

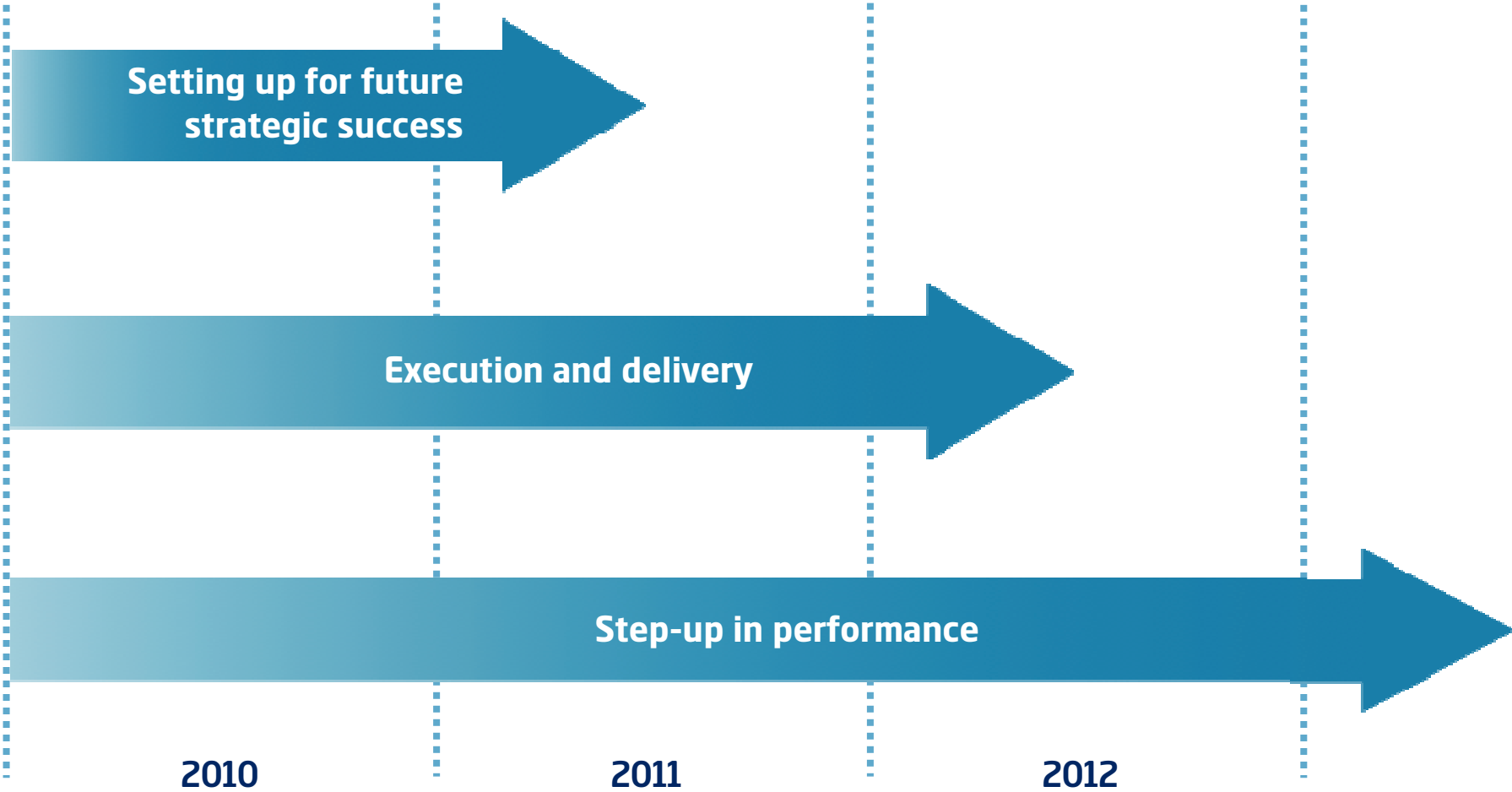
Half Year Results 2012

Delivering value for customers and shareholders

Standard Life 

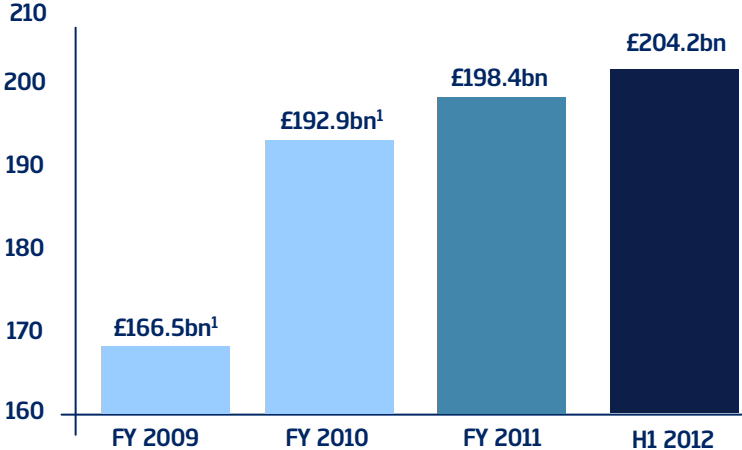
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Delivering value for customers and shareholders

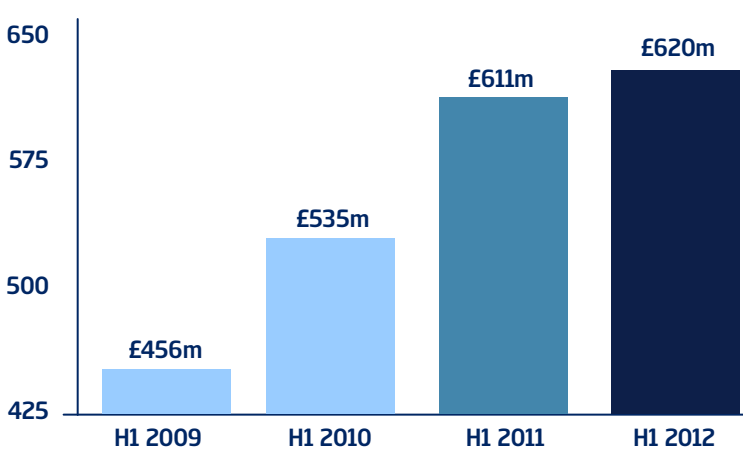


Delivering growth

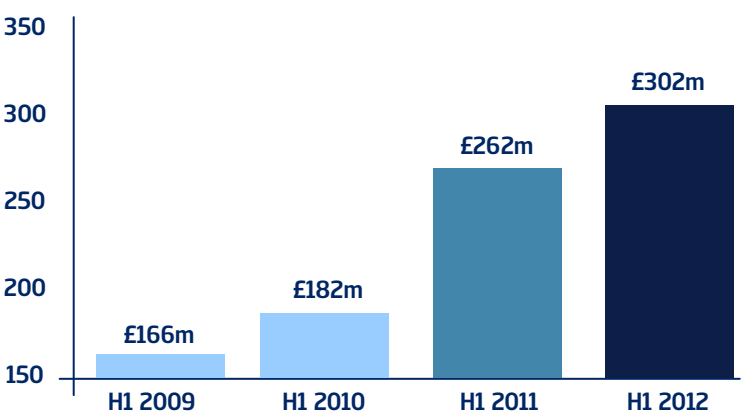
Group assets under administration



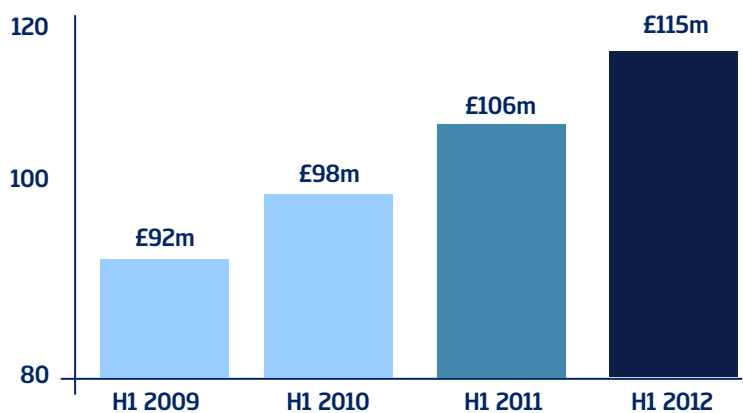
Fee based revenue



Operating profit²



Interim dividends³



1. Continuing operations excluding the impact of external transfer of UK money market funds
 2. From continuing operations
 3. Total interim dividends paid in cash and Scrip

