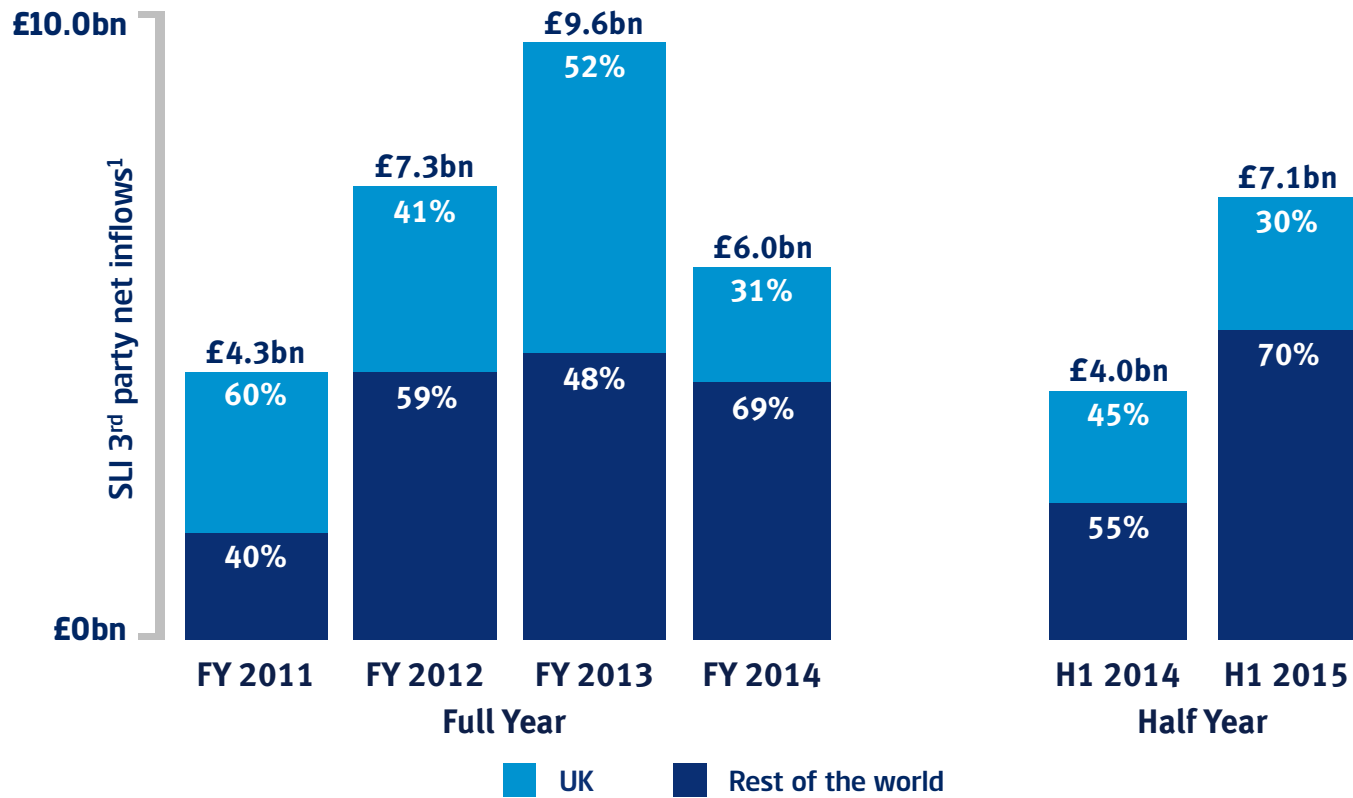
Increasing assets



All figures are reported on a continuing operations basis.

