

Standard Life

Interim Results 2008

6 August 2008

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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.

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What we will be covering



Group overview

Sandy Crombie

Financial highlights

David Nish

Delivering value from an asset managing business

Sandy Crombie

Questions

Sandy Crombie, David Nish and Keith Skeoch

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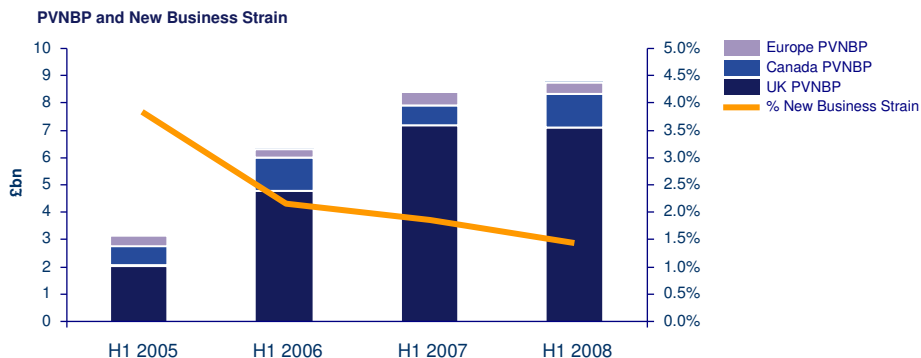
Standard Life Interim Results 2008



Group Overview

Sandy Crombie

Delivering a 'capital lite' strategy



A robust model in difficult market conditions

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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.

Standard Life - a robust business model



- New money flows resilient through the cycle
- Growth driven by consolidating assets more than discretionary retail flows
- Payback periods reduced with higher IRRs - a 'capital lite' business model
- Shareholder risks reduced or hedged
- FGD surplus insensitive to equity markets

Differentiated in our sector

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Financial Highlights

David Nish

Financial highlights

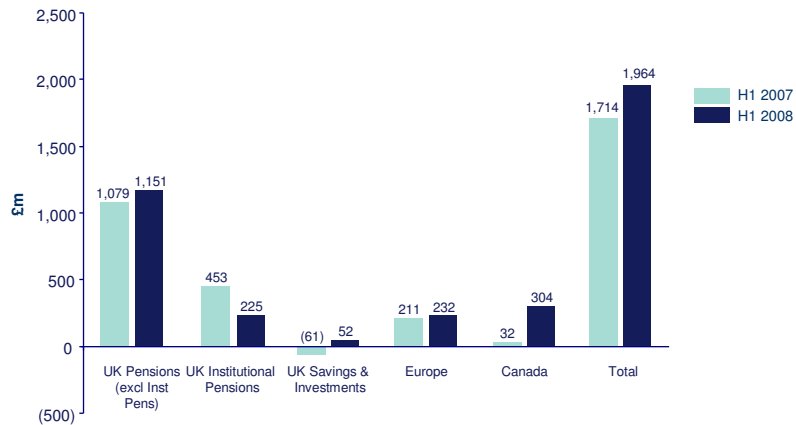
Life and pensions PVNBP	↑	5% to £9.1bn
Life and pensions net flows	↑	15% to £2.0bn
New business contribution ¹	↑	4% to £157m
EEV operating profit ¹	↑	51% to £534m
RoEV ²	↑	1.9% pts to 11.0%
IFRS underlying profit ¹	↑	58% to £345m
EEV core capital and cash generation ²	↑	25% to £143m
Embedded value per share	↓	3% to 277p
FGD surplus	↓	3% to £3.5bn

A robust financial performance

(1) Before tax (2) Post tax

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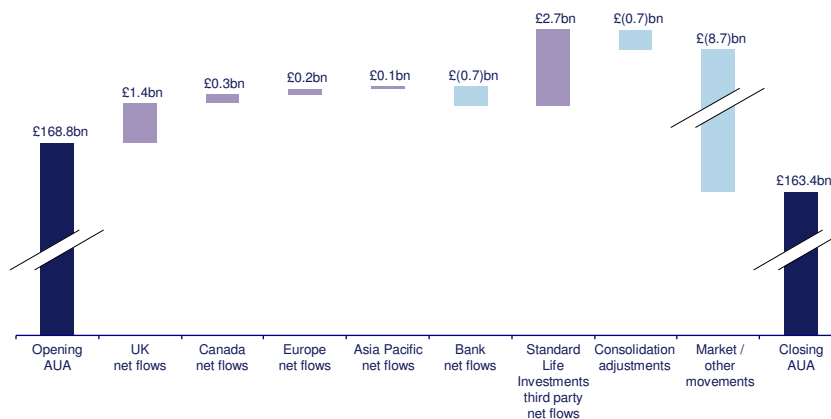
Net flow trends