Half Year Results 2012

Delivering value for customers and shareholders

Jackie Hunt
Chief Financial Officer

Standard Life 

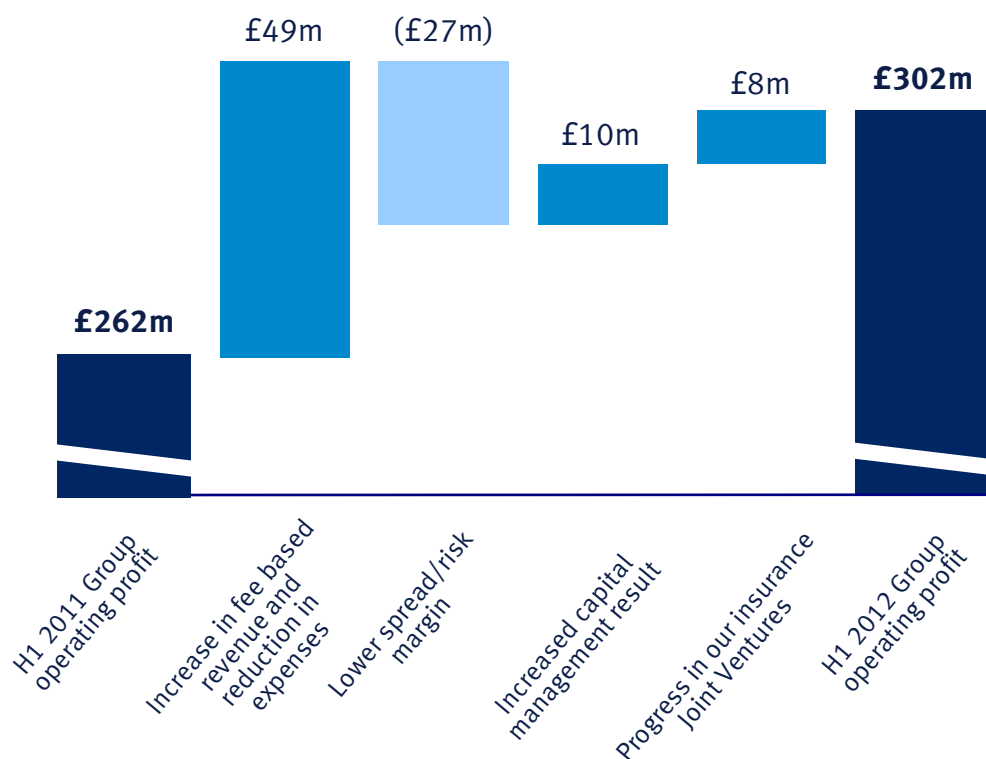
Group financial results - highlights

Financial highlights

	H1 2012	H1 2011
Operating profit before tax	£302m	£262m
Assets under administration	£204.2bn	£198.4bn ¹
Standard Life Investments third party AUM	£74.3bn	£71.8bn ¹
Long-term savings net flows	£1.6bn	£2.9bn
Investment management third party net flows	£0.6bn	£2.9bn
EEV operating profit before tax	£604m	£376m
EEV operating capital and cash generation after tax	£295m	£193m
Dividend	4.90p	4.60p

1. Comparative as at 31 December 2011

Fee business driving 15% increase in operating profit



- Fee business
 - Fee revenue increased by £9m with growth impacted by volatile financial markets
 - Delivered significant improvements in efficiency, reducing absolute costs by £40m, increasing the profitability of our core fee business
- £100m margin improvement target achieved
- Spread/risk margin
 - UK benefited from growth in annuity volumes
 - Canada reflected lower interest rate environment and higher impact of management actions in H1 2011
- Improvement in capital management result
- Continued progress in JVs

Group operating profit by business

Operating profit before tax		
	H1 2012	H1 2011
	£m	£m
UK	141	87
Standard Life Investments	68	67
Canada	72	103
International	28	19
Group corporate centre / Other	(7)	(14)
Total	302	262

- Delivering an ongoing improvement in Group operating profit
- All businesses making a significant contribution

62% increase in UK operating profit

Operating profit

	H1 2012 £m	H1 2011 £m
Fee based revenue	325	309
Spread/risk margin	56	52
Total income	381	361
Acquisition expenses	(84)	(107)
Maintenance expenses	(169)	(171)
Capital management	13	4
Total	141	87

- Fee business AUA¹ up 3% driven by inflows into our core propositions and positive market movements
- Significantly increased profit contribution from fee business
- Fee business revenue bps remained stable at 73bps (FY 2011: 73bps)
- Spread/risk margin up 8% driven by 36% increase in annuity volumes
- Absolute reductions in acquisition and maintenance expenses demonstrating the scalability of our business

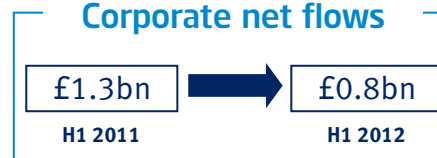
Fee business AUA¹



Fee retail new net flows



Corporate net flows

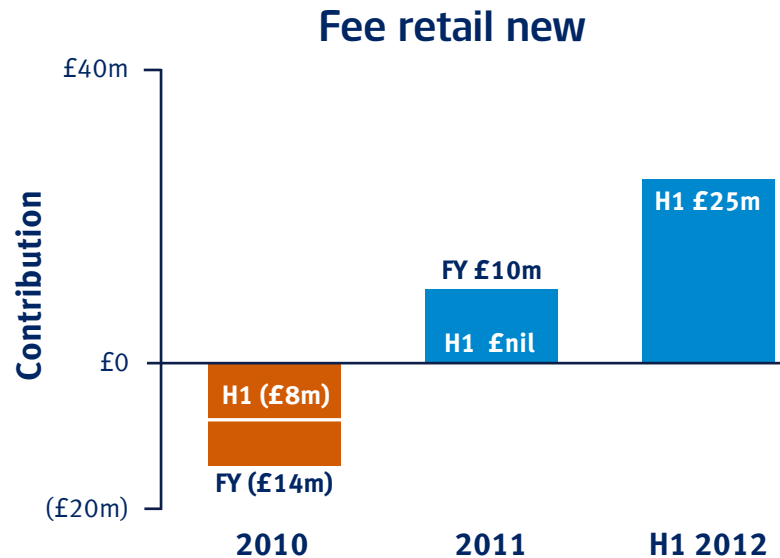


Fee business bps



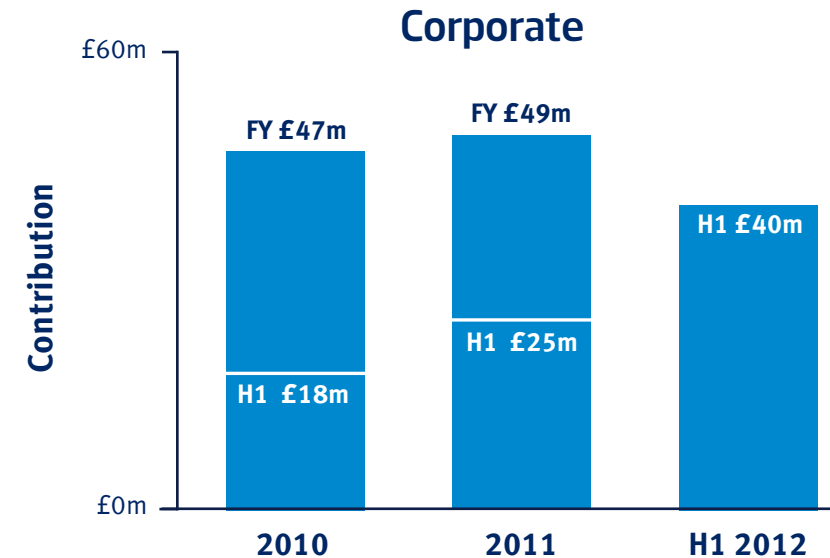
1. Excluding institutional pensions and conventional with profits

