Standard Life

Preliminary Results 2008

12 March 2009

Disclaimer

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”, “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.

What we will be covering

Group Overview

Sir Sandy Crombie

Financial Highlights

David Nish

Delivering value from an asset managing business

Sir Sandy Crombie

Questions

Sir Sandy Crombie, David Nish and Keith Skeoch

Group Overview

Sir Sandy Crombie

A distinctive approach to delivering value

STANDARD LIFE

An asset managing business building valuable customer relationships with leading service and compelling propositions

- Creating capital efficient innovative products
- Opening new routes to markets
- Leveraging investment management expertise and performance
- Driving further operational excellence

Delivering shareholder value

Standard Life – strategy delivered

- Shareholder risks reduced or hedged
- FGD surplus relatively robust to equity markets
- New money flows resilient through the cycle
- Growth driven by consolidating assets more than discretionary retail flows
- Payback periods short with good IRRs -
  a ‘capital lite’ business model
- Delivers strong capital and cash flow generation
- An ongoing focus on efficiency

Financial Highlights

David Nish

Financial highlights

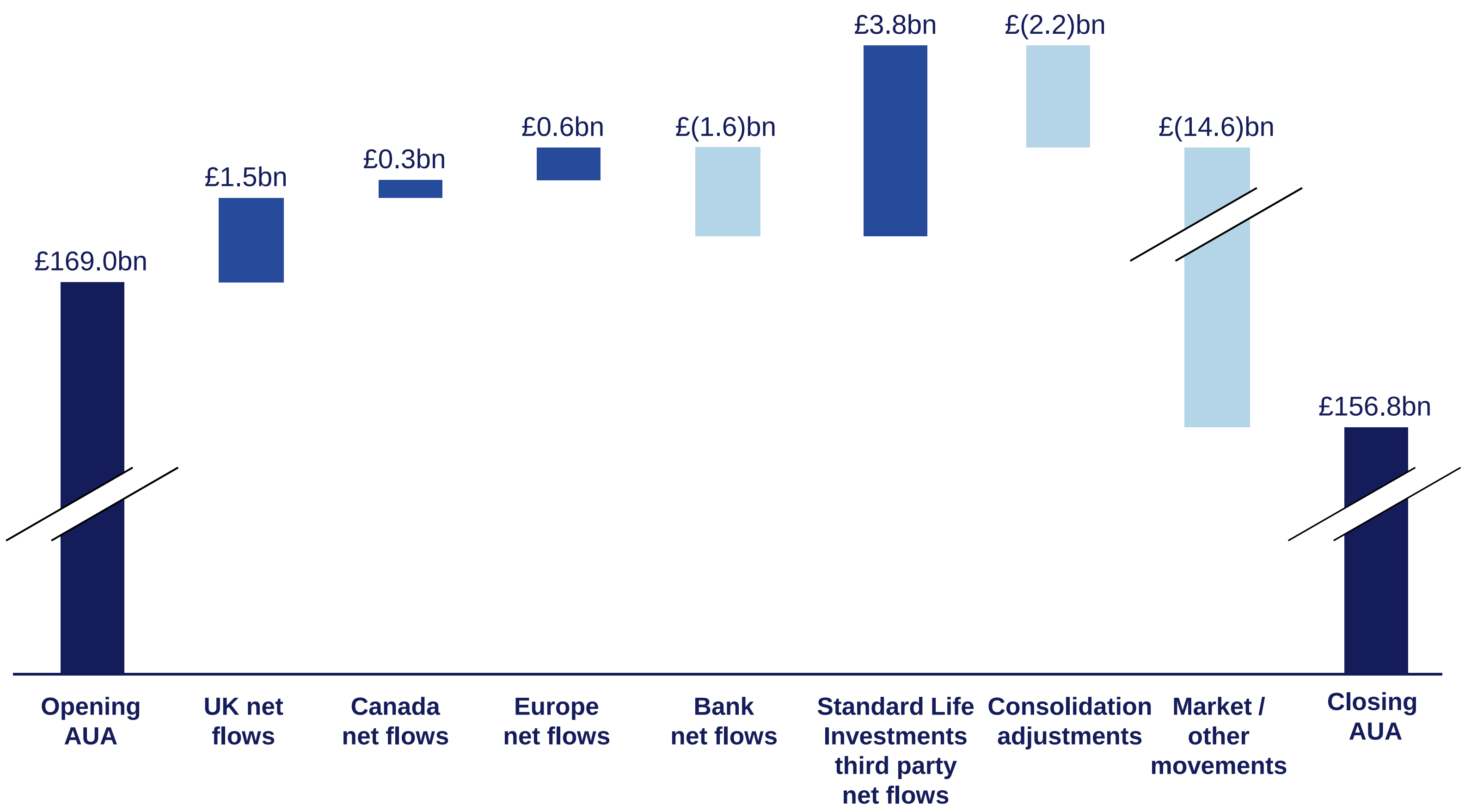
STANDARD LIFE

	2008	2007
Assets under administration	£156.8bn	£169.0bn
Life and pensions net flows[1]	£2.4bn	£2.8bn
Asset management third party net flows[2]	£3.8bn	£5.3bn
New business IRR	16%	19%
Embedded value operating profit before tax	£933m	£881m
Return on embedded value (RoEV)	10.9%	11.5%
IFRS underlying profit before tax	£154m	£714m
EEV Core capital and cash generation	£303m	£334m
Embedded value per share	286p	285p
FGD surplus	£3.5bn	£3.6bn
Dividend per share	11.77p	11.50p

1) Excludes Asia Pacific
2) Excludes net flows in respect of money market funds

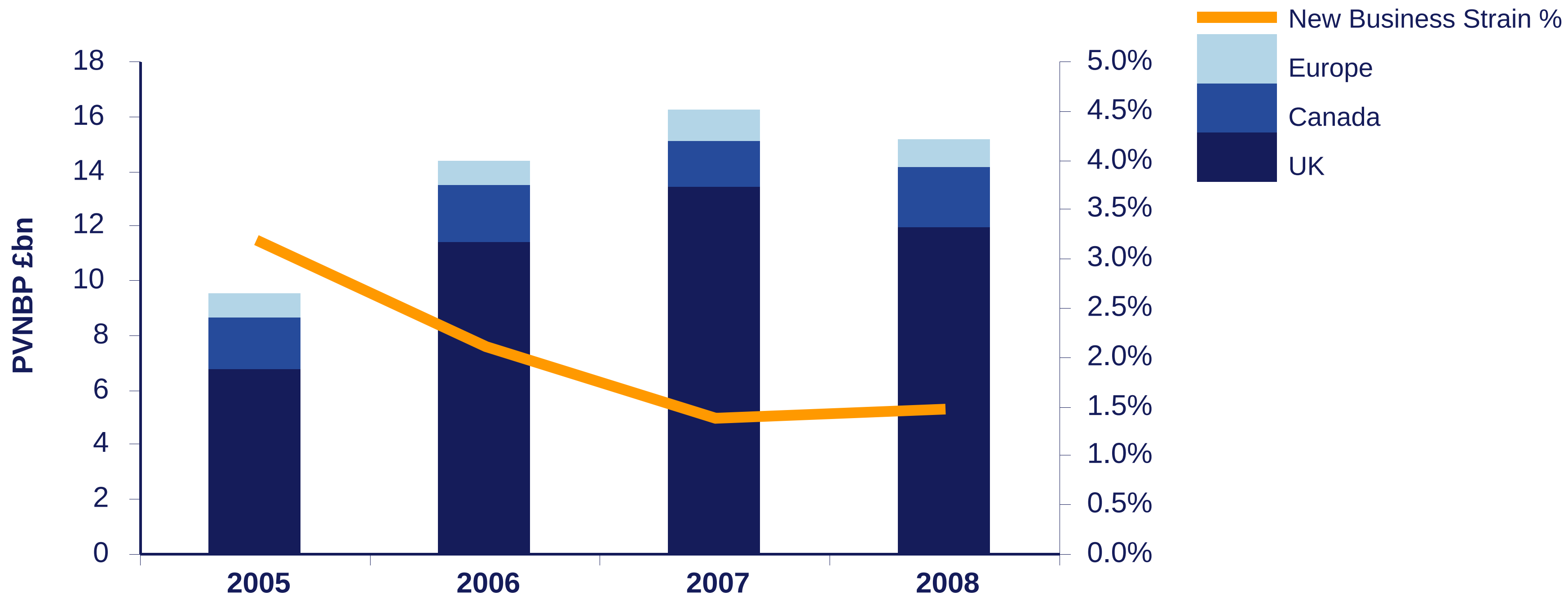
A solid performance in difficult market conditions

Movement in assets under administration



Resilient net inflows in difficult markets

Delivering a ‘capital lite’ strategy



NBS is calculated on a post tax basis. New business strain margin for 2005, 2006 and 2007 have not been restated to include mutual fund sales as covered business. 2005 and 2006 NBS is shown on a pro forma basis.

A robust model in difficult market conditions

Growing returns – capital lite products

STANDARD LIFE

	2008				2007
	IRR %	Discounted Payback years	PVNBP margin %	NBC £m	NBC £m
Individual pensions	16%	8	1.3%	56	123
Group pensions	13%	12	2.1%	55	60
Institutional pensions	>40%	<3	1.1%	20	17
Savings and investments	8%	24	0.2%	6	34
Annuities	Infinite	Immediate	15.8%	74	54
Protection	Discontinued	Discontinued	Discontinued	1	(6)
UK covered business total	**18%**	**8**	**1.8%**	**212**	**282**
Canada	17%	8	1.5%	34	37
Europe	11%	13	1.8%	18	26
Covered business total	**16%**	**8**	**1.7%**	**264**	**345**

Strength of IRR demonstrates benefit of capital lite approach

Back book management

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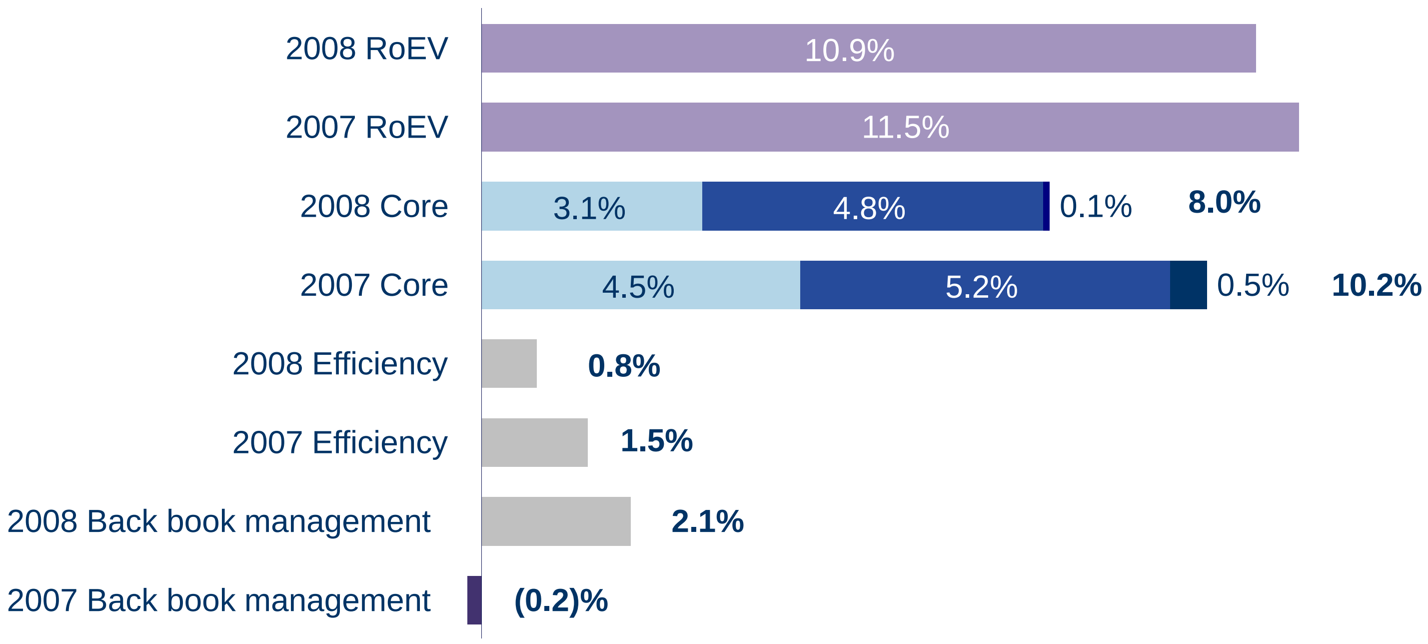
	UK £m	Canada £m	Europe £m	HWPF TVOG £m	FY 2008 Total £m	FY 2007 Total £m
Lapses	(17)	(25)	3	-	(39)	(249)
Mortality and morbidity	49	4	2	-	55	(95)
Tax	38	38	-	-	76	56
Deferred Annuities	96	-	-	-	96	191
UK annuity reassurance	96	-	12	11	119	-
Pension Sterling Fund	(108)	-	-	-	(108)	-
Other	(32) [1]	21	(4)	-	(15)	78
Total	**122**	**38**	**13**	**11**	**184**	**(19)**

