Standard Life Aberdeen plc

Full year results 2018

Resilient performance in challenging markets with strong positioning for long-term growth

13 March 2019

Resilient performance in 2018 against a challenging industry backdrop

Strategic progress in achieving our world-class ambitions

Delivering for clients and customers

- Improving investment performance in key areas
- Leading customer service in our retail platforms
- 16m potential customers – Phoenix and Virgin Money

Maximising value and shareholder returns

- Gross inflows up 4% to £75.2bn
- Capital-light – capital requirement down to £1.1bn
- Returning up to £1.75bn to shareholders

Investing and building for the future

- Embedding shared values and culture
- Increased pace of innovation with 32 fund launches
- 4 targeted bolt-on acquisitions in 'new active'

Focus on financial discipline

- Expenses down 10% – C/I ratio 68% (2017: 71%)
- Integration ahead of schedule – now 75% complete
- Additional reduction in expenses of £56m

Delivering on what is in our control

Full year results 2018

Resilient performance in challenging markets

Creating a world-class investment company

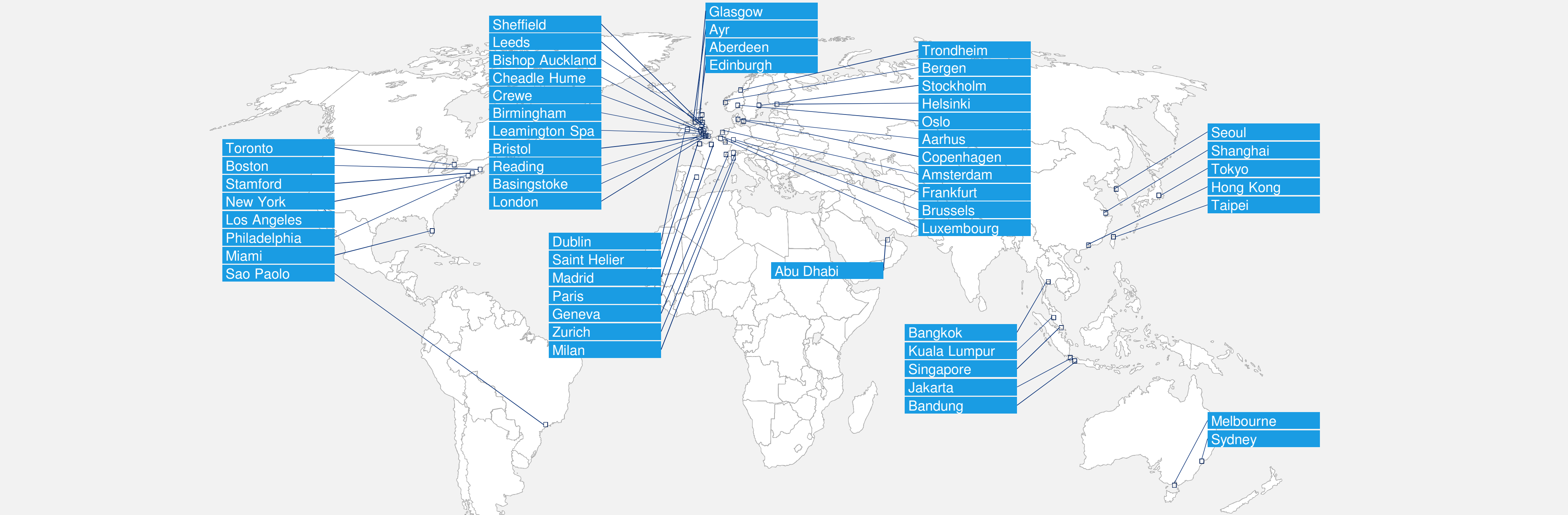
Well positioned to drive sustainable long-term growth

Global	Diversified	Close to clients	Strong balance sheet	Shareholder value
Global investment coverage and distribution reach	Breadth of investment capabilities to meet changing client needs	Close to customers – unique UK savings eco-system – and clients in 80 countries	Providing resilience and funding investment in innovation, technology and our people	Focused on efficiency, maximising value and sustainable returns to shareholders

Creating a world-class investment company and leading provider of investment savings in key markets, serving our clients and customers across investment management, platforms and advice

Strong platform to compete globally

Global investment coverage and proximity to clients



Global Coverage:
54 unique operating locations

Global Clients:
Clients in around 80 countries
500 global client specialists

Strategic partners: Mitsubishi UFJ, LBG, HDFC, TEDA, Sumitomo Mitsui, Phoenix Group, John Hancock, Manulife, Bosera, Challenger, Virgin Money

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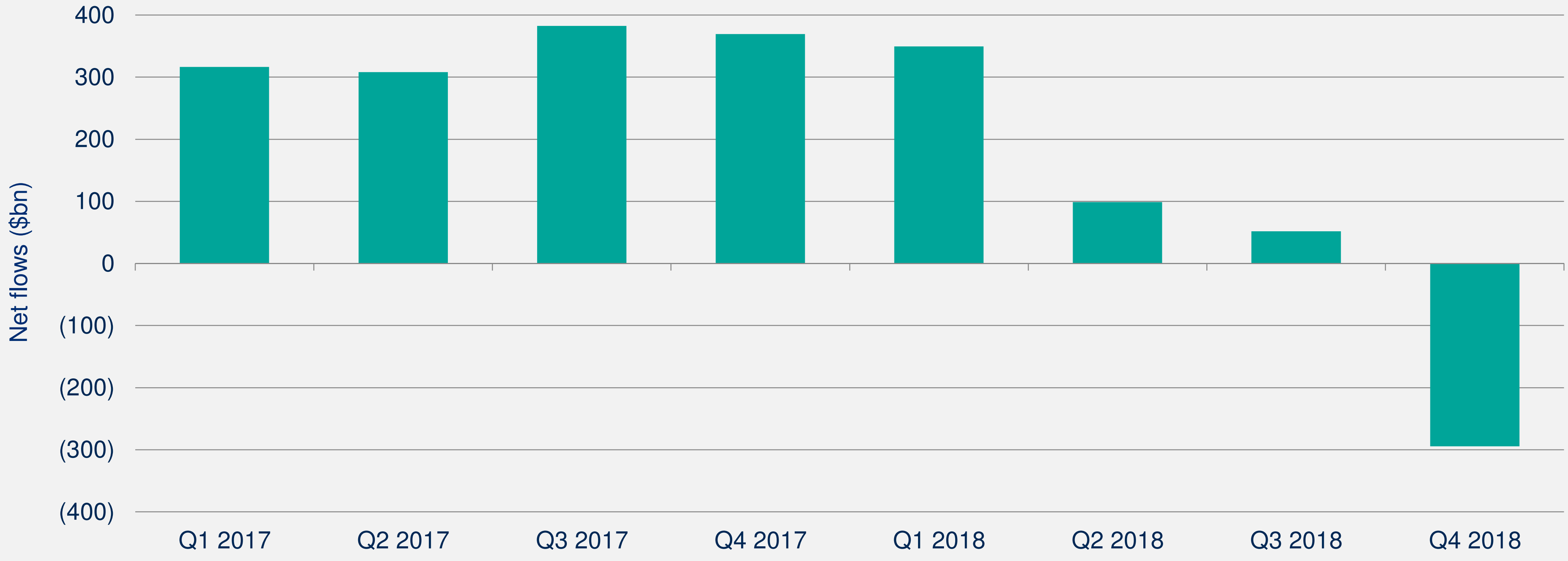
Challenging year for the industry

With market conditions deteriorating during 2018

Global mutual fund industry quarterly net flows[1]



1. Source: Morningstar, mutual fund net flows by asset class excluding money market funds.

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Seismic shifts creating challenges across our industry

Exacerbated by weak investor sentiment in 2018

Shift to passives	• Growth in passive investing accelerated by the global financial crisis • Exerting downward pressure on fees
Growth in 'new active' investing	• High demand for solutions, active specialities, private markets, alternatives and ESG • Representing c80% of the revenue opportunity vs. c10% for passives
Need for scale	• Need for scale to offset lower fees and costs of technology, regulation and innovation • Breadth of capabilities and global reach to meet needs of global clients
Importance of individual savings	• Shift from defined benefit pensions and lack of state safety nets driving retail savings • Access to retail customers and technology key to capitalising on this opportunity