Growing contribution from UK new style propositions



AUA	£21bn	£24bn	£26bn
Gross inflows	£5.2bn	£5.7bn	£2.7bn

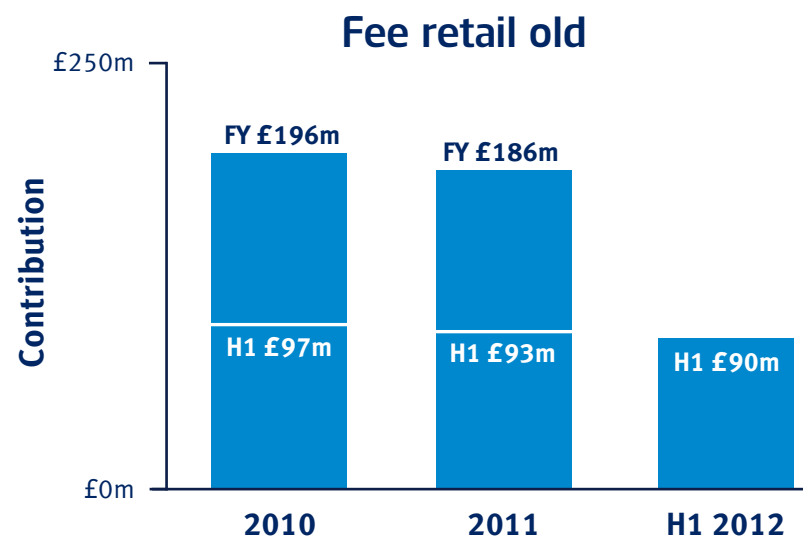
- Significant and ongoing improvement in profitability
- Strong net inflows into higher margin investment solutions
- Additional revenue margin captured by Standard Life Investments



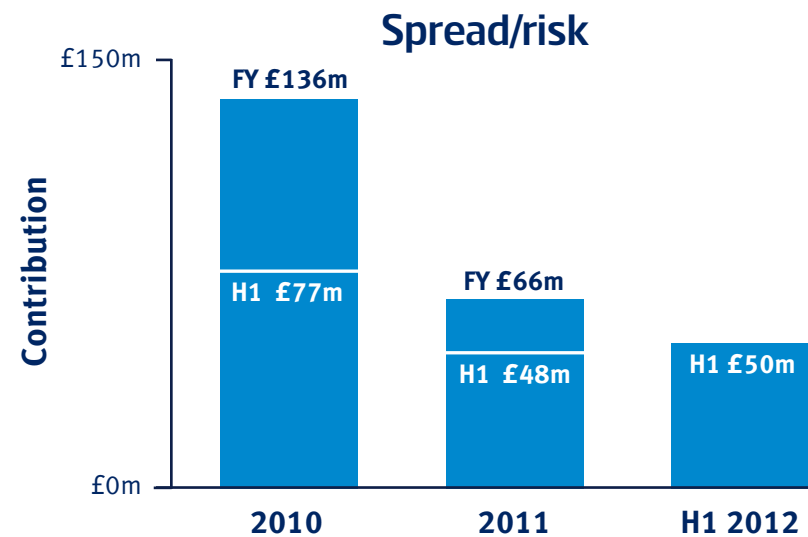
AUA	£21bn	£22bn	£23bn
Gross inflows	£3.0bn	£3.9bn	£1.6bn

- Continuing growth in AUA
- Ongoing improvements in efficiency
- Maximising revenue: launched a range of investment solutions for employers including Passive Plus and MyFolio

Resilient contribution from UK older style propositions



AUA	£35bn	£32bn	£31bn
Gross Inflows	£1.1bn	£0.9bn	£0.5bn



AUA	£14bn	£14bn	£15bn
Gross Inflows	£0.6bn	£0.5bn	£0.3bn

- Significant and stable contribution from older style propositions
- Helped by ongoing improvements in efficiency
- AUA continues to benefit from increments and market movements

- Strong contribution from existing business with opportunity for growth in new business
- Ensuring adequate reward for risk
- H2 2011 negatively impacted by operating assumptions and one-off reserving changes while H1 2010 was positively impacted

Standard Life Investments driving flows into higher margin propositions

Operating profit

	H1 2012 £m	H1 2011 £m
Fee based revenue	203 ¹	193 ²
Maintenance expenses	(135)	(126)
Total	68¹	67²

- Growth in revenue and operating profit
- Third party assets of £74.3bn (FY 2011: £71.8bn)
- Revenue bps up 2bps to 39bps
- Net inflows of £0.6bn reflect a single low margin outflow of £1.8bn
- HDFC Asset Management remains the largest mutual fund company in India with AUM of £10.7bn³

Third party net flows



Third party fee business bps



EBIT margin⁴



1. Share of profit of HDFC Asset Management included on a pre-tax basis (previously post-tax) for the first time. This has contributed £3m to the increase in revenue and operating profit.
2. Revenue and operating profit in H1 2011, excluding the proceeds from the transfer of UK money market funds, were £186m and £60m respectively
3. Standard Life Investments share of AUM is £4.3bn
4. Adjusted to exclude the impact of the transfer of UK money market funds

Canada result impacted by market environment

Operating profit

	H1 2012	H1 2011
	£m	£m
Fee based revenue	83	84
Spread/risk margin	124	155
Total income	207	239
Acquisition expenses	(41)	(48)
Maintenance expenses	(114)	(106)
Capital management	20	18
Total	72	103

- Good sales momentum in fee based propositions
 - Individual and mutual funds gross flows up 27%
 - Group savings and retirement net flows lower at £91m, but increase in regular premiums and lower discount rates driving PVNBP sales up 54%
- Spread/risk margin:
 - £11m lower contribution from existing business due to lower interest rate environment
 - £9m gain from specific management actions to enhance the investment yields on assets (H1 2011: £31m)
- Maintenance expenses in line with H2 2011