Strong net inflows in difficult markets

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Movement in assets under administration



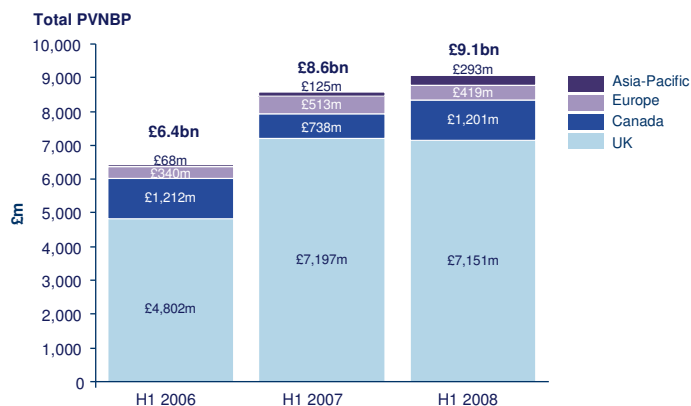
Strong net inflows in difficult markets

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New business sales



Core



5%¹ increase in PVNBP in 2008

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(1) The percentage change figure includes the percentage change figure for India which is computed based on the percentage movement in the new business of HDFC Standard Life Insurance Company Limited as a whole to avoid distortion due to changes in the Group's shareholding in the joint venture during 2007.

Growing returns - a 'capital lite' strategy



Core

	H1 2008 IRR %	H1 2007 IRR %	H1 2008 Payback years	H1 2007 Payback years
UK	20%	15%	7	10
Canada	21%	30%	7	5
Europe	8%	8%	30	21
Covered business	18%	15%	7	10

Overall improved IRR and Payback

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Growing returns – ‘capital lite’ products



Core

	H1 2008				H1 2007
	IRR %	Discounted Payback years	PVNBP margin %	NBC £m	NBC £m
Individual pensions	17%	8	1.4%	36	56
Group pensions	15%	10	2.4%	44	31
Institutional pensions	>40%	1	1.1%	10	2
Savings and investments	10%	13	0.5%	8	17
Annuities	Infinite	Immediate	15.9%	40	31
Protection	Discontinued	Discontinued	6.2%	-	(4)
UK covered business total	20%	7	1.9%	138	133
Canada	21%	7	1.5%	18	14
Europe	8%	30	0.2%	1	4
Covered business total	18%	7	1.7%	157	151

IRR of 18% in H1 2008

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Back book management



Back book management

					H1 2008	H1 2007
	UK £m	Canada £m	Europe £m	HWPF TVOG £m	Total £m	Total £m
Lapses	-	-	2	-	2	(32)
Mortality and morbidity	-	-	(1)	-	(1)	-
Tax	16	9	(1)	-	24	13
UK annuity reinsurance	96	-	12	11	119	-
Other	6	(2)	(1)	(3)	-	6
Back book management total	118	7	11	8	144	(13)

Value driven from our active back book management

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Reducing risk - UK annuity reinsurance



Back book management

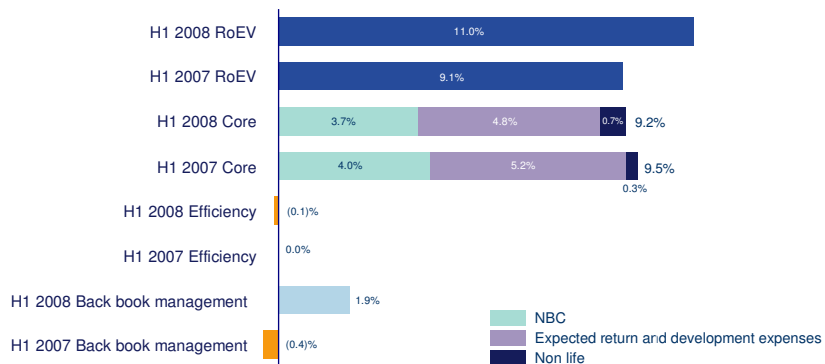
- £6.7bn of UK immediate annuity liabilities reinsured, more than half of the UK total of £12bn
- Longevity risk for shareholders significantly reduced
- A positive impact to EV operating profit of £119m¹ in H1 2008
- A positive impact to IFRS profits of £105m

Longevity risk substantially reduced, balance sheet strengthened

(1) Calculated on the basis of current embedded value methodology.

