

Building a simplified and well diversified investment company

Luke Savage, Chief Financial Officer

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”, “pursues”, “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 political, 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.

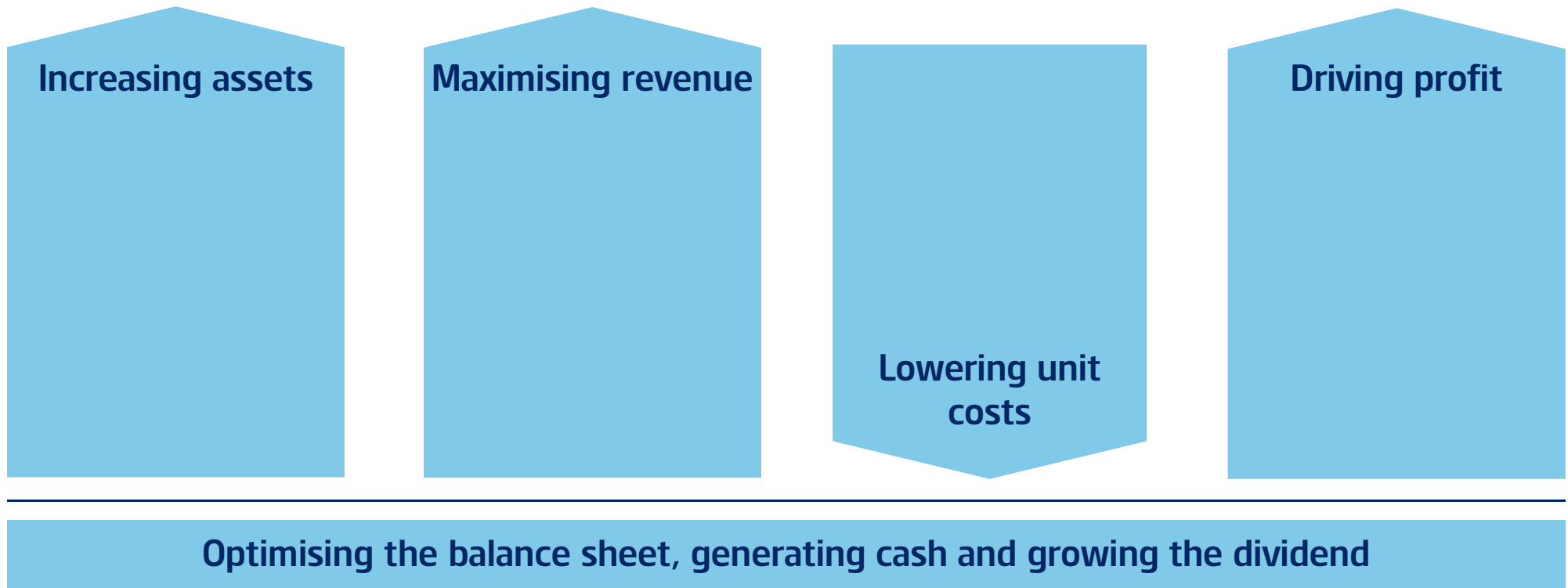
All 2015 comparatives are in relation to continuing operations unless otherwise stated.

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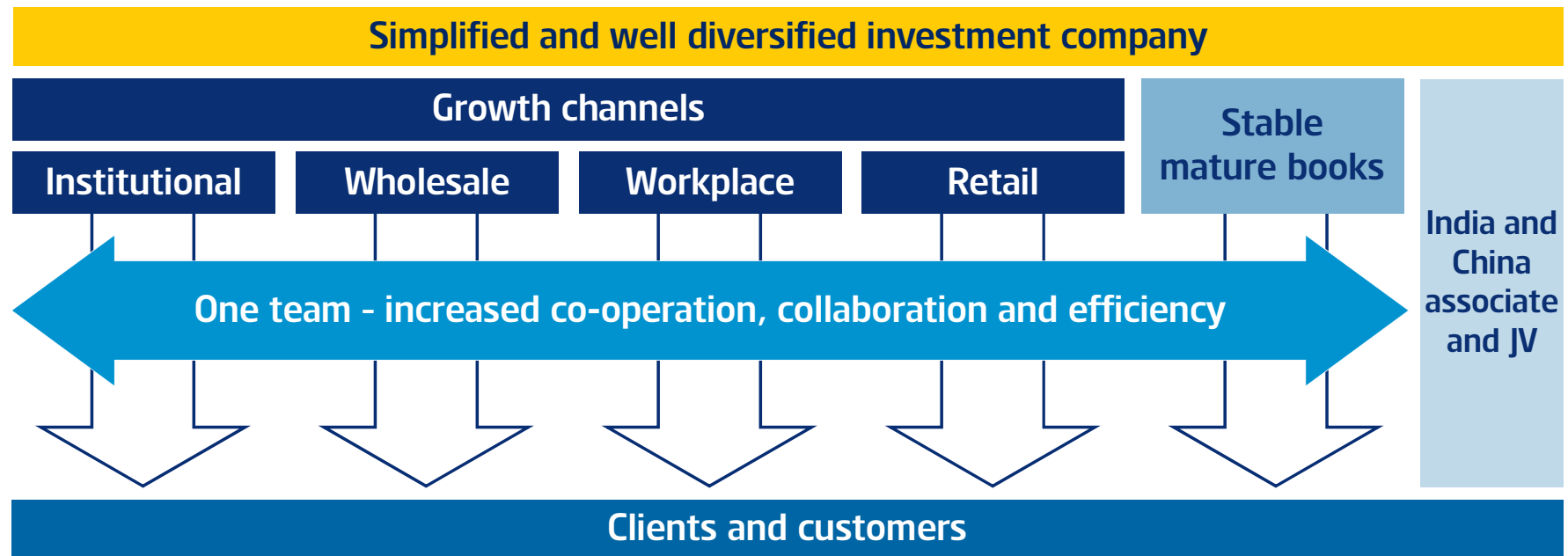
We are building a simplified and well diversified investment company