Strong third party net inflows

Increasing assets

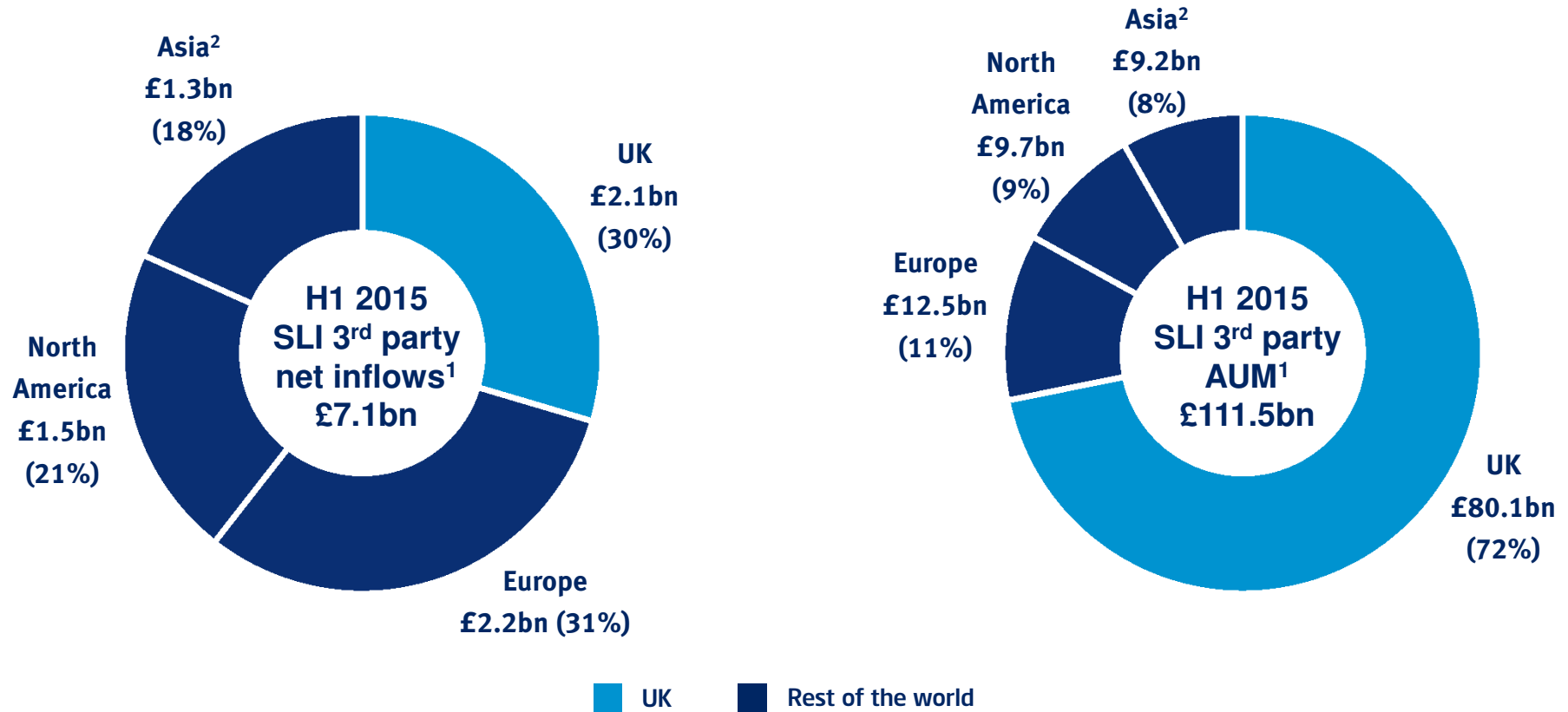


Standard Life Investments expanding global reach

1. Standard Life Investments third party net inflows excluding Ignis.

Increasingly global asset management client base

Increasing assets



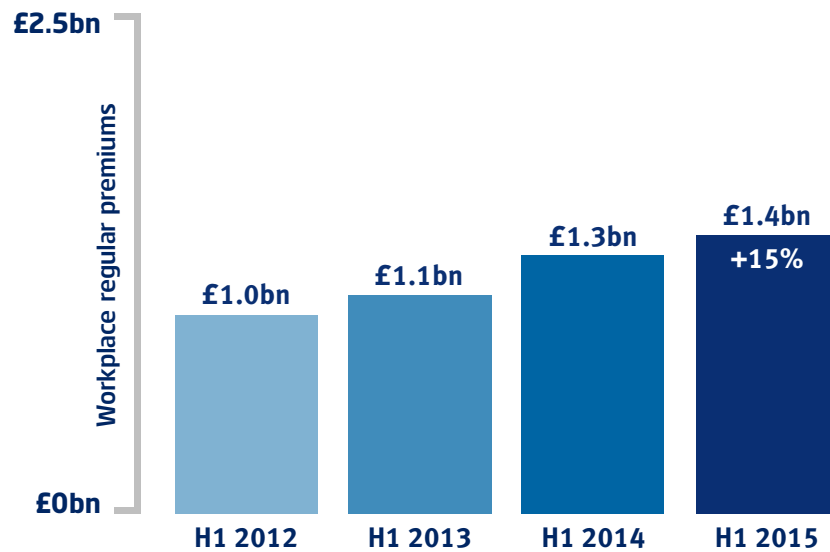
70% of net inflows from outside of the UK

1. Excluding Ignis. 2. Asia Pacific and India.

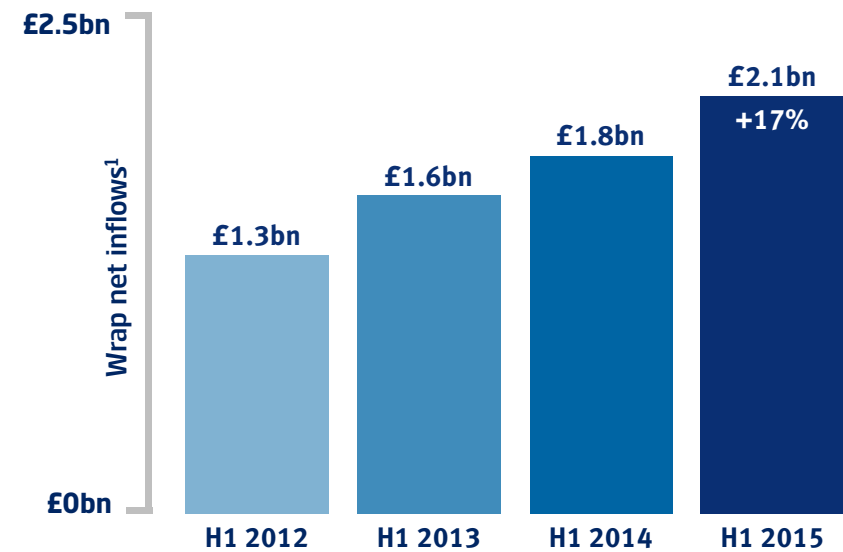
UK fee propositions continue to build momentum