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Return on embedded value (RoEV)



1.9% points increase in RoEV

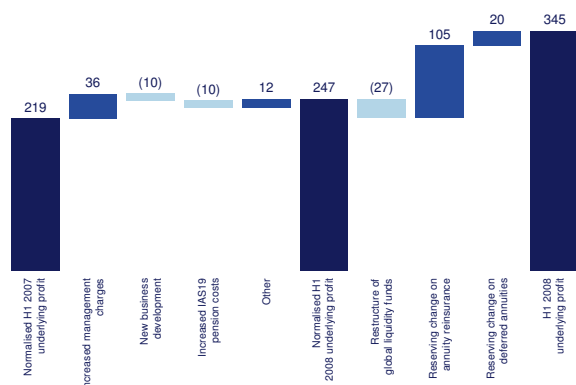
RoEV calculated on an annualised basis using opening embedded value adjusted for dividends.

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IFRS underlying profits



Movement in IFRS underlying profit (£m)



13% increase in normalised underlying profit

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Capital and cash generation



	H1 2008 £m	H1 2007 £m
New business strain	(131)	(153)
Capital and cash generation from existing business	263	265
Covered business capital and cash generation from new business and expected return	132	112
Covered business core development expenses	(10)	(6)
Investments, banking and healthcare	38	34
Group Corporate Centre costs	(18)	(17)
Investment income and other non-life entities	1	(9)
Core	143	114
Efficiency	(3)	(1)
Back book management	110	31
Operating profit capital and cash generation	250	144
Investment variances and assumption changes	(38)	65
Restructuring expenses	(31)	(2)
Total capital and cash generation	181	207

Core capital and cash generation up 25%

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All figures are stated net of tax.

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
Operating capital and cash generation	208	42	250	-	250
Non operating capital and cash generation	(72)	3	(69)	-	(69)
PVIF income statement movement	-	-	-	(174)	(174)
Profit after tax	136	45	181	(174)	7
Dividends	(168)	-	(168)	-	(168)
Other non-trading movements	(4)	(16)	(20)	11	(9)
30 June 2008	2,168	709	2,877	3,164	6,041

A resilient balance sheet

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Credit exposures



As at 30 June 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	58	15	198	139	410
Direct monoline	-	-	-	-	-
SIVs ²	61	10	8	37	116
Total	119	25	212	176	532
% Asset backed securities	1.9%	0.4%	3.3%	2.8%	8.4%
% Total assets under administration	0.07%	0.02%	0.13%	0.11%	0.33%

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

A high quality credit portfolio

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(1) Entire exposure to AAA rated CSO underlying collateral investment grade corporate exposure
 (2) Includes Whistlejacket exposure of £11m held in Medium Term Notes (MTN), and senior notes. Other SIV exposure is either bank sponsored or Sigma (Gordian Knot).

Financial Groups Directive surplus



	Jun-08 £bn	Dec-07 £bn
Shareholders' capital resources	2.6	2.9
Capital resources arising from subordinated debt	2.0	1.9
SLAL long term business funds	2.1	4.4
FGD Group capital resources	6.7	9.2
FGD Group capital resources requirement	(3.2)	(5.6)
FGD surplus	3.5	3.6
Group solvency cover (%)	206%	166%

FGD Surplus insensitive to equity markets

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Capital position - resilient to market stresses



FGD surplus

30 June 2008	31 December 2007
£3.5bn	£3.6bn

Sensitivity to equity market falls¹

Fall in equities	Fall in FGD surplus
10%	<£0.1bn
20%	<£0.1bn
30%	£0.9bn
40%	£1.6bn

Sensitivity to yields

150bps rise in yields	£1.0bn
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Residual estate of HWPF expected to remain above £1bn across all these scenarios

FGD surplus insensitive to equity markets

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(1) Compared to 30 June 2008

Financial summary



- Increase in net flows and new business volumes
- Profits up on both EEV and IFRS bases
- 'Capital lite' and cash generative with strong IRRs
- Balance sheet resilience
- Dividend growth of 7% to 4.07p

A robust performance in challenging market conditions

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Standard Life Interim Results 2008