Our simple business model continues to serve us well



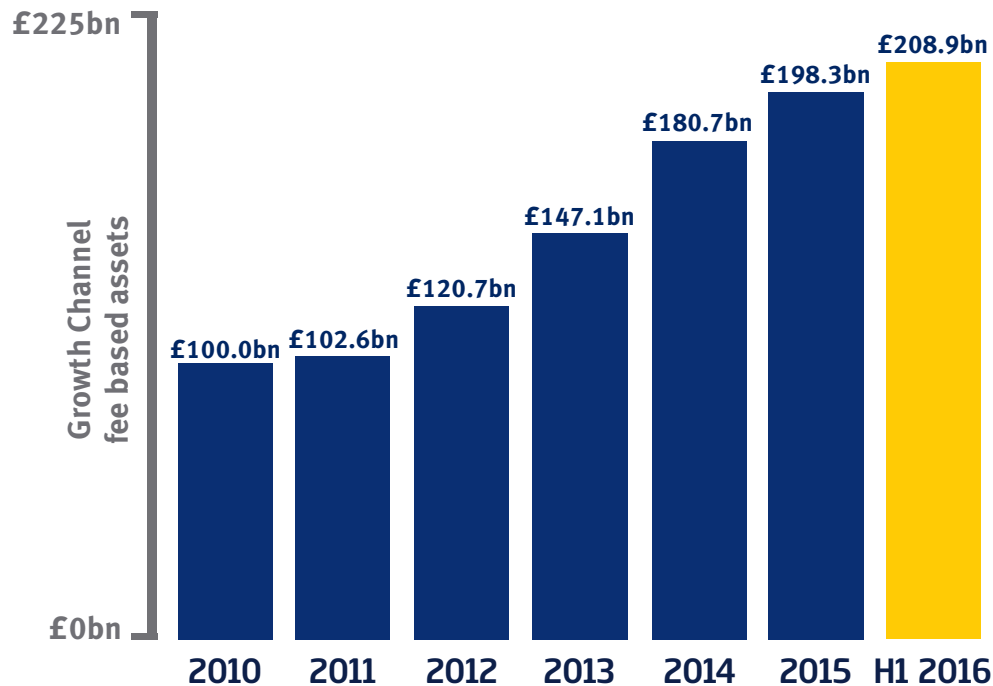
One company, one culture, one vision



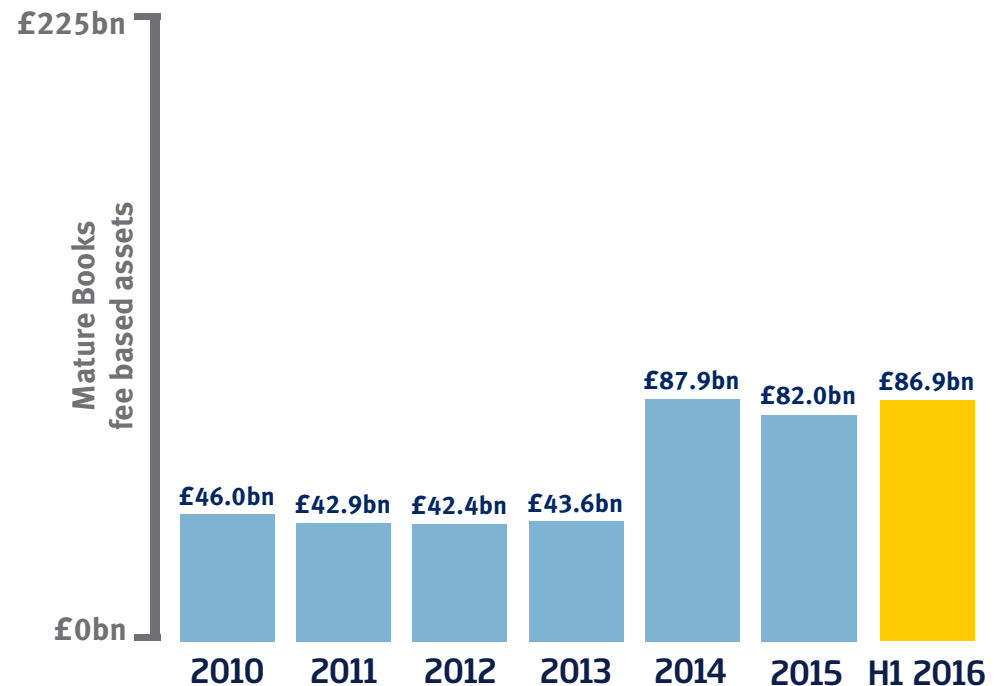
- **Growth channels** driving increase in assets, revenue and profit
- **Mature books** providing stable and consistent contribution to profit and a source of financial strength underpinned by a strong Solvency II position