Increasing assets

AE success driving regular premium growth



Wrap continues to lead the advised platform market

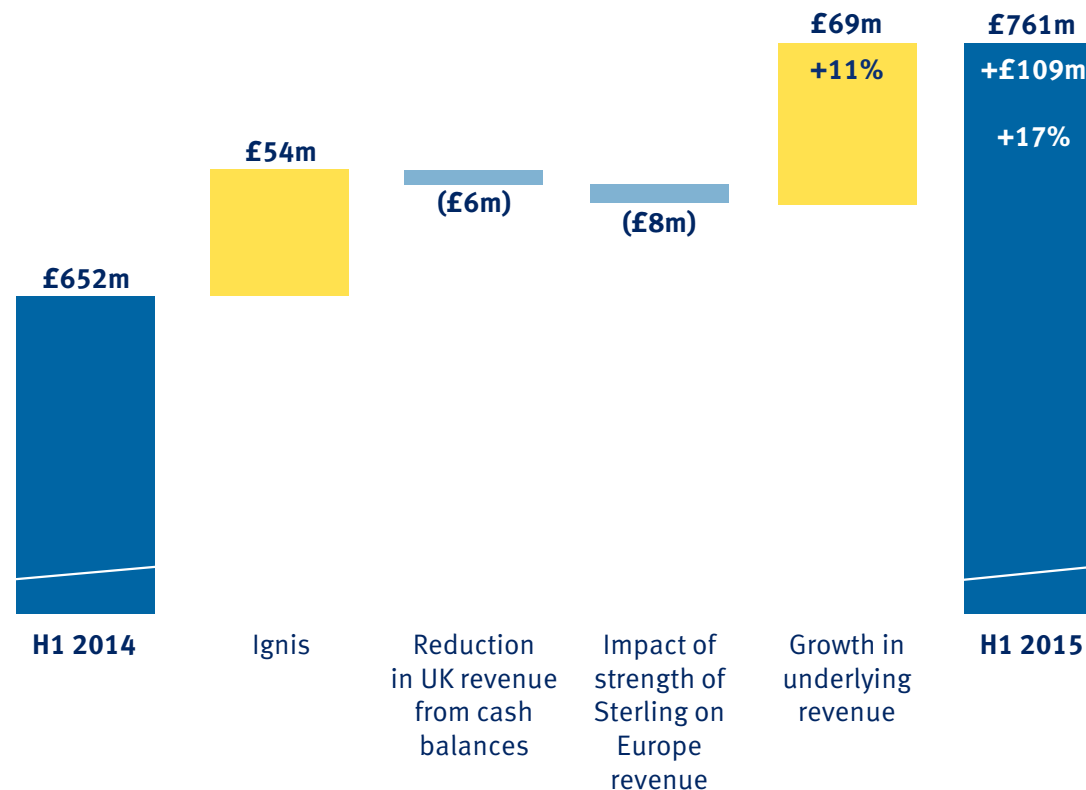


Strong customer demand driving growth in workplace and retail new

1. Includes Wrap International Portfolio Bond reported within Europe AUA.

Growth in assets driving strong increase in fee revenue

Maximising revenue

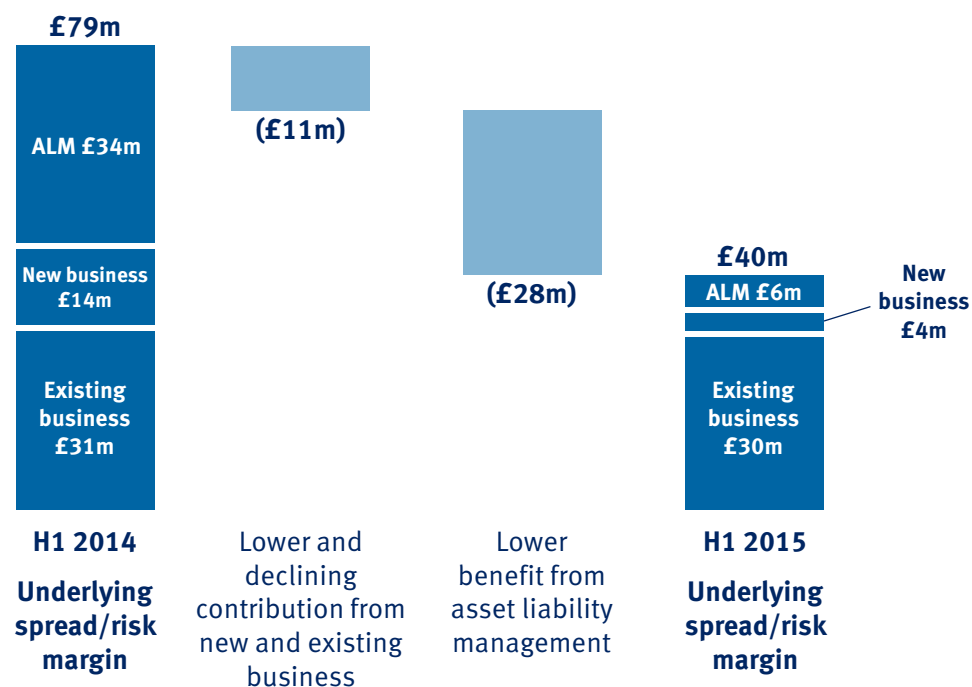


Underlying fee revenue up 11%

All figures are reported on a continuing operations basis.

Spread/risk margin reduced in line with expectations

Maximising revenue

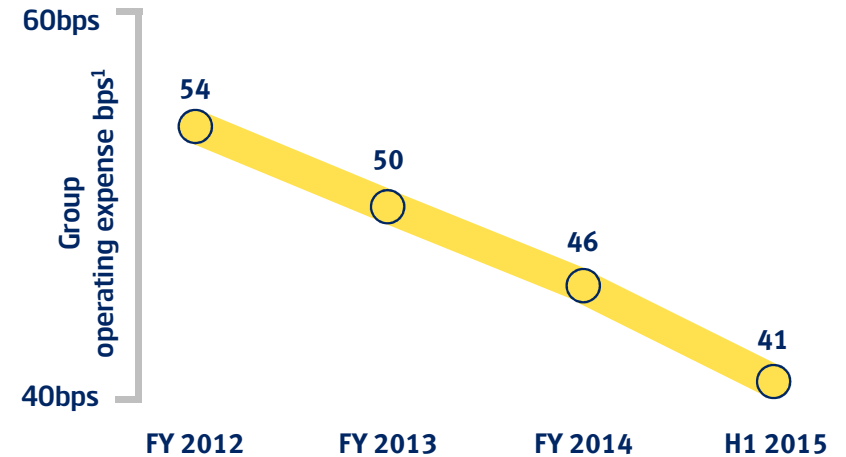
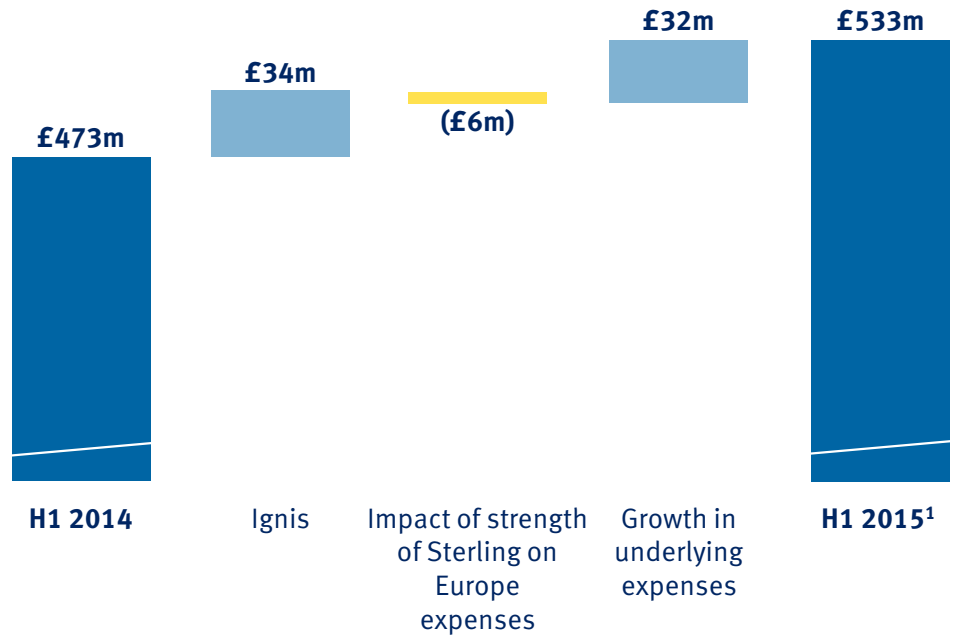


- Reduction in annuity new business profit in line with expectations
- Lower level of asset liability management – expect full year contribution in 2015 of £30m-£40m (2014: £70m) in line with previous guidance

All figures are reported on a continuing operations basis.

