



Half Year Results 2011

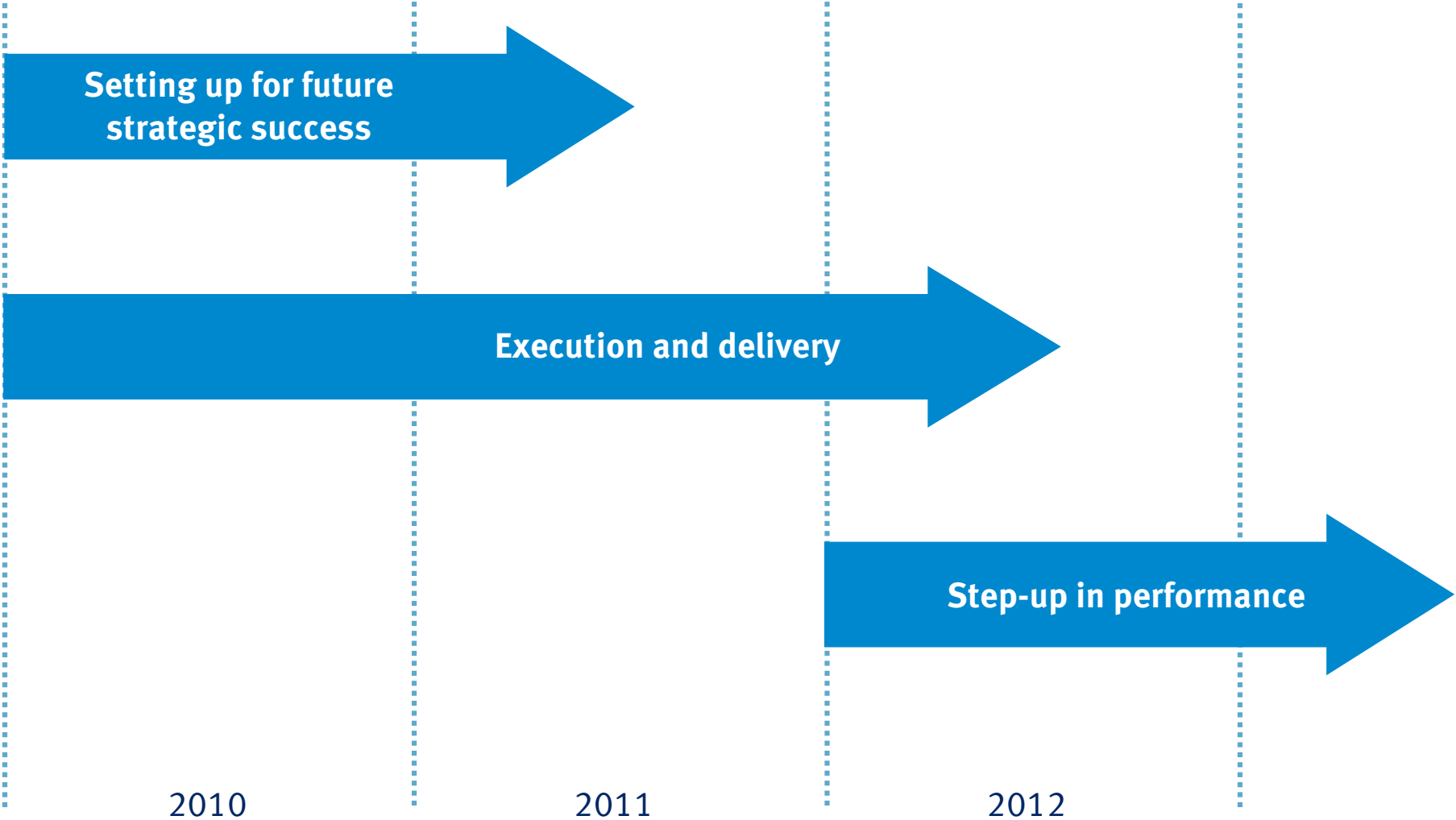
Standard Life plc

Analyst and Investor Presentation

Standard Life 

This presentation may contain certain “forward-looking statements” with respect to certain of Standard Life's plans and its current goals and expectations relating to its future financial condition, performance, results, strategy and objectives. Statements containing the words “believes”, “intends”, “expects”, “plans”, “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.

Delivering increased profits and cash flow



Half Year Results 2011

Delivering increased profits and cash flow

Jackie Hunt
Chief Financial Officer

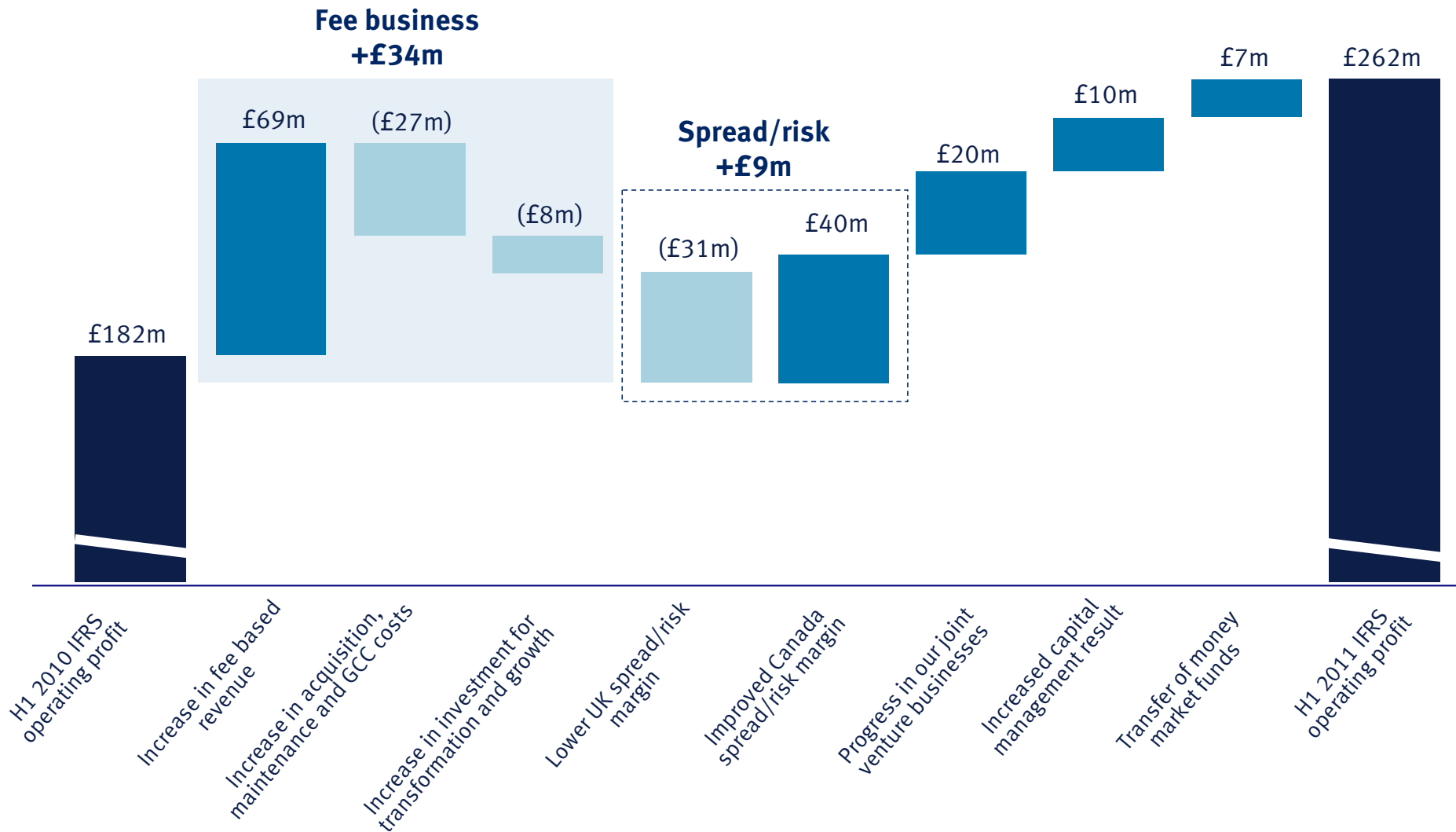
Standard Life 

Group financial results - highlights

	H1 2011	H1 2010
IFRS operating profit	£262m	£182m
Assets under administration ¹	£200.0bn	£196.8bn
Long-term savings net flows	£2.8bn	£2.5bn
Investment management third party net flows	£2.9bn	£4.7bn
EEV operating capital and cash generation after tax	£193m	£149m
EEV core operating profit before tax	£359m	£336m
Embedded value per share ¹	324p	322p
Dividend	4.60p	4.35p