1) UK includes non covered of (£5m)

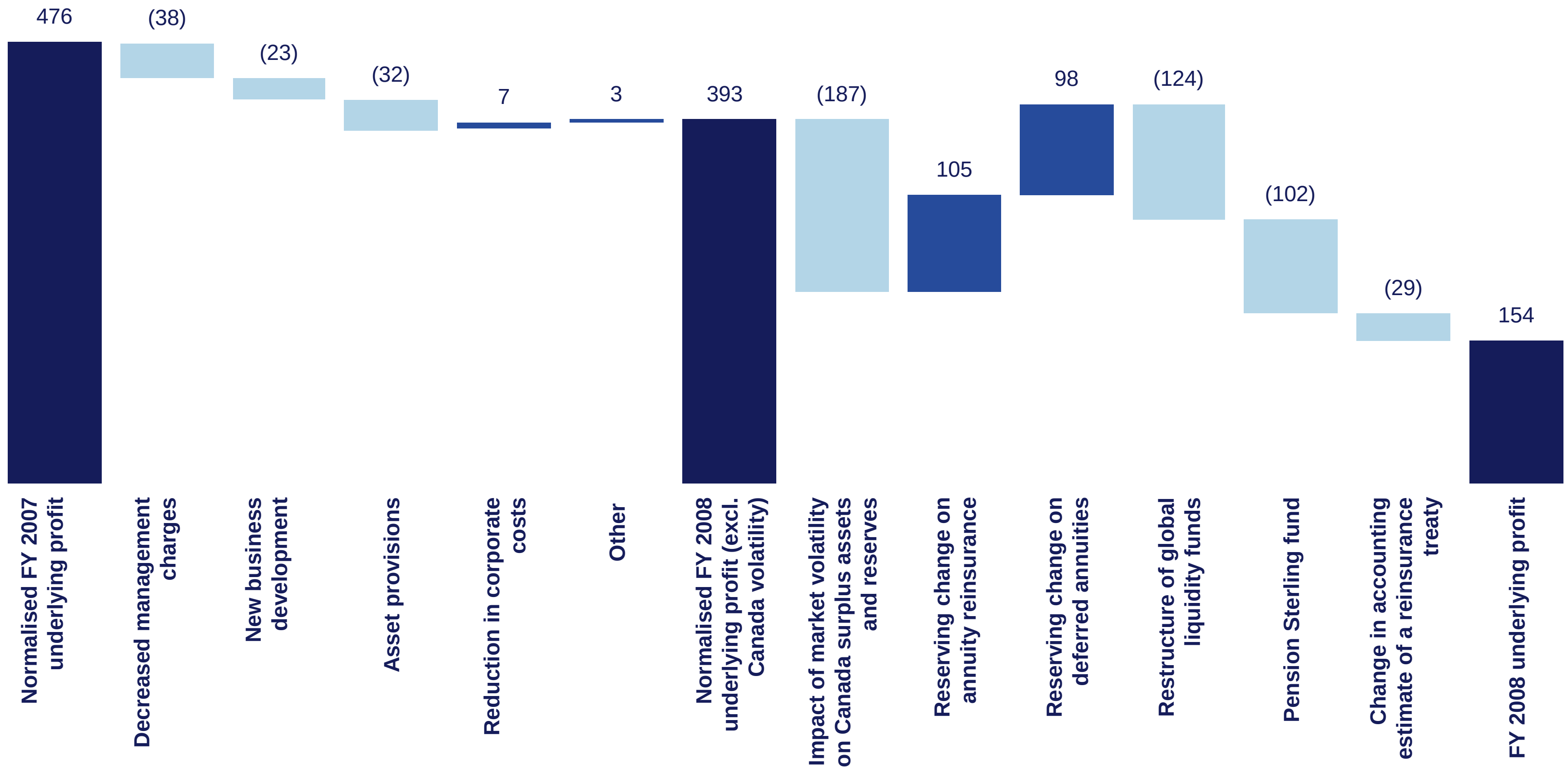
Value driven from our active back book management

Return on embedded value (RoEV)



RoEV resilient in challenging markets

IFRS underlying profits



IFRS profits impacted by significant market volatility

Capital and cash generation

	FY 2008 £m	FY 2007 £m
New business strain	(224)	(225)
Capital and cash generation from existing business	546	549
Covered business capital and cash generation from new business and expected return	**322**	**324**
Covered business development expenses	(27)	(16)
Investments, banking and healthcare	58	65
Group Corporate Centre costs	(36)	(40)
Investment income and other non-life entities	(14)	1
Core	**303**	**334**
Efficiency	**7**	**20**
Back book management	**113**	**209**
Operating profit capital and cash generation	**423**	**563**
Non-operating items	**(87)**	**37**
Total capital and cash generation	**336**	**600**

All figures are post-tax

Strong coverage of new business strain maintained

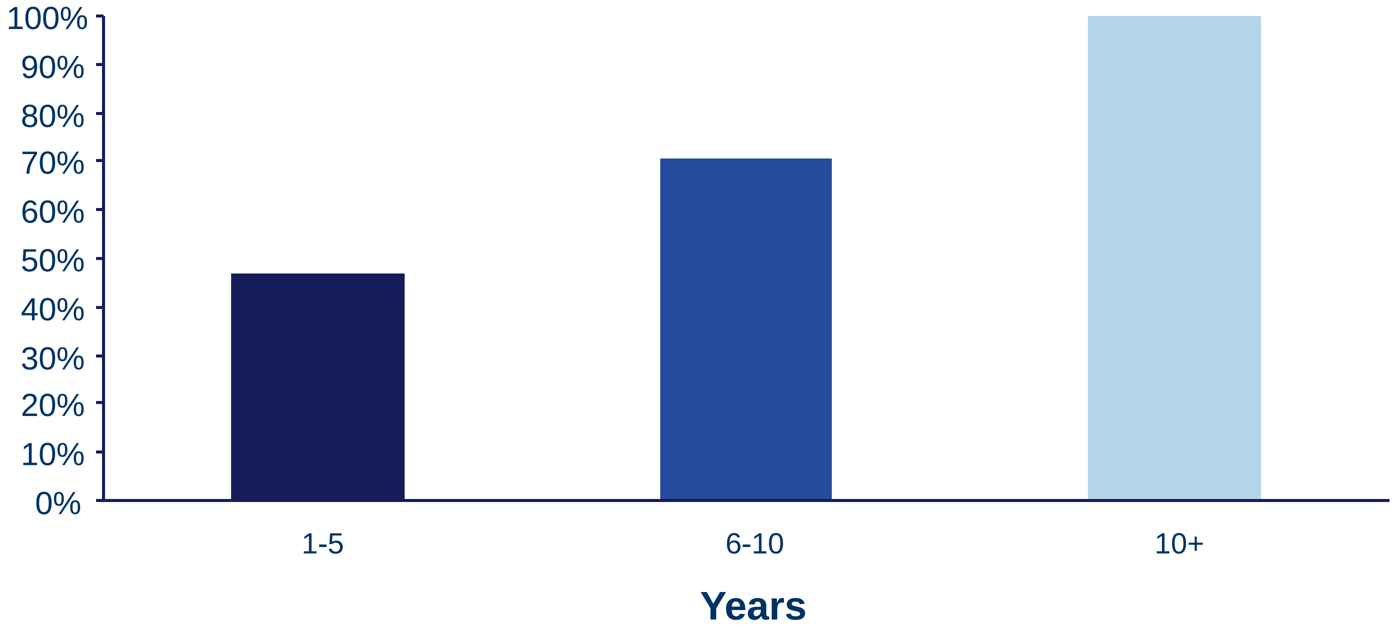
Capital and cash generation

	Free Surplus £m	Required Capital £m	Net Worth £m	PVIF £m	Group EEV £m
31 December 2007	**2,204**	**680**	**2,884**	**3,327**	**6,211**
Adjustment to opening EEV	-	-	-	32	32
Operating capital and cash generation	**377**	**46**	**423**	**-**	**423**
Non operating capital and cash generation	(131)	44	(87)	-	(87)
PVIF income statement movement	-	-	-	(470)	(470)
Profit after tax	**246**	**90**	**336**	**(470)**	**(134)**
Dividends	(257)	-	(257)	-	(257)
Other non-trading movements	155	74	229	164	393
31 December 2008	**2,348**	**844**	**3,192**	**3,053**	**6,245**

A resilient balance sheet

Maturity profile of PVIF

Cumulative proportion of existing business PVIF converting into cash



Half of PVIF converts to cash within the next 5 years

Analysis of EEV balance sheet

		£m	%
Net Worth	Covered Business Net Worth	2,079	
	Non-covered Business Net Assets	1,035	
	Intangibles	78	
	Total	3,192	51%
VIF	Savings Business PVIF[1]	3,045	
	UK & Europe Annuity PVIF[2]	209	
	Canada Annuity PVIF[3]	347	
	TVOG	(257)	
	Cost of Capital	(292)	
	Total VIF	3,053	49%
Total EEV		6,245	100%

1) Includes a small amount of Protection business.
2) Includes £5m for Europe, £204m for UK.
3) Canada Annuity PVIF represents immediate annuities, fixed annuities and other related business.

Market Consistent Embedded Value (MCEV)

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	EEV Approach	MCEV Requirement	Impact on moving to MCEV
Corporate Centre Costs	Head office costs not capitalised	Need to allocate covered business appropriately	Will reduce starting MCEV due to capitalisation of part of Head Office Costs. Should already be allowed for in analysts' cash flow projections. Capitalisation will improve future RoEV.
Non Hedgeable Risks	Around £350m deduction for non market risk – in addition to £292m of Cost of Capital	Being reviewed by CFO Forum	Current EEV non market risk allowance broadly equivalent to around 2% to 3% of NHR capital for MCEV – likely to require no significant changes for MCEV.
Liquidity Premium	Annuity PVIF of £556m (UK & Europe £209m, Canada £347m) includes liquidity premiums	Being reviewed by CFO Forum. Original guidance allowed no liquidity premium – momentum for change, but size of permitted liquidity premium unknown at present.	Will reduce starting MCEV and future annuity NBC – reduction depends on liquidity premium recommended by CFO Forum.