Ongoing reduction in unit costs

Lowering unit costs

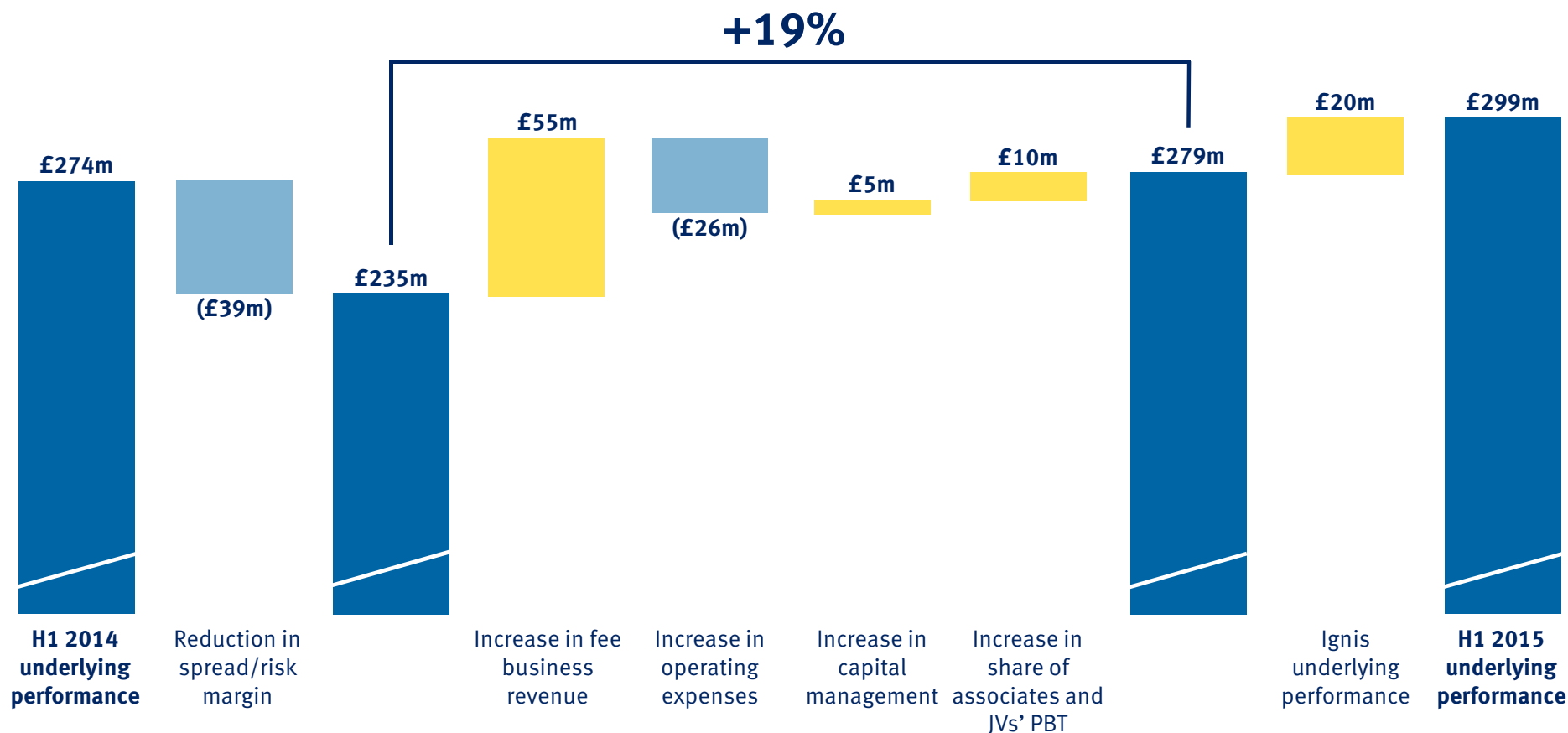


- Increase in expenses more than offset by growth in AUA with unit costs down 5bps¹
- Integration of Ignis on track to achieve £50m of annual cost savings by 2017
- Continued investment in new propositions, geographic reach and capabilities to support growth

1. Includes acquisition, maintenance and group corporate central costs (excludes £17m HWPf adjustment in FY 2014 and £9m contribution to with-profits business in Germany in H1 2015). All figures are reported on a continuing operations basis.

Fee revenue growth and cost control driving performance

Driving profit



All figures are reported on a continuing operations basis.

Business unit review

Standard Life 

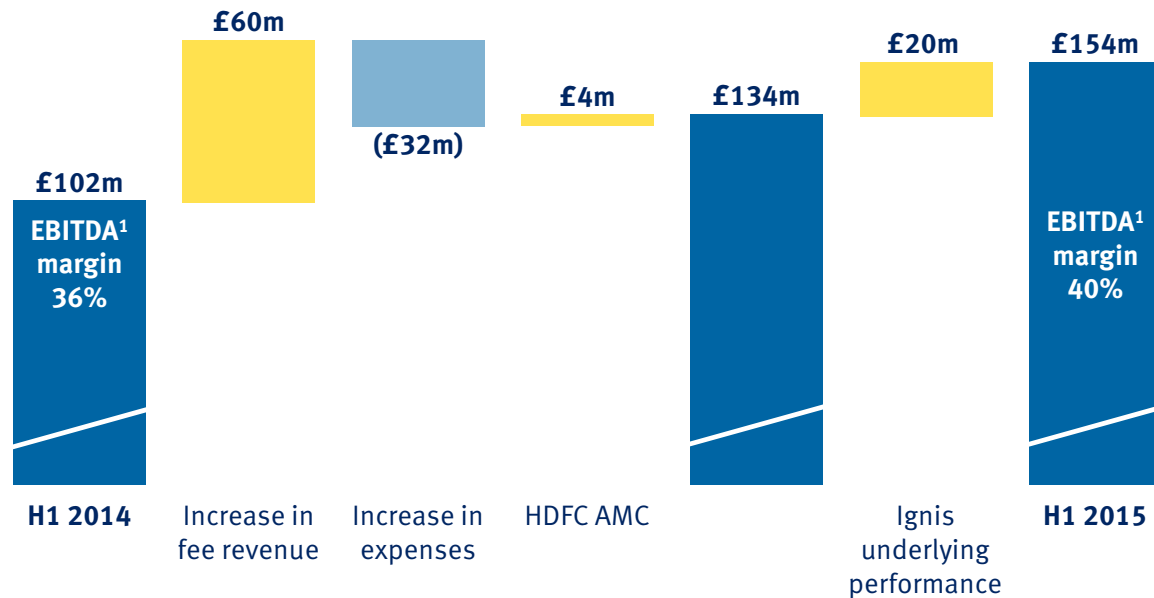
Group underlying performance by business unit

	H1 2015 £m	H1 2014 £m
Standard Life Investments	154	102
UK spread/risk margin	38	75
UK excluding spread/risk margin	103	90
UK	141	165
India and China	21	12
Europe	15	23
Other	(32)	(28)
Group underlying performance	299	274

All figures are reported on a continuing operations basis.

Consistent delivery in asset management

Underlying performance



Total AUM



Third party AUM²



Third party revenue bps²



Investment performance³

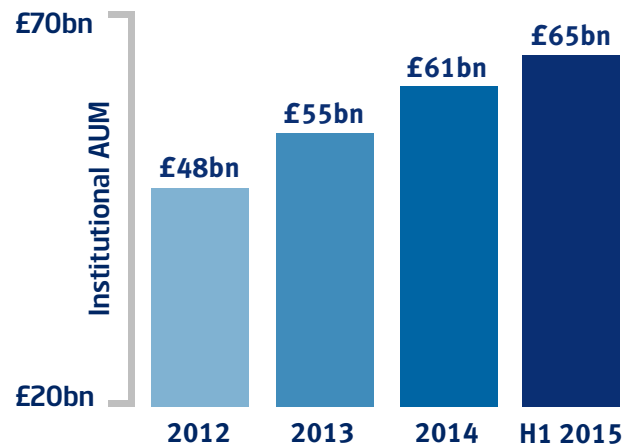


On track to achieve EBITDA margin of 45% by 2017

1. Earnings before interest, tax, depreciation and amortisation. 2. Excluding strategic partner life business. 3. Third party AUM above benchmark (excluding strategic partner life business).