Fee business AUA



Fee business net flows



Fee business bps

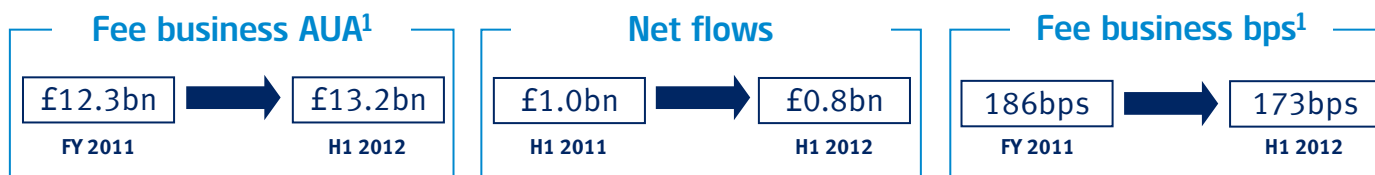


International operating profit up 47%

Operating profit

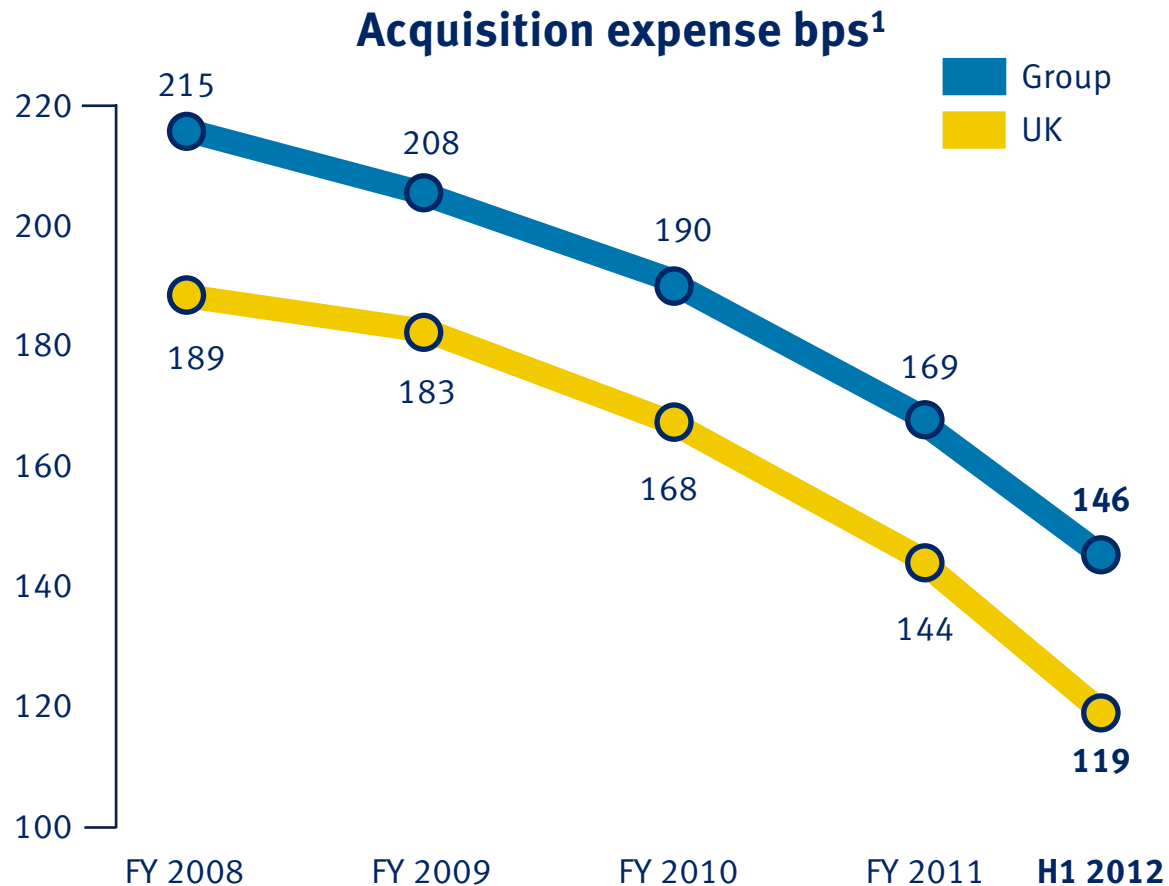
	H1 2012 £m	H1 2011 £m
Fee based revenue	103	108
Acquisition expenses	(19)	(20)
Maintenance expenses	(65)	(70)
Capital management	1	1
Wholly owned businesses	20	19
India and China JV life businesses	8	0
Total	28	19

- Fee based revenue in line with H1 2011 on constant currency basis
- Resilient, but lower net flows, reflect strong start to 2011 in Ireland
- Operational improvements included lower maintenance expenses
- Improved profitability in both joint ventures:
 - Expanding distribution capability in China
 - Continuing to increase market share in India in a challenging market



1. Wholly owned businesses only

Acquiring new business with increasing efficiency

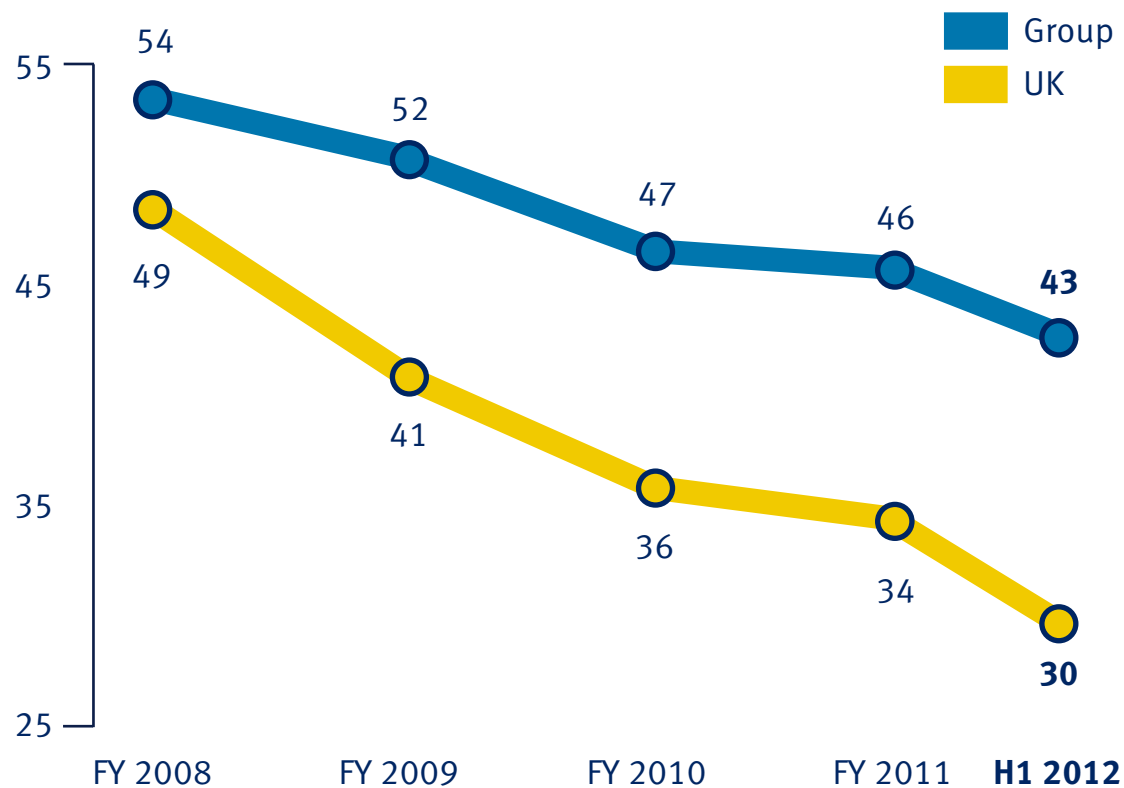


- Acquisition expenses are largely fixed and very scalable
- Since 2008 acquisition expense bps have fallen by:
 - 69bps (32%) for Group
 - 70bps (37%) for UK
- Reduced unit as well as absolute costs of acquisition in H1 2012
- Scope for ongoing improvements in efficiency as we continue to grow our business

1. Acquisition expenses / PVNBP (excluding JV PVNBP)

Continued improvement in productivity

Maintenance expense bps¹



- Since 2008, maintenance expense bps have fallen by:
 - 11bps (20%) for Group
 - 19bps (39%) for UK
- Combination of unit cost and absolute cost savings in H1 2012
- Enabled by:
 - Platform propositions with industrial strength
 - Focus on productivity and reducing waste
- Scope for ongoing improvements