¹ Comparative is at 31 December 2010

Group IFRS operating profit up 44%

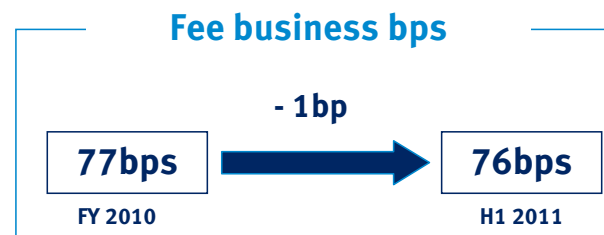
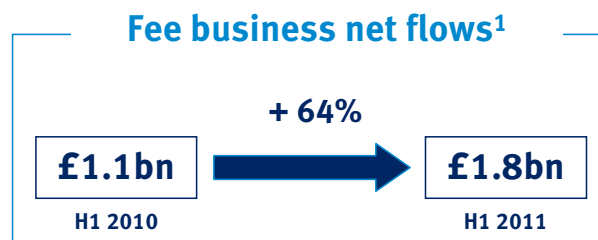


14% increase in UK IFRS operating profit

IFRS operating profit

	H1 2011 £m	H1 2010 £m
Fee based revenue	309	277
Spread/risk margin	52	83
Total income	361	360
Acquisition expenses	(85)	(87)
Maintenance expenses	(159)	(154)
Investment for transformation and growth	(34)	(31)
Capital management	4	(12)
Total	87	76

- Fee business AUA exceeds £100bn
- Sustained momentum in fee business, revenue up 12%
- Spread/risk margin:
 - £18m reserve release in prior year
 - 30% lower sales volumes
- Capital management includes £11m benefit from pension scheme surplus
- Acquisition of Focus Solutions completed



¹ Excluding institutional pensions and conventional with profits

37% increase in SLI IFRS operating profit

IFRS operating profit

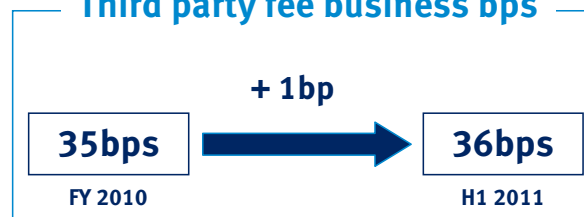
	H1 2011 £m	H1 2010 £m
Fee based revenue	193	157
Maintenance expenses	(106)	(91)
Investment for transformation and growth	(20)	(17)
Total	67	49

- Third party assets of £71.6bn
- Transfer of UK money market funds
 - £7m revenue benefit
 - AUM reduced by £4bn
- Higher revenue yield on new business
- Maintenance expenses reflect higher FTEs to support growth

Third party net flows



Third party fee business bps



EBIT margin

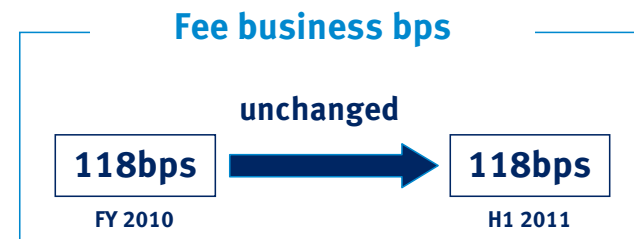
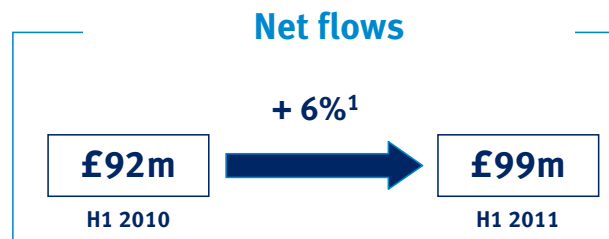


66% increase in Canada IFRS operating profit

IFRS operating profit

	H1 2011 £m	H1 2010 £m
Fee based revenue	84	72
Spread/risk margin	155	115
Total income	239	187
Acquisition expenses	(39)	(33)
Maintenance expenses	(98)	(96)
Investment for transformation and growth	(17)	(16)
Capital management	18	20
Total	103	62

- AUA up to £26bn
- 14%¹ increase in fee based revenue
- Enhanced investment yield on assets contributing £31m to spread/risk margin, up £14m on H1 2010
- Acquisition expenses higher reflecting increased commission costs due to shift in product mix of new business



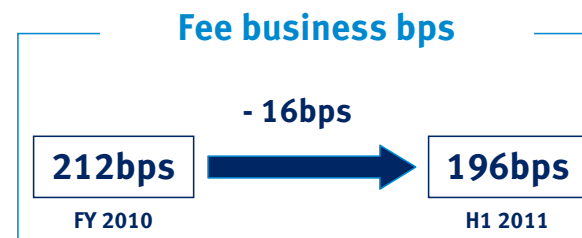
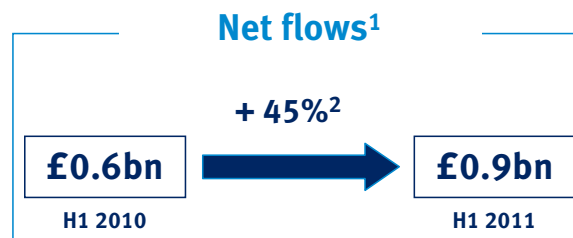
¹ Change in constant currency

Increase in International IFRS operating profit

IFRS operating profit

	H1 2011 £m	H1 2010 £m
Fee based revenue	108	105
Spread/risk margin	-	-
Total income	108	105
Acquisition expenses	(18)	(12)
Maintenance expenses	(68)	(59)
Investment for transformation and growth	(4)	(8)
Capital management	1	2
India and China JV businesses	-	(20)
Total	19	8

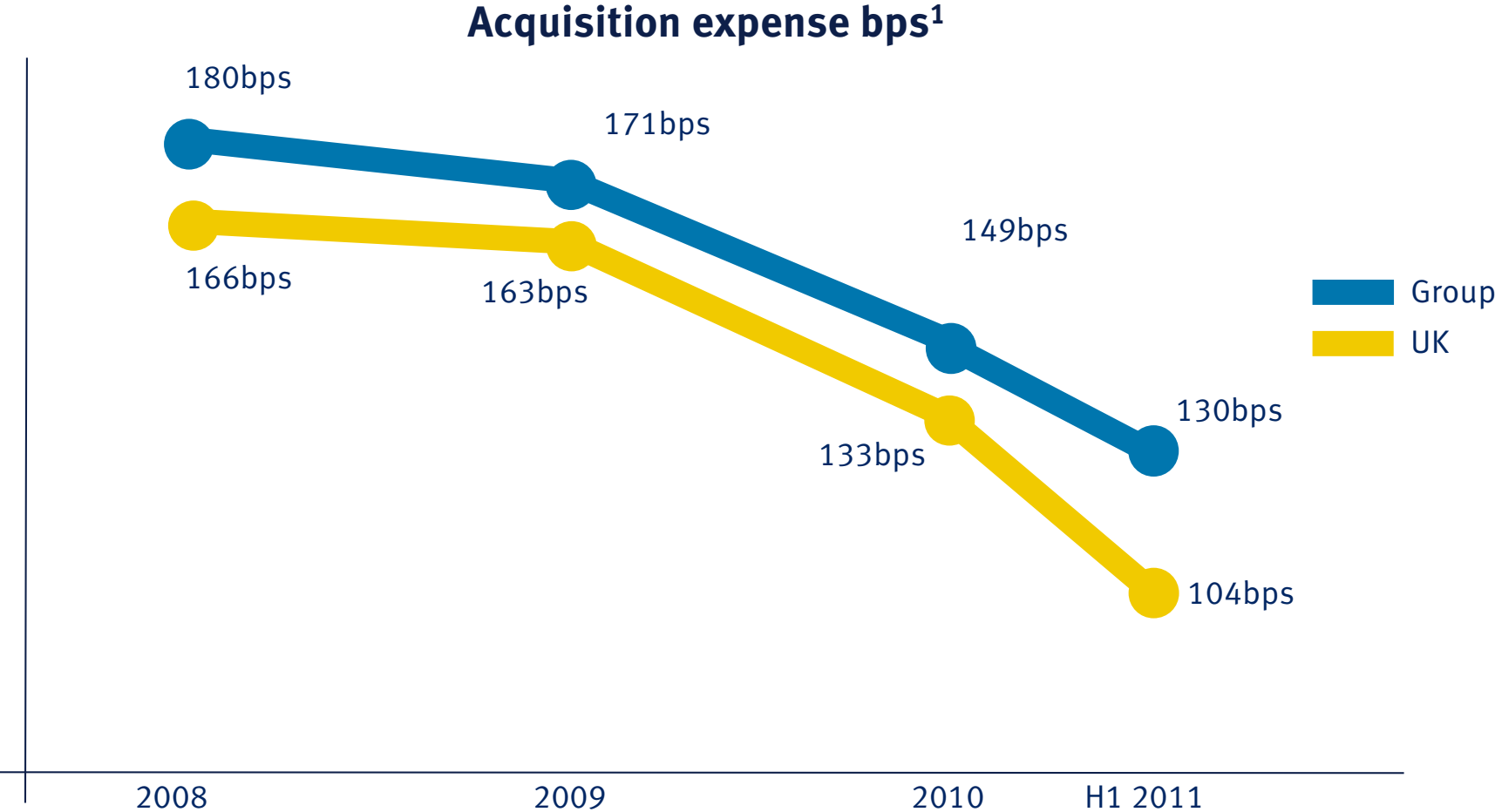
- AUA up to £13.6bn
- Acquisition expenses higher due to strong growth in Hong Kong and Ireland
- Maintenance expenses higher due to growing AUA back book
- Progress in joint venture business