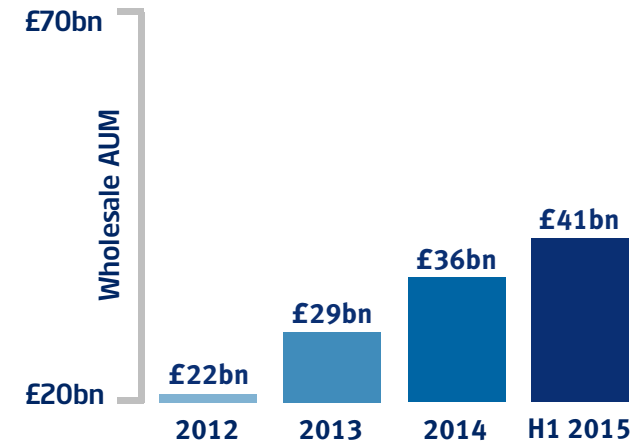
Global strength of distribution across institutional and wholesale

Leveraging institutional distribution capability



- 20% increase in net inflows to £1.8bn (H1 2014: £1.5bn)
- Serving clients in 48 countries
- Benefiting from increasing global reach of our distribution (offices in 14 countries across Europe, North America, Asia and Australia)

Growing market share in higher margin wholesale market



- 112% increase in net inflows to £5.3bn (H1 2014: £2.5bn)
- UK market share of 4.9% trebled since 2008 and ranked 4th by AUM (2008: 25th)
- MyFolio AUM up 17% to £6.9bn (FY 2014: £5.9bn)

Integration of Ignis on track

Underlying performance

	H1 2015 £m
Fee based revenue	54
Performance fees	-
Expenses	(34)
Operating profit	20
Interest, depreciation and amortisation	2
EBITDA¹	22

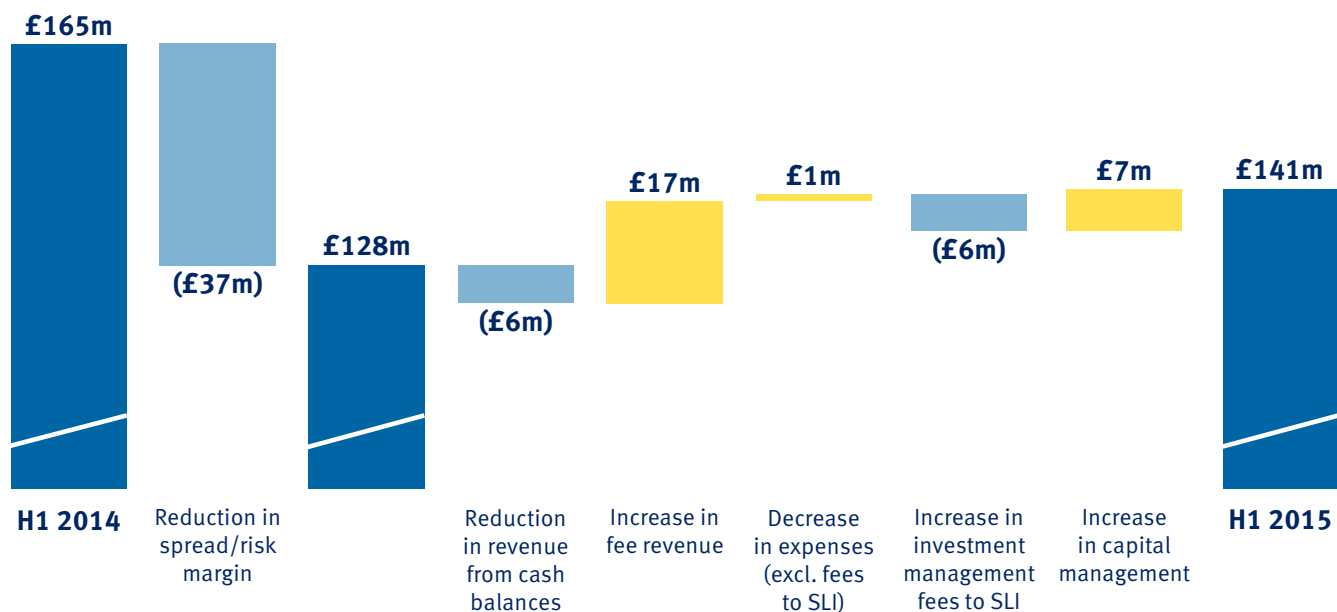


- Included in Standard Life Investments results from 1 July 2014
- Fee revenue impacted by £2.8bn of cumulative net outflows from ARGBF (£0.2bn in H1 2015)
- Historically, performance fees weighted towards the second half of the year
- On track to deliver annualised cost savings of £50m by 2017 (annual pre-acquisition cost base of £100m)
- £17m of acquisition, restructuring and integration costs included within non-operating items

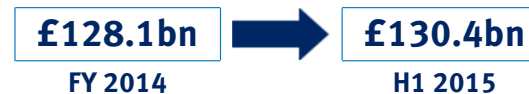
1. Earnings before interest, tax, depreciation and amortisation.

Continuing growth in UK fee business

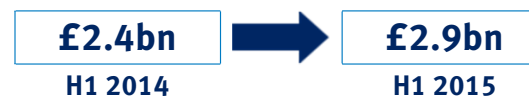
Underlying performance



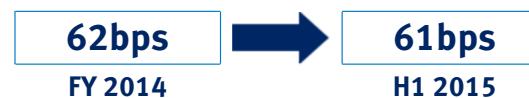
Total AUA



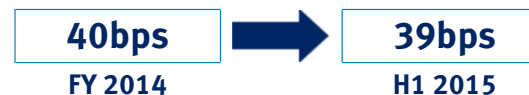
Retail new & workplace net inflows



Fee revenue bps



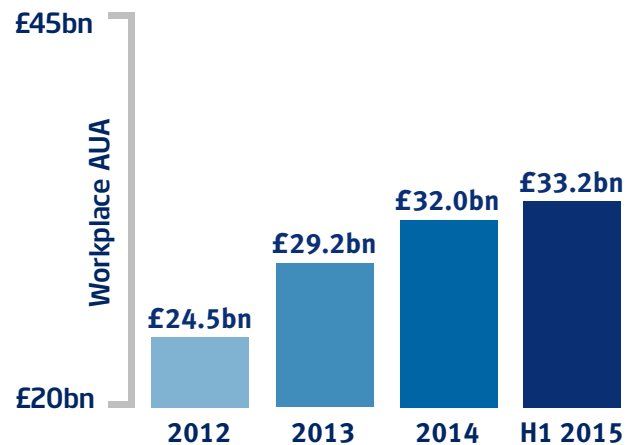
Operating expense bps¹



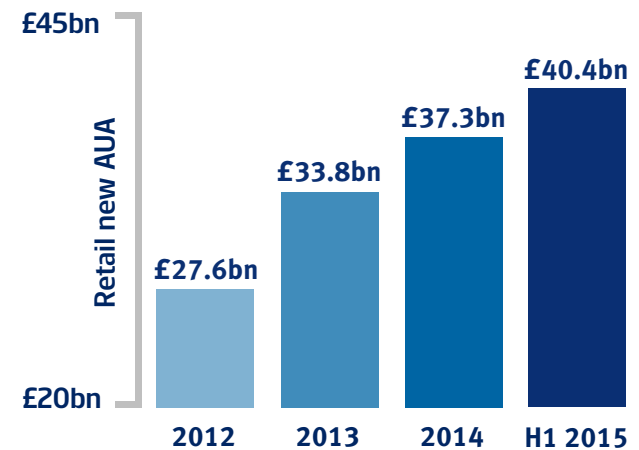
1. Excluding £17m HWPf adjustment.