With opportunities for those able to adapt

Net outflows continued but were concentrated in a small number of strategies

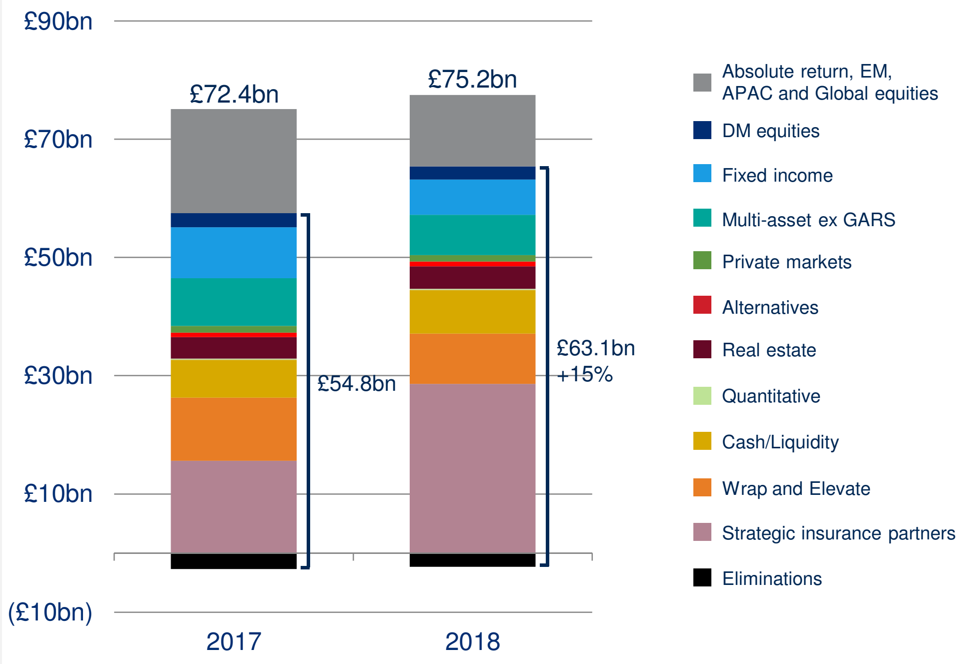
Broad demand for our wider product suite with gross inflows returning to pre-merger levels

Net outflows 6.7% of opening AUMA

	2017 £bn	2018 £bn
Absolute return, EM, APAC and Global equities	(19.2)	(32.7)
Natural run-off from strategic insurance clients	(15.2)	(5.5)
	(34.4)	**(38.2)**
Cash/liquidity	(1.7)	(1.3)
Other capabilities	(3.3)	(5.4)
Retail – Wrap and Elevate	7.0	4.2
Eliminations	(0.5)	(0.2)
Net flows	**(32.9)**	**(40.9)**

- Net outflows largely reflect movement on long established products and natural run-off from insurance business
- Significant potential from Phoenix already being realised
- Continued growth in Wrap and Elevate with net inflows of £4.2bn

Gross inflows



All figures on a continuing operations basis.

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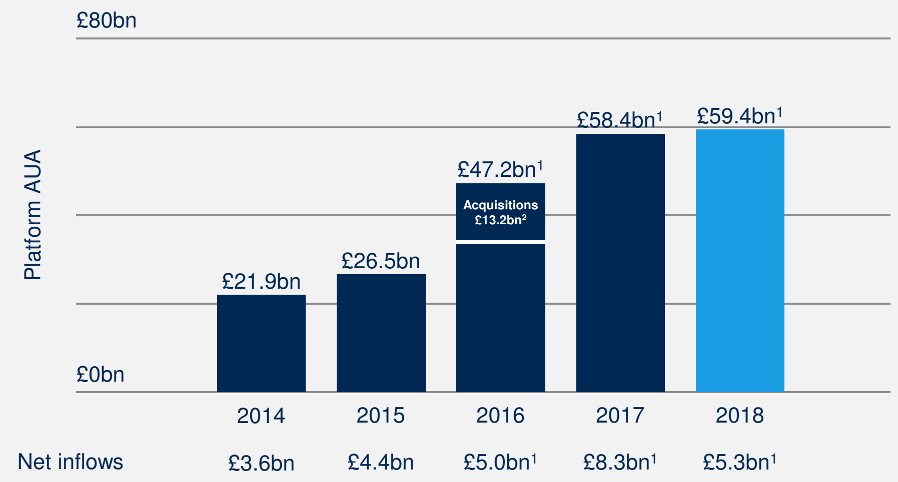
Sustained growth in retail platforms and financial advice capability

Market-leading platforms are a source of asset management flows and diversification

Continued growth in platform AUA – now serving 0.5m customers



Retail platform profitability (Wrap, Elevate and Parmenion)

	2017	2018	Change
Fee based revenue	£145m	£160m	+10%
Adjusted operating expenses	(£127m)	(£136m)	+7%
Adjusted profit before tax	£18m	£24m	+33%
Cost/income ratio	88%	85%	-3ppts
Customers	440k	460k	+20k

Wrap | **Elevate** | **Parmenion**

Wrap and Elevate are the only platforms with AKG 'A' rated financial strength

All figures on a continuing operations basis.
1. Includes Parmenion – assets of £5.2bn (2017: £4.4bn, 2016: £3.0bn) and net flows of £1.1bn (2017: £1.3bn, 2016: £0.8bn). 2. Acquisitions of Elevate and Parmenion including AUA of £11.3bn and £1.9bn respectively.

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Full year results 2018

Financial update

Financial highlights

	2017	2018
Continuing operations:		
Adjusted profit before tax (£m)	660	650
Adjusted diluted earnings per share (p)	17.2	17.8
Assets under management and administration (£bn)	608.1	551.5
Gross inflows (£bn)	72.4	75.2
Net flows (£bn)	(32.9)	(40.9)
Net flows as a percentage of opening AUMA	(5.4%)	(6.7%)
Total (including discontinued operations):		
Adjusted profit before tax (£m)	1,039	860
Adjusted diluted earnings per share (p)	28.9	22.5
Full year dividend per share (p)	21.3	21.6

Adjusted profit before tax from continuing operations

Impact of lower revenue largely offset by share of Phoenix profit and reduction in expenses

Adjusted profit before tax

	2017 £m	2018 £m
Fee based revenue	2,099	1,868
Adjusted operating expenses	(1,551)	(1,395)
Adjusted operating profit	548	473
Capital management	13	(9)
Share of associates' and joint ventures' profit before tax[1]	99	186
Adjusted profit before tax from continuing operations	**660**	**650**
Earnings per share[2]:		
Asset management and platforms	15.7p	13.8p
Insurance associates and joint ventures	1.5p	4.0p
Adjusted diluted earnings per share from continuing operations	**17.2p**	**17.8p**
Discontinued operations	11.7p	4.7p
Adjusted diluted earnings per share	**28.9p**	**22.5p**

Equates to pro forma adjusted EPS of 20.6p based on the current share count[3]

1. Share of associates' and joint ventures' profit before tax comprises the Group's share of results of HDFC Life, HDFC AMC, Phoenix and Heng An Standard Life Insurance Company Limited. 2. In accordance with IAS 33, earnings per share have not been restated following the share consolidation as there was an overall corresponding change in resources. As a result of the share consolidation and share buyback earnings per share from continuing operations for the year ended 31 December 2018 is not directly comparable with the prior year. Refer to Note 11 of the Group financial statements for information relating to the calculation of diluted earnings per share. 3. Current share count reflects repurchases up to 11 March 2019.

Analysis of fee revenue margins

Modest reduction in fee revenue margins largely driven by mix effects

Fee revenue margins

	FY 2017 bps[1]	H1 2018 bps[1]	FY 2018 bps[1]
Institutional/Wholesale[2]	50.9[3]	48.7	48.1
Strategic insurance partners	13.7	13.5	13.1
Retail – Wrap and Elevate	26.2	25.5	25.6
Group fee revenue margin[4]	**33.0[3]**	**31.5**	**30.8**

All figures are stated on a continuing operations basis.
1. FY 2017 and FY 2018 calculated using fee based revenue and monthly average AUM/AUA. H1 2018 calculated using annualised fee based revenue and monthly average AUM/AUA. 2. Includes Wealth/Digital and Parmenion. 3. Adjusted to exclude non-recurring impact of £7m deferred revenue. 4. Includes eliminations.