- Strategic **associate and joint venture life businesses** in India and China

With growth channels driving increase in fee AUA ...

Growth channel fee based assets



Mature books fee based assets

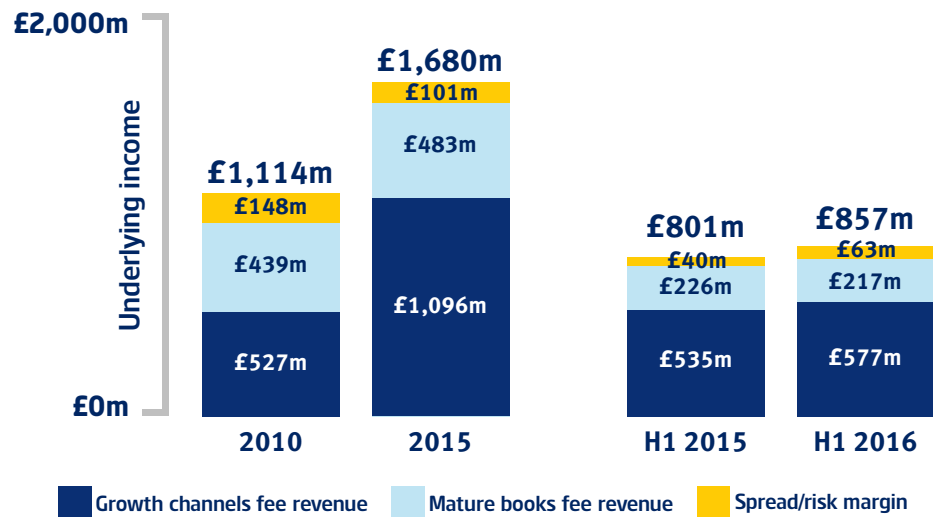


Growth channels with almost £210bn of assets and 5 year CAGR of c15%

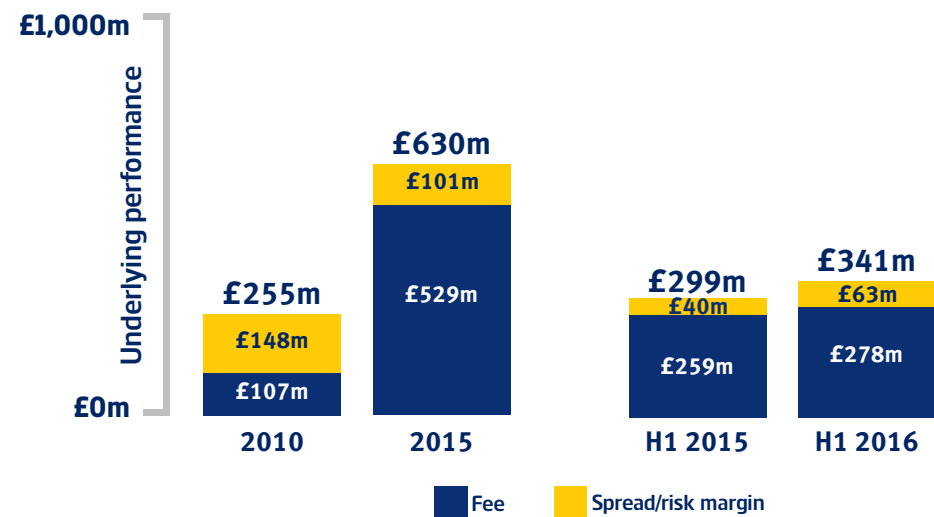
All figures are reported on a continuing operations basis.