Delivering value from an asset managing business

Sandy Crombie

A distinctive approach to delivering value



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

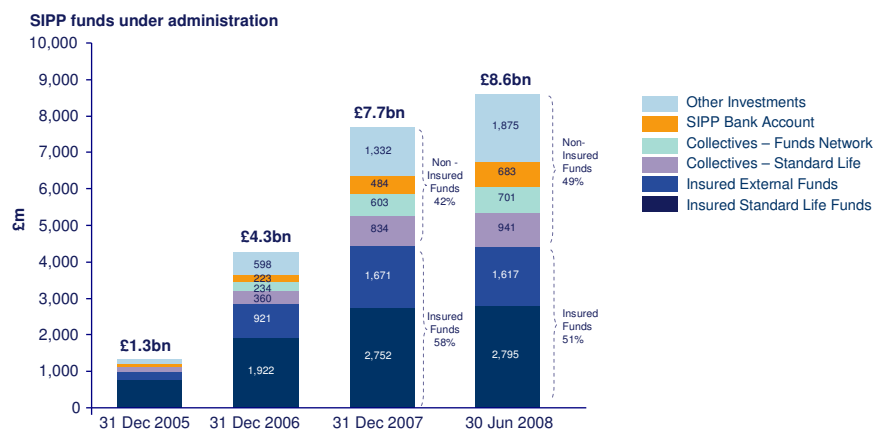
Delivering Shareholder value

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UK SIPP leadership



Core



Sustained SIPP growth

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SIPP - enhancing the proposition



Core

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

- Protected rights
- Variable annuity offering – 'guaranteed income plus'
- Fund platform
- E-commerce
- Safer Haven offering - cash accounts, capital plus and insured funds

A market with huge growth potential:

- UK SIPP market expected to double to £100bn by 2011
- Protected rights potential of £75bn - £100bn in defined contribution pension schemes alone

Attractive opportunities in a fast growing market

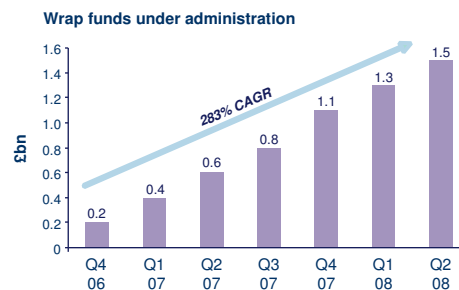
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UK Wrap leadership



Core

- Adoption by major distributor groups
- The only platform rated 'eee' by FTRC/Money Marketing - 3 years in a row
- Controlled rollout to selected advisers continues
- Programme of developments to help advisers gather assets on the platform continues



Aim to double the number of embedded advisers in 2008

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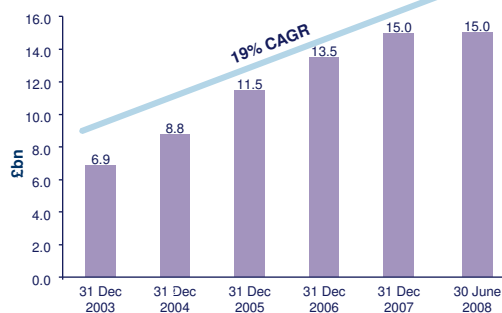
UK Group Pensions leadership



Core

- Market-leading proposition
- Efficiency through scalability
- £15.0bn FUM at June 2008
- The corporate arena shows a continued trend towards:
 - Unbundled to bundled - £100bn¹ potential
 - Market consolidation - "Flight to quality"
 - DB to DC shift - £800bn² in the UK
- Further development of our contract & trust-based propositions

UK Group Pensions funds under management



We believe we have the best DC proposition in the UK

(1) Source: Troika market research (2) Source: "The Purple Book"

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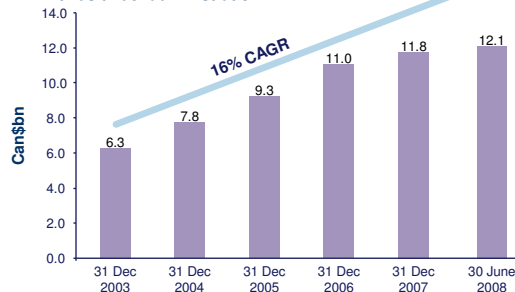
Canadian turnaround continues



Core

- 45% increase in sales¹
- A nine-fold increase in net inflows
- Leveraging leading DC offering to secure a large DB administration mandate from existing client
- Expanding sales force and retail product set
- Continued excellence in disability and absence management

Canada Corporate Pensions funds under administration



A strong pension franchise

(1) Compound annual growth rate

30

Asia-Pacific - potential from growing markets



Core

India - HDFC SL

- Entering the healthcare market H2 2008
- Financial consultants increased to 162,000 (FY 2007: 132,000)
- Increased distribution through HDFC Bank - Centurion merger
- Potential IPO of the business

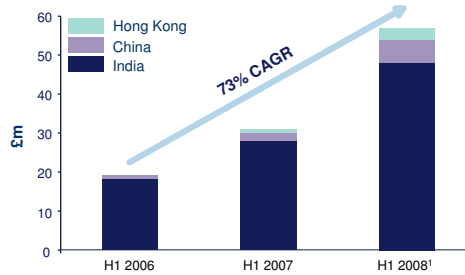
China - HASL

- On track to be present in 30 cities by year-end (20 as at 30 June 2008)
- Continuing to develop innovative products