Total adjusting items

	2017 £m (Reported basis)	2018 £m
Restructuring and corporate transaction expenses	(162)	(239)
Amortisation and impairment of intangible assets acquired in business combinations and through the purchase of customer contracts	(138)	(1,155)
Profit on disposal of interest in associates	319	185
Impairment of associates	-	(228)
Other	(15)	40
Adjusting items from continuing operations	**4**	**(1,397)**
Discontinued operations	(44)	1,519
Total adjusting items	**(40)**	**122**

- Impairment of £880m on goodwill reflects technical accounting required under IFRS and does not impact distributable reserves
- Impairment of associates reflects the market value of Phoenix holding at 31 December 2018 – market value has recovered in 2019

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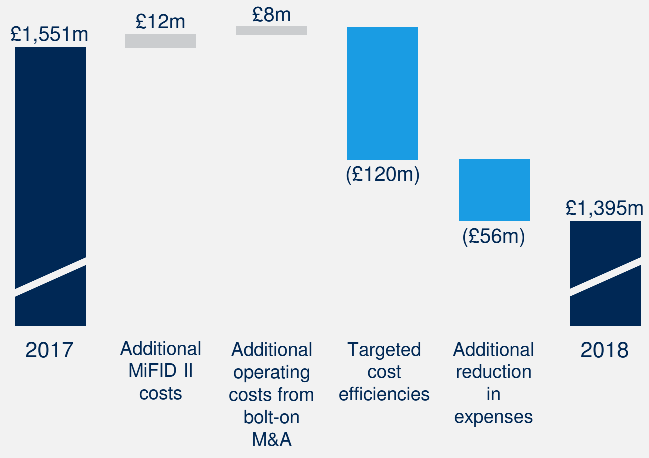
Expense saving run rate of £175m ahead of schedule

Financial discipline driving a further reduction in expenses of £56m

- Improvement in cost/income ratio to 67.9% (2017: 70.6%)
- Integration now c75% complete with annualised cost efficiencies of at least £350m[1] to be achieved by end of 2020:
  - 2018 has benefited by c£120m (H1: £40m; H2: £80m)
  - Exiting the year with a run rate of £175m
  - Already ahead of original target run rate of £150m by August 2019
- Continued focus on financial discipline resulting in a further reduction in expenses of £56m
- The £230m of benefits yet to be realised equates to approximately 7.4p[2] of pro forma EPS before any reinvestment in the business

Reduced operating expenses

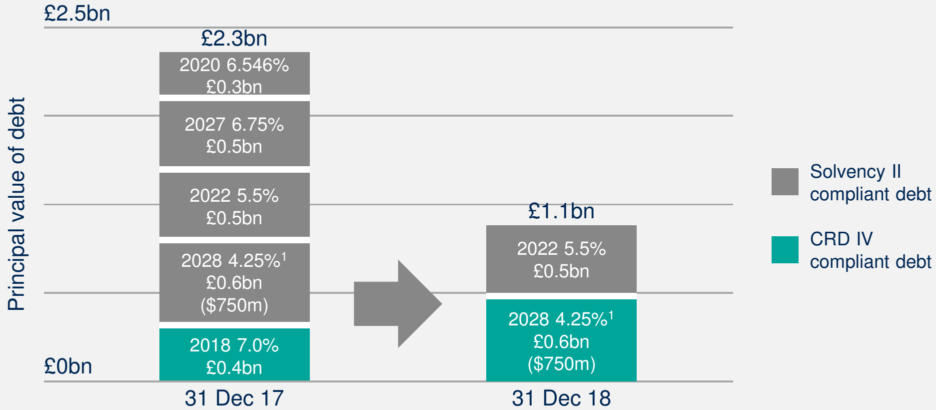


All figures are stated on a continuing operations basis.
1. Comprises annualised efficiencies from merger related cost synergies (£250m) and simplification of our operating model (£100m). 2. Based on the standard rate of UK Corporation Tax of 19%.

Optimising the balance sheet following the sale of the insurance business

Returning capital while retaining a strong balance sheet

Optimising the balance sheet



- Reduced external borrowings from £2.3bn to £1.1bn and converted 2028 instrument to CRD IV
- Continuing to focus on optimising our capital structure
- Returning capital to shareholders and reducing share count:
  - B share scheme £1.0bn
  - Buyback of up to £750m[2] (£358m[3] completed)

Strong balance sheet

CRD IV Group regulatory capital position	2018 £bn
Common Equity Tier 1 capital resources	1.1
Tier 2 capital resources	0.6
Total capital resources	**1.7**
Total capital requirements	(1.1)
Surplus regulatory capital	**0.6**

- Capital resources take account of deductions including:
  - Proposed 2018 final dividend of £345m
  - First two tranches of the share buyback programme of £375m
  - Proportion of SLAL separation costs of £0.1bn
- Excludes proceeds from offer for sale of up to 4.93% of HDFC Life
- Significantly reduced capital requirements of £1.1bn under CRD IV (2017: SII £3.6bn[4]) with scope for further optimisation

1. Swapped to GBP at 3.2%. 2. Shareholder authority received on 25 June 2018. Subject to applicable regulatory authorities. 3. Value of Share Buyback Programme completed as at 11 March 2019. 4. Investor view.

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One of the strongest balance sheets in the industry

With substantial listed investments and strong net cash resources

- Strong capital position and £1.2bn[1] of net cash/liquid resources to support investment in the business
- Strategic listed investment in Phoenix worth £1.0bn[2]:
  - 19.9% stake
  - Source of earnings and dividends as well as current and future AUM
  - Already benefiting from closer collaboration – £3.6bn (£2.5bn in 2018) of £7bn originally identified now transferred
- Indian listed investments worth £3.5bn[2]:
  - 29.9% stake in HDFC AMC worth £1.0bn[2] following successful IPO from which we also received c£180m
  - 29.2% stake in HDFC Life worth £2.5bn[2] before the offer for sale of up to 4.93% of HDFC Life announced on 11 March 2019

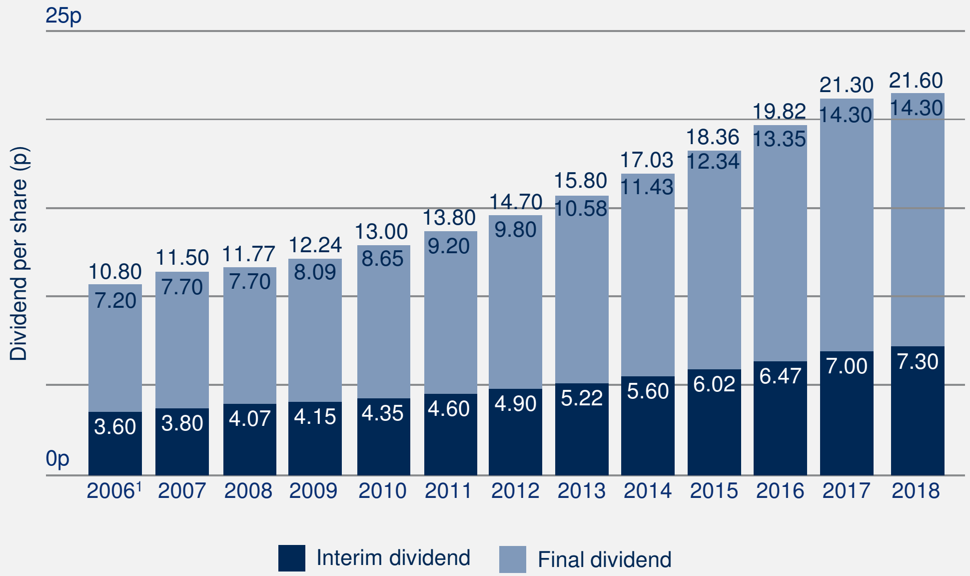
Continued strong source of value for shareholders as we reshape the business

All figures are stated on a continuing operations basis.
1. Cash/liquid resources from across the group adjusted for the impact of the proposed 2018 final dividend, less nominal value of debt of £1.1bn. 2. Valuation as at 11 March 2019. Value of stakes in Indian listed investments calculated using an exchange rate of R93.0070/£1.