UK fee business assets up 4% to £107bn

Leading provider of DC pensions in the UK



Retail business benefiting from a leading adviser platform



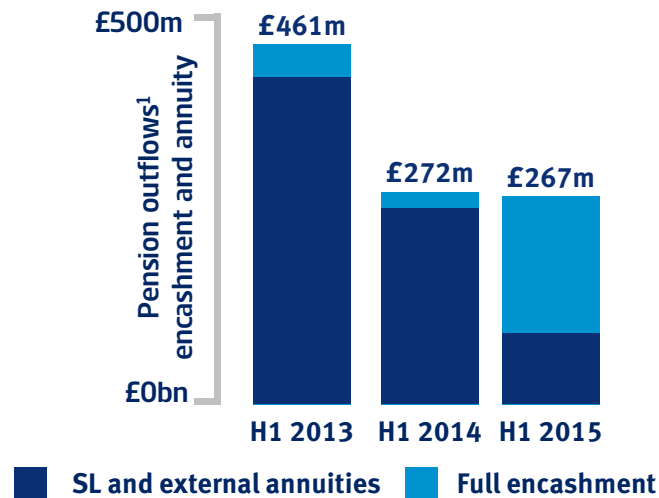
Growing regular inflows from auto enrolment and transfers of £1bn to Retail new and old

Benefiting from growth in Wrap and transfers in from Workplace

- Stable mature book of business with AUA of £33.4bn (FY 2014: £33.5bn) benefiting from transfers of leavers from workplace

Delivering for our customers in the new pensions world

Increased encashment offset by fall in outflows to annuities



- Helped 17,000 customers to access their pension savings since 6 April:
 - £0.2bn encashed across Retail old, Retail new and Workplace
 - Encashments in June halved from April peak

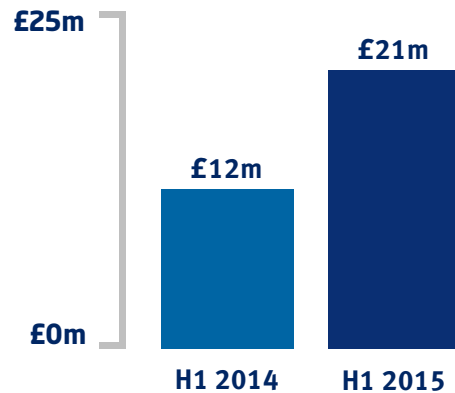
Building on our leading position in the drawdown market

- Drawdown AUA up 12% to £12.9bn (FY 2014: £11.5bn)
- Our newly launched non-advised drawdown proposition has accumulated £140m of assets:
 - 65% of customers transacted online
 - Includes transfers and £50m from new customers
 - Majority of assets managed by Standard Life Investments
- Achieving excellent customer satisfaction (92% would recommend to a friend) and recognition with 2 awards for our online journey

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

Continued progress in India and China life JVs

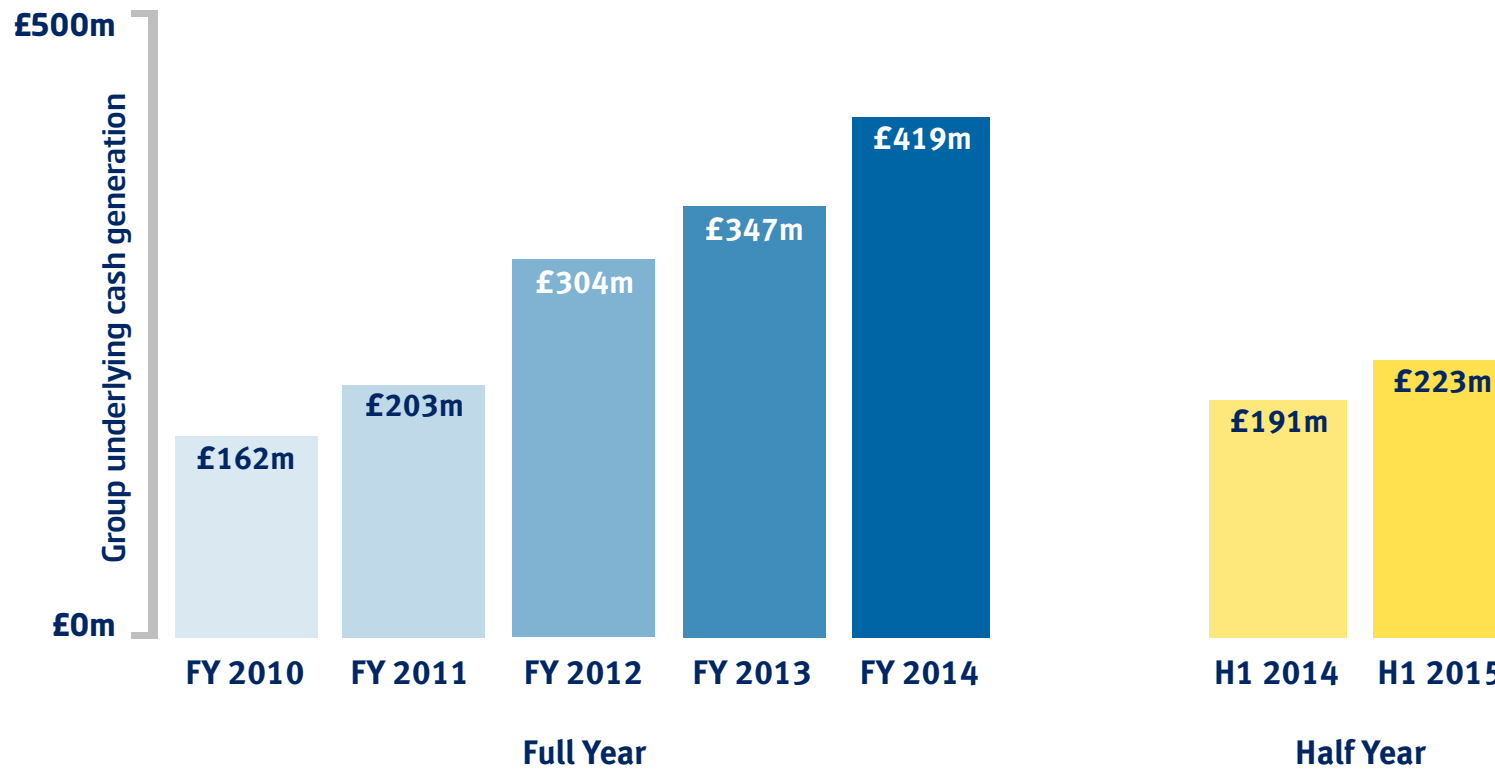
India and China underlying performance



- HDFC Life continues to perform strongly:
 - Almost 20m customers in a highly attractive market
 - Our share of AUA increased by 8%¹ to £1.8bn with a 5 year CAGR² of 26%, the highest amongst the main private life insurance companies in India
 - Ranked 2nd for new business sales in the private life insurance market²
 - Market-leader in the online market with award-winning and innovative products
- Continued progress from our joint venture in China
- Hong Kong underlying performance expected to be lower in the second half of the year reflecting changing regulatory environment