- Review of MCEV Principles[1] is currently being undertaken by CFO Forum
- Standard Life await further CFO Guidance before finalising our approach to MCEV

1) European Insurance CFO Forum Market Consistent Embedded Value Principles. Copyright © Stichting CFO Forum Foundation 2008.

Asset exposures

As at 31 December 2008	Shareholder		Policyholder Participating	Policyholder Unit Linked	Minority Interests	Total
	£m	%	£m	£m	£m	£m
Investment property	856	*3*	3,344	3,186	352	7,738
Equity securities	413	*2*	7,806	30,452	1,078	39,749
Debt securities	8,272	*31*	28,880	13,442	373	50,967
Loans and receivables	11,670	*44*	250	149	-	12,069
Other financial assets[1]	1,981	*7*	7,919	842	86	10,828
Cash and cash equivalents	3,518	*13*	3,173	3,221	140	10,052
Total	**26,710**	***100***	**51,372**	**51,292**	**2,029**	**131,403**

- Loans and receivables principally relate to Standard Life Bank
- Canadian non-segregated funds – account for the majority of shareholder exposures to investment property, equity securities and debt securities
- Shareholder exposure to debt securities ex Canadian non-segregated funds – £2.9bn principally used to back annuity and reinsurance liabilities (£1.5bn), subordinated debt (£0.5bn) and stock lending programme (£0.4bn)

1) Other financial assets include reinsurance assets and derivative financial assets

Low shareholder exposure to equities and property

Credit risk allowance for corporate bonds

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UK and Europe annuities

- £1.5bn of bonds, comprising £0.8bn of government and government backed bonds and corporate bonds of £0.7bn used to back £1.5bn of annuity liabilities
- Weighted average default assumption into perpetuity for corporate bonds increased to 87bps (an increase of 50bps)
- Default deduction for corporate bonds equivalent to 160bps for 4 years and 50bps thereafter
- Impact on IFRS Profit and FGD surplus of the additional 50bp allowance - approx. £20m reduction (pre tax)
- Total default provision of £40m (2007: £20m)

Canada

- Total bond holdings of £5.4bn, comprising £3.2bn of government bonds (Federal, Provincial and Municipal) and £2.2bn of corporate bonds
- Default assumption for corporate bonds into perpetuity maintained at 36bps, average quality of portfolio increased from A to A+, no defaults experienced in 2008
- Total provision for corporate bond defaults of £90m (2007: £71m)

Standard Life Bank

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- Standard Life Bank generated net retail inflows of £2.0bn (2007: net outflow £0.5bn):
  - Mortgages under management £9.7bn (31 December 2007: £11.3bn)
  - Savings balances £5.0bn (31 December 2007: £4.6bn)
- Asset quality remains good with an arrears rate of 0.40%, which is less than a fifth of the Council of Mortgage Lenders industry average of 2.09% reported at Q4 2008
- The liquidity and funding position remains robust:
  - No maturities from our Lothian securitisation programme until 2011
  - £0.5bn 2-year AAA rated guaranteed bond successfully issued in February 2009
  - Net intercompany funding currently £0.1bn
  - Reliance on unsecured wholesale funding significantly reduced
  - No usage of £0.6bn committed facilities

A high quality mortgage book with diverse sources of funding

Credit exposures

As at 31 December 2008	Shareholder £m	Policyholder Unit linked £m	Policyholder Participating £m	Third Party £m	Total £m
US sub-prime RMBS	-	-	-	-	-
US Alt-A	-	-	-	-	-
CDO/CSO/CLO[1]	-	-	6	-	6
Wrapped credit	47	49	204	83	383
Direct monoline	-	-	-	-	-
SIVs[2]	36	-	-	-	36
Total	**83**	**49**	**210**	**83**	**425**
% Asset backed securities	**1.6%**	**0.9%**	**4.0%**	**1.6%**	**8.1%**
% Total assets under administration	**0.05%**	**0.03%**	**0.14%**	**0.05%**	**0.27%**

- No direct exposure to US sub-prime mortgages
- No direct exposure to monolines
- Minimal direct exposure to CDOs / CSOs of £6m (rated AAA)

1) Entire exposure to AAA rated CSO underlying collateral investment grade corporate exposure
2) Post year end exposure to SIVs has fallen to £6m (Whistlejacket) following maturity of K2 and LINKS.

Heritage With Profits Fund (HWPF) - Estate

Movement during 2008

- HWPF Estate of £0.5bn at December 2008 (2007: £1.5bn)
- £0.7bn reduction due to the transfer of corporate bonds from backing annuities into asset shares and further spread widening
- Value of guarantees in Estate assumes no liquidity premium – potentially significant upside
- Hedging effective – severe equity market falls in 2008 have reduced the Estate by only £50m

Sensitivities and current position

- Estimated HWPF Estate of c£0.3bn in current conditions
- A further 20% fall in equities combined with a further 50bp increase in corporate bond spreads from current levels results in an estimated Estate in excess of £100m
- Capital Support Mechanism means if there were a shortfall, furthest out years encumbered first, e.g. a £100m shortfall would not encumber transfers for approximately twenty years
- Transfers from the fund also require consideration of the regulatory peak surplus of the fund

Estate and hedge have been effective at absorbing market falls to date

HWPF Time Value of Options and Guarantees (TVOG)

- The TVOG measures the risk to the transfers from the HWPF to shareholders fully reflecting the current size of the Estate and the risk of potential future shortfalls
- TVOG of £220m at end of 2008 fully reflects market conditions at that date
- Estimated TVOG of £250m in current market conditions
- A further 20% fall in equities from current levels combined with a further 50bps increase in corporate bond spreads results in an estimated HWPF TVOG of c£290m

Structure and relative insensitivity of fund limit shareholder exposure – risk fully allowed for in TVOG

Current FGD surplus broadly unchanged from year end

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FGD Surplus after allowing for the final dividend

31 December 2007	31 December 2008	Est'd Current Position
£3.4bn	£3.3bn	£3.2bn

Sensitivity to equity market falls[1]

Fall in equities	FGD Surplus after final dividend
20% (FTSE 3500)	£3.2bn
30% (FTSE 3100)	£3.1bn
40% (FTSE 2650)	£2.7bn

Sensitivity to yields[1]

150bps rise in yields (e.g. 3.75% to 5.25%)	£2.5bn

- Since 31 Dec 2008: equities down approx. 20%, property down 10%, spreads widened c50bps
- Impact principally retained within HWPF
- **Further stresses from current position similar to those experienced since the year end would leave us with an estimated surplus in excess of £2bn (after payment of final dividend)**

1) Compared to 31 December 2008

Capital position - resilient to market stresses

Growing the dividend

- Final dividend of 7.70p
- Total dividend for the year of 11.77p
- Growth in full year dividend of 2.3%
- Dividend well covered by core capital and cash generation
- Proposed replacement of DRIP with Scrip
- We will continue to apply our existing progressive dividend policy taking account of market conditions and our financial performance

The final dividend reflects the solid progress made during 2008

Financial summary

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- Good net flows across the Group
- ‘Capital lite’ and cash generative with good IRRs
- Increased embedded value operating profit benefiting from our active back book management
- Low shareholder asset exposures with conservative default assumptions
- IFRS profits impacted by significant market volatility
- Balance sheet and capital position resilient
- Dividend growth of 2.3% to 11.77p

A robust performance in challenging market conditions

Delivering value from an asset managing business

Sir Sandy Crombie

Our transition to a 'capital lite' business model

Capital Heavy
Cash Consuming

Capital Lite
Cash Consuming

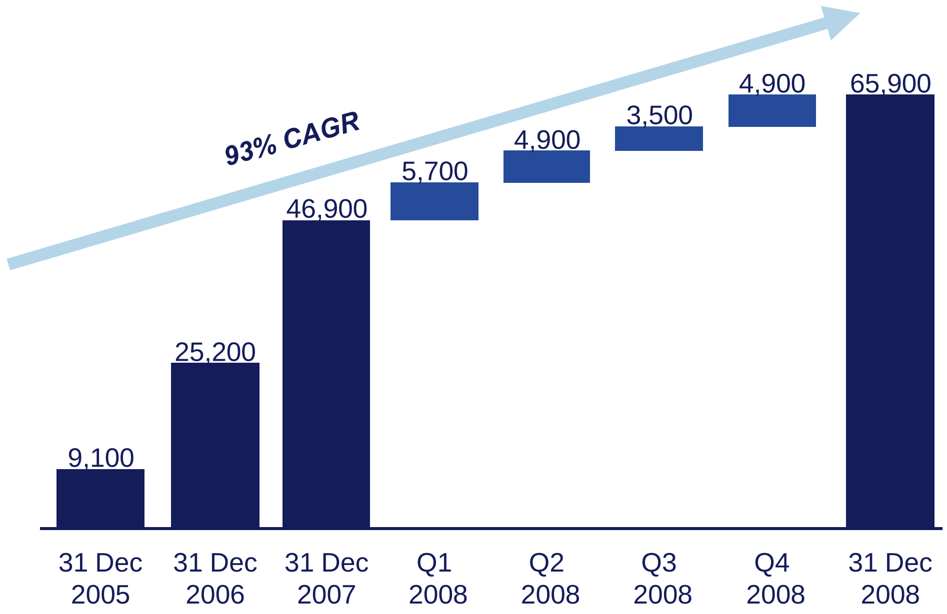
Capital Lite
Cash Funded

Capital Lite
Cash Generating

UK SIPP leadership

- Net flows into SIPP of £2.5bn dominated by pension consolidation
- SIPP FUA increased by 13% to £8.7bn during 2008 despite impact of reduced asset values

Individual SIPP customer numbers



Customer run rate demonstrates resilience of consolidation focus

SIPP - enhancing the proposition

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A programme of enhancements in 2008 to build further on our market leading proposition:

Protected Rights	• Ability to accept protected rights monies since 1 October 2008 • Business volumes in line with expectations • 49% of new customers have invested Protected Rights in their SIPP • Existing customers will consider consolidation at reviews
Reduced Risk Appetite	• Collaboration with SLB to provide customers with cash solutions • Differentiates SIPP from traditional personal pensions which cannot offer direct cash investment
E-commerce	• Launch of online quotes, new business and trading has increased efficiencies • Advisers use online trading for 43% of all trades • Online access and straight through processing essential in volatile markets
Fund Platform	• Leveraged our in-house FundZone platform to compete in the fund platform SIPP market • In-house platform maximises revenues to the group

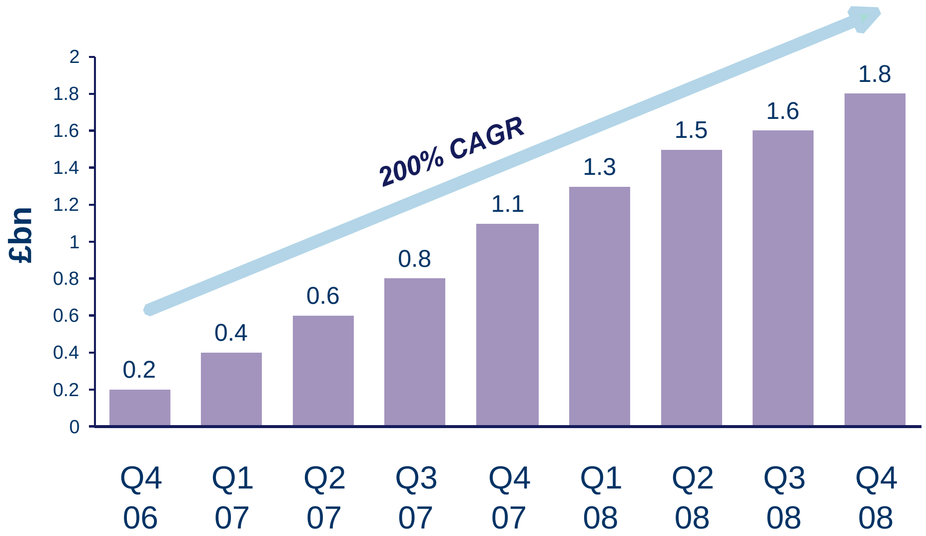
We remain confident that the SIPP market will reach £100bn in 2011