... and the increase in revenue and profit

Group underlying income



Group underlying performance



All figures are reported on a continuing operations basis.

Increasing the pace of strategic delivery

DIVERSIFICATION

Targeted investment in diversification to meet changing client and customer needs

EFFICIENCY

Sharpening focus on cost efficiency aided by greater channel transparency and accountability

Driving shareholder value through focus on diversification and efficiency

Well performing and diversified growth channels

	Key growth channels				Total growth channels ¹	
	Institutional	Wholesale	Workplace	Retail	H1 2016	H1 2015
Gross inflows	£8.4bn	£6.5bn	£2.0bn	£4.1bn	£20.6bn	£20.5bn
Net inflows (annualised % of opening AUA)	6%	(2%)	5%	9%	4%	8%
AUA	£78.1bn	£47.3bn	£34.0bn	£45.7bn	£208.9bn	£190.3bn
Fee revenue	£178m	£125m	£91m	£106m	£577m	£535m
Revenue bps	49bps	70bps	54bps	49bps	60bps	57bps

Benefiting from our broad range of clients and customers

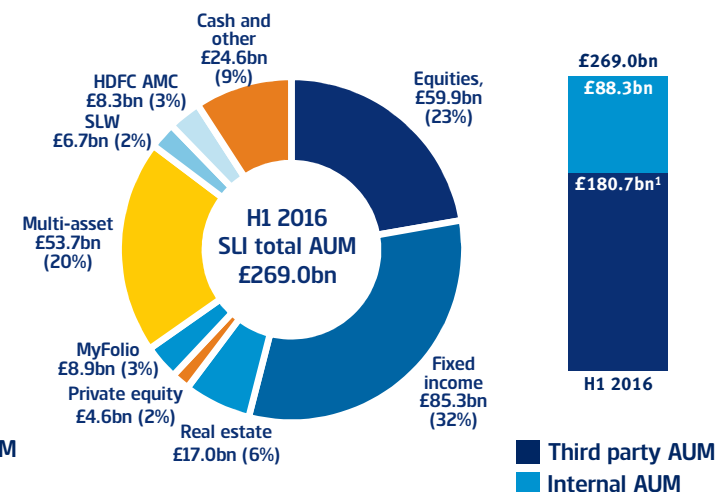
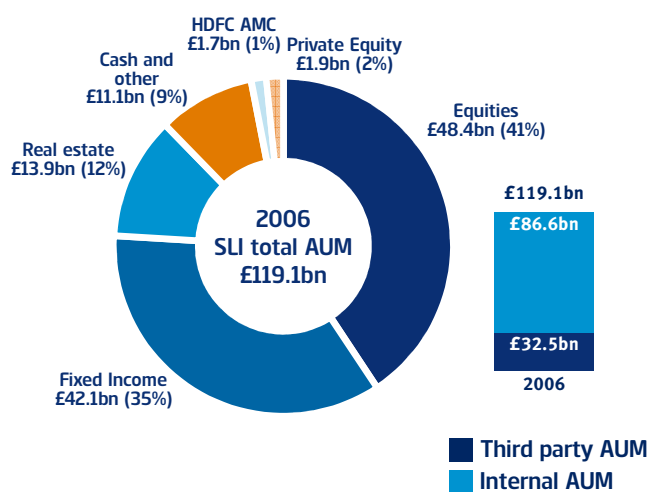
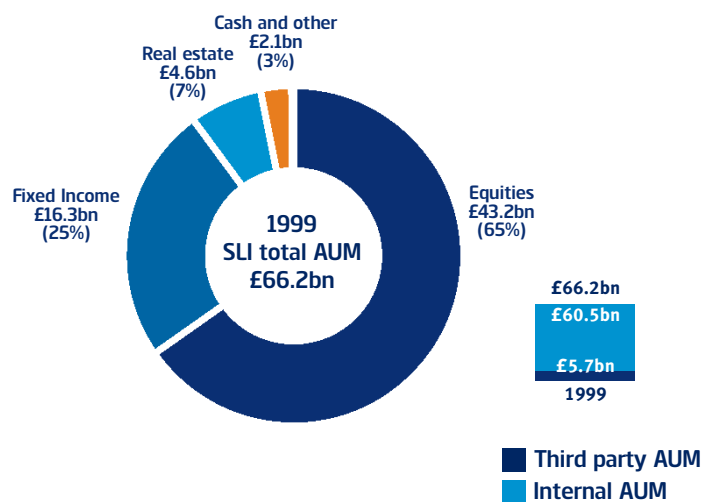
1. Includes key growth channels plus Wealth, Ignis, Europe Growth, Hong Kong and eliminations.