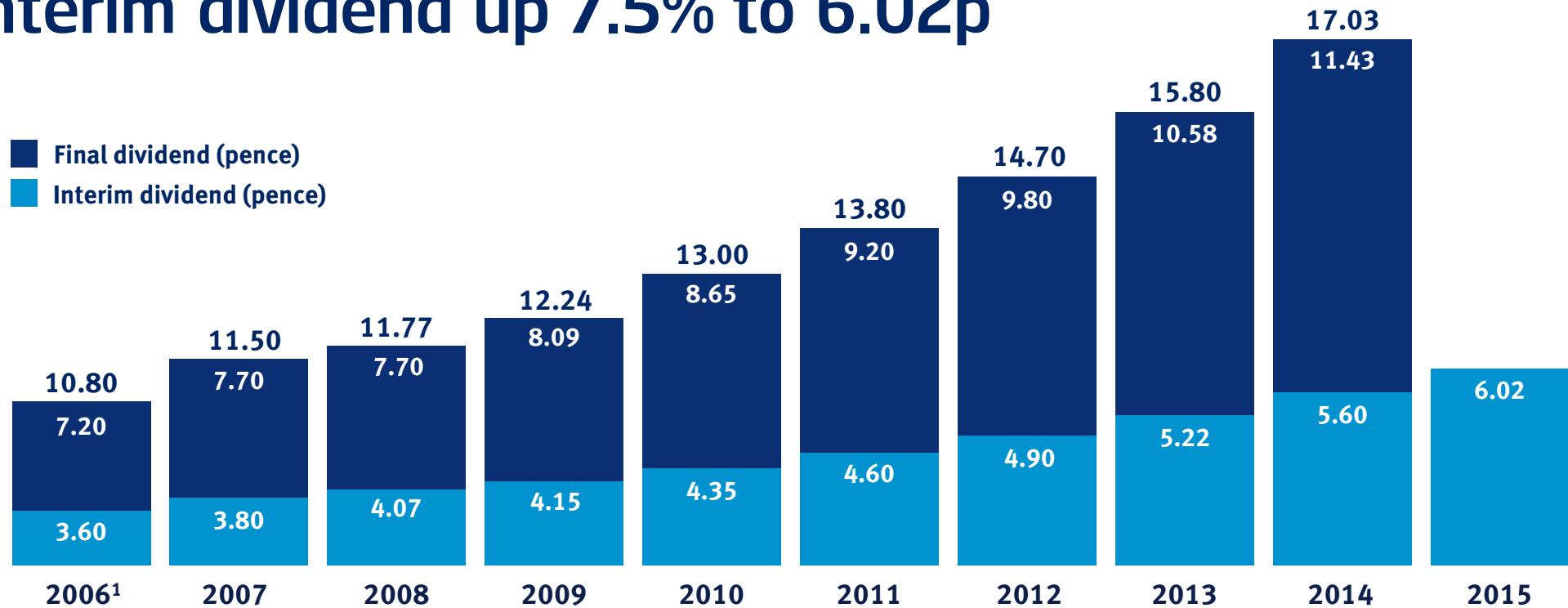
1. In constant currency. 2. As of 31 March 2015.

Underlying cash generation up 17%



All figures are reported on a continuing operations basis.

Interim dividend up 7.5% to 6.02p



- Progressive dividend policy
- £1.75bn return of capital following sale of Canadian business
- Strong balance sheet with IGD surplus of £2.6bn² (FY 2014: £2.9bn²) and well positioned for Solvency 2

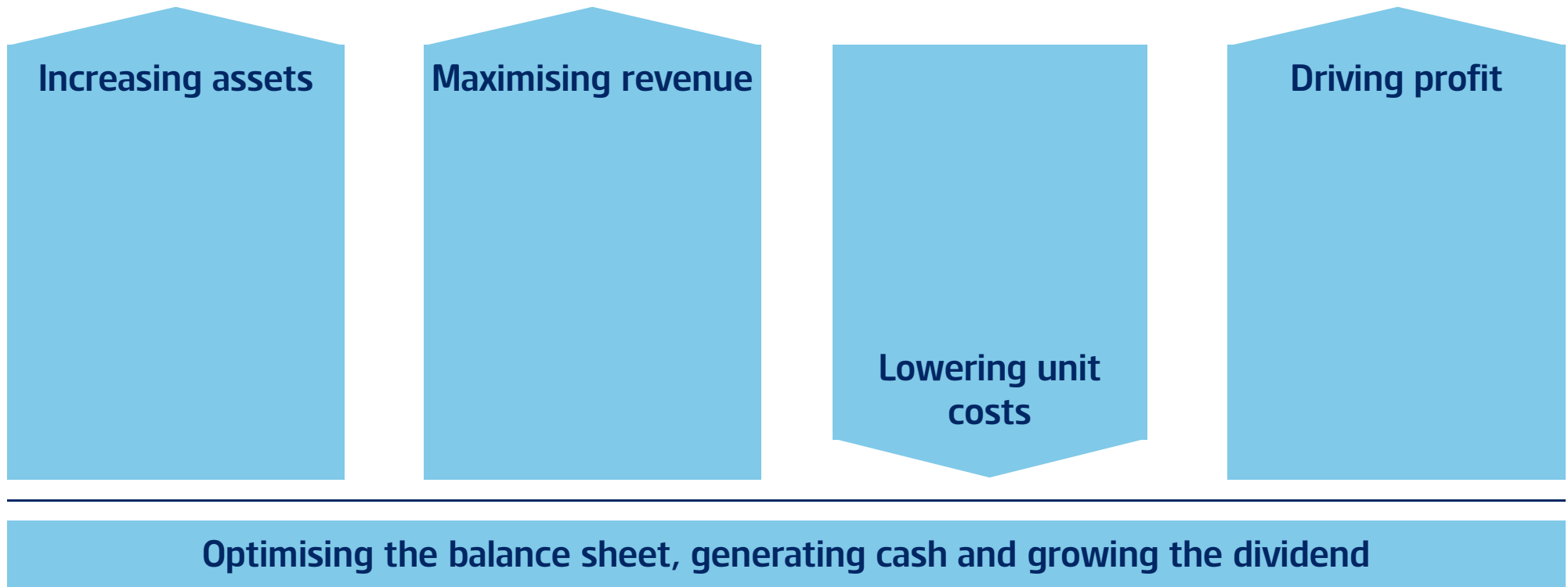
1. Implied interim and final dividends based on 5.40p dividend for period from demutualisation to 31 December 2006. 2. H1 2015 based on estimated regulatory position. FY 2014 based on final regulatory returns.