Attractive opportunities in a fast growing market

UK Wrap leadership

- Continued controlled roll out to advisers and strategic deals with major distribution groups
- The only platform rated ‘eee’ by FTRC/Money Marketing - 3 years in a row
- Number of committed adviser firms doubled in 2008
- Significant releases of new functionality – Protected Rights, Trusts
- Business Development Programme helping advisers to modernise their business and accelerate asset gathering onto platform
- Currently estimated to be £2.2 trillion of wrappable assets in the UK

Wrap funds under administration



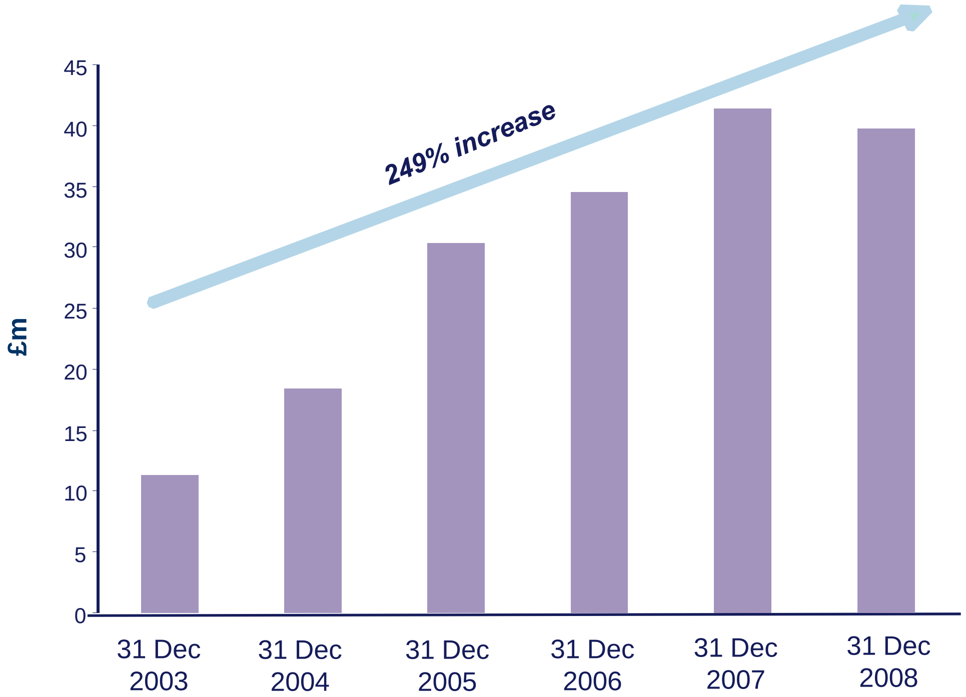
2009 will see emphasis on driving more value from existing relationships

UK Corporate Pensions leadership

- Market-leading proposition
- Net inflows during 2008 of £1.5bn (2007: £1.2bn)
- Efficiency through scalability
  - £13.8bn FUM at December 2008
- The corporate arena shows a continued trend towards:
  - DB to DC shift - £800bn[1] in the UK
  - Unbundled to bundled - £100bn[2] potential
  - Market consolidation - “Flight to quality”
  - Further development of our contract & trust-based propositions

Source:
1) “The Purple Book”
2) Troika market research

FUM per customer facing staff member



We believe we have the best Defined Contribution pension proposition in the UK

UK Corporate Pensions - enhancing the proposition

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Market Leading Position

- Highly regarded by independent research (Greenwich)
- 'Best Group Pension Provider' – Corporate Adviser Awards 2009
- Growth in FTSE 100 relationships (over 50)

Distribution Strategy

- Specialist support to top segment of Consultants (approx 25 firms)
- Acquisition of Vebnet
- Increasing Direct influence

Proposition Development

- New trust based product
- Employee Wealth Plan
- Communication & Education

Well placed to capture growth in the UK Corporate Pensions market

Canada – institutional franchise driving strong new business metrics

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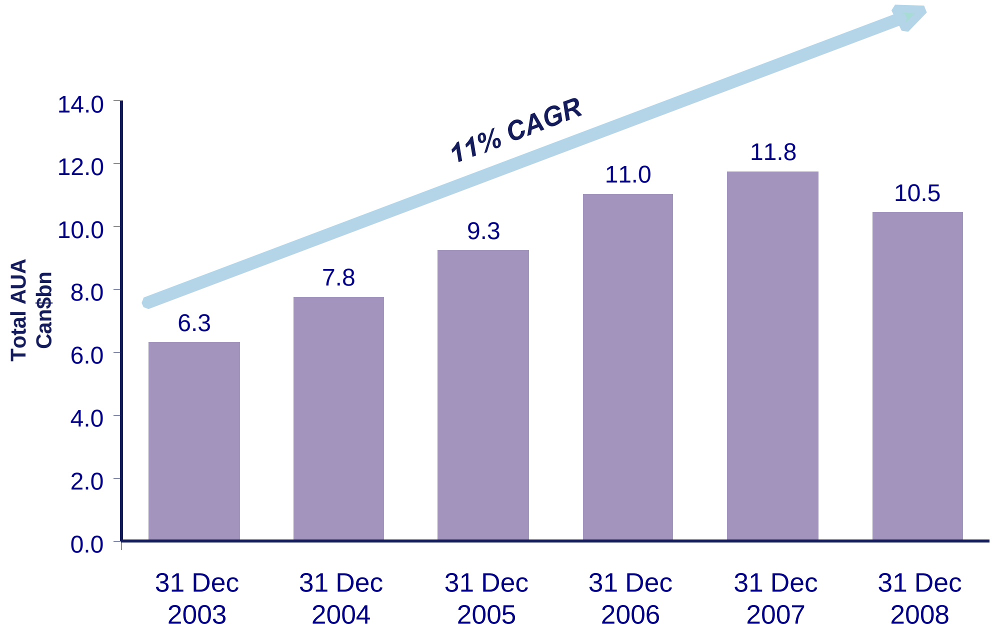
- 23% increase in sales[1,2]
- Significant increase in net inflows
- Embedded value operating profit up 10%[2]
- IRR of 17%
- Leveraging leading DC offering to secure a large DB administration mandate from existing client
- Continued excellence in disability and absence management

Canada Corporate Pensions assets under administration



1) Sales on a PVNBP basis and reflecting closing operating assumptions
2) Constant currency

A strong pension franchise

Asia-Pacific - potential from growing markets

India - HDFC SL

- Driving growth in a challenging market through increase in financial consultants to 202,000 (FY 2007: 132,000)
- Good growth in customer numbers
- Launch of first healthcare products in 2008 and further health products are being introduced

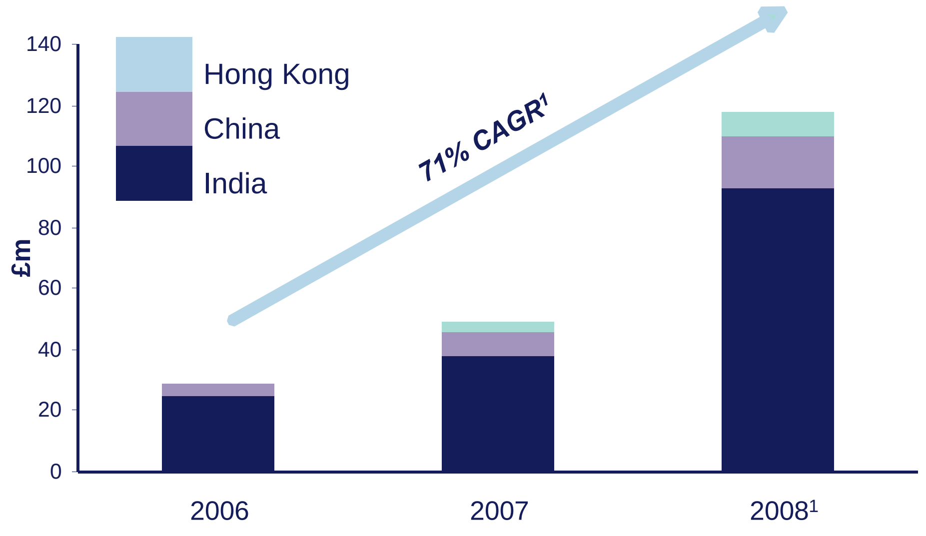
China - HASL

- Continuing to expand into new cities
- Achieved solid growth whilst captured market share in the foreign companies market
- Strong growth in the broker and group pensions channels in 2008

Hong Kong - SL Asia

- Increased market share through building strong relationships with brokers in 2008

Asia-Pacific - APE



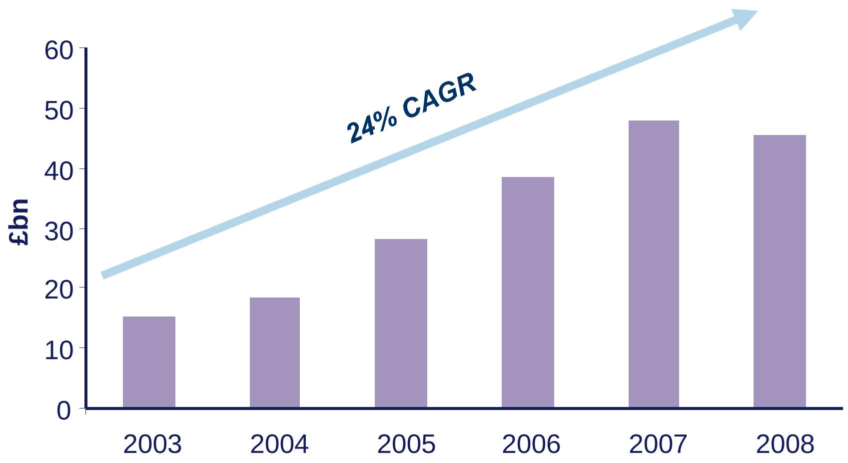
1) India new business based on current shareholding of 26%

Good growth potential

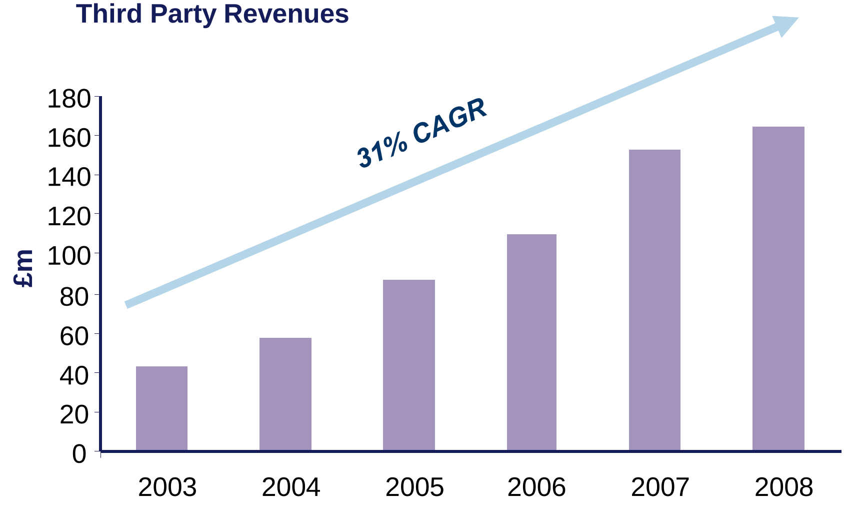
Standard Life Investments - strong revenue growth