SLI already well diversified by asset class

From our beginnings as largely a UK equity manager in 1999 ...

... to a UK credit and equity manager in 2006 ...

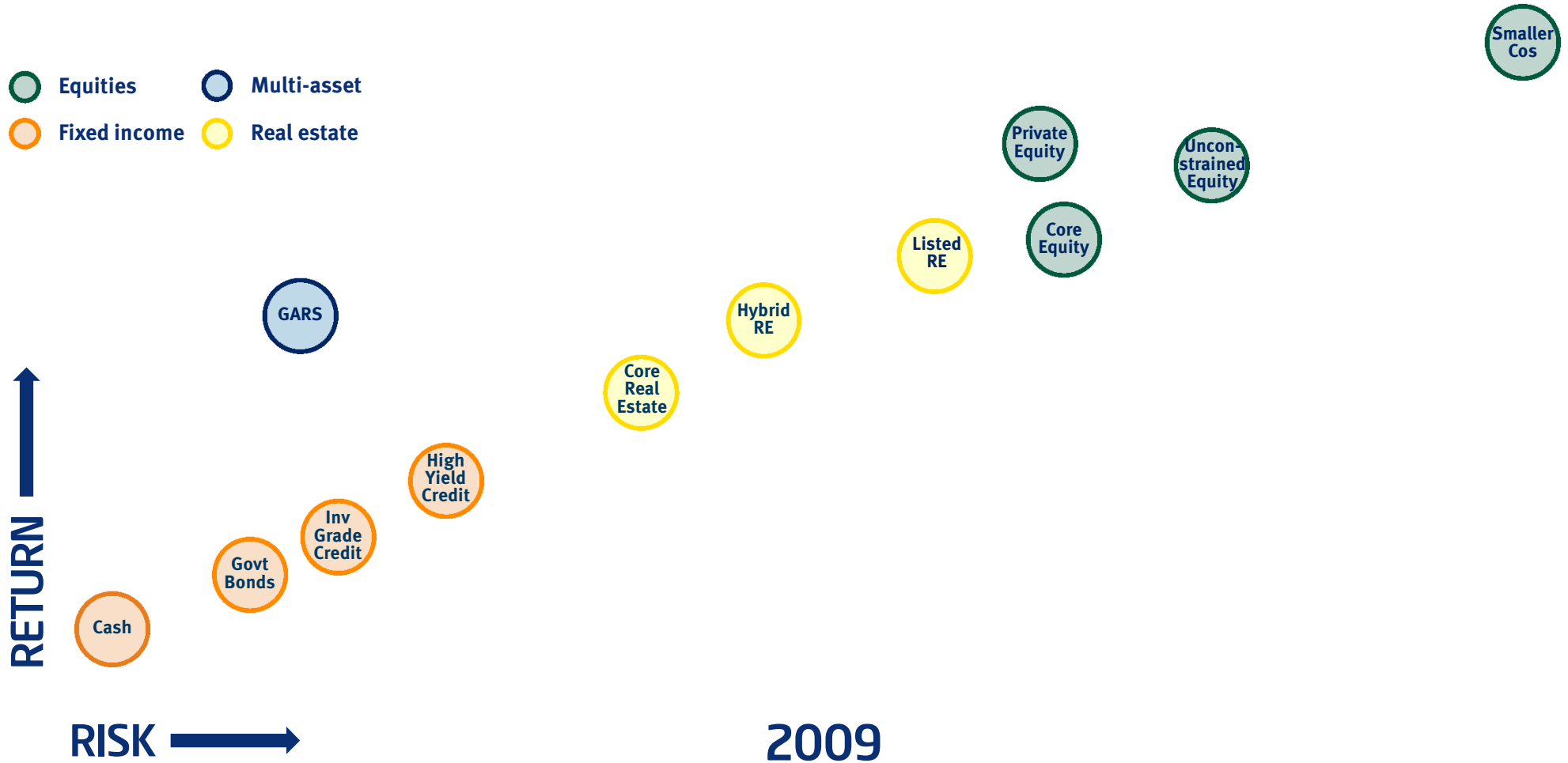
... to a well diversified business with a global proposition



With scale across a broad range of asset classes

1. Comprising Institutional £78.1bn, Wholesale £47.3bn, Wealth £6.7bn, Ignis £5.6bn and Phoenix Group £43.0bn.

With a long-established programme of innovation ...