Final dividend unchanged

Intend to maintain the dividend per share at the 2018 level during the period of transformation

Dividend per share



Dividend supported by:

- Strong business well positioned for long-term growth
- Ongoing delivery of merger and simplification benefits with £230m yet to be realised
- Reduction in share count of 17%[2] as at 12 March 2019
- Remaining share buyback programme[3]
- Strong capital position and distributable reserves

1. Implied final dividend based on 5.40p dividend for period from demutualisation to 31 December 2006. 2. Compared to 31 December 2017. 3. Shareholder authority received on 25 June 2018. Subject to applicable regulatory authorities.

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Full year results 2018

Strongly positioned for long-term growth

Creating a world-class investment company

Well positioned to drive sustainable long-term growth

Global	Diversified	Close to clients	Strong balance sheet	Shareholder value
Global investment coverage and distribution reach	Breadth of investment capabilities to meet changing client needs	Close to customers – unique UK savings eco-system – and clients in 80 countries	Providing resilience and funding investment in innovation, technology and our people	Focused on efficiency, maximising value and sustainable returns to shareholders

Creating a world-class investment company and leading provider of investment savings in key markets, serving our clients and customers across investment management, platforms and advice

Competitive investment performance supporting gross flows

Signs of improving performance

Resilient performance across most asset classes	Alternatives; Asia Pacific and Smaller Companies equities; Quantitative; Credit, EMD and Government fixed income; Real Estate; Money Market Funds
Improving performance	Emerging Market Equities; Global Equities and GARS

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

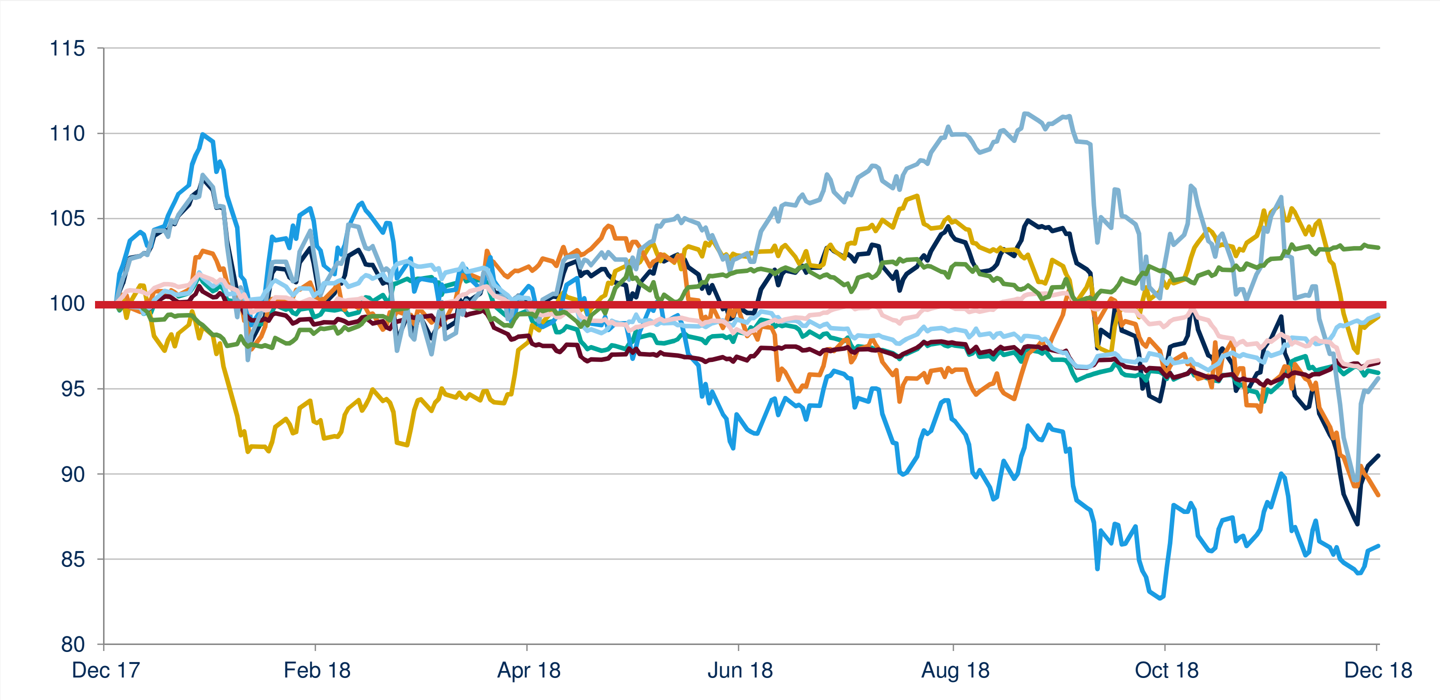
- New combined research platform strengthened by appointment of heads of research
- Research Institute driving macro and longer-term thematic house views
- Stable teams and investing in new talent
- Enhancing our processes while remaining true to our approach – no style drift
- Maintained number of positive consultant-rated institutional strategies at 43 ratings
- 27 top quartile funds over 1 and 3 years in wholesale/retail space[1]

1. Source: Morningstar, as at 31 December 2018.

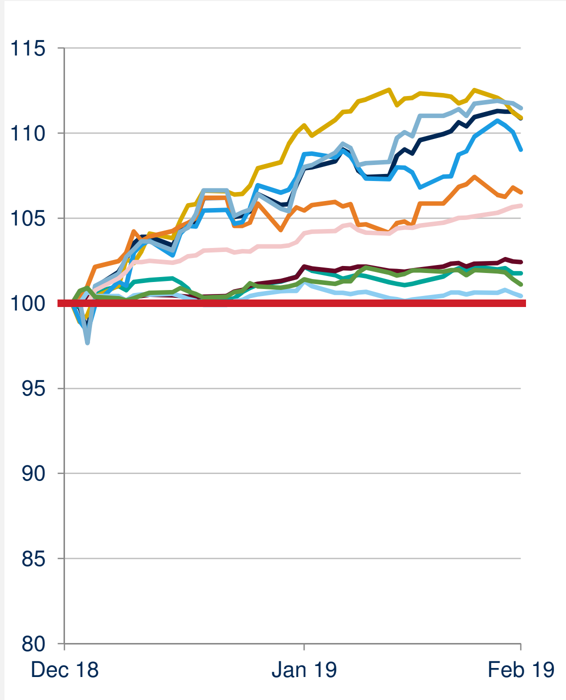
2018 – a year of almost universal negative asset class returns across the market

In stark contrast to 2017 where only 1% of assets suffered negative returns

2018 total return indices (rebased)



2019 YTD total return indices (rebased)



Global equities | Global investment grade | Global inflation linked bonds | US equities | Global property | Global government bonds | Global commodities | Global high yield bonds | Emerging markets | 10 year bunds

Positioned to benefit from global demand for ‘new active’ investment capabilities

‘New active’ set to capture majority of global AUM and revenue growth 2017-2022[1]

ALTERNATIVES / PRIVATE MARKETS

Private Markets[2]
£31bn

Real Estate[2]
£40bn

Top 10 in the world[3]

2017 Industry AUM: +$5tn; Industry revenue: +$46bn **2022**

SOLUTIONS

Insurance Clients
£255bn
1st in UK

Multi-asset[2]
£71bn
Broad range

2017 Industry AUM: +$7tn; Industry revenue: +$20bn **2022**

ACTIVE SPECIALITIES

Active Equities
£73bn
Broad range

Active FI
£47bn
Broad range

2017 Industry AUM: +$5tn; Industry revenue: +$18bn **2022**

PASSIVE

Quantitative / Rules-based investing[2]
£63bn
Strong performance

2017 Industry AUM: +$9tn; Industry revenue: +$11bn **2022**

1. Source: BCG, July 2018. Figures show global estimated growth in industry AUM and revenue between 2017 and 2022. 2. Includes overlap with insurance clients of: Private Markets – £2bn; Real Estate – £10bn; Multi-asset – £18bn; and Quantitative – £61bn. 3. Source: Willis Tower Watson Global Alternatives Survey 2017.