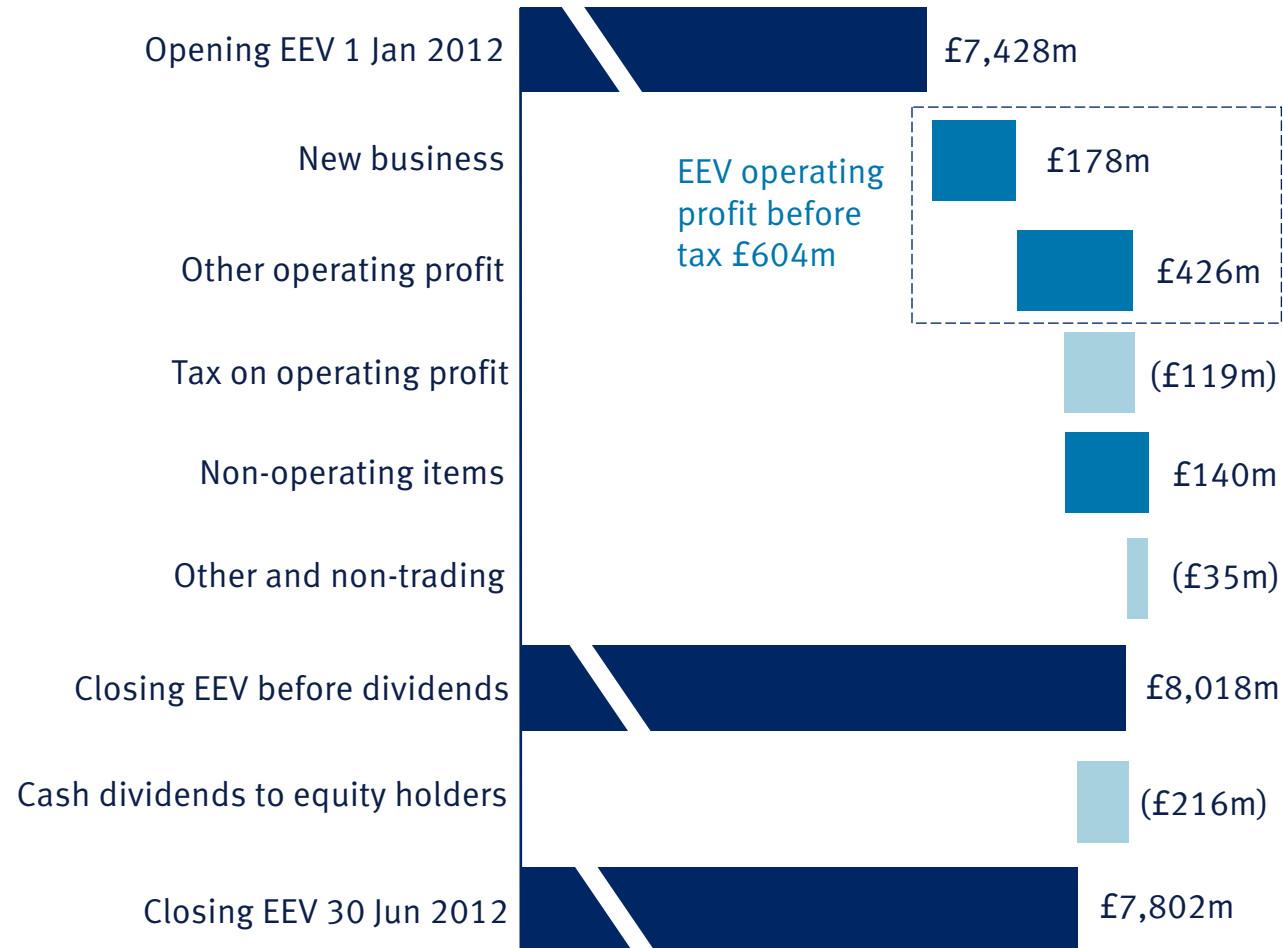
1. Maintenance expenses / average AUA

EEV operating capital and cash generation up 53%

EEV operating capital and cash		
	H1 2012	H1 2011
	£m	£m
UK	208	183
Canada	86	63
International	54	61
Non-covered	54	5
Gross EEV operating capital and cash generation	402	312
New business strain	(107)	(119)
EEV operating capital and cash generation	295	193

- Gross capital and cash generation increased by 29%
- Lower new business strain reflects the efficiency with which we generate new business
- 16% new business IRR with six year payback

Growing our embedded value



Embedded value per share up 14p to 331p

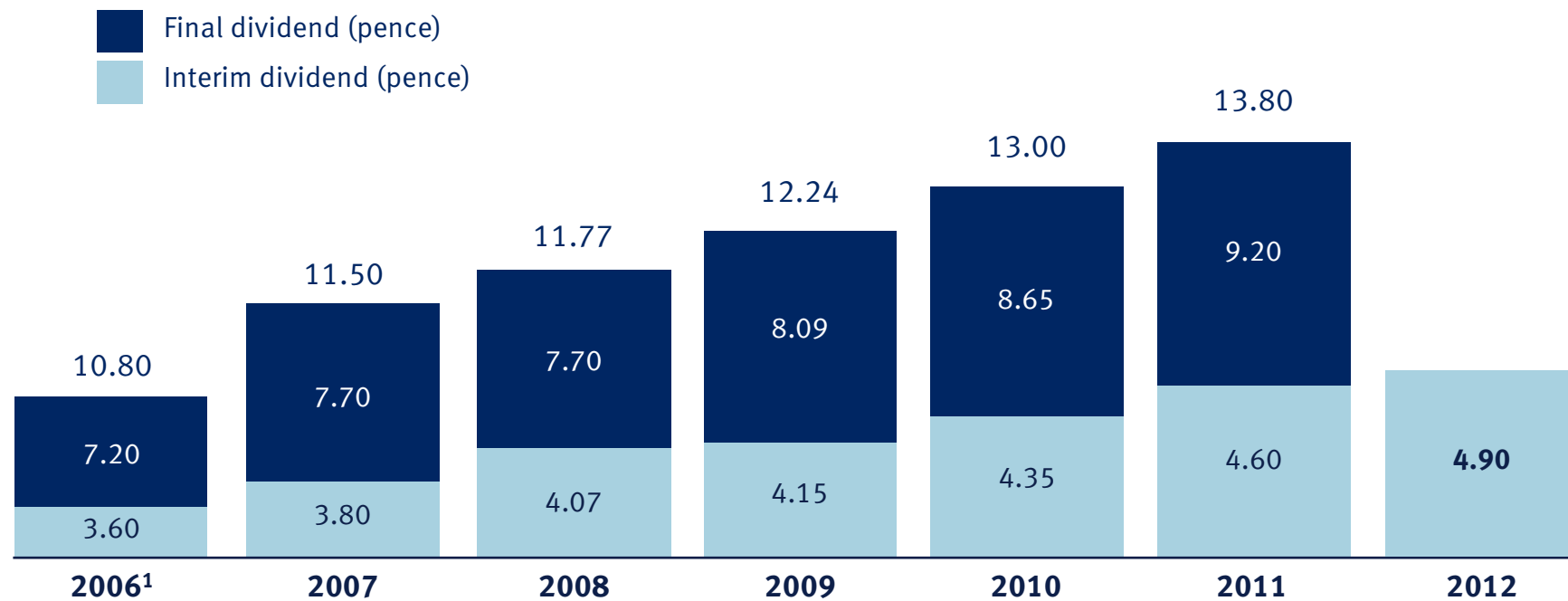
We have a strong balance sheet

- IGD surplus of £3.0bn (FY 2011: £3.1bn) after payment of full year dividend
- Capital position remained relatively insensitive to market movements
- Minimal exposure to European periphery sovereign and bank debt

	H1 2012 £bn	FY 2011 £bn
Equity	4.0	4.0
Debt/other	1.3	1.3
Total	5.3	5.3
Leverage¹	25%	25%

1. Leverage calculated as total borrowings (subordinated debt plus bank overdrafts and other borrowings less uncleared cheques) divided by total capital (shareholder equity excl. NClS + total borrowings)