... delivering a broad range of capabilities to meet the “new active” needs of our clients ...

● Equities ● Multi-asset ● MyFolio
● Fixed income ● Real estate



Significantly expanded investment capability driven by innovation

- New fund launches: over 50
- Assets attracted of £31bn or 25% of Wholesale and Institutional AUM (including £14.7bn from non-GARS products)

1. MyFolio suite launched in September 2010

... with a clear track record of client co-development and commercialisation

	Years since launch	Track record above benchmark	Client seeding AUM ¹		Years since launch	Track record above benchmark	Client seeding AUM ¹		Years since launch	Track record above benchmark	Client seeding AUM ¹	
MyFolio	5 years	✓	£8.9bn	Global Corp. Bond	5 years	✓	£0.4bn	Ground Rent Fund	4 years	✓	✓	£0.1bn
ARGBS	5 years	✓	£1.1bn	GEM Equity Income	3 years	✓	£0.4bn	Euro Equity Income	2 years	✓	✓	£0.1bn
Active Plus	4 years	✓	£0.8bn	Global Smaller Cos	4 years	✓	£0.3bn	EDGF	2 years	✓	£0.1bn	
Bespoke Client solutions	3 years	✓	£0.8bn	SRI Euro Corp. Bond	3 years	✓	£0.3bn	EMD Local Currency	3 years	✓	£0.1bn	
Euro Club I, II & III	2 years	n/a	£0.8bn	Short Duration GILB	1 year	✓	£0.2bn	Total Return Credit	1 year	n/a	<£0.1bn	
GFS	2 years	✓	£0.5bn	Strategic Bond	5 years		£0.2bn	GEM Equity Uncon.	3 years	✓	<£0.1bn	

1. Includes cross holdings.

Expanded global coverage with team strength and depth



Expanded global coverage with team strength and depth



Global Coverage:
21 offices globally; 3 regional hubs;
c400 people in distribution

Global Clients:
Clients in 46 markets
Institutional and Wholesale

Strategic partners:
Standard Life, HDFC AMC, Heng An Standard Life, Sumitomo Mitsui, Phoenix Group, John Hancock, Manulife and Bosera

Increasingly diversified by client type

		Wholesale					Institutional						
		Financial Advisers	Wealth Managers	Fund Platforms	Private Banks/GFIs	Family Office	Fund of Funds	Charities / Foundations	Public Authorities	Corporates	Insurers	Sovereign Wealth	Strategic Partners
UK & Ireland	UK	█	█	█	█	█	█	█	█	█			
	Ireland	█	█							█			
CEMEA	Austria												
	Belgium												
	Denmark									█			
	Finland									█	█		
	France												
	Germany				█					█	█		
	Lux												
	Italy												
	Netherlands				█					█			
	Norway												
	Spain												
	Sweden				█				█		█		
	Switzerland				█								
	Middle East					█			█	█		█	
North America	Canada	█		█	█			█	█	█	█		
	United States					█	█	█	█	█			
Asia Pacific	Australia									█			
	NZ												
	China / HK	█	█										
	Korea												
	India											█	
	Japan											█	
	Singapore												
Taiwan													
Clients	Pre 2010												

Major markets only.

Increasingly diversified by client type

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UK & Ireland	UK	█	█	█	█	█	█	█	█	█	█	█	
	Ireland	█	█	█				█		█	█		
CEMEA	Austria									█			
	Belgium		█	█	█	█	█			█	█		
	Denmark				█		█			█			
	Finland				█				█	█	█		
	France		█	█	█		█		█	█	█		
	Germany		█	█	█		█		█	█	█		
	Lux		█	█	█	█	█			█			
	Italy		█	█	█		█	█		█			
	Netherlands		█	█	█	█	█			█	█		
	Norway						█		█	█	█		
	Spain		█	█	█		█		█	█			
	Sweden		█	█	█		█		█	█	█		
	Switzerland		█	█	█	█		█	█	█			
	Middle East					█			█	█		█	
	North America	Canada	█		█	█			█	█	█	█	█
United States			█		█	█	█	█	█	█	█	█	
Asia Pacific	Australia		█	█		█		█	█	█			
	NZ							█		█			
	China / HK	█	█	█	█	█		█		█	█	█	
	Korea									█	█	█	
	India											█	
	Japan									█		█	
	Singapore		█	█	█			█			█		
Taiwan									█	█			
Clients		Pre 2010		Post 2010									

Major markets only.