ESG factors embedded into all investment decisions

Enhancing the value of active management to invest for a better future

Long-established track record in ESG to capitalise on its growing importance to institutional and retail investors

- Actively working with ESG factors since 1992
- Leader in active stewardship and ownership

Extensive and experienced ESG resource leveraging our scale

- Centre of excellence with 20+ professionals
- Global presence across asset classes with 30+ professionals

Embedded across our AUM and with specialist range of sustainability-driven solutions

- £14bn AUM including ethical, impact and climate related funds
- Our UK Ethical Fund is over 20 years old – outperforming over 5, 10 and 20 years

Winning new mandates across asset classes and the world

- £400m **UK Equity** mandate for a local government pension scheme
- $250m **US Smaller Companies Equity** mandate for a US-based international organisation
- €160m **Emerging Markets** bond mandate for a French pension fund
- $500m **Credit** mandate for a China-based institution
- €500m **Private Equity** mandate for a Dutch pension fund
- A$200m **Fixed Income** mandate for an Australian endowment fund

A track record of innovation in 'new active' investment solutions

Increased pace of innovation with 32 new fund launches (22 in 2017) and more to come

c25% (£63bn) of Institutional/Wholesale AUM from products launched since 2010 – selected examples below:

ALTERNATIVES / PRIVATE MARKETS

Global Private Markets	Liquid Alternatives	Listed Private Capital	RE Secondaries	Alt Invest Strategies Managed A/c	Pan-European Residential	Secure Income & Cash Flow
Private Equity FoF	Euro Club (RE)	Global FoF (RE)	Private Equity Secondaries	PE Fund Financing	Euro Logistics Income PLC	European Real Estate Funds
European Economic Infrastructure	Concession Infrastructure	Ground Rent Fund	Commercial Real Estate Debt Fund	Real Assets Strategies		

SOLUTIONS

EDGF	GTAA Strategies	Integrated Liability Plus Solutions	ARGBS	MyFolio Income	Multi Asset Income	Diversified Income Fund
MyFolio	AS Capital Active Overlay					

ACTIVE SPECIALITIES

AS Capital Global Equity	China A Shares	Global Equity Impact	Euro SRI Corporate Bond	China Onshore Bond	US Comingled Bonds	US Long Duration Corp Bond
UK Equity Impact	Global Small Cap	Buy & Maintain Credit	Global Short Duration Corp Bond	Global High Yield Bond	Short Duration GILB	GEM Equity Income
Global Loans Fund	EM Bonds	Total Return Credit				

QUANTITATIVE

Artificial Intelligence Global Eq	Enhanced Index Funds	Smart Beta Low Vol Equity Income

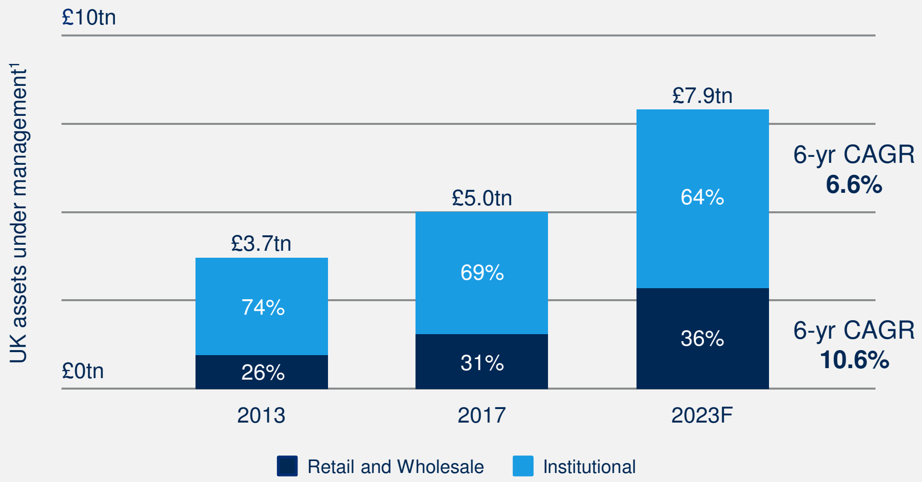
Accelerated by targeted acquisitions and joint ventures in key areas of market growth:

- Hark Capital (Private Markets)
- Orion Partners (Asia Real Estate)
- JV with Investcorp (Infrastructure)
- Alpine Woods Capital Investors LLC US closed-end funds
- Enhanced partnership with Phoenix
- ETF Securities U.S.
- Virgin Money / CYBG JV

Assets are shifting from institutions to individuals

Creating opportunities for those that can build close connections to end customers

Retail asset growth outpacing institutional demand



Democratisation of financial risk driving demand from retail investors

- Global trend – individuals taking responsibility for their financial futures
- Ongoing shift towards defined contribution pensions in the UK
- Accelerated by flexibility offered by pension freedoms
- Growing need for financial advice and increasing advice gap

1. Source: BCG GAM Report 2018.

Capitalising on growth in individual savings through our UK savings eco-system

Leveraging the strength of our brands, leading platforms and strategic partnerships

Connecting to individual savers

Market-leading platforms and advice with potential to reach 30% of UK savers
- Working with around 5,000 UK adviser firms and wealth managers
- New Phoenix partnership and Virgin Money JV provide access to 16m potential customers
- Potential for further significant partnerships

AUA

Technology to serve customers

Providing award-winning service and capabilities
- Over £59bn of AUA across Wrap, Elevate and Parmenion
- Growing national advice capability through 1825
- Building robo advice capabilities to tackle advice gap

AUM

Investment solutions for individuals

Aberdeen Standard Investments and Aberdeen Standard Capital
- Access to breadth of investment expertise across asset classes
- Expertise in solutions for individuals including MyFolio, Parmenion and Aberdeen Standard Capital with £25bn in AUM

Standard Life

Aberdeen Standard Investments

Standard Life – No.1 UK non-bank savings brand (4th overall)

Strong business well positioned for long-term growth

Continued progress towards achieving our world-class ambitions

Delivering for clients and customers

Well positioned for the themes shaping our industry with breadth of 'new active' solutions and UK savings eco-system relevant to changing global client needs

Maximising value and shareholder returns

Remaining buyback programme and strong balance sheet with substantial listed investments and net cash resources

Investing and building for the future

Financial strength to invest in innovation, technology and our people to drive long-term growth in a rapidly shifting industry

Focus on financial discipline

Ongoing focus on improving efficiency and ahead of schedule to deliver combined merger and simplification efficiencies of at least £350m

Clear focus on maximising value and delivering returns to shareholders

Questions

Forward-looking statements

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 UK’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 competition; the timing, impact and other uncertainties associated with future acquisitions, disposals or combinations undertaken by Standard Life Aberdeen or its affiliates 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 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. 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.

Notes

- Unless otherwise stated, all figures in this presentation are on a continuing operations basis which excludes the UK and European insurance business. The sale of this business to Phoenix completed on 31 August 2018.
- Our results for 2018 include our 19.98% share of Phoenix results for the four months ended 31 December 2018. Comparative periods have not been restated and therefore Phoenix is not included prior to 31 August 2018 in either Reported or Pro forma results.
- 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 segment