STANDARD LIFE

Third Party assets under management



Third Party Revenues



- Third Party mandates have increased to 37% of total assets under management at 31 Dec 2008 (18% as at 31 December 2003)
- 2008 net new monies of £4.7bn (excluding money market funds and including Third Party Insurance contracts) offset by adverse market movements

- Third Party revenues have increased to 61% of total revenues (35% for 2003)

Strong growth in third party assets and revenues

Standard Life Investments - a resilient asset management business

Institutional business

- Increasing popularity of fixed income and absolute return products
- Standard Life Investments well positioned due to breadth of offering and skills:
  - Fixed Income expertise
  - Global Absolute Return Strategies (GARS)
- Strong pipeline

Retail business

- 2009 expected to be a challenging year for the industry
- Our range of cash, bond, cautious managed and GARS products well suited to current period of market volatility
- Strong product development pipeline

Split of total Third Party FUM

Mix of business resilient to volatile markets

Investing for future growth

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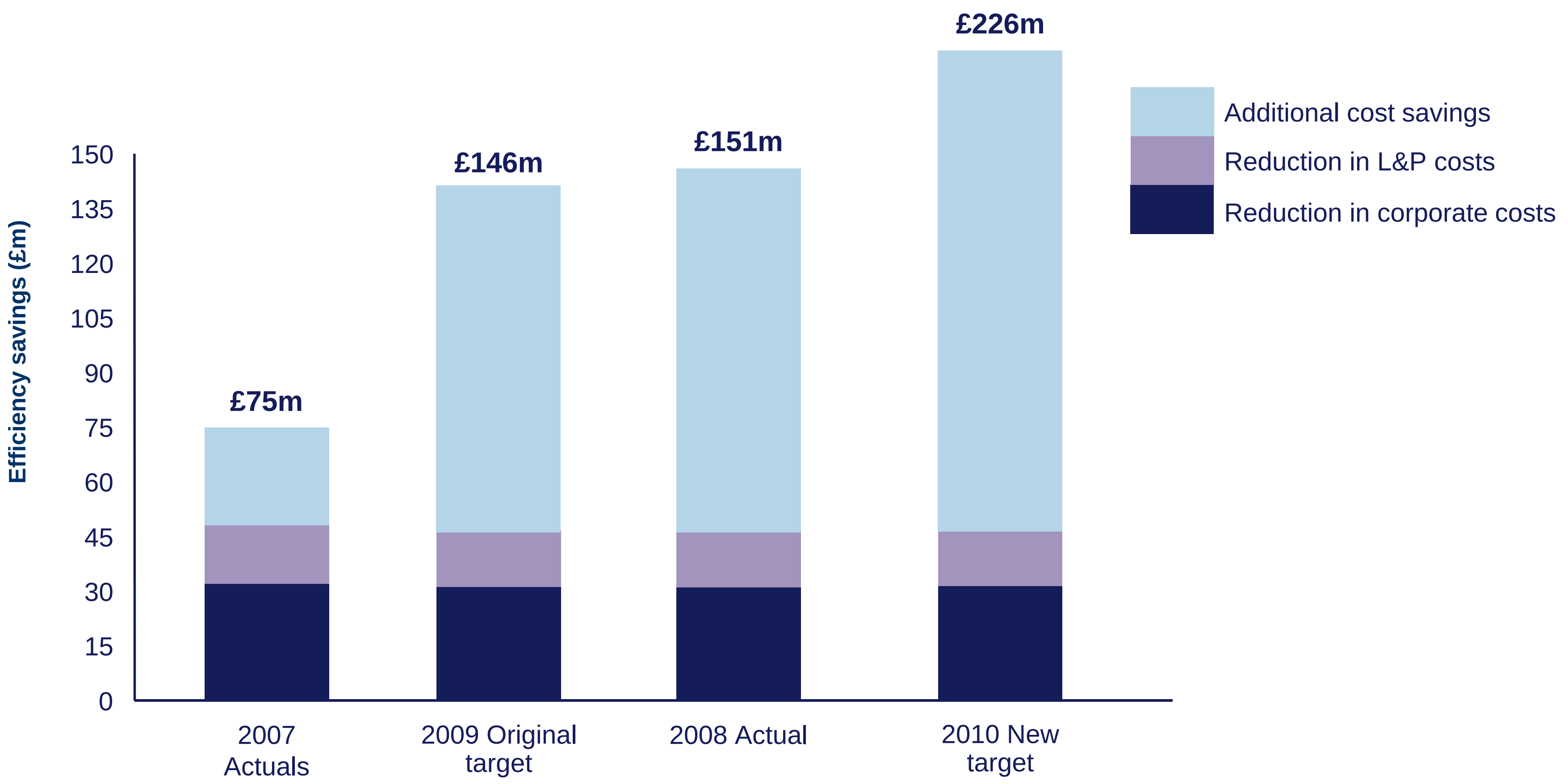
Investing in customer solutions

- Innovative Corporate SIPP
- Development of wider corporate benefit propositions
- Development of Wrap proposition
- Canadian segregated funds enhancements
- Strengthening our international savings propositions

Investing to drive tomorrow's growth

Achievement of efficiency targets



Cumulative efficiency savings from 2006

Efficiency target achieved one year early

Driving efficiency – new target set

The next phase of the Continuous Improvement Programme

Target to achieve a further £75m of annualised efficiency savings by the end of 2010

Restructuring of Distribution division will contribute towards this new target

Future actions:

- Extending our focus on process improvement
- Adopting a global approach for our infrastructure
- Realising additional synergies through Organisational Design
- Finance, Marketing, Distribution and HR Transformation Programmes
- Improving environmental efficiency

Delivering operational excellence

Increasing shareholder value is our objective

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Delivery

Efficiency

Opportunity

Increased shareholder value

A solid business model in the face of challenging markets

Questions

Sir Sandy Crombie, David Nish and Keith Skeoch

Appendix

Components of Standard Life value

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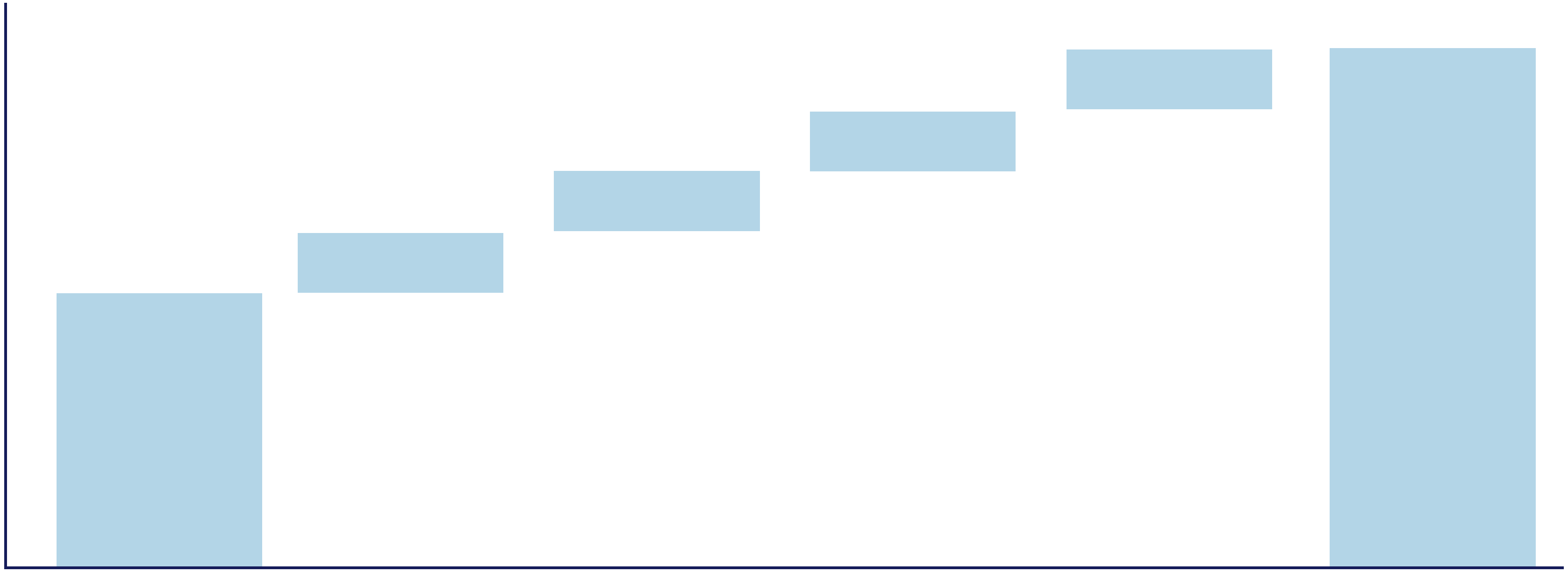
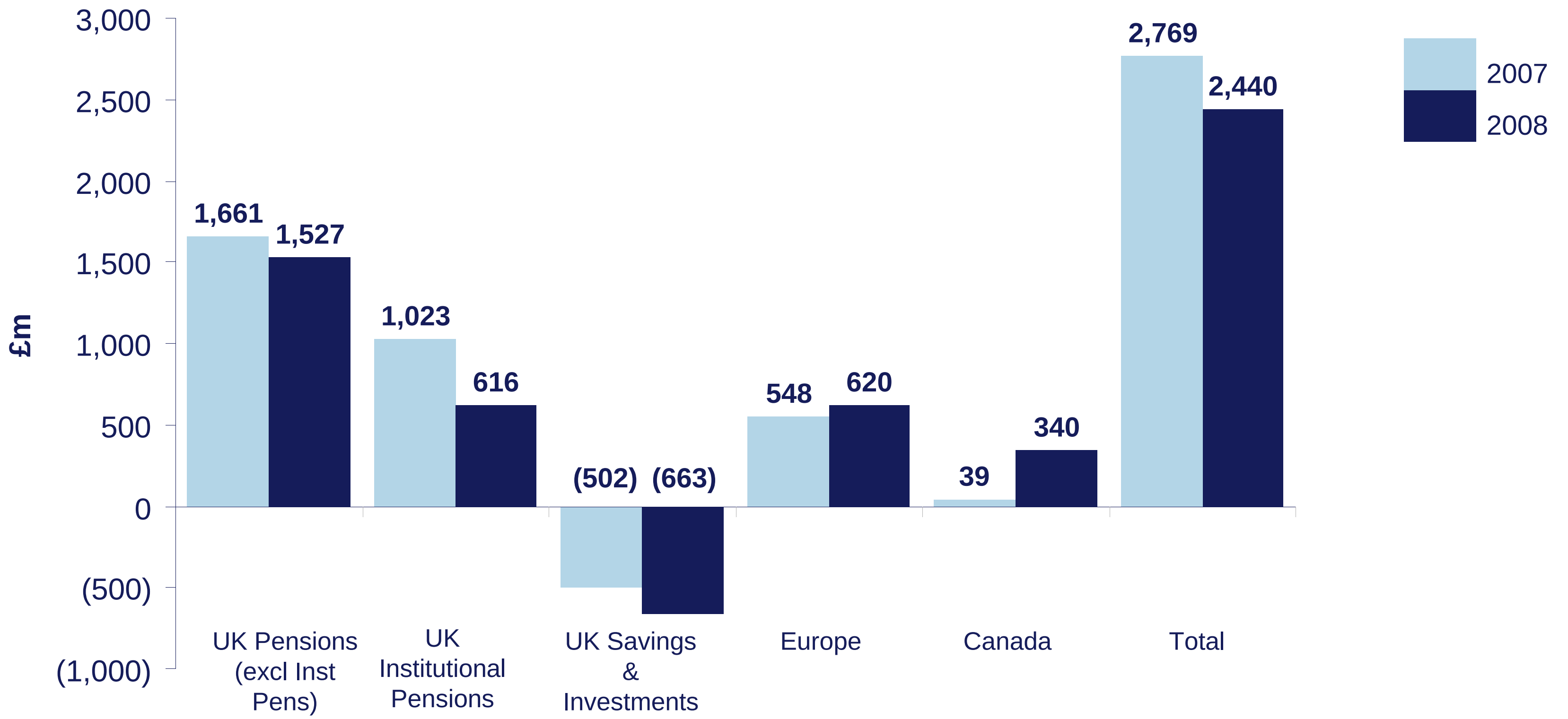
Illustrative key components in excess of EEV *(not to scale)*