¹ Wholly owned businesses only

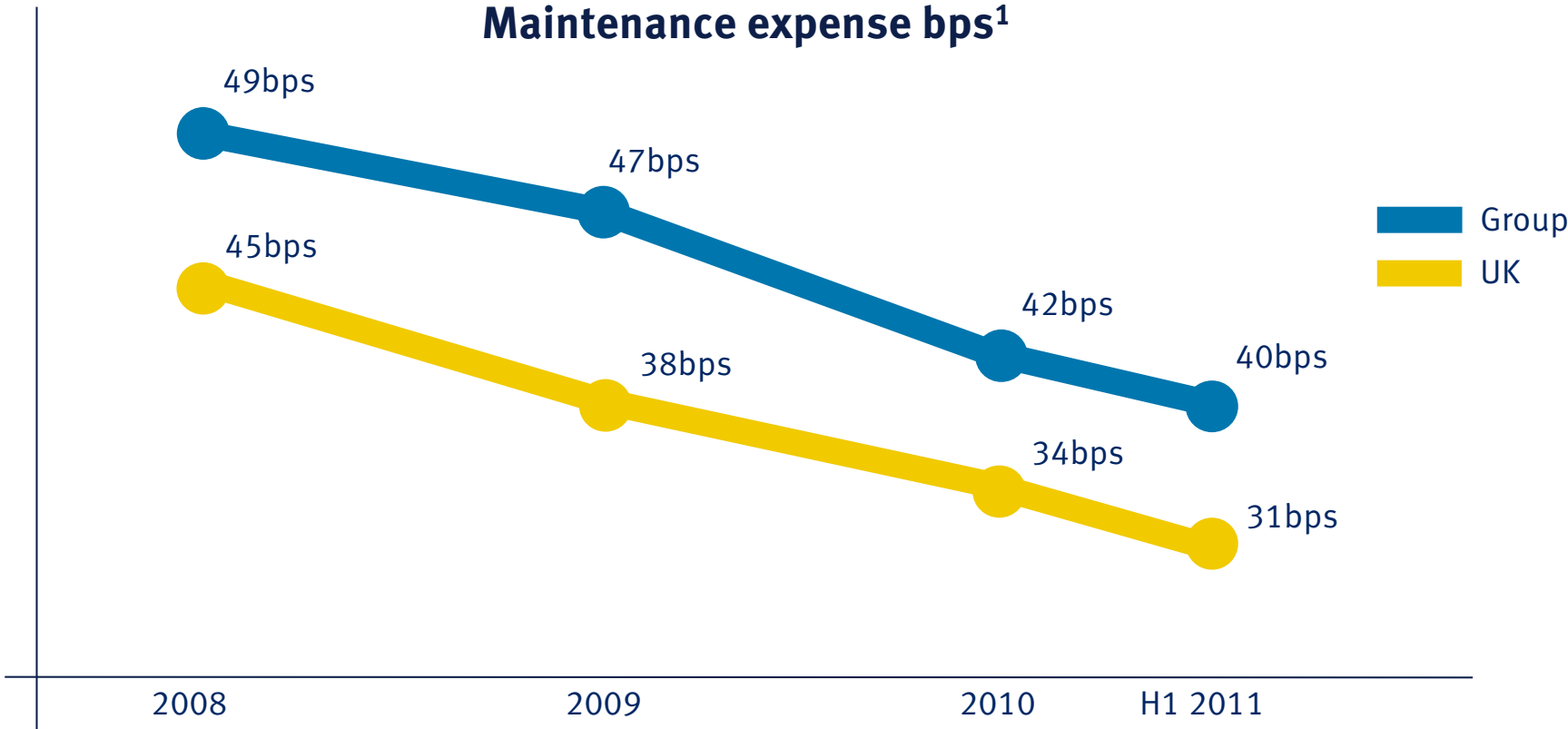
² Change in constant currency

Capital-lite model lowering unit cost of new business



¹ Acquisition expenses / PVNBP (excluding JV PVNBP)

Benefits of our scalable business model



¹ Maintenance expenses / average AUA

30% increase in EEV operating capital and cash generation

- Gross operating EEV capital and cash generation up 19% to £358m
- Funding:
 - New business strain of £119m with IRR of 16% and 6 year payback
 - Investment for transformation and growth of £46m¹
- Resulting in 30% increase in EEV operating capital and cash generation to £193m



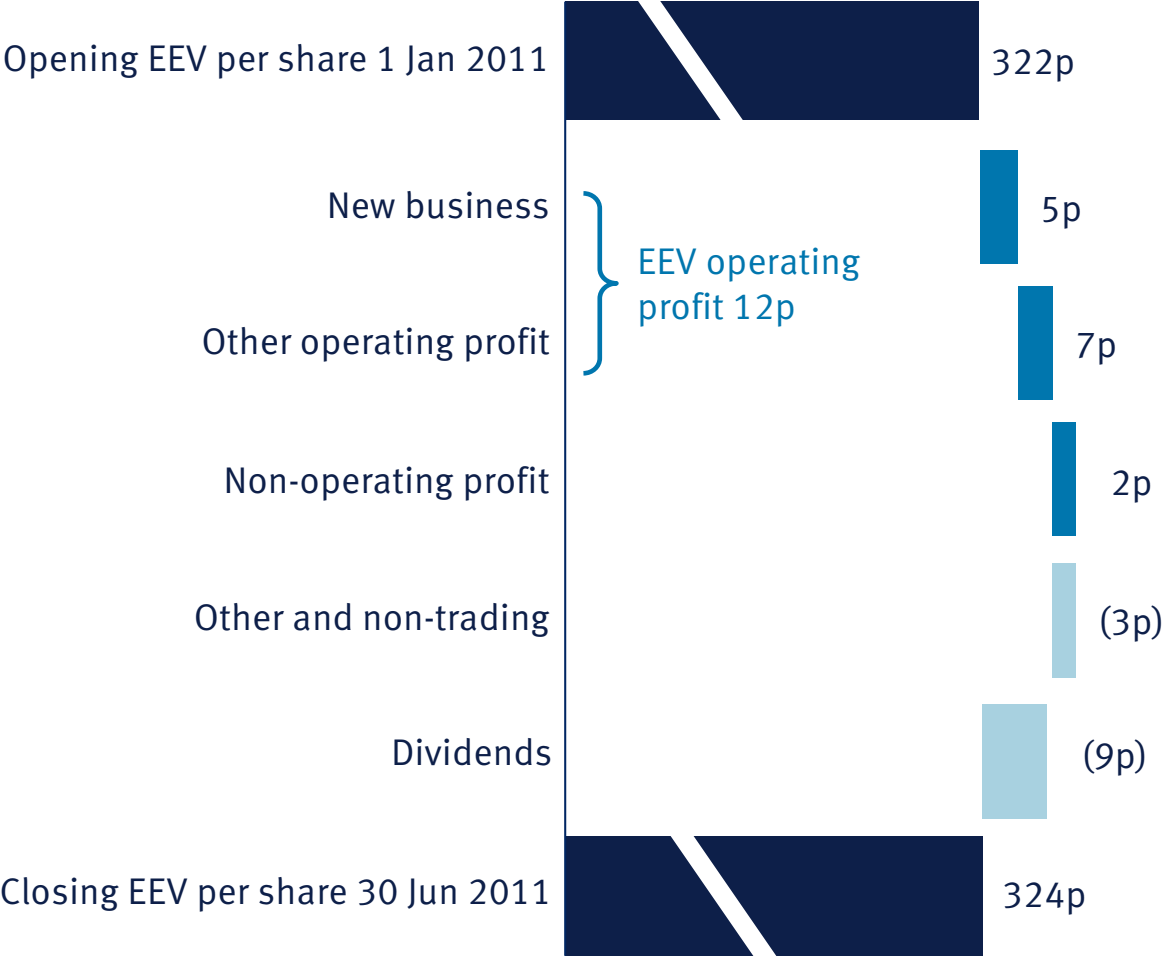
Retained EEV capital and cash of £65m after cash dividend of £105m