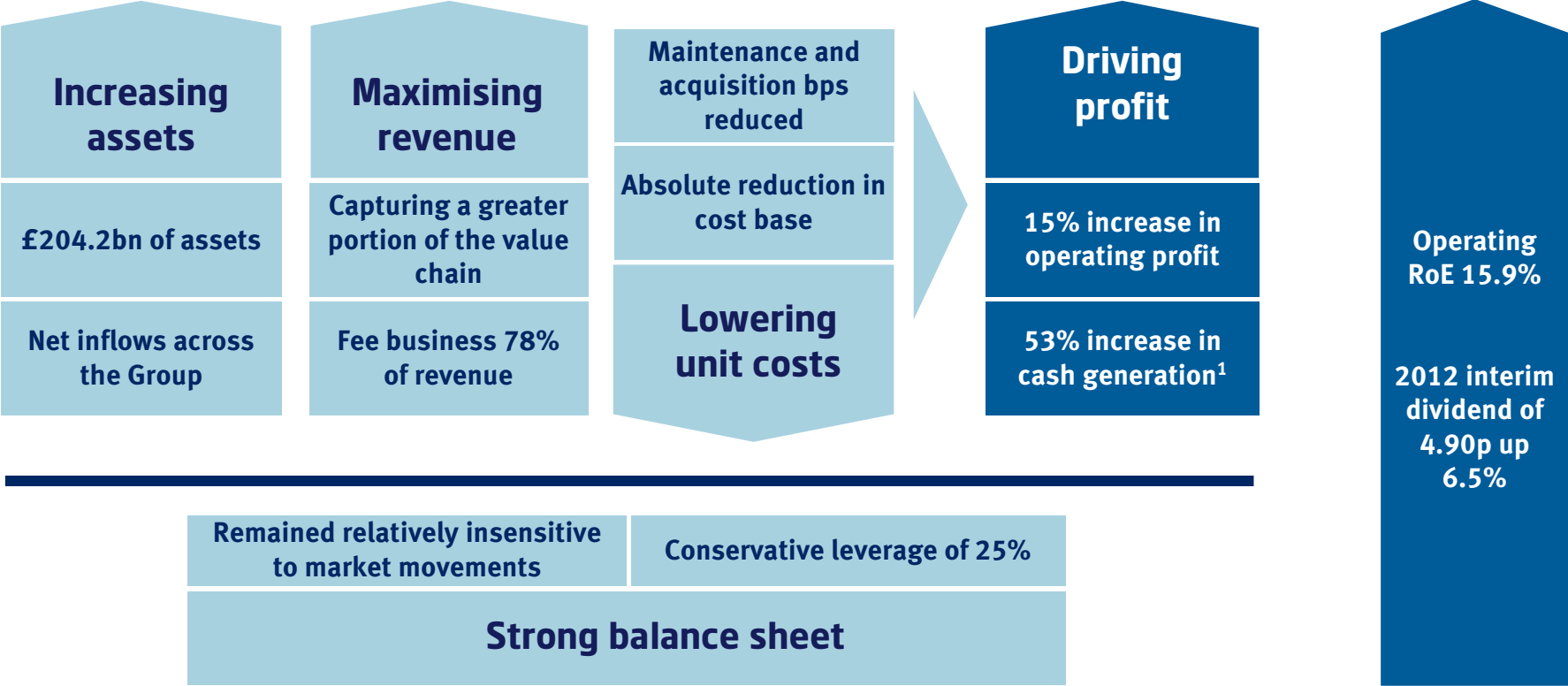
Interim dividend up 6.5% to 4.90p



- Continuous dividend growth since IPO
- Focused on delivering a progressive dividend
- Replacement of Scrip with DRIP option from 2011 final dividend

1. Implied interim and final dividends based on 5.40p dividend for period from demutualisation to 31 December 2006

Driving returns for our shareholders



1. EEV operating capital and cash generation

Half Year Results 2012

Delivering value for customers and shareholders

David Nish
Chief Executive

Standard Life 

Strength, expertise and capability

- All businesses are well placed for opportunities
- Business units leverage our expertise across the Group
- Position across value chain giving us greater access to margin
- Continuing to lower costs



Delivering ongoing improvement in profit and dividends

Unprecedented change and growth opportunities

Demographic / economic

- Baby boomer generation entering retirement phase and consolidating assets
- State provision for retirement becoming more burdensome
- UK and Canadian savings gaps
- Growing Asian middle classes

Regulatory environment

- Auto enrolment and pension reform increasing size of corporate pension and savings market
- RDR introducing fee based advice – new model advisers
- RDR increasing focus on quality of proposition
- Introduction of Pooled Registered Pension Plans in Canada

Customer / client

- Customers demanding transparency, flexibility and ease of access
- Ongoing shift from DB to DC and total reward
- Trend towards consolidation of assets
- Shift towards global investment products
- Evolving institutional demand for investment solutions

Value chain maximising revenue across the Group

Increasing our access to margin through Investment Solutions



Focus Solutions
Vebnet providing flexible benefits to over 500,000 employees

threesixty
AdviserZone
WorkBenefitsZone

205,000 platform customers and £12.8bn AUA
1,087 advisor firms on Wrap
147,000 SIPP customers and £18bn AUA
1.2m UK corporate customers
570,000 Canada corporate customers

SLI third party assets of £74bn
GARS £17bn
MyFolio £1.5bn
SLW £1.4bn

A simple, efficient and scalable business

Clear opportunities for further profitable growth

UK and Europe

- Ready for RDR: will open up retail and corporate market
- Potential 400,000 extra members to 35,000 existing corporate schemes from auto enrolment
- Meeting employer demand for total reward and investment solutions
- Unprecedented movement of corporate pension assets
- New unit linked propositions in Germany and Ireland

Standard Life Investments

- Global product innovation – GARS, global fixed income and real estate
- Expanding distribution agreements - John Hancock Financial, Sumitomo Mitsui, HDFC
- Growing reputation in overseas markets driving net flows from outside UK
- Continuing to secure higher margin institutional and wholesale business including £12bn in UK mutual funds

Canada

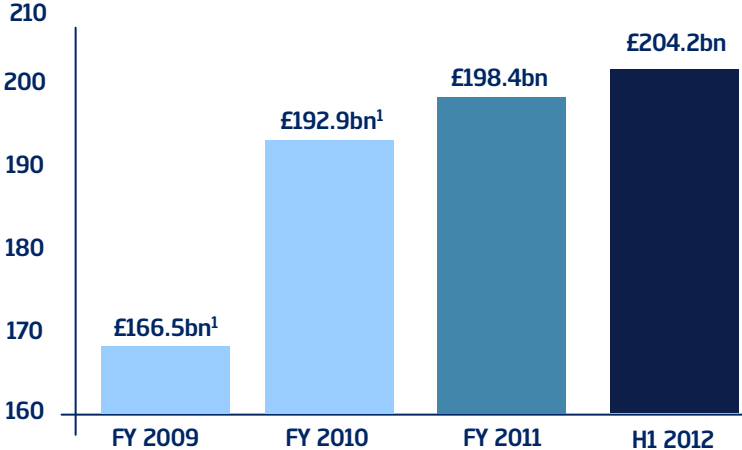
- New CEO and team focusing on our expertise and opportunities in long-term savings and investments
- Introduction of Pooled Registered Pension Plans (PRPPs)
- Ongoing shift from DB to DC
- Increasing demand for total reward proposition
- Increasing focus on “new style” products

Asia and Emerging Markets

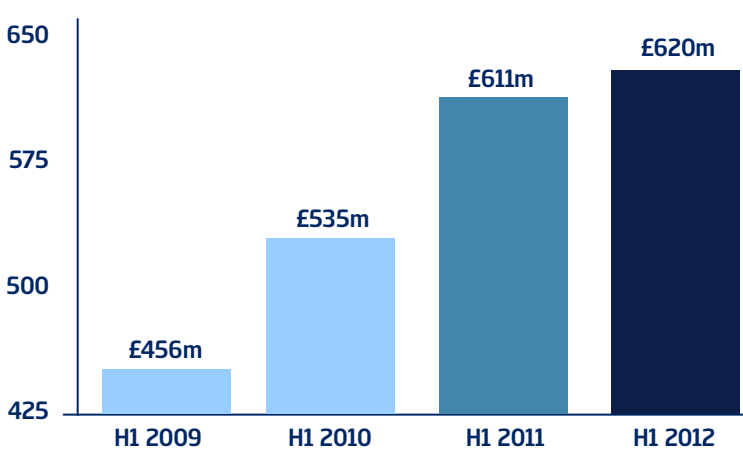
- “Asia and Emerging Markets” leveraging offshore expertise in targeted fast-growing Asian markets
- Supporting the development and execution of our investment strategy in Asia
- HDFC Life generating operating profit, nearing capital self sufficiency and growing market share
- Heng An Standard Life expanding distribution capability in China