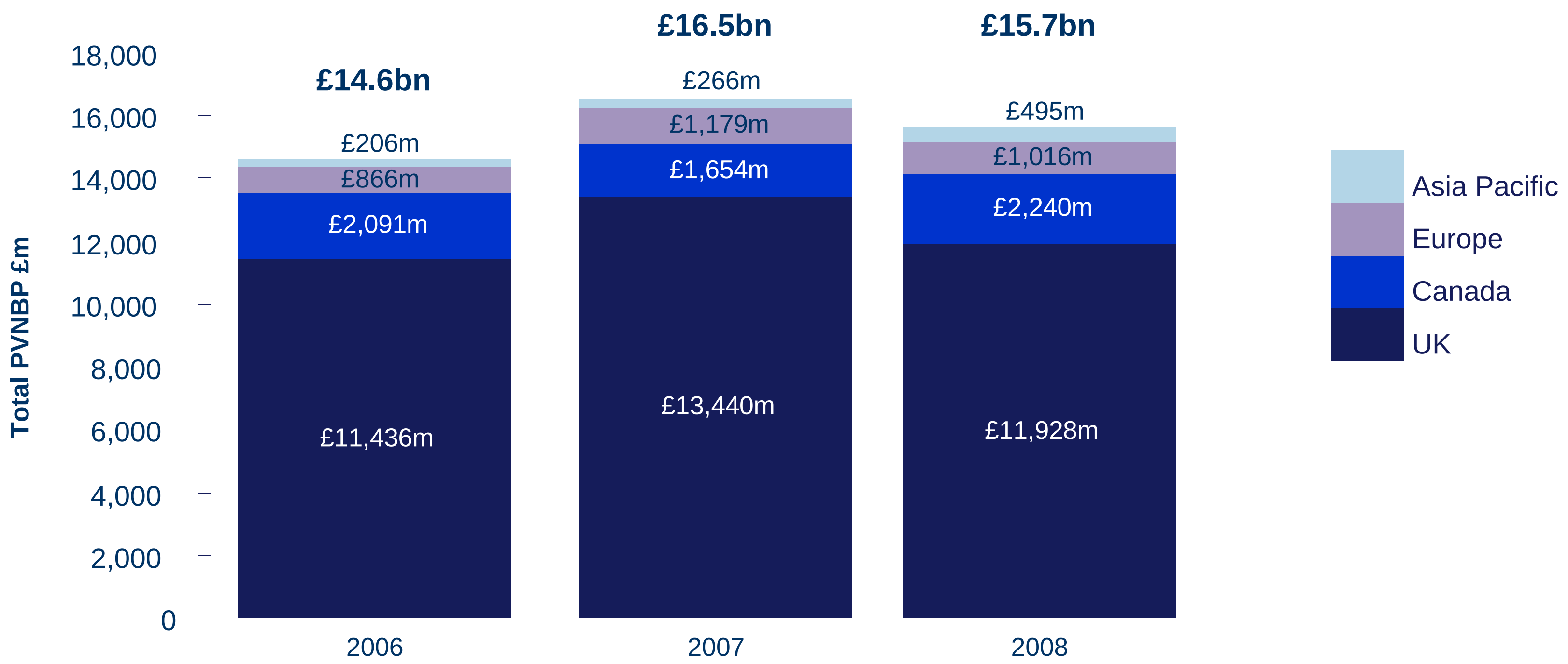
Standard Life EEV	New markets	Asset management	Cost efficiency	New Business	Value to Standard Life Shareholders
286p per share as at 31 Dec 2008	India China	Value in excess of net assets	Efficiency programmes less Corporate Centre costs	SIPP Wrap Group pensions	

Net flow trends



Resilient net inflows in difficult markets

New business sales



2008 figures are different to those reported in the Q4 2008 new business press release as they now reflect closing assumptions.
2007 PVNBP has been restated to reflect the inclusion of Sigma mutual funds.

New business sales supported by international performance

Group EEV operating profit

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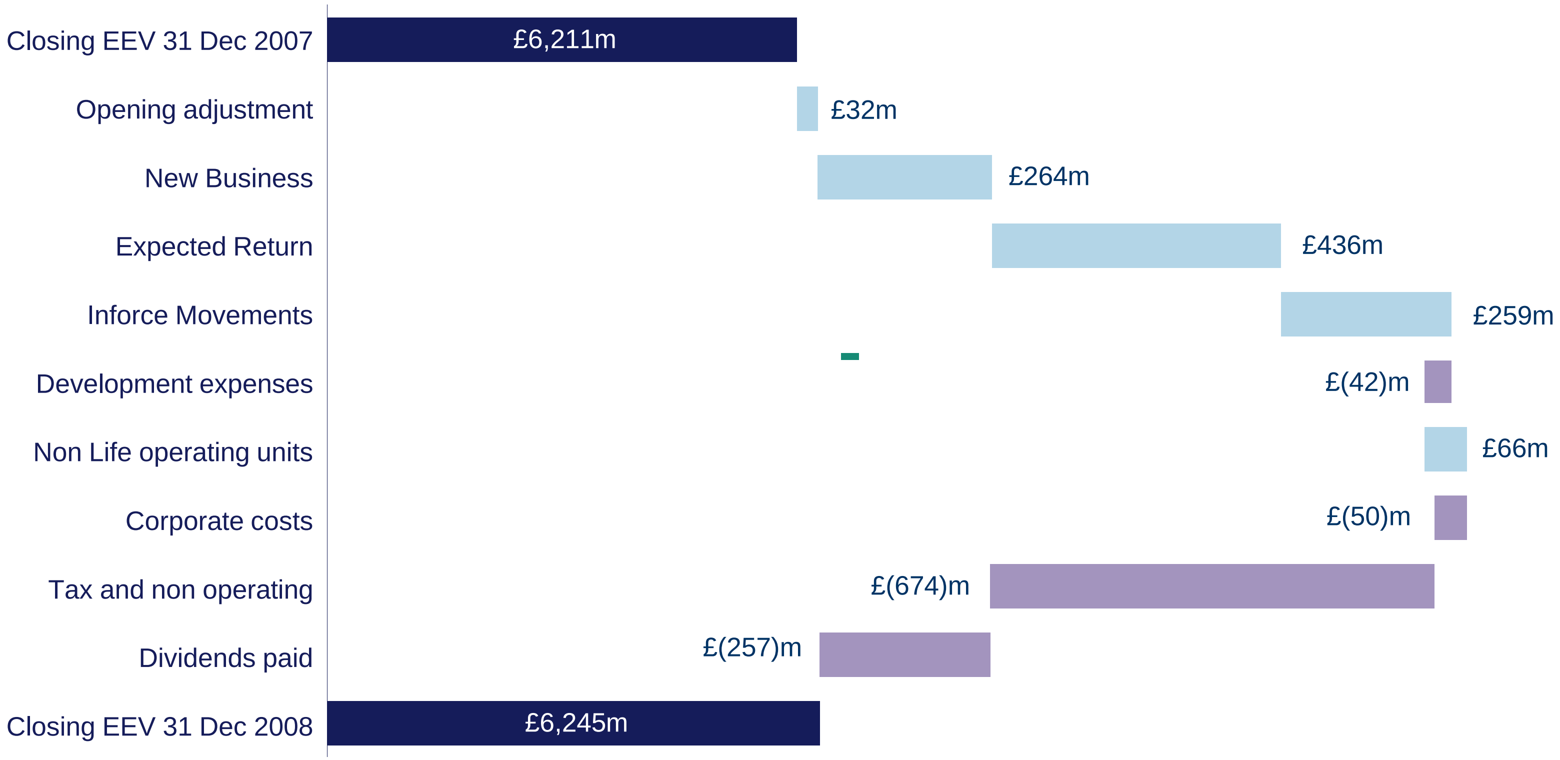
	UK £m	Canada £m	Europe £m	Asia-Pacific £m	HWPF TVOG £m	Non Covered £m	FY 2008 Total £m	FY 2007 Total £m
Contribution from new business	212	34	18	-	-	-	264	345
Expected return on existing business	290	109	32	-	-	-	431	401
Return on free surplus	33	4	3	(35)	-	-	5	16
Core development expenses	(31)	(1)	(4)	-	-	-	(36)	(22)
Investment management	-	-	-	-	-	48	48	48
Banking	-	-	-	-	-	26	26	32
Healthcare	-	-	-	-	-	11	11	13
Group Corporate Centre costs	-	-	-	-	-	(50)	(50)	(57)
Other - non-covered	-	-	-	-	-	(14)	(14)	15
Core	**504**	**146**	**49**	**(35)**	**-**	**21**	**685**	**791**
Efficiency	**26**	**31**	**7**	**-**	**-**	**-**	**64**	**109**
Back book	**127**	**38**	**13**	**-**	**11**	**(5)**	**184**	**(19)**
Operating profit before tax	**657**	**215**	**69**	**(35)**	**11**	**16**	**933**	**881**

Group EEV profit

STANDARD LIFE

	FY 2008 £m	FY 2007 £m
EEV operating profit before tax	**933**	**881**
Non-operating items		
Long-term investment return and tax variances	(849)	(17)
Effect of economic assumption changes	48	27
Volatility arising on different asset and liability valuation bases	(109)	(39)
Restructuring and corporate transaction expenses expenses	(72)	(31)
Consolidation adjustment for different accounting bases	(58)	-
Other non-operating	(51)	17
(Loss)/profit before tax	**(158)**	**838**
Attributed tax	24	(251)
EEV (loss)/profit after tax	**(134)**	**587**

Embedded value



Embedded value increased 1%

IFRS normalised and underlying profit

	2008 £m	2007 £m
Life and pensions		
UK	156	122
Canada	(73)	205
Europe	65	61
Other life	(35)	(12)
Total life and pensions	**113**	**376**
Investment management	93	83
Banking	26	32
Healthcare	11	13
Total non-life excluding corporate centre costs	**130**	**128**
Group corporate centre costs	(50)	(57)
Other	13	29
Total normalised underlying profit before tax	**206**	**476**
UK annuity reinsurance	105	-
Pension Sterling fund	(102)	-
Other adjustments	(55)	238
IFRS underlying profit before tax	**154**	**714**