¹After tax and items allocated to new business strain

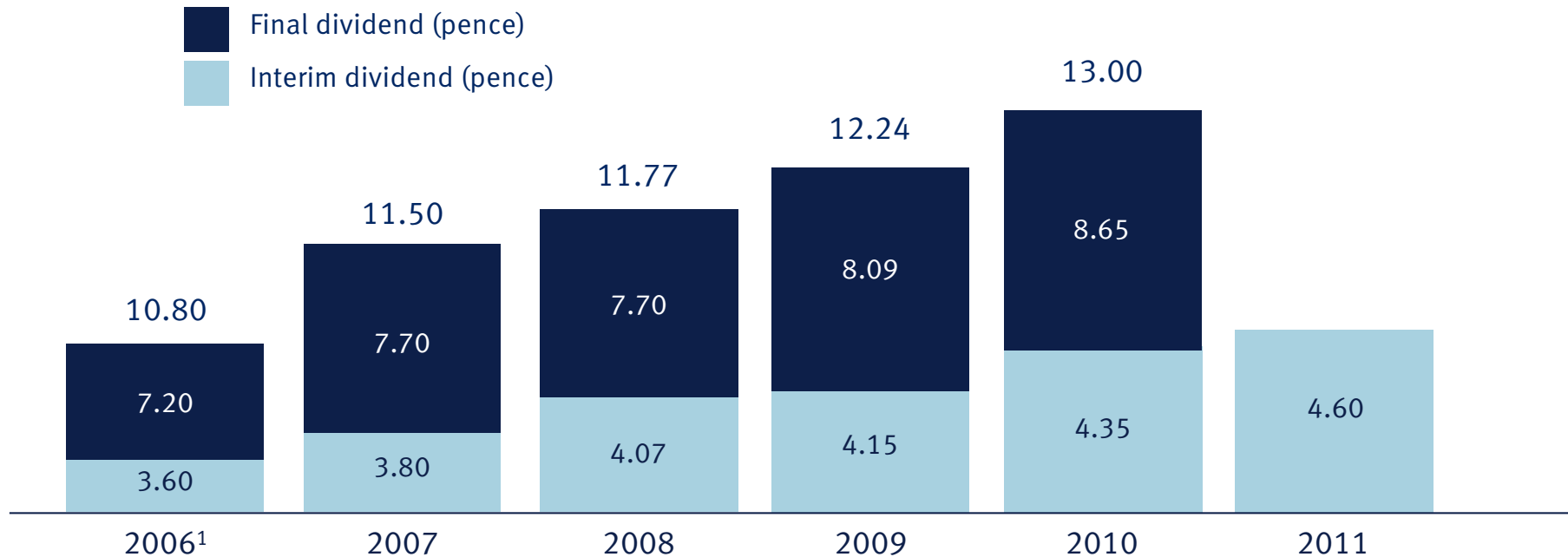
Strongly capitalised business

- IGD surplus up £0.1bn to £3.9bn in volatile markets
- Significant action taken to de-risk balance sheet
 - Reduced shareholder exposure to ABS from £1.2bn at 30 June 2010 to £0.6bn
 - Reduced liquidity risk through disposal of Standard Life Bank and transfer of UK money market funds
 - Continuation of effective hedging operations, including Canada segregated funds
 - Low direct shareholder exposure to European periphery sovereign debt
- Reduced IGD surplus sensitivity to equity markets and bond yields
 - Impact on IGD surplus of 40% fall in FTSE100 (to 3,568) of £0.2bn
 - Impact on IGD surplus of 100bps increase in yields of £0.1bn
- Our business model positions us well for Solvency 2 as it currently stands

Embedded value per share of 324p



Continued dividend growth



- Five years of continued dividend growth since IPO
- Focused on delivering a progressive dividend
- Replacement of Scrip with DRIP option

¹ Applying our dividend policy to the dividend announced in the 2006 Preliminary Results

Please note: chart not to scale

Delivering increased profits and cash flow

- £200bn of assets
- 14% increase in fee based revenue
- Improved operational efficiency
- 44% increase in IFRS operating profit
- 30% increase in EEV operating capital and cash generation
- Dividend up 5.7% to 4.60p

UK	SLI	Canada	International
Continued momentum in fee based propositions and efficiency	Strong third party net flows and improved profitability	Enhanced investment yield benefiting an improving business	Progress in joint ventures and growth in Ireland and Hong Kong

Half Year Results 2011

Delivering increased profits and cash flow

David Nish
Chief Executive

Standard Life 

Our focus: delivering increased profits and cash

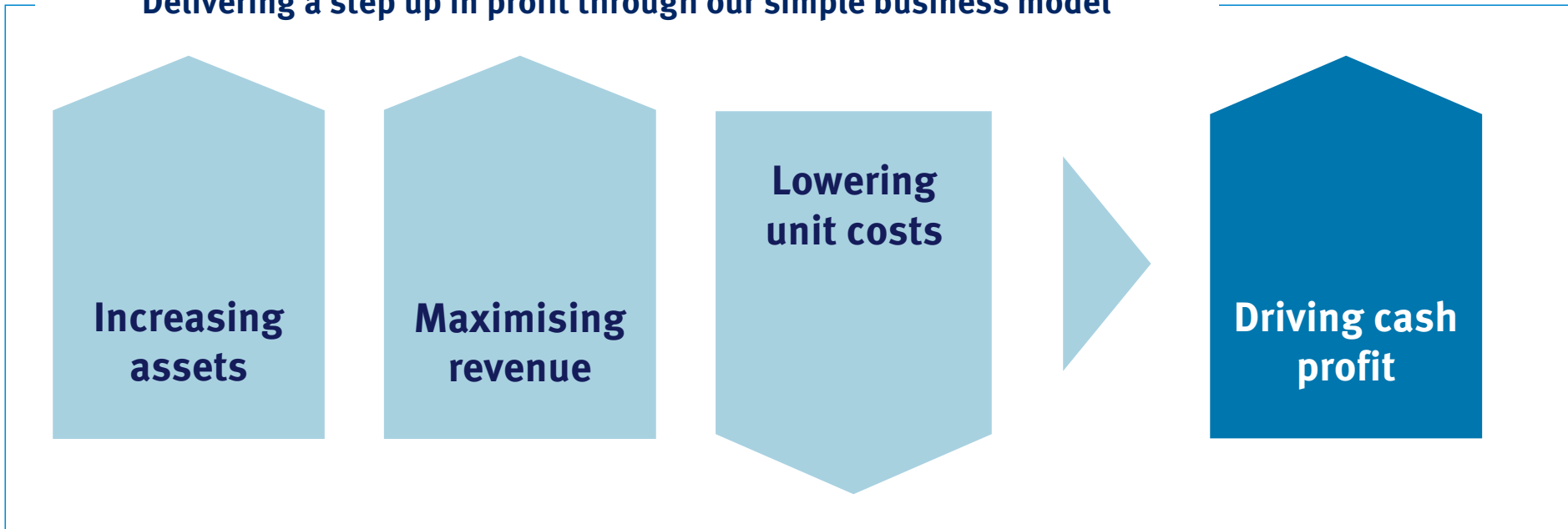
- Well placed to exploit opportunities created by market and regulatory change
- Strong range of existing propositions
- New differentiated propositions to enhance market share
- Driving cost efficiency
- Improving capital efficiency and returns



On track to deliver ongoing improvement in profit and cash

Delivering increased profits and cash flow

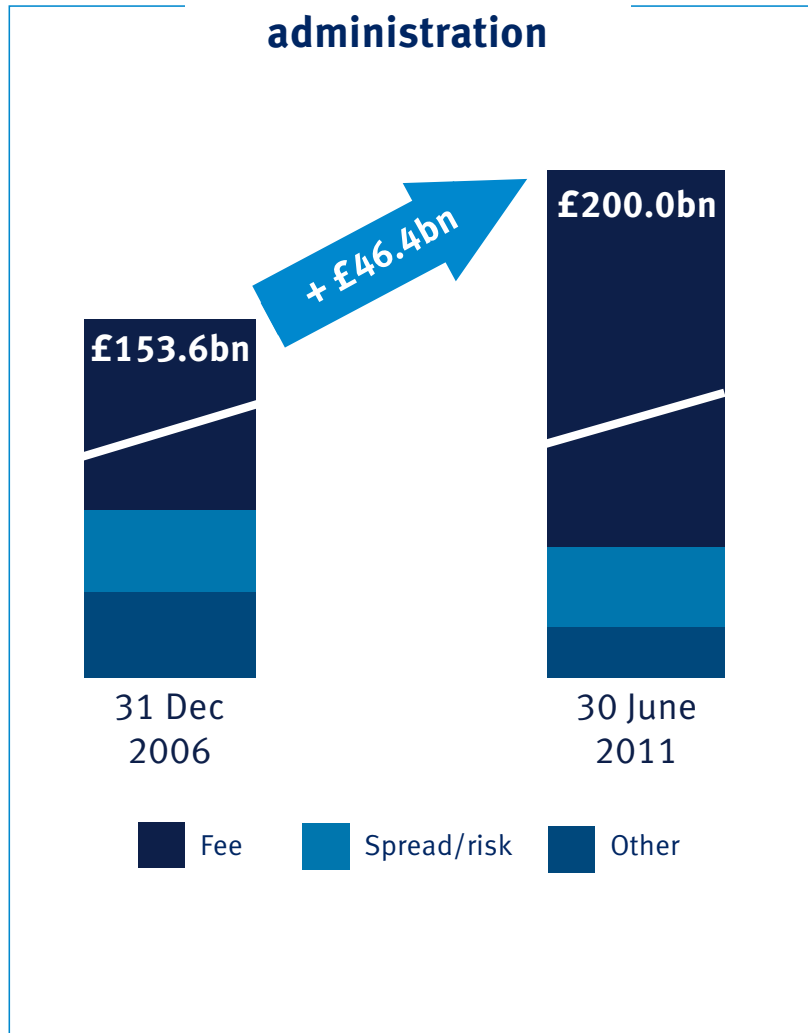
Delivering a step up in profit through our simple business model