Delivering growth

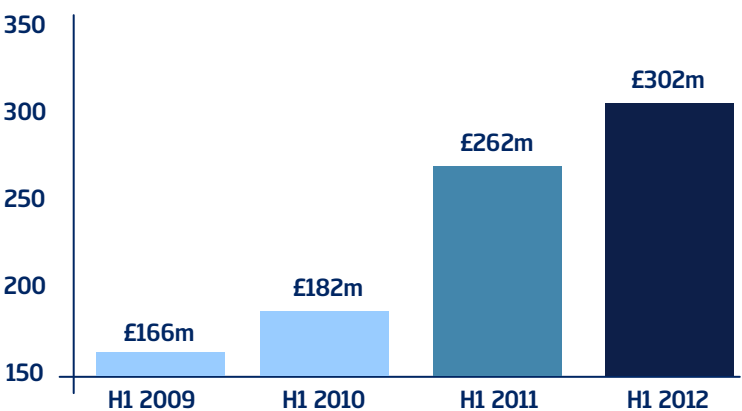
Group assets under administration



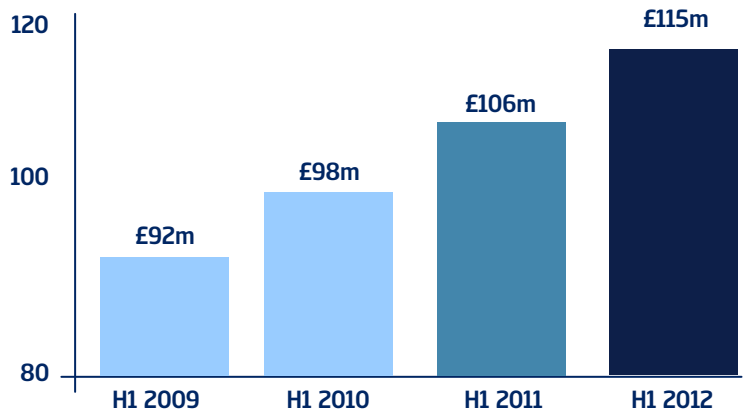
Fee based revenue



Operating profit²



Interim dividends³



1. Continuing operations excluding the impact of external transfer of UK money market funds
 2. From continuing operations
 3. Total interim dividends paid in cash and Scrip

Half Year Results 2012

Appendix

Standard Life 

Operating profit by business unit

Operating profit

	UK		SLI		Canada		International		Other		Eliminations		Total	
	H1 2012	H1 2011	H1 2012	H1 2011	H1 2012	H1 2011	H1 2012	H1 2011	H1 2012	H1 2011	H1 2012	H1 2011	H1 2012	H1 2011
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Fee based revenue	325	309	203	193	83	84	103	108	-	-	(94)	(83)	620	611
Spread/risk margin	56	52	-	-	124	155	-	-	-	-	-	-	180	207
Total income	381	361	203	193	207	239	103	108	-	-	(94)	(83)	800	818
Acquisition expenses	(84)	(107)	-	-	(41)	(48)	(19)	(20)	-	-	-	-	(144)	(175)
Maintenance expenses	(169)	(171)	(135)	(126)	(114)	(106)	(65)	(70)	-	(3)	94	83	(389)	(393)
Group corporate centre costs	-	-	-	-	-	-	-	-	(20)	(25)	-	-	(20)	(25)
Capital management	13	4	-	-	20	18	1	1	13	14	-	-	47	37
India and China JV businesses	-	-	-	-	-	-	8	-	-	-	-	-	8	-
Operating profit/(loss) before tax	141	87	68	67	72	103	28	19	(7)	(14)	-	-	302	262
Tax on operating profit/(loss)	34	(10)	(15)	(17)	(11)	(19)	(2)	(12)	2	6	-	-	8	(52)
Share of joint ventures' and associates' tax expense	-	-	(3)	-	(2)	-	-	-	-	-	-	-	(5)	-
Operating profit/(loss) after tax	175	77	50	50	59	84	26	7	(5)	(8)	-	-	305	210
Non-operating items	(62)	(64)	(2)	-	(19)	73	6	-	(5)	(14)	-	-	(82)	(5)
Tax on non-operating items	21	6	1	1	10	(15)	(1)	-	-	2	-	-	31	(6)
Profit for the period attributable to equity holders of Standard Life plc	134	19	49	51	50	142	31	7	(10)	(20)	-	-	254	199

Contribution to UK operating profit

UK operating profit

	H1 2012	H2 2011	H1 2011
	£m	£m	£m
Retail fee business – new	25	10	-
Retail fee business – old	90	93	93
Retail fee business contribution	115	103	93
Corporate	40	24	25
Fee business contribution	155	127	118
Spread / risk	50	18	48
Total contribution¹	205	145	166
Indirect expenses, capital management and other	(64)	(76) ²	(79)
UK operating profit before tax	141	69	87

1. Revenue/income less directly attributable expenses

2. Excludes £64m gain on UK staff pension scheme.

Fee based revenue

Fee based revenue

	H1 2012			FY 2011	FY 2011	H1 2011
	Average AUA	Revenue	Revenue	Average AUA	Revenue	Revenue
	£bn	bps	£m	£bn	bps	£m
UK	101.9	73	325	99.5	73	309
Canada	14.4	115	83	14.1	117	84
International	12.5	173	103	11.9	186	108
Standard Life Investments third party AUM	72.8	39	146	71.8	37 ¹	136
Eliminations/adjustments	(36.1)	-	(37)	(33.9)	-	(26)
Total fee based	165.5		620	163.4		611

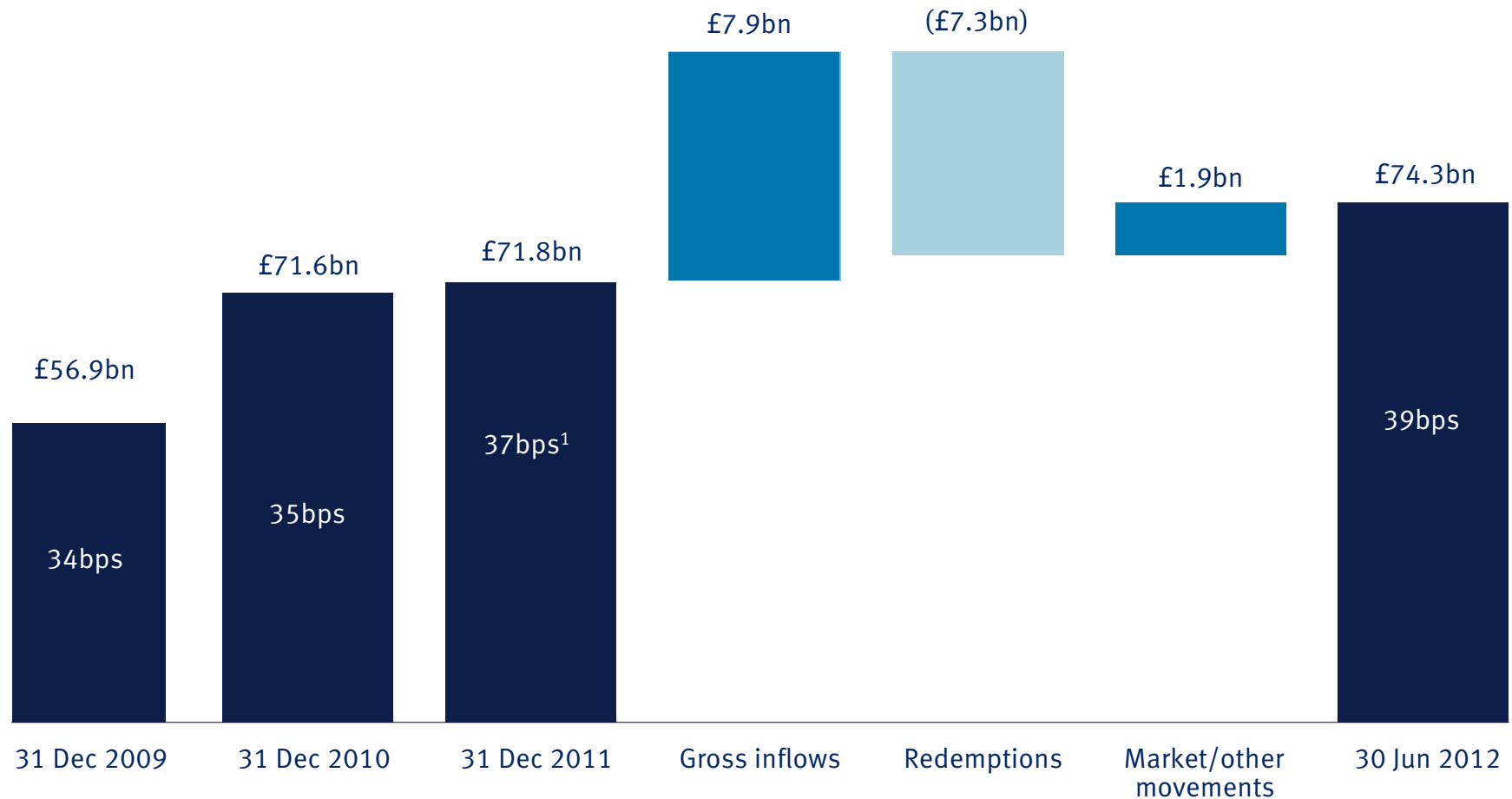
1. Excludes fee from the external transfer of UK money market funds