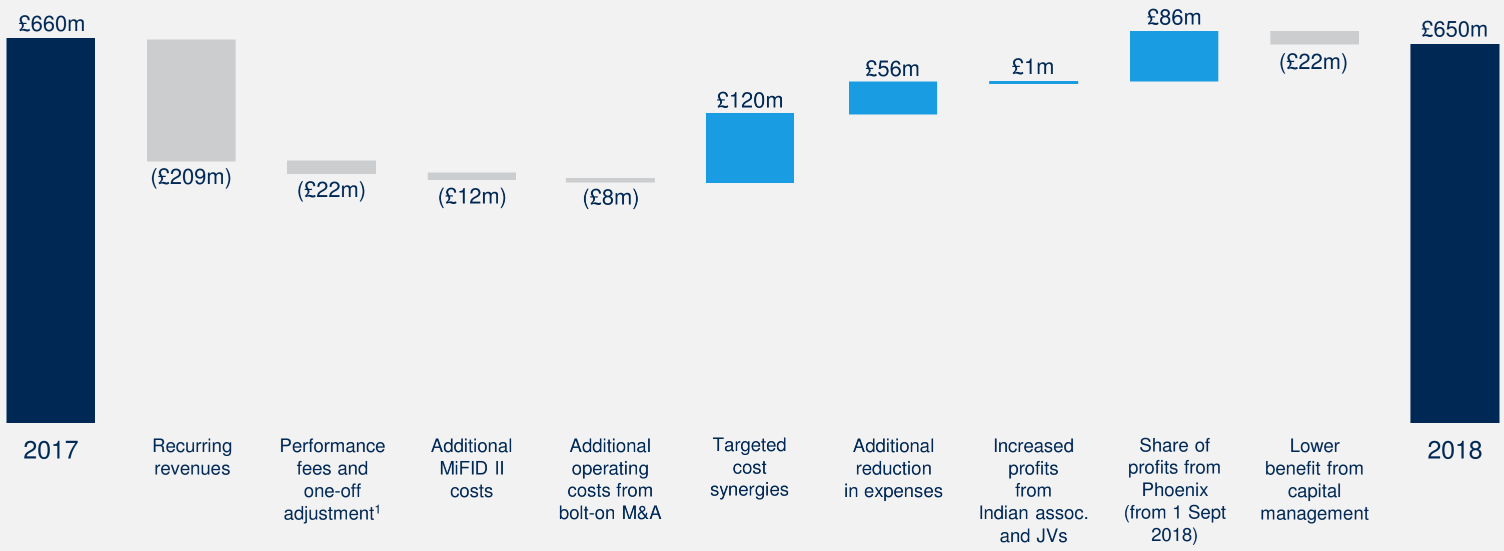
	Asset management and platforms		Insurance associates and joint ventures		Total continuing operations		Discontinued operations		Eliminations		Total	
	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**
	£m	**£m**	£m	**£m**	£m	**£m**	£m	**£m**	£m	**£m**	£m	**£m**
Adjusted operating income	2,099	1,868	-	-	2,099	1,868	965	591	(136)	(94)	2,928	2,365
Adjusted operating expenses	(1,551)	(1,395)	-	-	(1,551)	(1,395)	(579)	(376)	136	94	(1,994)	(1,677)
Adjusted operating profit	548	473	-	-	548	473	386	215	-	-	934	688
Capital management	13	(9)	-	-	13	(9)	(7)	(5)	-	-	6	(14)
Share of associates' and joint ventures' profit before tax	41	46	58	140	99	186	-	-	-	-	99	186
Adjusted profit before tax (pro forma basis for 2017[1])	**602**	**510**	**58**	**140**	**660**	**650**	**379**	**210**	**-**	**-**	**1,039**	**860**
Adjust for Aberdeen results pre-merger completion (pre-14 August 2017)	(185)	-	-	-	(185)	-	-	-	-	-	(185)	-
Adjusted profit before tax (reported basis[1])	**417**	**510**	**58**	**140**	**475**	**650**	**379**	**210**	**-**	**-**	**854**	**860**
Tax on adjusted profit	(77)	(95)	-	-	(77)	(95)	(31)	(77)	-	-	(108)	(172)
Share of associates' and joint ventures' tax expense	(29)	(17)	(12)	(26)	(41)	(43)	-	-	-	-	(41)	(43)
Adjusted profit after tax	311	398	46	114	357	512	348	133	-	-	705	645
Total adjusting items	(288)	(1,161)	292	(236)	4	(1,397)	(44)	1,519	-	-	(40)	122
Tax on adjusting items	49	54	-	1	49	55	(7)	41	-	-	42	96
Profit attributable to non-controlling interests (preference shares and perpetual notes)	(8)	(5)	-	-	(8)	(5)	-	(28)	-	-	(8)	(33)
Profit for the year attributable to equity holders of SLA plc	**64**	**(714)**	**338**	**(121)**	**402**	**(835)**	**297**	**1,665**	**-**	**-**	**699**	**830**

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.

Adjusted profit before tax

Benefiting from cost control, initial benefits of merger synergies and share of profits from Phoenix

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.

Assets, flows and fee revenue yield

	Gross inflows		Net flows		AUMA		Fee based revenue		Fee revenue yield[1]	
	2017	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**
	£bn	**£bn**	**£bn**	**£bn**	**£bn**	**£bn**	**£m**	**£m**	**bps**	**bps**
Equities	14.2	11.8	(10.2)	(17.6)	97.5	72.9	666	578	67.9	66.9
Fixed income	8.6	6.0	(3.1)	(2.8)	48.0	46.7	144	130	29.4	27.7
Multi-asset	13.9	9.3	(6.9)	(15.7)	72.4	53.9	432	350	57.7	53.6
Private markets	1.1	1.1	(0.3)	(1.3)	16.5	16.0	84	68	46.1[2]	43.1
Alternatives	0.8	0.8	(0.5)	(0.4)	8.0	12.3	12	18	16.9	17.4
Real estate	3.6	3.8	(1.0)	(0.2)	28.5	29.7	159	154	54.4	53.2
Quantitative	0.2	0.2	(0.5)	(0.1)	2.2	2.1	3	3	12.1	12.2
Cash/Liquidity	6.4	7.4	(1.7)	(1.3)	17.2	16.5	14	14	7.4	8.0
Asset management (excl. strategic insurance partners)	**48.8**	**40.4**	**(24.2)**	**(39.4)**	**290.3**	**250.1**	**1,514**	**1,315**	**50.9[2]**	**48.1**
Strategic insurance partners	**15.6**	**28.6**	**(15.2)**	**(5.5)**	**271.8**	**255.0**	**372**	**347**	**13.7**	**13.1**
Retail – Wrap and Elevate	**10.7**	**8.5**	**7.0**	**4.2**	**54.0**	**54.2**	**129**	**142**	**26.2**	**25.6**
Eliminations	(2.7)	(2.3)	(0.5)	(0.2)	(8.0)	(7.8)	N/A	N/A	N/A	N/A
Group	**72.4**	**75.2**	**(32.9)**	**(40.9)**	**608.1**	**551.5**	**2,015**	**1,804**	**33.0[2]**	**30.8**
SL Asia							**12**	**12**		
Retail advice and other[3]							**46**	**43**		
Performance fees							26	9		
Group fee based revenue							**2,099**	**1,868**		

All figures are stated on a continuing operations basis.
1. Calculated using fee based revenue and monthly average AUM/AUA. 2. Adjusted to exclude non-recurring impact of £7m deferred revenue. 3. Includes 1825, Focus and Threesixty.

Assets under management flows analysis

	Gross inflows		Redemptions		Net flows	
	2017 £bn	**2018 £bn**	**2017 £bn**	**2018 £bn**	**2017 £bn**	**2018 £bn**
Absolute return, EM, APAC and Global equities	17.6	12.1	(36.8)	(44.8)	(19.2)	(32.7)
Natural run-off from strategic insurance clients	15.6	28.6	(30.8)	(34.1)	(15.2)	(5.5)
	33.2	40.7	(67.6)	(78.9)	(34.4)	(38.2)
Cash/liquidity	6.4	7.4	(8.1)	(8.7)	(1.7)	(1.3)
Other capabilities	24.8	20.9	(28.1)	(26.3)	(3.3)	(5.4)
Assets under management flows	**64.4**	**69.0**	**(103.8)**	**(113.9)**	**(39.4)**	**(44.9)**

Flows by channel analysis

	Gross inflows		Redemptions		Net flows	
	2017	**2018**	**2017**	**2018**	**2017**	**2018**
	£bn	**£bn**	**£bn**	**£bn**	**£bn**	**£bn**
Institutional	24.3	19.3	(44.0)	(47.0)	(19.7)	(27.7)
Wholesale	22.1	18.4	(27.7)	(30.5)	(5.6)	(12.1)
Wealth/Digital	2.4	2.7	(1.3)	(2.3)	1.1	0.4
Asset management (excl. Strategic insurance partners)	48.8	40.4	(73.0)	(79.8)	(24.2)	(39.4)
Strategic insurance partners	15.6	28.6	(30.8)	(34.1)	(15.2)	(5.5)
Assets under management flows	**64.4**	**69.0**	**(103.8)**	**(113.9)**	**(39.4)**	**(44.9)**
Retail – Wrap and Elevate	**10.7**	**8.5**	**(3.7)**	**(4.3)**	**7.0**	**4.2**
Eliminations	(2.7)	(2.3)	2.2	2.1	(0.5)	(0.2)
Assets under management and administration flows	**72.4**	**75.2**	**(105.3)**	**(116.1)**	**(32.9)**	**(40.9)**
Net flows as a % of opening AUMA					***(5.4%)***	***(6.7%)***

All figures are stated on a continuing operations basis.