Continuing delivery of growth and performance

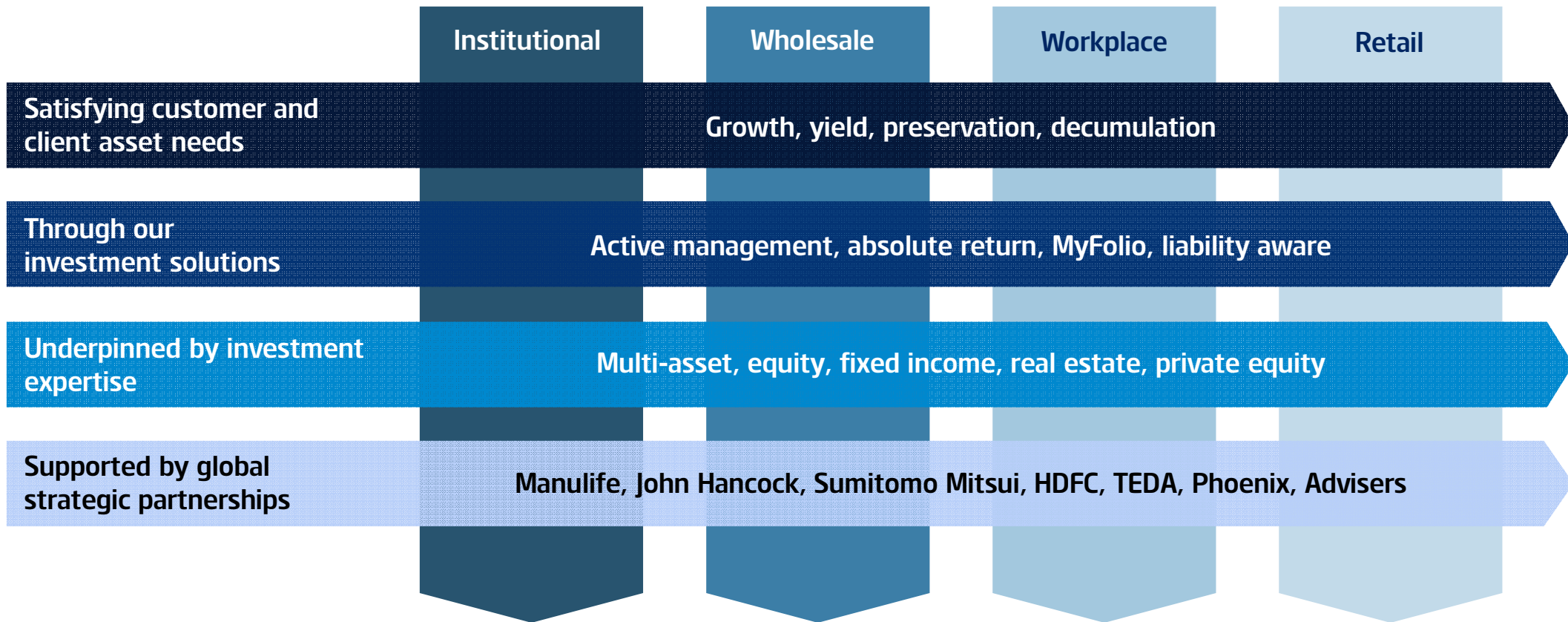
Keith Skeoch

Standard Life 

Our simple business model will continue to drive further returns for shareholders



Significant growth opportunity for Standard Life



Continuing to deliver our clear and consistent strategy

- Meeting the investment needs of customers at the heart of what we do
- Continuing focus on innovation and strong investment performance
- Expanding global reach of Standard Life Investments
- Leveraging best in class distribution in the UK
- Increasing collaboration across the whole of Standard Life
- Ongoing focus on driving down unit costs and benefits of a scalable business model

Strategic momentum delivering ongoing growth and value

Questions & answers

Standard Life 

Appendix

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Operating profit by business unit

	Standard Life Investments		UK		Europe		India and China		Other		Eliminations		Total (continuing operations)		Discontinued operations ¹		Total		
	H1 2015	H1 2014	H1 2015	H1 2014	H1 2015	H1 2014	H1 2015	H1 2014	H1 2015	H1 2014	H1 2015	H1 2014	H1 2015	H1 2014	H1 2015	H1 2014	H1 2015	H1 2014	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Fee based revenue	402	288	314	303	82	86	23	26	-	-	(60)	(51)	761	652	21	106	782	758	
Spread/risk margin	-	-	38	75	2	4	-	-	-	-	-	-	40	79	9	103	49	182	
Total income	402	288	352	378	84	90	23	26	-	-	(60)	(51)	801	731	30	209	831	940	
Total operating expenses	(263)	(197)	(172)	(173)	(56)	(57)	(17)	(23)	(25)	(23)	-	-	(533)	(473)	(29)	(152)	(562)	(625)	
Investment management fees to SLI	-	-	(47)	(41)	(13)	(10)	-	-	-	-	60	51	-	-	-	-	-	-	
Capital management	-	-	8	1	-	-	-	-	(7)	(5)	-	-	1	(4)	2	8	3	4	
Share of associates' and joint ventures' profit before tax ²	15	11	-	-	-	-	15	9	-	-	-	-	30	20	-	-	30	20	
Group underlying performance	154	102	141	165	15	23	21	12	(32)	(28)	-	-	299	274	3	65	302	339	
Underlying adjustments	-	-	-	-	(9)	-	-	-	-	-	-	-	(9)	-	-	-	(9)	-	
Operating profit/(loss) before tax	154	102	141	165	6	23	21	12	(32)	(28)	-	-	290	274	3	65	293	339	
Tax on operating profit/(loss)	(28)	(20)	(19)	(27)	1	(4)	-	-	9	5	-	-	(37)	(46)	-	(27)	(37)	(73)	
Share of joint ventures' and associates' tax expense	(5)	(3)	-	-	-	-	-	2	-	-	-	-	(5)	(1)	-	-	(5)	(1)	
Operating profit/(loss) after tax	121	79	122	138	7	19	21	14	(23)	(23)	-	-	248	227	3	38	251	265	
Non-operating items	(24)	(3)	(57)	(24)	(17)	-	(47)	(1)	(13)	(8)	-	-	(158)	(36)	1,119	49	961	13	
Tax on non-operating items	4	-	9	10	(2)	-	5	-	3	1	-	-	19	11	(20)	(14)	(1)	(3)	
Singapore/Dubai included in discontinued segment ¹	-	-	-	-	-	-	(40)	(6)	-	-	-	-	(40)	(6)	40	6	-	-	
Profit for the period attributable to equity holders of Standard Life plc	101	76	74	124	(12)	19	(61)	7	(33)	(30)	-	-	69	196	1,142	79	1,211	275	

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.