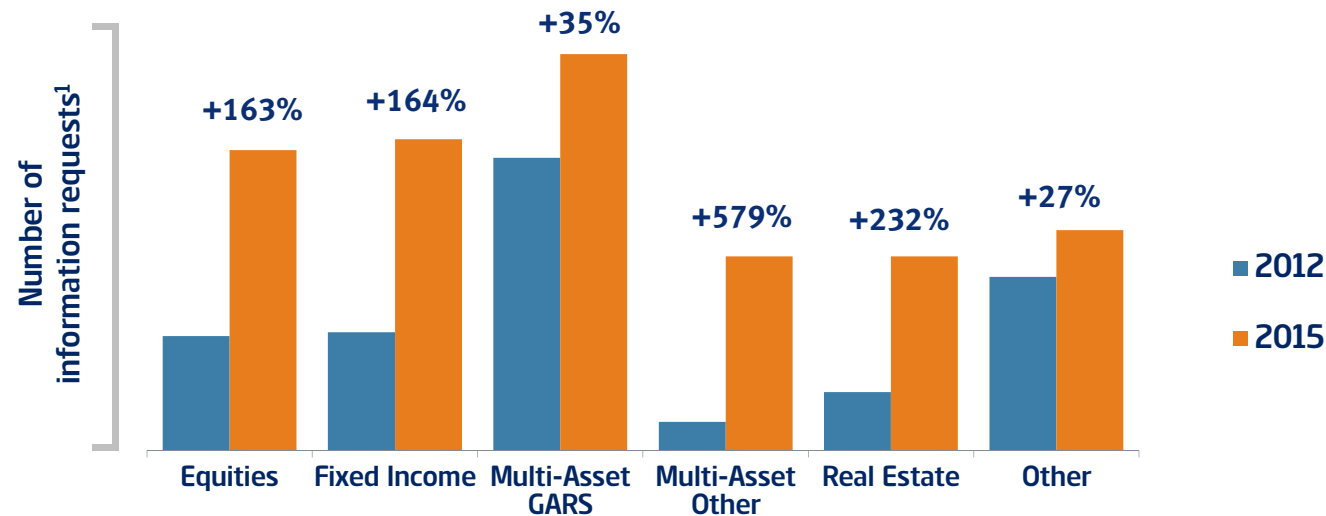
Increasingly diversified by client type

		Wholesale						Institutional					
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UK & Ireland	UK	█	█	█	█	█	█	█	█	█	█	█	
	Ireland	█	█	█				█		█	█		
CEMEA	Austria	█			█	█				█			
	Belgium		█	█	█	█	█			█	█		
	Denmark		█		█		█			█	█		
	Finland				█				█	█	█		
	France		█	█	█	█	█		█	█	█		
	Germany	█	█	█	█	█	█		█	█	█		
	Lux		█	█	█	█	█			█	█		
	Italy		█	█	█	█	█	█		█	█		
	Netherlands		█	█	█	█	█			█	█		
	Norway						█		█	█	█	█	
	Spain	█	█	█	█	█	█		█	█	█		
	Sweden		█	█	█	█	█		█	█	█	█	
	Switzerland	█	█	█	█	█	█	█	█	█			
	Middle East					█			█	█		█	
	North America	Canada	█		█	█			█	█	█	█	█
United States			█		█	█	█	█	█	█	█	█	
Asia Pacific	Australia		█	█		█		█	█	█	█	█	
	NZ							█		█	█		
	China / HK	█	█	█	█	█	█			█	█	█	
	Korea					█				█	█	█	
	India										█	█	
	Japan				█				█	█	█	█	
	Singapore		█	█	█		█	█			█		
	Taiwan									█	█	█	
Clients	Pre 2010	Post 2010			Potential Future Clients								

Major markets only.

Opportunities for third party growth with increasing client demand across all capabilities ...