- Benefiting from customer and market changes
- Investing in leading propositions and to drive efficiency
- Building on our strengths in brand, innovation, customer service and insight and investment performance

Growing quantity and quality of assets

Assets under administration



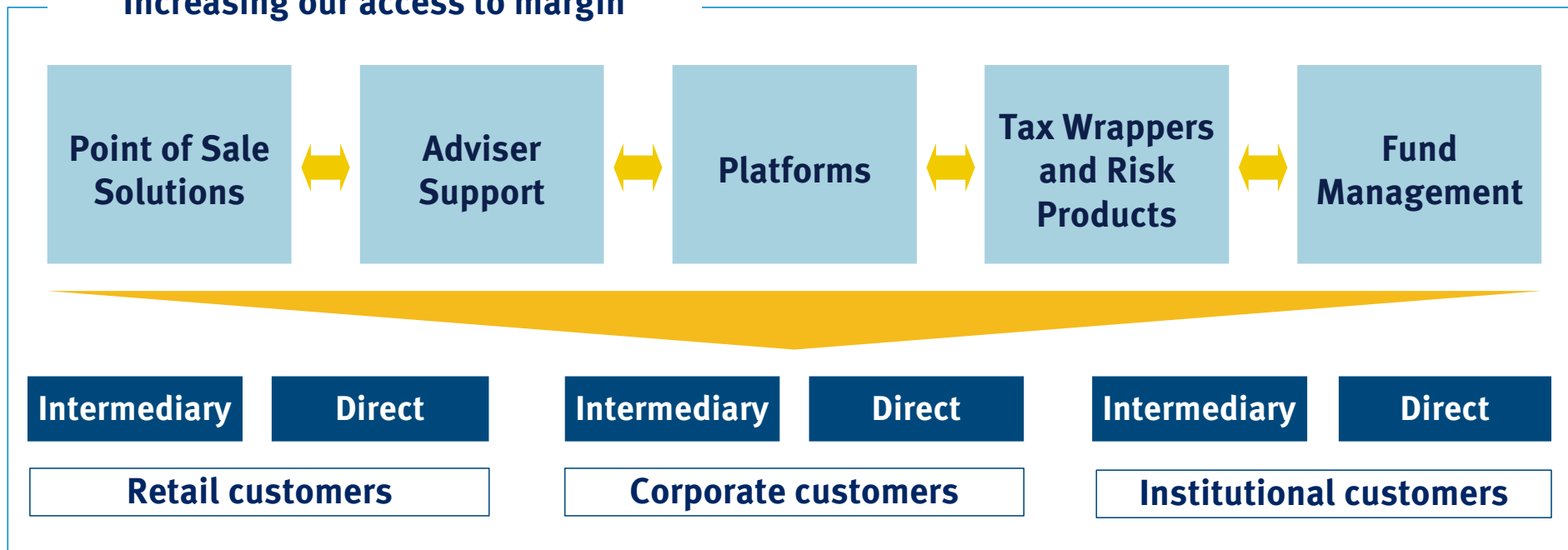
Examples of shift

	31 Dec 2006		30 Jun 2011
Increased			
SIPP	£4.3bn	▲	£16.4bn
Platforms	£0.2bn	▲	£10.8bn
UK Corporate Pensions	£14.4bn	▲	£22.3bn
Standard Life Wealth	Nil	▲	£0.7bn
Asia	£0.4bn	▲	£1.4bn
SLI third party AUM	£38.5bn	▲	£71.6bn
of which GARS	Nil	▲	£10.6bn
of which fixed income	£7.7bn	▲	£24.8bn
Reduced			
Mortgages ¹	£10.4bn	▼	Nil
Healthcare	£0.3bn	▼	Nil
Conventional with profits	£10.8bn	▼	£6.2bn
UK money market funds	£5.0bn	▼	Nil

¹ Part of Standard Life Bank

Maximising revenue across the Group

Increasing our access to margin



Benefits to margin

- Flows to Group propositions
- Flows to higher margin products

Example - MyFolio funds

Meeting needs of end customers and advisers

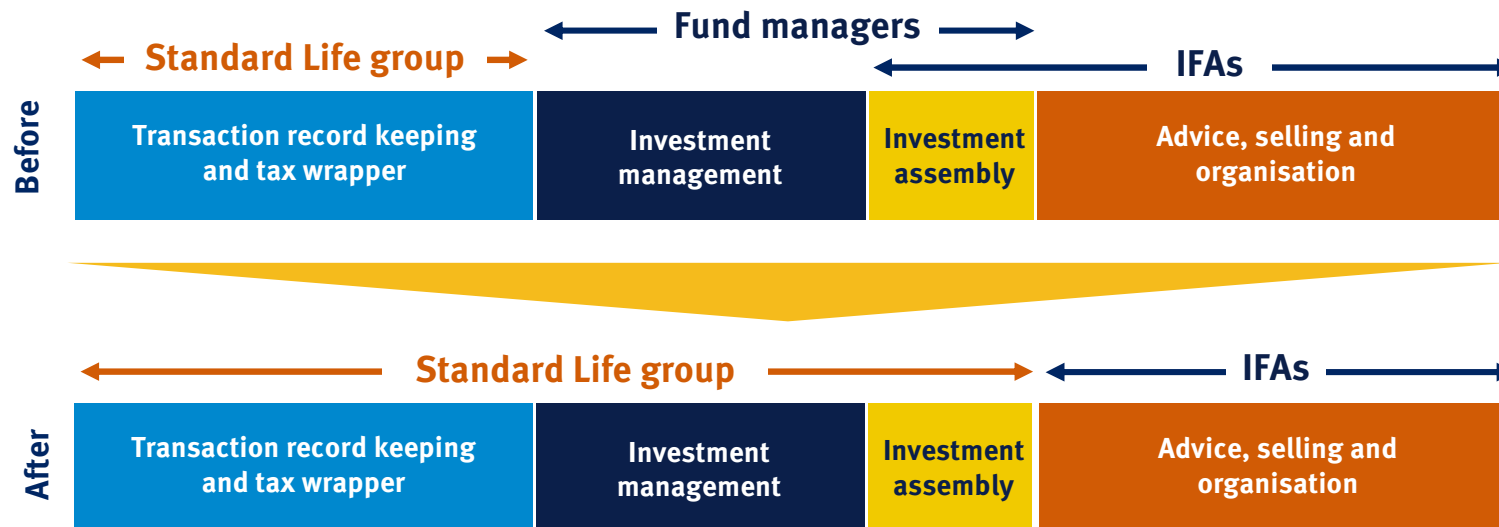
- Risk based funds
- Simple and easy investment choices – guided architecture
- De-risking adviser businesses
- A premium solution

Flows

- AUA of £0.6bn in less than 8 months
- c30% of UK net flows in H1
- £350m from direct to customer propositions
- 11% of assets into new corporate schemes

Into SLI

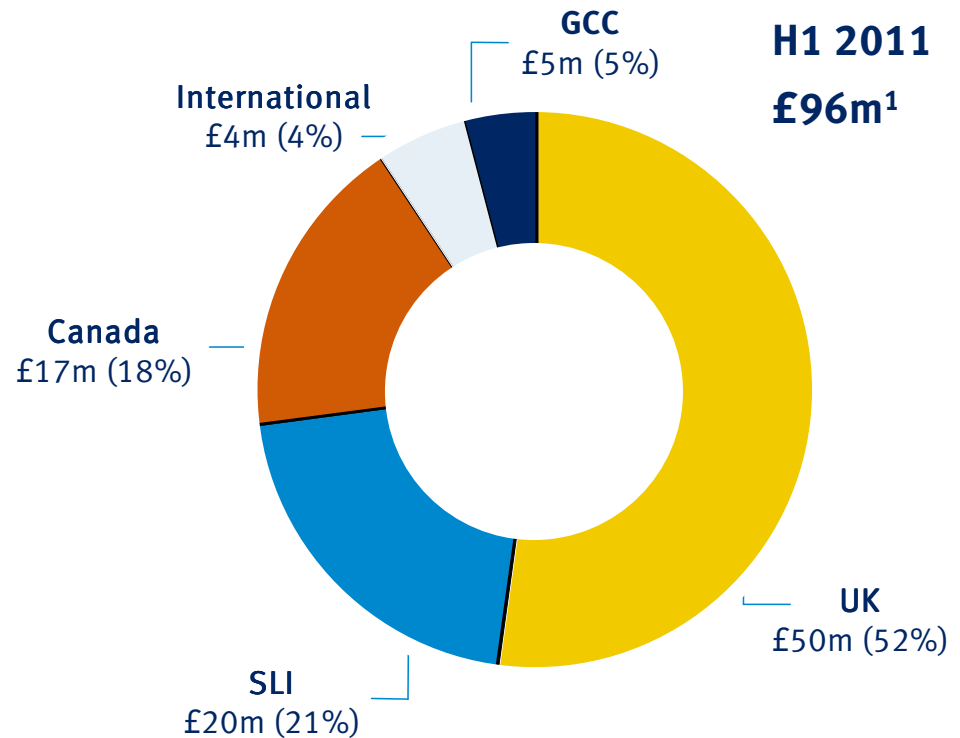
- Capturing maximum margin
- 60% AUA in SLI managed funds
- 96% of online pension customers have elected for the MyFolio Managed Option (SLI version)