Hong Kong - SL Asia

- Launching new products and accepting offshore business from Taiwan

Asia-Pacific - APE



Fast growing businesses

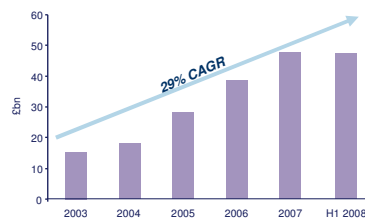
(1) India new business based on current shareholding of 26%

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Standard Life Investments - strong asset & revenue growth

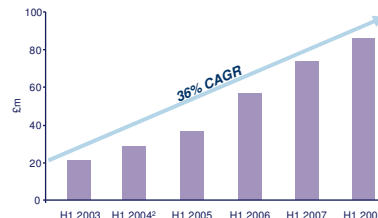


Third party funds under management



- Third party mandates have increased to 36% of total funds under management at 30 June 2008 (18% as at 31 December 2003)
- H1 2008 net new monies of £2.7bn offset by adverse market movements

Third party revenues¹



- Third party revenues have increased to 60% of total revenues (35% for H1 2003)

Strong growth in third party assets and revenues

(1) Revenues are net of fees and commissions

(2) 2004 Revenues on pro forma basis

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Standard Life Investments - a resilient asset management business



Core

Institutional business

- Increasing popularity of specialist and absolute return products
- Standard Life Investments well positioned due to breadth of offering and skills:
 - Global Absolute Return Strategies (GARS)
 - Private Equity
 - Global Equities
 - Fixed Interest expertise
 - Global Real Estate
- Good pipeline

Retail business

- 2008 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

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Investing for future growth



- Wrap enhancements
- Further development to SIPP
- Variable Annuities
- Global Equities
- Global Absolute Return Strategies (GARS)
- Canada
- Healthcare in India
- Standard Life Wealth

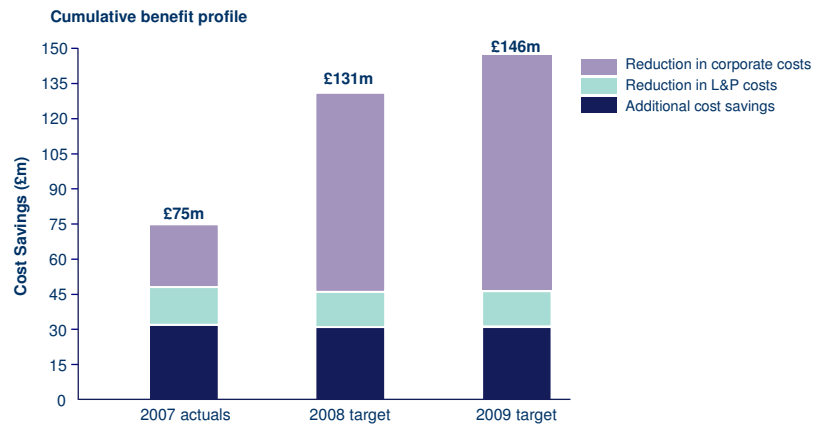
Investing to drive tomorrow's growth

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Driving efficiency - targeted benefit profile



Efficiency



Remain on track to deliver cost savings targets

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All figures reported pre-tax, are cumulative from 2007 and are stated before reinvestment for growth

Driving efficiency



Efficiency

Deliverables to date include:

- Integration of UK Financial Services
- Group-wide review of procurement
- Continued rollout of Customer Service Improvement Programme

Future initiatives include:

- Creation of an Actuarial Shared Service Centre
- Extending use of Six Sigma and Lean techniques
- Finance Transformation Programme
- Adopting a global approach to IT and Change

Delivering operational excellence

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Increasing Shareholder value
is our objective