Spread/risk margin

Spread/risk margin

	UK		Canada		Total	
	H1 2012	H1 2011	H1 2012	H1 2011	H1 2012	H1 2011
	£m	£m	£m	£m	£m	£m
New business	32	28	3	3	35	31
Existing business	24	24	104	115	128	139
	56	52	107	118	163	170
Impact of specific management actions	-	-	9	31	9	31
Operating assumption and one-off reserving changes	-	-	8	6	8	6
Spread/risk margin	56	52	124	155	180	207

Standard Life Investments third party AUM



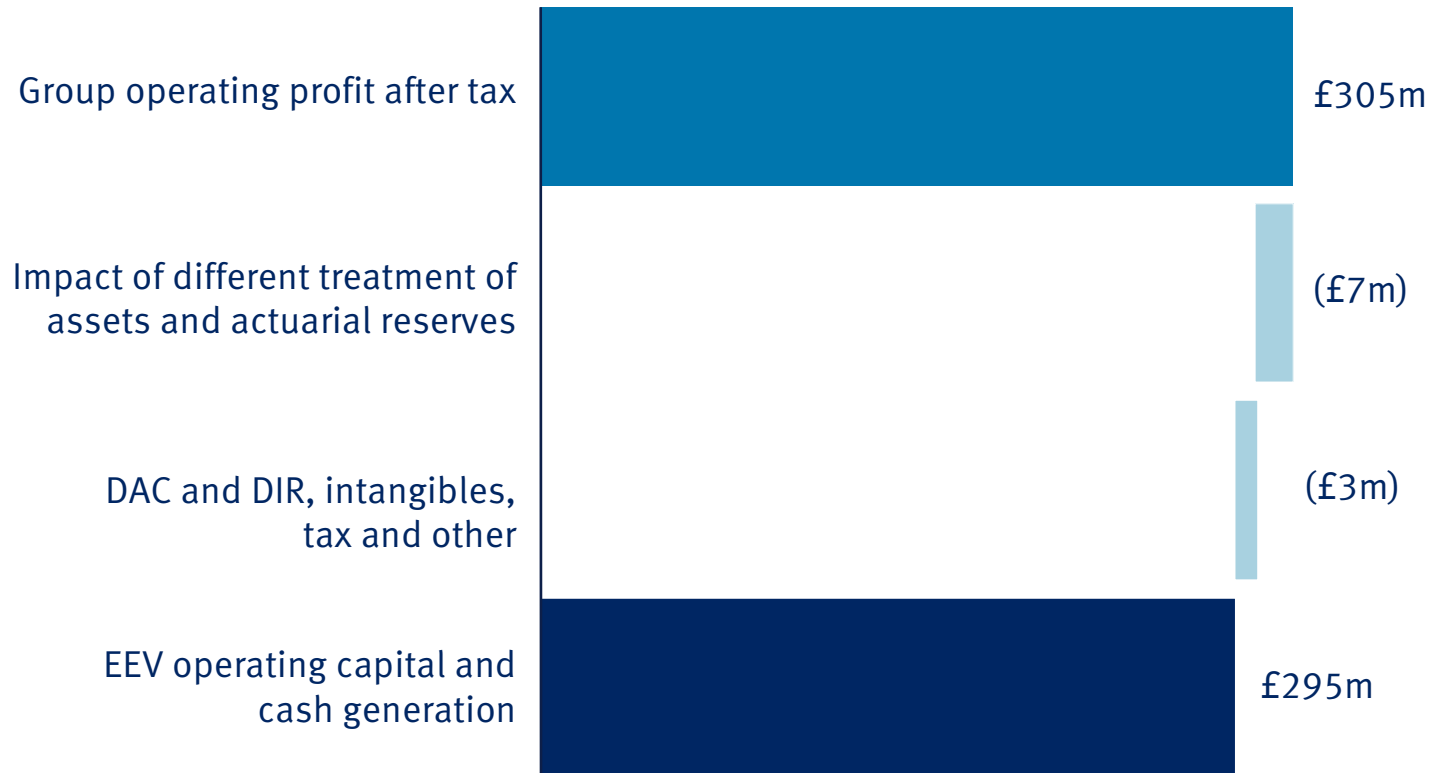
1. Excludes fee from the external transfer of UK money market funds

EEV new business margins

EEV new business margins

	H1 2012					H1 2011	
	IRR	Undiscounted payback	PVNB margin	NBC	PVNB	NBC	PVNB
	%	years	%	£m	£m	£m	£m
Individual pensions	8	8	0.6	10	1,895	13	2,237
Corporate pensions	11	9	1.5	30	1,995	40	2,830
Institutional pensions	>40	<3	2.0	38	1,953	25	1,674
Annuities	Infinite	Immediate	17.8	36	200	27	147
Savings and investments	22	5	1.2	12	990	8	1,257
Protection	Discontinued	Discontinued	-	-	1	-	1
UK	22	5	1.8	126	7,034	113	8,146
Canada	8	11	1.5	26	1,780	30	1,579
Wholly owned	13	6	1.9	19	979	20	1,175
Joint Ventures	17	6	2.5	7	284	3	261
International	16	6	2.0	26	1,263	23	1,436
Covered business total	16	6	1.8	178	10,077	166	11,161

Capital and cash



Insurance Groups Directive

IGD Surplus

31 December 2011	£3.1bn
30 June 2012	£3.0bn

Sensitivity to equity market falls^{1,2}

Fall in equities	IGD Surplus
20% (FTSE 4,457)	£2.9bn
30% (FTSE 3,900)	£2.9bn
40% (FTSE 3,343)	£2.8bn

Sensitivity to yields^{1,2}

100bps rise in yields	£3.0bn
100bps fall in yields	£2.7bn

1. Compared to 30 June 2012
2. Based on certain assumed management actions appropriate to these stresses

Capital tier structure

Capital tier structure

	Jun 2012 ¹ £bn	Dec 2011 ¹ £bn
Group core tier 1	6.9	7.0
Group innovative tier 1	0.6	0.6
Deductions from tier 1	(0.6)	(0.6)
Total Group tier 1 capital	6.9	7.0
Group upper tier 2	0.5	0.5
Group capital resources before deductions	7.4	7.5
Group capital resources deductions	(0.2)	(0.2)
Group capital resources requirement	(4.2)	(4.2)
Group capital surplus	3.0	3.1
Group solvency cover	174%	173%

1. H1 2012 based on estimated regulatory returns, 2011 based on final regulatory returns