Investing to grow profits

Investing in transformation and growth

- New and enhanced propositions driving volume of assets and premium pricing
- Further spend on efficiency to lower unit costs
- Disciplined investment approach with clear hurdle rates



- Investment into India and China JVs of £23m in H1
- Total spend for 2011 expected to be £200m, and lower in 2012

¹ Investment in transformation and growth included in IFRS operating profit (£80m) and capitalised (£16m) in the period, excl capital injections to JVs (£23m)

Example - Lifelens

Meeting needs of employers

- Clearly demonstrating total reward to employees
- Bundling pension and flexible benefits to lower cost
- Seamless administration interface
- Single source of information on employee benefits

And employees

- Intuitive user experience
- Tools and educational material
- Customisation making content relevant
- Meeting pension, savings and investment needs

Using unique strength of the Group

- Combining market leading corporate pensions and flexible benefits
- Guided architecture to increase prominence of SLI funds and drive flows
- Long-term relationships with employers and employees

Capturing assets, maximising revenue and lowering unit costs

- Two schemes implemented in H1, one more in July
- Consolidating leading position in Corporate market and attracting new mandates
- Delivering higher margin as more functionality used
- Opportunity beyond the pension via other savings and investment assets
- Scalable platform

- Total project spend: £24m
- IRR: >25%
- Payback: 6 years

Lowering unit costs

Delivered

- Further £30m of efficiencies in H1
- Group FTE down 390¹
- Contractor numbers reduced by 140¹
- Acquisition and maintenance expense bps reduced
- Platform propositions improve straight through processing
- Migration towards online self service

Ongoing programme of cost efficiency

- Continuing restructure of the UK business
- Reducing IT day rate by 25% through sourcing arrangements
- New propositions designed to be scaled with greater use of technology

¹ 30 June 2011 manpower compared against 30 June 2010, excluding SLI

Benefiting from customer and market changes

Unprecedented change and growth opportunities

- Baby boomer generation entering retirement phase and consolidating assets
- Customers demanding transparency, flexibility and ease of access ahead of RDR
- Economic uncertainty driving higher savings rates
- Advisers requiring support and efficient technology in period of change
- Pensions assets in UK moving from unbundled to bundled
- DB to DC trend in UK and Canada
- Significant growth opportunities in Asia

Why we continue to win

- Market-leading platform propositions - c£400bn platform asset flows over next 5 years
- Customer focus and breadth of offering - access to £2.3 trillion assets in target UK retail customer segments
- Strong new model adviser relationships reflected in growing market share - size of accessible market to double post RDR
- In non-commission space since 2004, best placed for RDR
- Scalable, integrated UK corporate proposition - extra £6bn assets per year from Pensions Reform
- Strong Canadian DC pensions business - \$105bn market
- JVs in India and China positioned to benefit from demographic trends

On track to deliver ongoing improvement in profit and cash generation

- £200bn of assets
- 14% increase in fee based revenue
- Improved operational efficiency
- 44% increase in IFRS operating profit
- 30% increase in EEV operating capital and cash generation
- Dividend up 5.7% to 4.60p

Half Year Results 2011

Delivering increased profits and cash flow

Appendix

Standard Life 

IFRS operating profit by business unit

	UK		Canada		International		SLI		Other		Eliminations		Total	
	H1 2011	H1 2010	H1 2011	H1 2010	H1 2011	H1 2010	H1 2011	H1 2010	H1 2011	H1 2010	H1 2011	H1 2010	H1 2011	H1 2010
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Fee based revenue	309	277	84	72	108	105	193	157	-	-	(83)	(76)	611	535
Spread/risk margin	52	83	155	115	-	-	-	-	-	-	-	-	207	198
Total income	361	360	239	187	108	105	193	157	-	-	(83)	(76)	818	733
Acquisition expenses	(85)	(87)	(39)	(33)	(18)	(12)	-	-	-	-	-	-	(142)	(132)
Maintenance expenses	(159)	(154)	(98)	(96)	(68)	(59)	(106)	(91)	(3)	-	83	76	(351)	(324)
Investment for transformation and growth	(34)	(31)	(17)	(16)	(4)	(8)	(20)	(17)	(5)	-	-	-	(80)	(72)
Group corporate centre costs	-	-	-	-	-	-	-	-	(20)	(30)	-	-	(20)	(30)
Capital management	4	(12)	18	20	1	2	-	-	14	17	-	-	37	27
India and China JV businesses	-	-	-	-	-	(20)	-	-	-	-	-	-	-	(20)
IFRS operating profit/(loss) before tax from continuing operations	87	76	103	62	19	8	67	49	(14)	(13)	-	-	262	182
Tax on operating profit	(10)	(18)	(19)	(14)	(12)	(4)	(17)	(14)	6	2	-	-	(52)	(48)
IFRS operating profit/(loss) after tax from continuing operations	77	58	84	48	7	4	50	35	(8)	(11)	-	-	210	134
Non-operating items	(64)	69	73	(4)	-	(2)	-	(1)	(14)	(4)	-	-	(5)	58
Tax on non-operating items	6	4	(15)	1	-	-	1	1	2	1	-	-	(6)	7
Profit/(loss) for the year from continuing operations	19	131	142	45	7	2	51	35	(20)	(14)	-	-	199	199
Loss from discontinued operations	-	(17)	-	-	-	-	-	-	-	-	-	-	-	(17)
IFRS profit/(loss) after tax attributable to equity holders	19	114	142	45	7	2	51	35	(20)	(14)	-	-	199	182

Fee business revenue

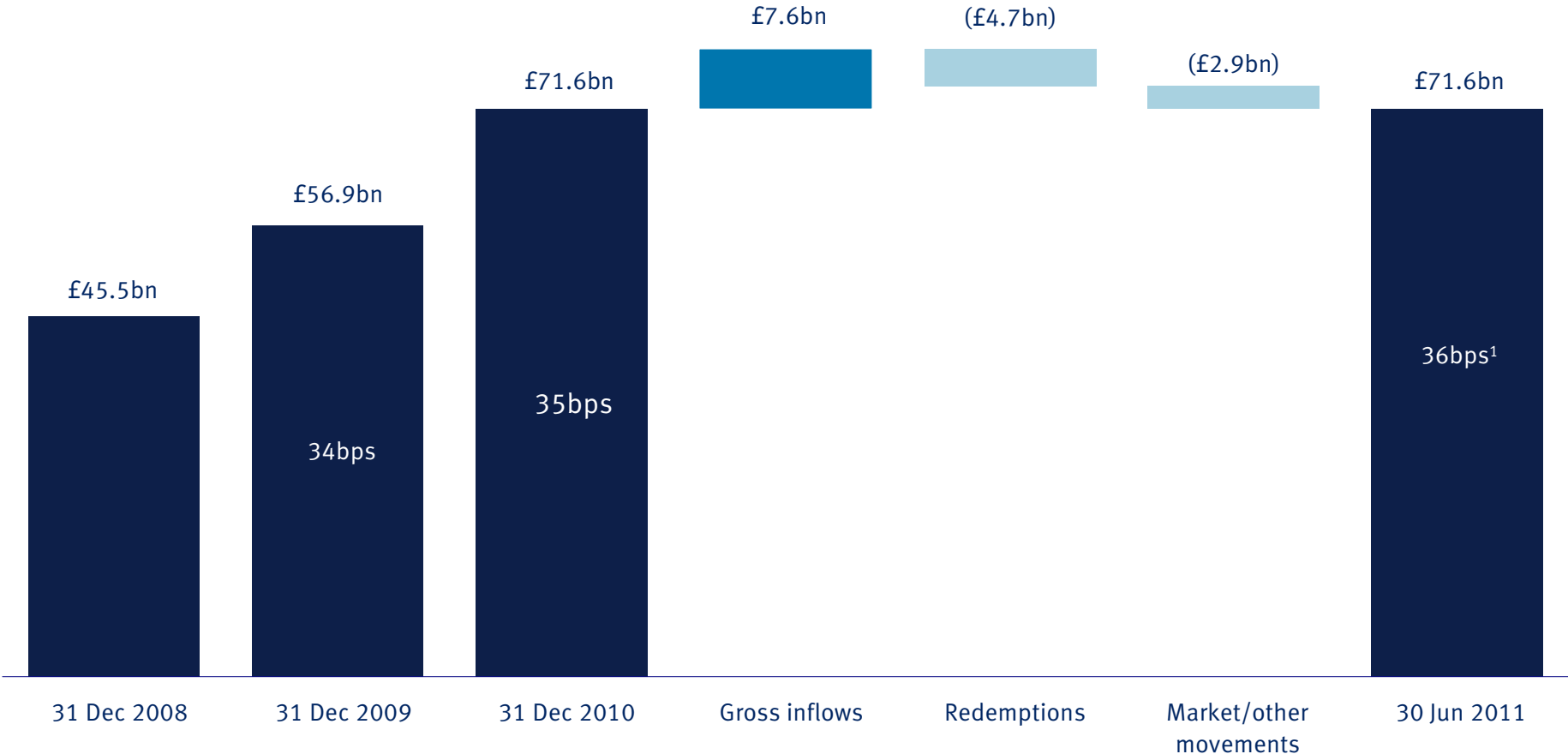
	H1 2011			FY 2010		H1 2010
	Average AUA	Revenue	Revenue	Average AUA	Revenue	Revenue
	£bn	bps	£m	£bn	bps	£m
UK	96.2	76	309	90.6	77	277
Canada	13.5	118	84	12.5	118	72
International	10.9	196	108	10.0	212	105
Standard Life Investments	70.1	36 ¹	136	64.6	35	101
Eliminations/adjustments	(33.2)	-	(26)	(27.6)	-	(20)
Total fee based	157.5		611	150.1		535