Increased
Shareholder
value

Working to increase our core RoEV

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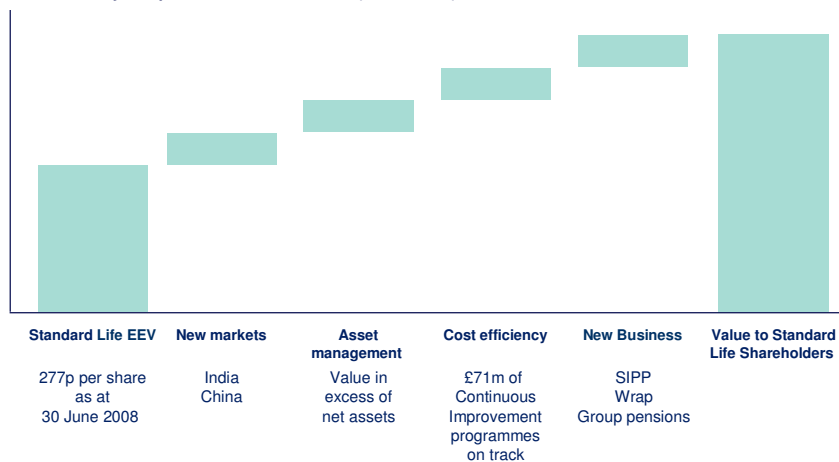
Appendix

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Components of Standard Life value



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



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Group EEV operating profit



							H1 2008	H1 2007
	UK £m	Canada £m	Europe £m	Asia- Pacific £m	HWPF TVOG £m	Non Covered £m	Total £m	Total £m
Contribution from new business	138	18	1	-	-	-	157	151
Expected return on existing business	147	55	16	-	-	-	218	201
Return on free surplus	12	3	-	(16)	-	-	(1)	2
Core development expenses	(11)	(1)	(2)	-	-	-	(14)	(7)
Investment management						31	31	28
Banking						12	12	14
Healthcare						8	8	2
Group Corporate Centre costs						(25)	(25)	(26)
Other non covered						7	7	2
Core	286	75	15	(16)	-	33	393	367
Efficiency	-	(3)	-	-	-	-	(3)	(1)
Back book management	117	7	11	-	8	1	144	(13)
Operating profit before tax	403	79	26	(16)	8	34	534	353

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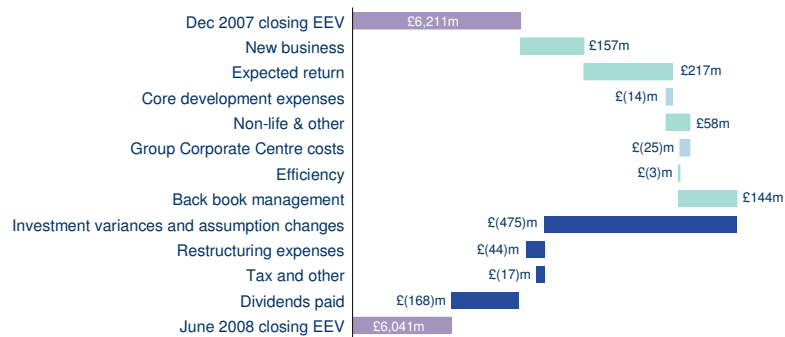
Group EEV profit



	H1 2008 £m	H1 2007 £m
EEV operating profit before tax	534	353
Non-operating items		
Long-term investment return and tax variances	(516)	31
Effect of economic assumption changes	40	52
Other GLF fair value movements	(27)	-
Restructuring expenses	(44)	(3)
Volatility arising on different asset and liability valuation bases	28	28
Profit before tax	15	461
Attributed tax	(8)	(140)
EEV profit after tax	7	321

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Embedded value



Embedded value from operating profits increased 6%

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IFRS underlying profit



	H1 2008 £m	H1 2007 £m
Life and pensions		
UK	221	91
Canada	66	64
Europe	24	19
Other life	(16)	(6)
Total life and pensions	295	168
Investment management	25	42
Banking	12	14
Healthcare	8	2
Total non-life excluding corporate costs and other	45	58
Group Corporate Centre costs	(25)	(26)
Other	30	19
Total underlying profit before tax	345	219

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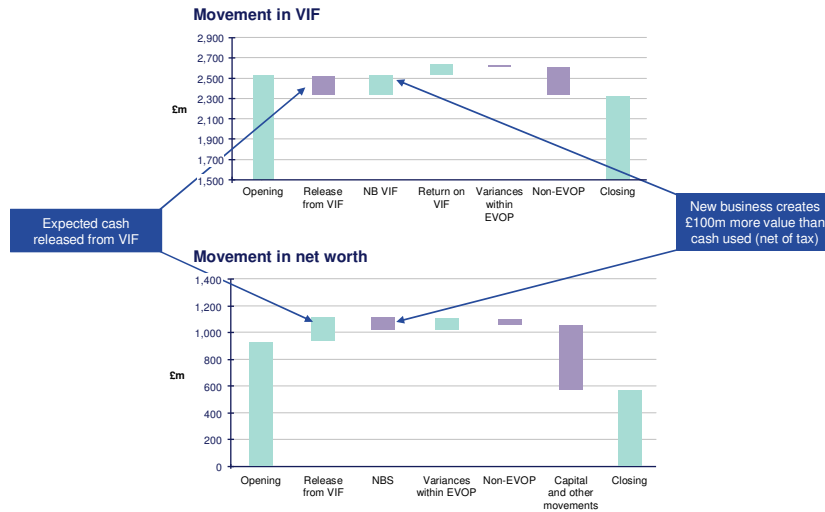
IFRS total profit