Quarterly net flows analysis

	Q4 2017 £bn	Q1 2018 £bn	Q2 2018 £bn	Q3 2018 £bn	Q4 2018 £bn
Equities	(3.5)	(3.7)	(3.9)	(4.3)	(5.7)
Fixed income	(0.5)	(1.2)	(0.9)	(0.3)	(0.4)
Multi-asset	(1.3)	(1.5)	(2.9)	(4.6)	(6.7)
Private markets	(0.1)	(0.5)	(0.2)	(0.9)	0.3
Alternatives	-	0.2	(0.4)	0.4	(0.6)
Real estate	(0.1)	(0.2)	-	0.2	(0.2)
Quantitative	-	-	-	(0.2)	0.1
Cash/Liquidity	(0.8)	0.2	1.4	(3.5)	0.6
Asset management (excl. strategic insurance partners)	**(6.3)**	**(6.7)**	**(6.9)**	**(13.2)**	**(12.6)**
Strategic insurance partners	**(3.5)**	**(2.5)**	**(3.1)**	**1.8**	**(1.7)**
Retail – Wrap and Elevate	**1.6**	**1.5**	**1.0**	**1.0**	**0.7**
Eliminations	(0.1)	(0.1)	(0.1)	(0.1)	0.1
Total net flows	**(8.3)**	**(7.8)**	**(9.1)**	**(10.5)**	**(13.5)**

All figures are stated on a continuing operations basis.

Detailed asset class analysis

	Opening AUM as at 1 Jan 2018 £bn	Gross inflows £bn	Redemptions £bn	Net flows £bn	Market and other movements £bn	Corporate actions £bn	Closing AUM as at 31 Dec 2018 £bn
Developed Markets equities	16.3	2.2	(3.6)	(1.4)	(2.0)	-	12.9
Emerging Markets equities	37.0	4.2	(13.4)	(9.2)	(2.8)	-	25.0
Asia Pacific equities	27.7	3.9	(6.8)	(2.9)	(2.3)	-	22.5
Global equities	16.5	1.5	(5.6)	(4.1)	(1.1)	1.2	12.5
Equities	**97.5**	**11.8**	**(29.4)**	**(17.6)**	**(8.2)**	**1.2**	**72.9**
Developed Markets credit	32.9	3.3	(5.6)	(2.3)	0.6	0.9	32.1
Developed Markets rates	5.7	0.8	(1.2)	(0.4)	(0.1)	-	5.2
Emerging Markets fixed income	9.4	1.9	(2.0)	(0.1)	0.1	-	9.4
Fixed income	**48.0**	**6.0**	**(8.8)**	**(2.8)**	**0.6**	**0.9**	**46.7**
Absolute return	39.8	2.5	(19.0)	(16.5)	(1.4)	-	21.9
Diversified growth/income	1.5	0.7	(0.3)	0.4	(0.2)	-	1.7
MyFolio	13.3	2.7	(1.5)	1.2	(0.6)	-	13.9
Other multi-asset	6.5	0.7	(1.9)	(1.2)	0.2	-	5.5
Parmenion	4.4	2.1	(1.0)	1.1	(0.3)	-	5.2
Aberdeen Standard Capital	6.9	0.6	(1.3)	(0.7)	(0.5)	-	5.7
Multi-asset	**72.4**	**9.3**	**(25.0)**	**(15.7)**	**(2.8)**	**-**	**53.9**
Private equity	12.4	0.9	(1.9)	(1.0)	0.9	-	12.3
Private credit and solutions	0.3	0.2	(0.2)	-	(0.3)	-	-
Infrastructure equity	3.8	-	(0.3)	(0.3)	0.2	-	3.7
Private markets	**16.5**	**1.1**	**(2.4)**	**(1.3)**	**0.8**	**-**	**16.0**
Alternatives	**8.0**	**0.8**	**(1.2)**	**(0.4)**	**2.6**	**2.1**	**12.3**
UK real estate	15.8	1.1	(2.3)	(1.2)	0.7	-	15.3
European real estate	11.1	2.3	(1.4)	0.9	0.2	-	12.2
Global real estate	0.1	0.2	(0.1)	0.1	-	0.6	0.8
Real estate multi-manager	1.5	0.2	(0.2)	-	(0.1)	-	1.4
Real estate	**28.5**	**3.8**	**(4.0)**	**(0.2)**	**0.8**	**0.6**	**29.7**
Quantitative	**2.2**	**0.2**	**(0.3)**	**(0.1)**	**-**	**-**	**2.1**
Cash/Liquidity	**17.2**	**7.4**	**(8.7)**	**(1.3)**	**0.6**	**-**	**16.5**
Asset Management (excl. strategic insurance partners)	**290.3**	**40.4**	**(79.8)**	**(39.4)**	**(5.6)**	**4.8**	**250.1**

Calculation of fee revenue yield

	Average AUMA		Fee based revenue		Fee revenue yield[1]	
	2017 £bn	2018 £bn	2017 £m	2018 £m	2017 bps	2018 bps
Equities	98.1	86.3	666	578	67.9	66.9
Fixed income	49.0	46.9	144	130	29.4	27.7
Multi-asset	74.7	65.4	432	350	57.7	53.6
Private markets	16.7	15.8	84	68	46.1[2]	43.1
Alternatives	7.1	10.5	12	18	16.9	17.4
Real estate	29.2	28.9	159	154	54.4	53.2
Quantitative	2.2	2.1	3	3	12.1	12.2
Cash/Liquidity	19.1	17.3	14	14	7.4	8.0
Asset management (excl. strategic insurance partners)	**296.1**	**273.2**	**1,514**	**1,315**	**50.9[2]**	**48.1**
Strategic insurance partners	**271.1**	**265.0**	**372**	**347**	**13.7**	**13.1**
Retail – Wrap and Elevate	**49.2**	**55.6**	**129**	**142**	**26.2**	**25.6**
Eliminations	(7.2)	(7.9)	N/A	N/A	N/A	N/A
Group fee revenue yield	**609.2**	**585.9**	**2,015**	**1,804**	**33.0[2]**	**30.8**
SL Asia			**12**	**12**		
Retail advice and other[3]			**46**	**43**		
Performance fees			26	9		
Group fee based revenue			**2,099**	**1,868**		

All figures are stated on a continuing operations basis.

1. Calculated using fee based revenue and monthly average AUM/AUA. 2. Adjusted to exclude non-recurring impact of £7m deferred revenue. 3. Includes 1825, Focus and Threesixty.

Signs of improvement in equity investment performance

Absolute return performance stabilising with stronger recent short-term momentum

Improving performance in Long Term Quality equities[1]

		H1 2018 ppts	FY 2018 ppts	
Asia Pacific	1 YR	- 1.28	+ 5.12	AUM £19.9bn
	3 YRS	+ 0.15	+ 1.40	
	5 YRS	- 1.46	+ 0.50	
Emerging Markets	1 YR	- 9.96	+ 0.45	AUM £24.8bn
	3 YRS	- 1.63	- 1.34	
	5 YRS	- 2.30	- 0.16	
Global	1 YR	- 5.16	- 1.17	AUM £8.8bn
	3 YRS	- 2.91	+ 0.30	
	5 YRS	- 4.38	- 2.72	

- Weaker EM performance in H1 offset by strong performance in H2 benefiting from our focus on Long Term Quality
- Flagship APAC ex Japan outperformed benchmark by >400bps during 2018

GARS performance improving after a difficult 2018

- Strong relative performance in volatile markets in H2 (Q4 in particular)
- Good initial momentum in 2019 up over 2%, with three year return now positive