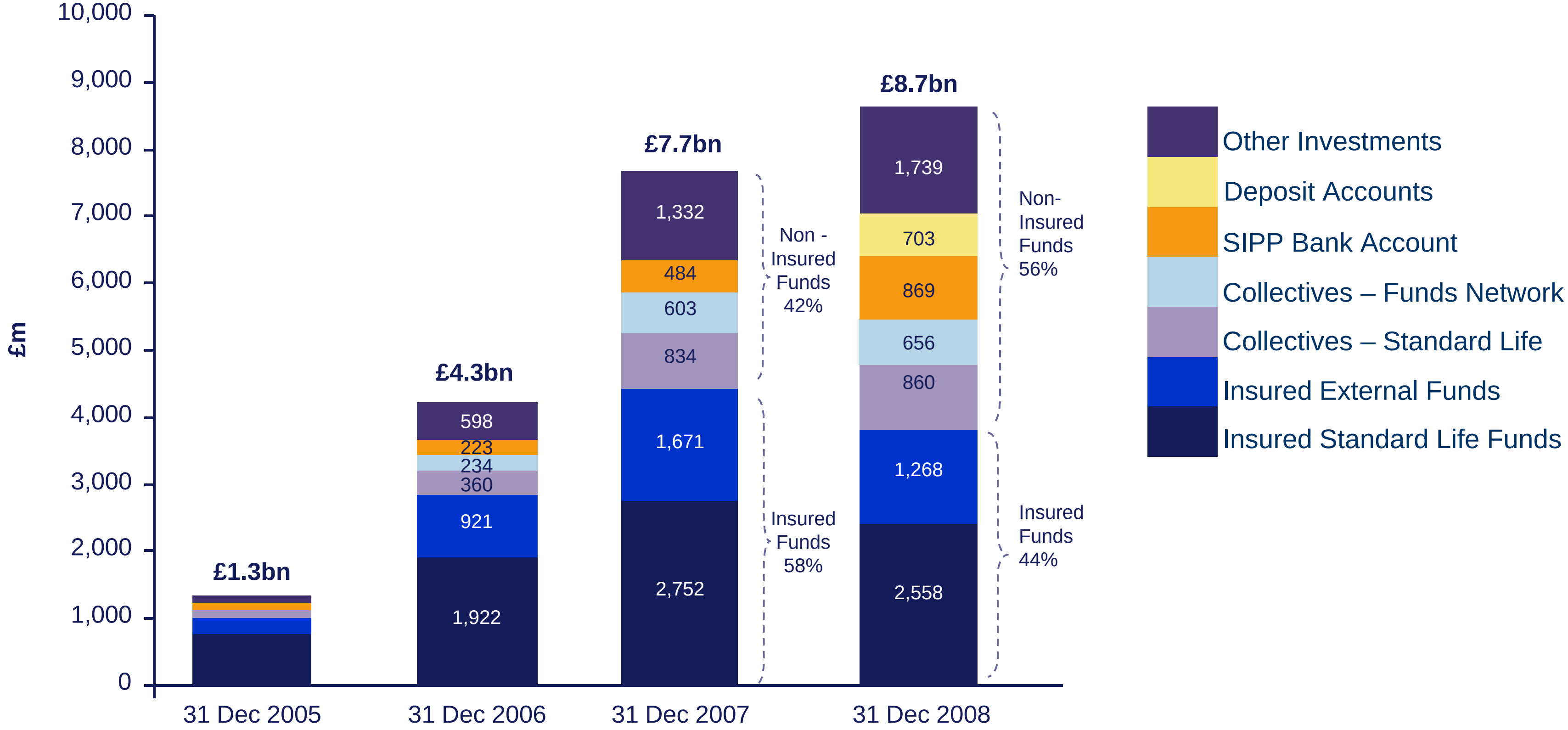
IFRS total profit

STANDARD LIFE

	2008 £m	2007 £m
IFRS underlying profit before tax	**154**	**714**
(Loss)/profit attributable to minority interest	(83)	111
Underlying profit before tax attributable to equity holders and adjustments	**71**	**825**
Adjusted for the following items:		
Volatility arising on different asset and liability valuation bases	(141)	(302)
Restructuring expenses	(72)	(31)
Profit on part disposal of associate	-	17
(Loss)/profit before tax attributable to equity holders' profits	**(142)**	**509**
Tax credit attributable to:		
Underlying profit	100	11
Non-operating items	59	56
Total profit after tax	**17**	**576**
Attributable to equity holders	100	465
Attributable to minority interest	(83)	111
	17	**576**

UK SIPP leadership

SIPP funds under administration



Sustained SIPP growth

Investment performance

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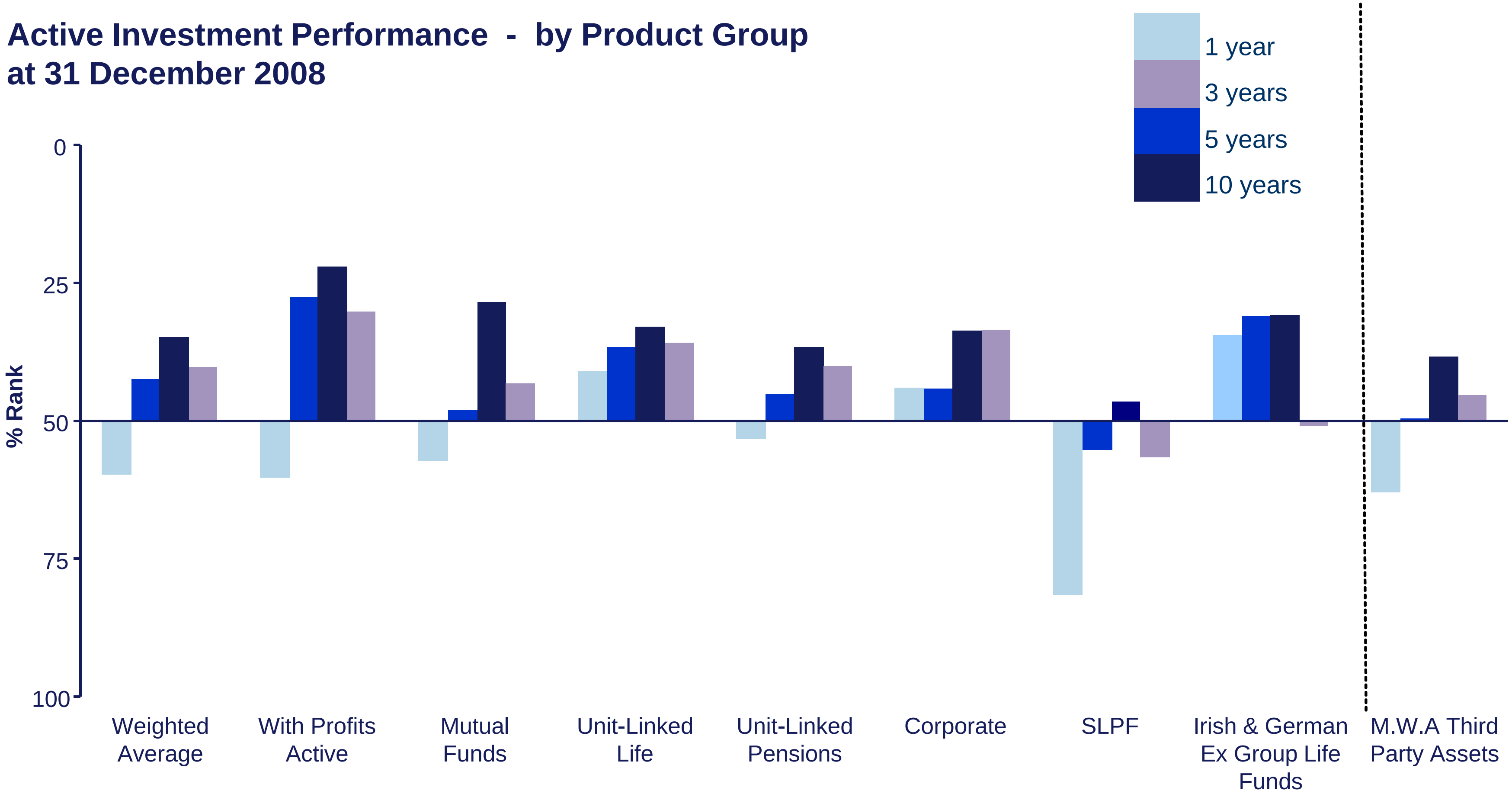
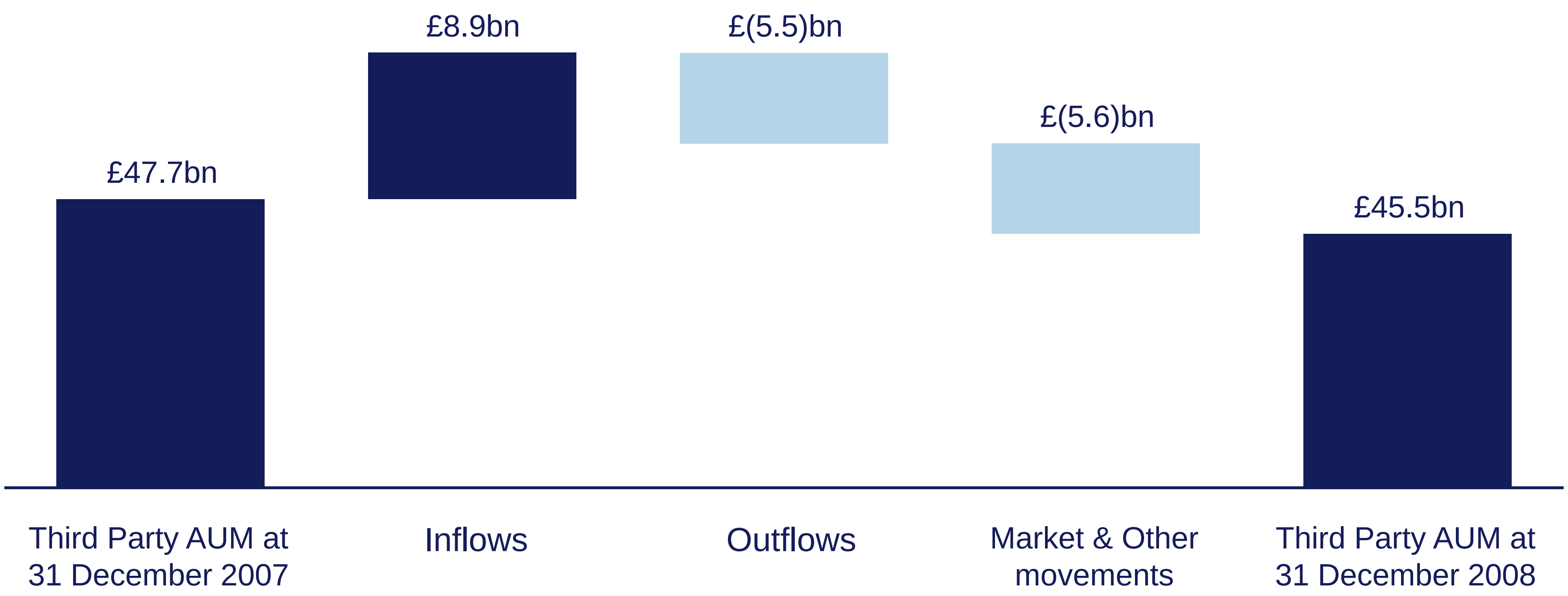
Active Investment Performance - by Product Group
at 31 December 2008