	H1 2008 £m	H1 2007 £m
IFRS underlying profit before tax	345	219
(Loss)/profit attributable to minority interest	(3)	58
Underlying profit before tax attributable to equity holders and adjustments	342	277
Adjusted for the following items:		
Volatility arising on different asset and liability valuation bases	(97)	(211)
Restructuring expenses	(44)	(3)
Profit before tax attributable to equity holders	201	63
Tax attributable to:		
Underlying profit	(45)	(8)
Non-operating items	2	60
Total profit after tax	158	115

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Inter-relationship of PVIF and cash (UK)

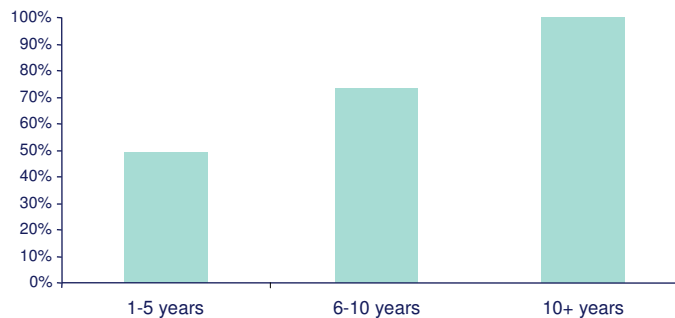


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Maturity profile of PVIF



Cumulative proportion of existing business PVIF converting into cash



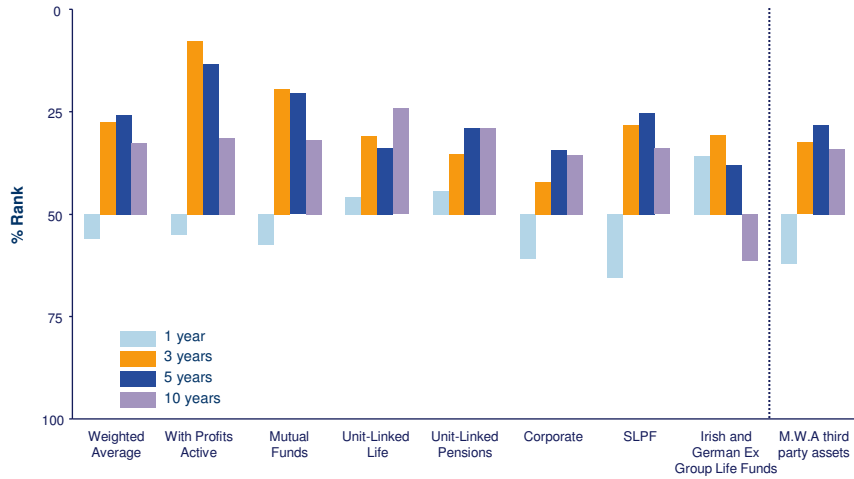
Half of PVIF converts to cash within the next 5 years

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Investment performance



Active investment performance by product group as at 30 June 2008



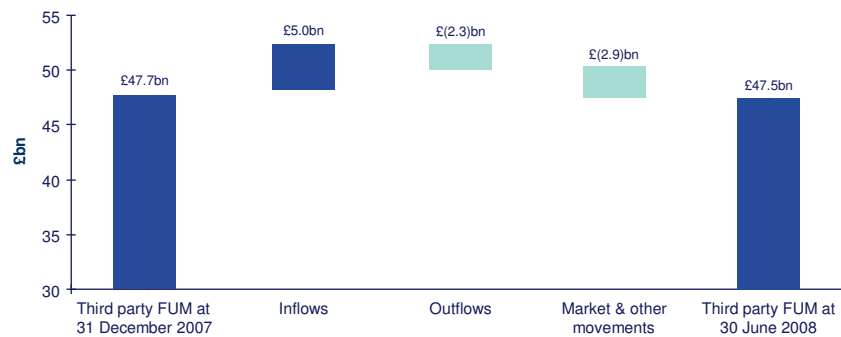
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Standard Life Investments



Core

Third party funds under management



Third party FUM resilient in the face of substantial market falls

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Asset backed securities - total