1. Arithmetic relative performance GBP % annualised.

Standard Life Aberdeen

Insurance associates and joint ventures

Share of insurance associates and JVs adjusted profit before tax

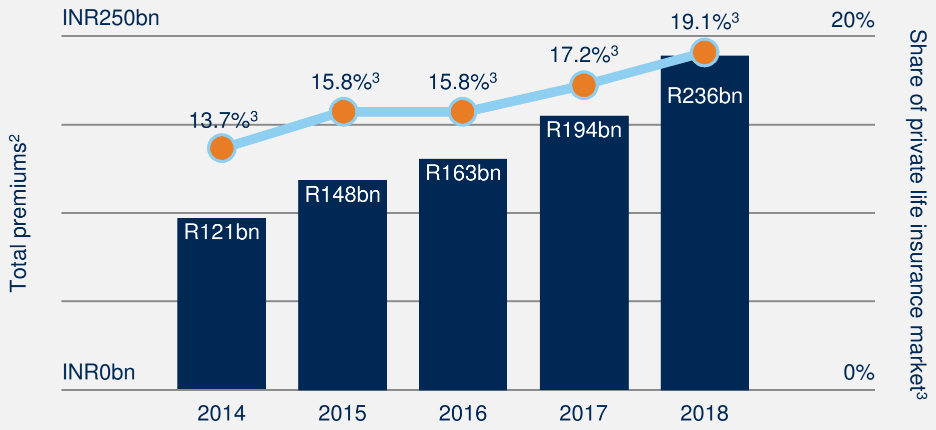
	2017 £m	2018 £m
HDFC Life	48	42
Heng An SL	10	12
Phoenix Group (from 1 September 2018)	-	86
Adjusted profit before tax	**58**	**140**

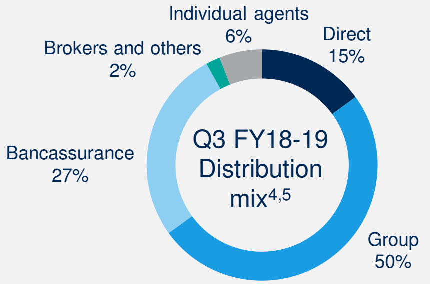
- Lower profit from HDFC Life reflects reduced stake following IPO in November 2017 and movements in FX
- Growth in sales and premium income in our joint venture in China driving profit
- Phoenix Group reflects four months share of profits from 19.98% stake acquired on 31 August 2018

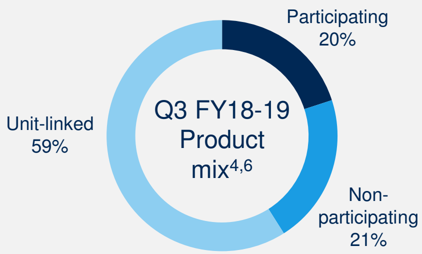
HDFC Life – a leading private Indian life insurer

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

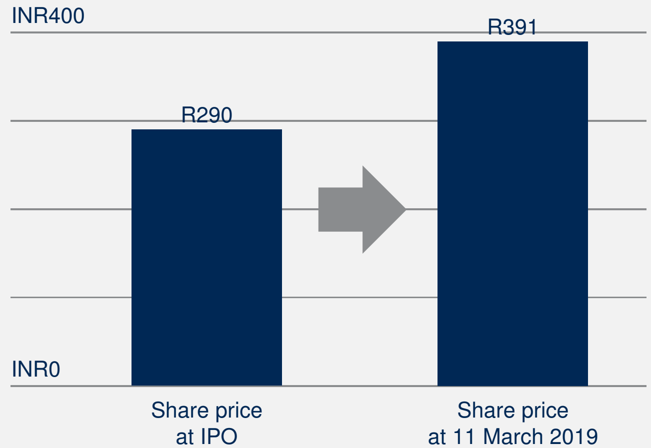
Consistently ranked in top 3 private life insurers in India[2]







35% increase in share price since IPO in November 2017



HDFC Life market cap[7]:
£8.5bn / 788Rs bn

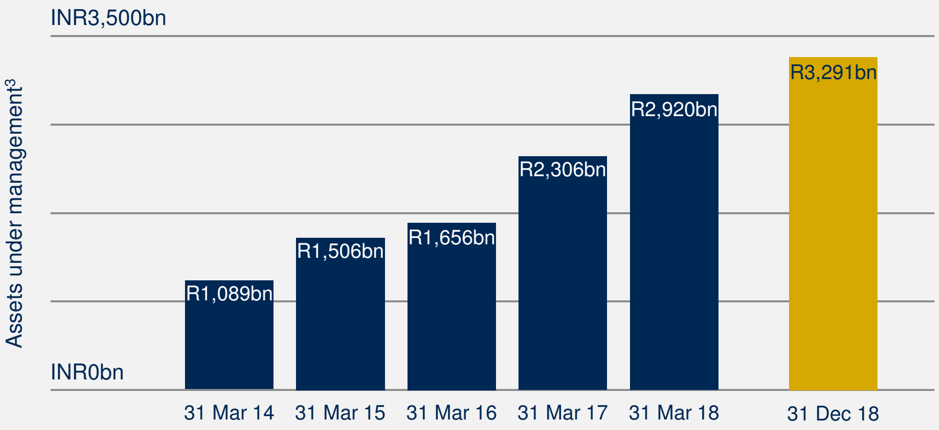
- Stake of 29.2% as at 11 March 2019 of which:
  - 9ppt locked up until March 2021
  - Up to 4.93% offered for sale on 11 March 2019[8]

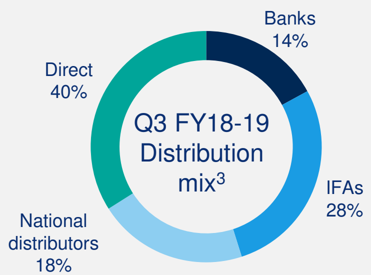
1. HDFC Bank, source: WPP, Kantar Millward Brown, 2018. 2. Source: HDFC Life annual reports, for 12 months ending 31 March. 3. HDFC Life market share sourced from IRDAI. Measured as share of private market overall new business for years ended 31 March 2014-2018. 4. Source: HDFC Life Q3 FY18-19 financial results. 5. Based on total New Business Premiums. 6. Based on individual Annual Premium Equivalent. 7. As at 11 March 2019 using data from the National Stock Exchange of India and an exchange rate of R93.0070/£1. 8. At a floor price of R357.5 per share.

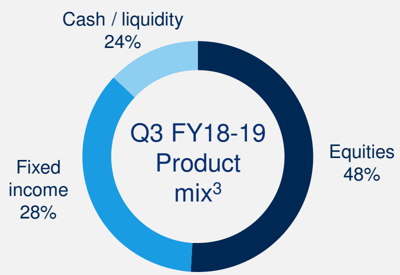
HDFC AMC – India's leading asset manager

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

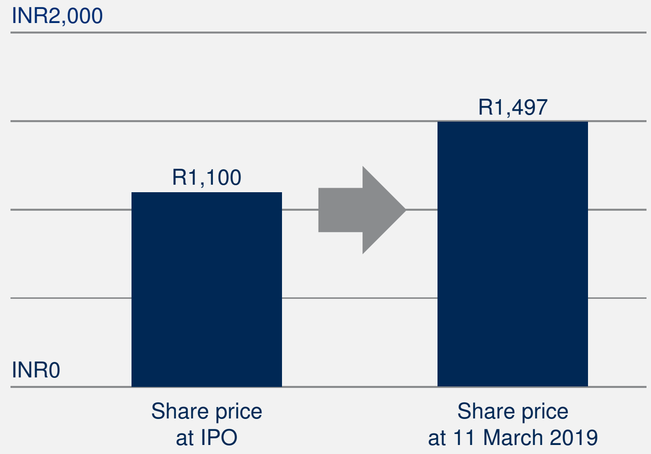
AUM of £37.0bn with CAGR of 26% over the last 5 years[2]







Successful IPO of HDFC AMC completed in August 2018



HDFC AMC market cap[4]: £3.4bn / 318Rs bn

- Remaining stake of 29.9% will be reduced to 24.99% by August 2021 to create necessary free float:
  - 29.9% locked up until August 2019
  - Of which 7.2ppt[5] locked up until August 2021

1. HDFC Bank, source: WPP, Kantar Millward Brown, 2018. 2. In constant currency. 3. Data source: HDFC AMC financial results. 4. As at 11 March 2019 using data from the National Stock Exchange of India and an exchange rate of R93.0070/£1. 5. On a fully diluted basis.

Standard Life Aberdeen