Standard Life Investments

Third Party assets under management



Third Party AUM resilient in the face of substantial market falls

Financial Groups Directive Surplus

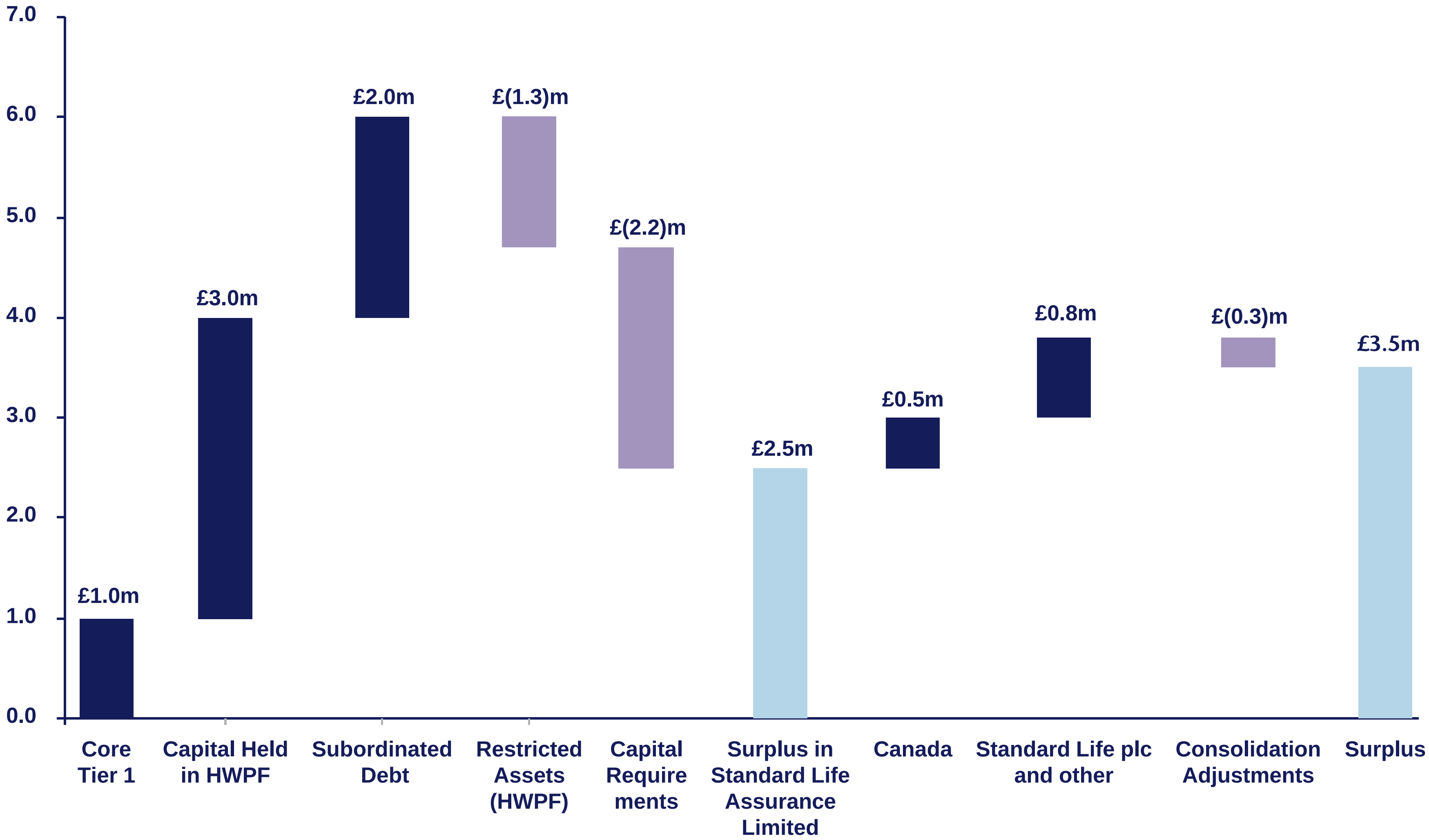
STANDARD LIFE

	Dec-08 £bn	Jun-08 £bn	Dec-07 £bn
Shareholders capital resources	2.6	2.6	2.9
Capital resources arising from subordinated debt	2.2	2.0	1.9
SLAL HWPF	1.7	2.1	4.4
FGD Group capital resources	**6.5**	**6.7**	**9.2**
FGD Group capital resources requirement	**(3.0)**	**(3.2)**	**(5.6)**
FGD surplus	**3.5**	**3.5**	**3.6**
Group solvency cover	**218%**	**206%**	**166%**

Credit rating for Standard Life Assurance Limited from Standard & Poors upgraded from A (positive) to A+ (stable), in part due to strength of capital position

Robust capital position maintained

FGD – sources of surplus



Exposure to assets – debt securities

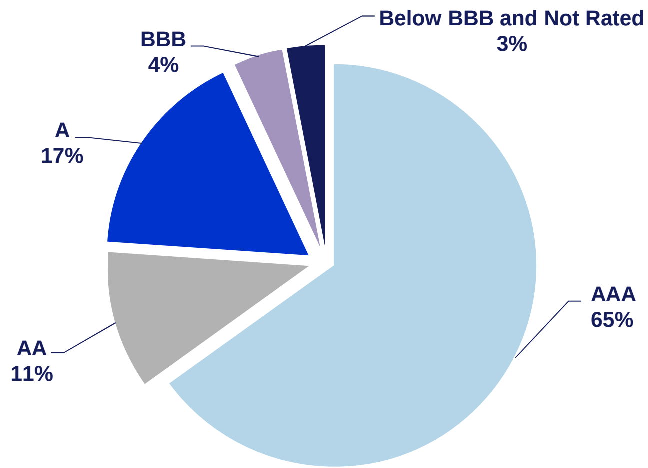
Exposure to debt securities

As at 31 December 2008	Shareholder £m	Policyholder Participating £m	Policyholder Unit Linked £m	Minority Interests[1] £m	Total £m
Government	3,682	18,990	6,165	144	**28,981**
Corporate - financial institutions	2,331	6,870	5,432	211	**14,844**
Corporate - other	1,940	2,110	1,397	14	**5,461**
Other	319	910	448	4	**1,681**
Total	**8,272**	**28,880**	**13,442**	**373**	**50,967**
% of Total	**16%**	**57%**	**26%**	**1%**	**100%**
Asset Backed Securities included above	**1,330**	**1,426**	**1,563**	**932**	**5,251**

High quality portfolio

65% AAA rated

97% investment grade



1) For Asset Backed Securities includes securities managed on behalf of third parties

Asset backed securities – total

STANDARD LIFE

Exposure by type and credit rating

As at 31 December 2008

ABS Type	AAA £m	AA £m	A £m	BBB £m	BB £m	B £m	Not Rated £m	Total £m
Total								
ABCP	-	-	-	-	-	-	-	**-**
Auto ABS	26	-	-	-	-	-	-	**26**
CMBS	1,003	355	394	316	-	1	141	**2,210**
Credit Card ABS	331	-	-	-	-	-	-	**331**
Other ABS	77	-	-	5	-	-	1	**83**
RMBS	1,756	49	2	48	-	-	-	**1,855**
SIV	15	15	-	-	-	6	-	**36**
WhCo	88	225	144	194	26	2	25	**704**
CDO	-	-	-	-	-	-	-	**-**
CSO	6	-	-	-	-	-	-	**6**
CLO	-	-	-	-	-	-	-	**-**
Other	-	-	-	-	-	-	-	**-**
Total	**3,302**	**644**	**540**	**563**	**26**	**9**	**167**	**5,251**
%	**63%**	**12%**	**10%**	**11%**	**1%**	**0%**	**3%**	**100%**

Asset backed securities – shareholder

STANDARD LIFE

Exposure by type and credit rating

As at 31 December 2008

ABS Type	AAA	AA	A	BBB	BB	B	Not Rated	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Shareholder								
ABCP	-	-	-	-	-	-	-	**-**
Auto ABS	17	-	-	-	-	-	-	**17**
CMBS	314	15	9	13	-	-	2	**353**
Credit Card ABS	195	-	-	-	-	-	-	**195**
Other ABS	39	-	-	5	-	-	-	**44**
RMBS	586	46	-	3	-	-	-	**635**
SIV	15	15	-	-	-	6	-	**36**
WhCo	-	-	11	36	-	-	3	**50**
CDO	-	-	-	-	-	-	-	**-**
CSO	-	-	-	-	-	-	-	**-**
CLO	-	-	-	-	-	-	-	**-**
Other	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Shareholder	**1,166**	**76**	**20**	**57**	**-**	**6**	**5**	**1,330**
%	**88%**	**6%**	**1%**	**4%**	**0%**	**1%**	**0%**	**100%**

Asset backed securities – policyholder (unit linked)

STANDARD LIFE

Exposure by type and credit rating

As at 31 December 2008

ABS Type	AAA £m	AA £m	A £m	BBB £m	BB £m	B £m	Not Rated £m	Total £m
Policyholder - Unit Linked								
ABCP	-	-	-	-	-	-	-	**-**
Auto ABS	9	-	-	-	-	-	-	**9**
CMBS	333	64	81	77	-	-	4	**559**
Credit Card ABS	67	-	-	-	-	-	-	**67**
Other ABS	9	-	-	-	-	-	-	**9**
RMBS	772	3	2	14	-	-	-	**791**
SIV	-	-	-	-	-	-	-	**-**
WhCo	3	50	21	42	10	-	2	**128**
CDO	-	-	-	-	-	-	-	**-**
CSO	-	-	-	-	-	-	-	**-**
CLO	-	-	-	-	-	-	-	**-**
Other	-	-	-	-	-	-	-	**-**
Total Policyholder - Unit Linked	**1,193**	**117**	**104**	**133**	**10**	**-**	**6**	**1,563**
%	**77%**	**7%**	**7%**	**8%**	**1%**	**0%**	**0%**	**100%**

Asset backed securities – policyholder (participating)

STANDARD LIFE

Exposure by type and credit rating

As at 31 December 2008

ABS Type	AAA	AA	A	BBB	BB	B	Not Rated	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Policyholder - Participating								
ABCP	-	-	-	-	-	-	-	**-**
Auto ABS	-	-	-	-	-	-	-	**-**
CMBS	212	172	174	93	-	-	128	**779**
Credit Card ABS	52	-	-	-	-	-	-	**52**
Other ABS	11	-	-	-	-	-	1	**12**
RMBS	213	-	-	23	-	-	-	**236**
SIV	-	-	-	-	-	-	-	**-**
WhCo	79	117	91	30	4	2	18	**341**
CDO	-	-	-	-	-	-	-	**-**
CSO	6	-	-	-	-	-	-	**6**
CLO	-	-	-	-	-	-	-	**-**
Other	-	-	-	-	-	-	-	**-**
Total Policyholder – Participating	**573**	**289**	**265**	**146**	**4**	**2**	**147**	**1,426**
%	**40%**	**20%**	**19%**	**10%**	**0%**	**0%**	**11%**	**100%**

Asset backed securities – third party

STANDARD LIFE

Exposure by type and credit rating

As at 31 December 2008

ABS Type	AAA	AA	A	BBB	BB	B	Not Rated	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Third Party								
ABCP	-	-	-	-	-	-	-	**-**
Auto ABS	-	-	-	-	-	-	-	**-**
CMBS	144	104	130	133	-	1	7	**519**
Credit Card ABS	17	-	-	-	-	-	-	**17**
Other ABS	18	-	-	-	-	-	-	**18**
RMBS	185	-	-	8	-	-	-	**193**
SIV	-	-	-	-	-	-	-	**-**
WhCo	6	58	21	86	12	-	2	**185**
CDO	-	-	-	-	-	-	-	**-**
CSO	-	-	-	-	-	-	-	**-**
CLO	-	-	-	-	-	-	-	**-**
Other	-	-	-	-	-	-	-	**-**
Total Third Party	**370**	**162**	**151**	**227**	**12**	**1**	**9**	**932**
%	**40%**	**18%**	**16%**	**24%**	**1%**	**0%**	**1%**	**100%**