Exposure by type and credit rating

As at 30 June 2008

ABS Type	AAA £m	AA £m	A £m	BBB £m	BB £m	B £m	Not Rated £m	Total £m
Total								
ABCP	-	-	-	-	-	-	7	7
Auto ABS	18	-	-	-	-	-	-	18
CMBS	1,063	436	266	386	-	-	149	2,300
Credit Card ABS	312	-	-	-	-	-	-	312
RMBS	2,486	63	6	80	-	-	-	2,635
SIV	40	-	65	-	-	11	-	116
WhCo	105	207	208	181	3	-	37	741
CDO	-	-	-	-	-	-	-	-
CSO	6	-	-	-	-	-	-	6
CLO	-	-	-	-	-	-	-	-
Other	162	2	-	-	-	-	2	166
Total	4,192	708	545	647	3	11	195	6,301
%	67%	11%	9%	10%	0%	0%	3%	100%

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Asset backed securities - Shareholder



Exposure by type and credit rating

As at 30 June 2008

ABS Type	AAA £m	AA £m	A £m	BBB £m	BB £m	B £m	Not Rated £m	Total £m
Shareholder								
ABCP	-	-	-	-	-	-	-	-
Auto ABS	9	-	-	-	-	-	-	9
CMBS	316	16	7	12	-	-	2	353
Credit Card ABS	174	-	-	-	-	-	-	174
RMBS	822	-	2	4	-	-	-	828
SIV	30	-	20	-	-	11	-	61
WhCo	38	-	10	5	-	-	4	57
CDO	-	-	-	-	-	-	-	-
CSO	-	-	-	-	-	-	-	-
CLO	-	-	-	-	-	-	-	-
Other	38	-	-	-	-	-	1	39
Total Shareholder	1,427	16	39	21	-	11	7	1,521
%	94%	1%	3%	1%	0%	1%	0%	100%

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Asset backed securities - policyholder (unit linked)



Exposure by type and credit rating

As at 30 June 2008

ABS Type	AAA £m	AA £m	A £m	BBB £m	BB £m	B £m	Not Rated £m	Total £m
Policyholder - unit linked								
ABCP	-	-	-	-	-	-	7	7
Auto ABS	9	-	-	-	-	-	-	9
CMBS	333	12	15	20	-	-	2	382
Credit Card ABS	78	-	-	-	-	-	-	78
RMBS	1,004	1	1	2	-	-	-	1,008
SIV	-	-	10	-	-	-	-	10
WhCo	23	8	8	18	-	-	5	62
CDO	-	-	-	-	-	-	-	-
CSO	-	-	-	-	-	-	-	-
CLO	-	-	-	-	-	-	-	-
Other	11	-	-	-	-	-	-	11
Total policyholder – unit linked	1,458	21	34	40	-	-	14	1,567
%	93%	1%	2%	3%	0%	0%	1%	100%

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Asset backed securities - policyholder (participating)



Exposure by type and credit rating

As at 30 June 2008

ABS Type	AAA £m	AA £m	A £m	BBB £m	BB £m	B £m	Not Rated £m	Total £m
Policyholder - participating								
ABCP	-	-	-	-	-	-	-	-
Auto ABS	-	-	-	-	-	-	-	-
CMBS	186	200	75	134	-	-	135	730
Credit Card ABS	21	-	-	-	-	-	-	21
RMBS	246	62	3	36	-	-	-	347
SIV	4	-	4	-	-	-	-	8
WhCo	29	107	159	34	3	-	23	355
CDO	-	-	-	-	-	-	-	-
CSO	6	-	-	-	-	-	-	6
CLO	-	-	-	-	-	-	-	-
Other	95	2	-	-	-	-	1	98
Total policyholder – participating	587	371	241	204	3	-	159	1,565
%	38%	24%	15%	13%	0%	0%	10%	100%

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Asset backed securities - third party



Exposure by type and credit rating

As at 30 June 2008

ABS Type	AAA £m	AA £m	A £m	BBB £m	BB £m	B £m	Not Rated £m	Total £m
Third party								
ABCP	-	-	-	-	-	-	-	-
Auto ABS	-	-	-	-	-	-	-	-
CMBS	228	208	169	220	-	-	10	835
Credit Card ABS	39	-	-	-	-	-	-	39
RMBS	414	-	-	38	-	-	-	452
SIV	6	-	31	-	-	-	-	37
WhCo	15	92	31	124	-	-	5	267
CDO	-	-	-	-	-	-	-	-
CSO	-	-	-	-	-	-	-	-
GLO	-	-	-	-	-	-	-	-
Other	18	-	-	-	-	-	-	18
Total third party	720	300	231	382	-	-	15	1,648
%	44%	18%	14%	23%	0%	0%	1%	100%

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