¹ Excludes fee from the transfer of the money market funds

Spread/risk business margin

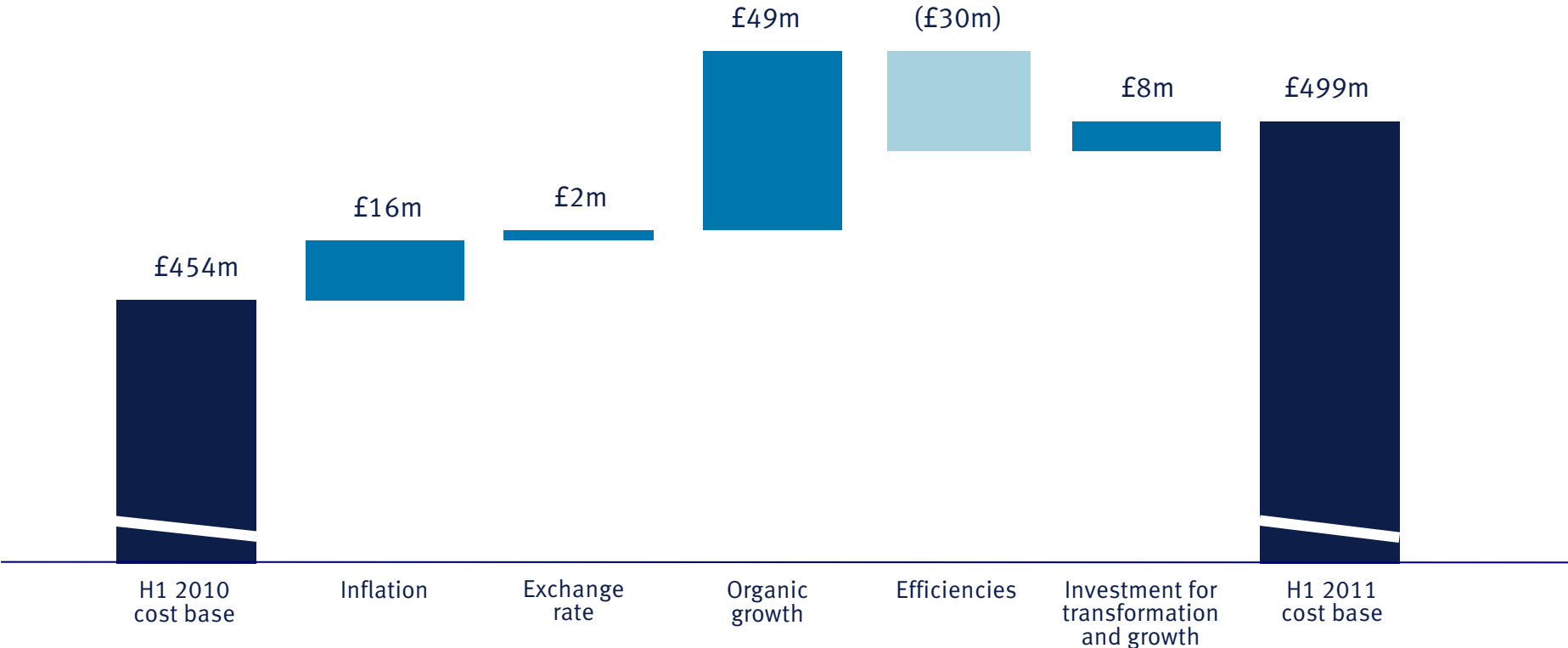
	UK		Canada		Total	
	H1 2011	H1 2010	H1 2011	H1 2010	H1 2011	H1 2010
	£m	£m	£m	£m	£m	£m
New business	28	36	3	12	31	48
Existing business	24	29	115	97	139	126
	52	65	118	109	170	174
Impact of specific management actions	-	-	31	17	31	17
Operating assumption and one-off reserving changes	-	18	6	(11)	6	7
Spread/risk margin	52	83	155	115	207	198

Standard Life Investments third party AUM



¹ Excludes fee from the transfer of the money market funds

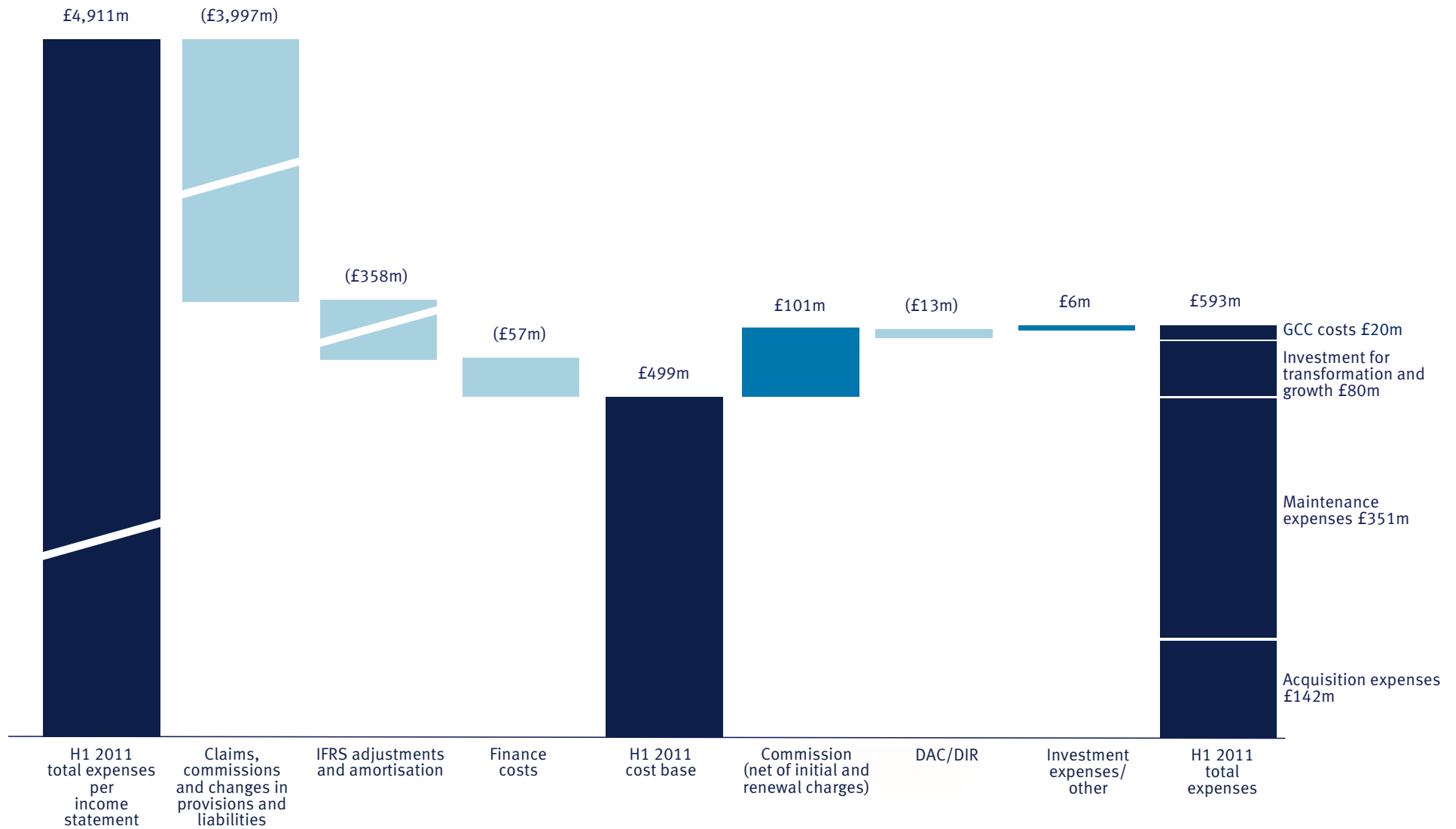
Continuing to drive for efficiency



Investment for transformation and growth

	H1 2011	H1 2010
	£m	£m
Investment for transformation and growth in operating cost base	80	72
Investment capitalised under IFRS	16	5
	96	77
Additional investment in joint venture businesses	23	12
Total	119	89
Investment for transformation and growth in operating cost base	80	72
Investment capitalised within EEV development	1	-
Less tax	(21)	(19)
Total investment spend within EEV capital and cash generation	60	53
NBS investment within capital and cash generation	(14)	(11)
Other investment spend within capital and cash generation	46	42

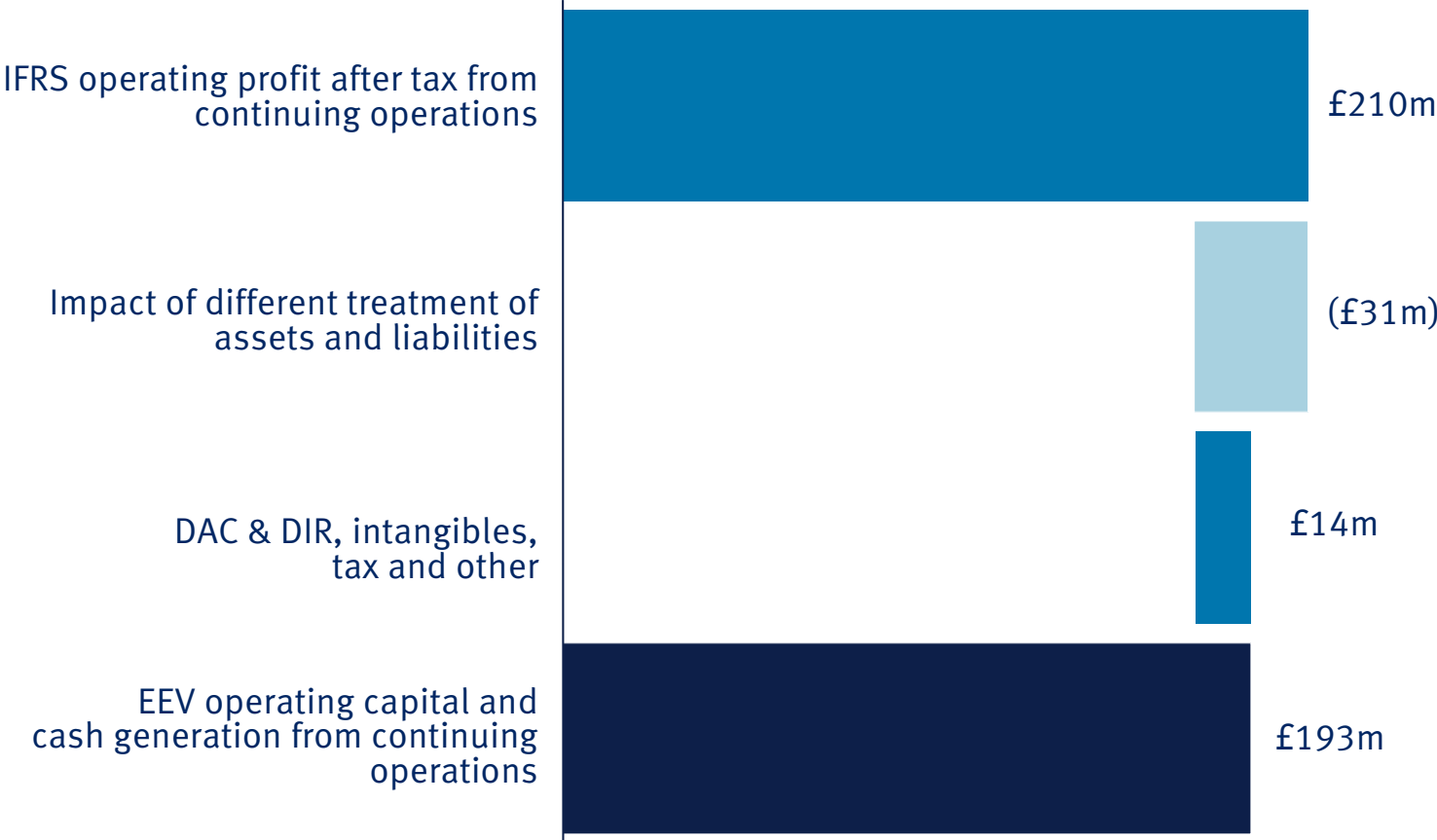
Linkage of cost base to total expenses



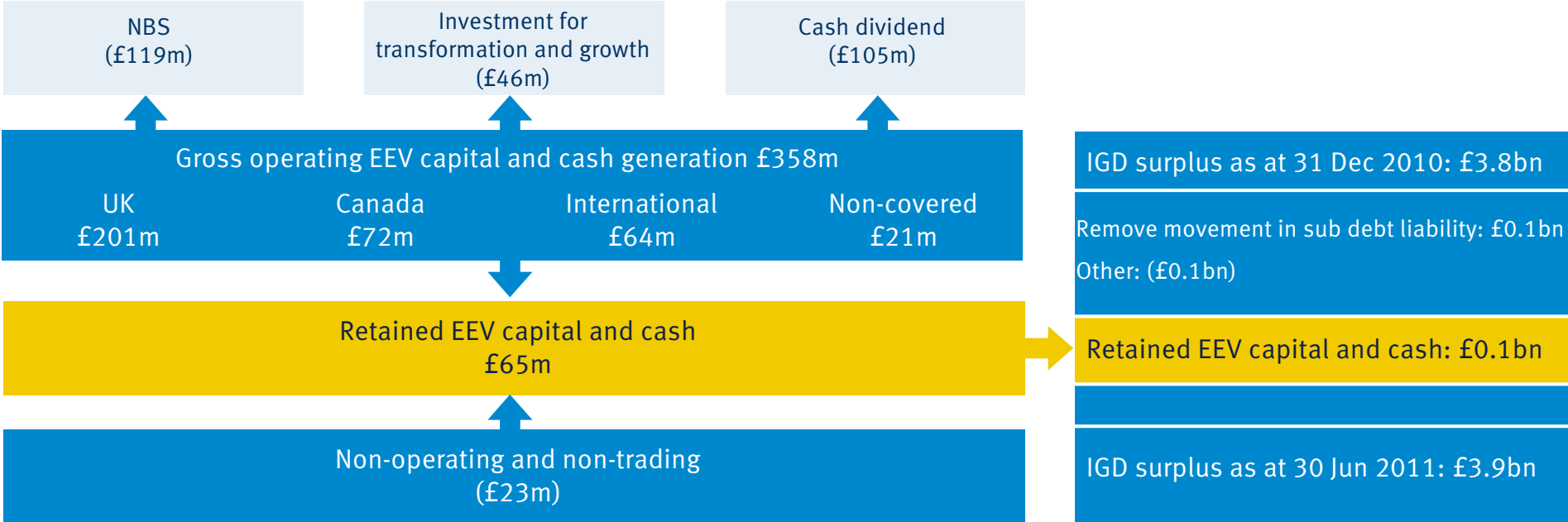
EEV new business margins

	H1 2011					H1 2010	
	IRR	Undiscounted payback	PVNB margin	NBC	PVNB	NBC	PVNB
	%	years	%	£m	£m	£m	£m
Individual pensions	11	7	0.6	13	2,237	14	2,173
Corporate pensions	13	9	1.4	40	2,830	24	1,751
Institutional pensions	>40	<3	1.5	25	1,674	25	1,842
Annuities	Infinite	Immediate	18.7	27	147	36	209
Savings and investments	12	7	0.6	8	1,257	4	954
Protection	Discontinued	Discontinued	-	-	1	-	1
UK covered business total	20	5	1.4	113	8,146	103	6,930
Canada	14	7	1.9	30	1,579	31	1,581
Wholly owned	13	7	1.7	20	1,175	13	832
Joint ventures	10	8	1.1	3	261	14	288
International	12	7	1.6	23	1,436	27	1,120
Covered business total	16	6	1.5	166	11,161	161	9,631

Capital and cash conversion



Group EEV capital and cash movements



Insurance Groups Directive

IGD Surplus

30 June 2011	31 December 2010
£3.9bn	£3.8bn

Sensitivity to equity market falls^{1,2}

Fall in equities	IGD Surplus
20% (FTSE 4,757)	£3.8bn
30% (FTSE 4,162)	£3.7bn
40% (FTSE 3,568)	£3.7bn

Sensitivity to yields^{1,2}

100bps rise in yields (e.g. 3.45% to 4.45%)	£3.8bn
--	--------

¹ Compared to 30 June 2011

² Based on certain assumed management actions appropriate to these stresses

Capital tier structure

	Jun 2011 ¹ £bn	Dec 2010 ¹ £bn
Group core tier 1	6.9	6.4
Group innovative tier 1	0.6	0.6
Deductions from tier 1	(0.7)	(0.7)
Total Group tier 1 capital	6.8	6.3
Group upper tier 2	0.5	0.5
Group lower tier 2	0.7	0.7
Total Group tier 2 capital	1.2	1.2
Group capital resources before deductions	8.0	7.5
Group capital resources deductions	(0.1)	(0.1)
Group capital resources requirement	(4.0)	(3.6)
Group capital surplus	3.9	3.8
Group solvency cover	196%	203%

¹ 2011 based on estimated regulatory returns, 2010 based on final regulatory returns

www.standardlife.com

Standard Life plc is registered in Scotland (SC286832) at Standard Life House, 30 Lothian Road, Edinburgh EH1 2DH.

UKIR11A 0811 © 2011 Standard Life