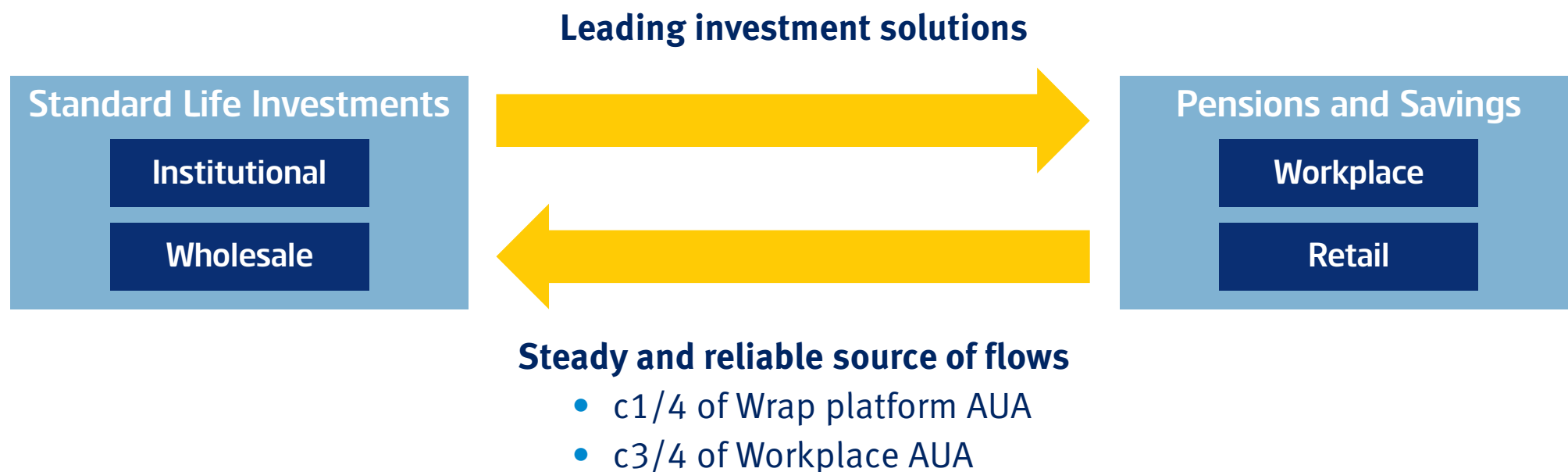
Growth and Diversification of Information Requests



- Significant increase in tenders and requests for information over the last 3 years
- Increase across all asset classes
- Sharp increase in interest in broader multi-asset suite
- Diversified product range resonates with clients

1. Excluding Strategic Insurance. Discontinued Canadian business excluded from all years. "Multi-Asset – Non GARS" includes MyFolio; "Other" includes Ignis and Standard Life Wealth.

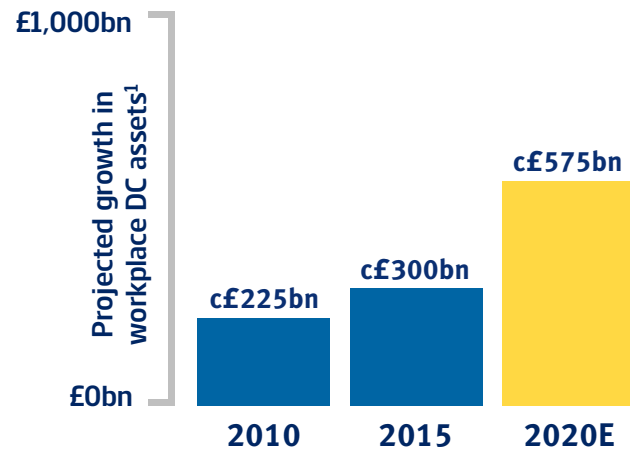
... and leveraging mutual opportunities with our Pensions and Savings growth channels



Providing a steadily growing source of flows from best in class UK distributions

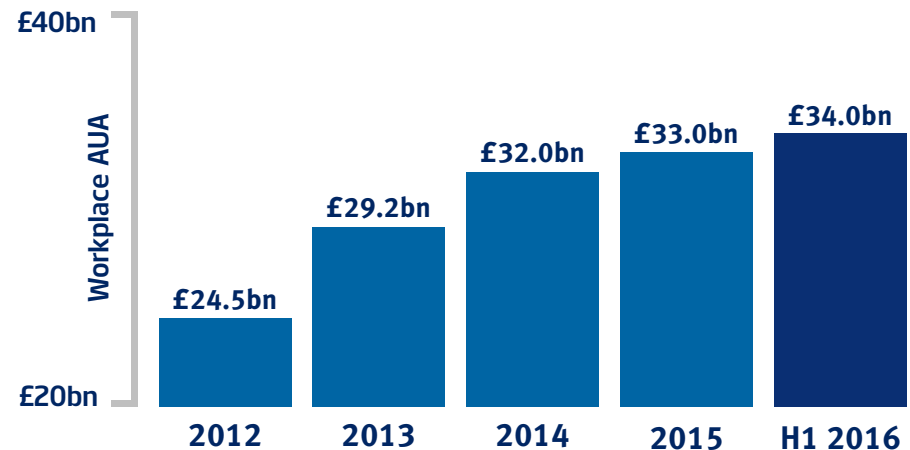
Workplace - positioned to benefit from DC market growth

Workplace DC pensions market will double over five years



- Shift from DB to DC and auto enrolment driving growth in DC pensions
- Members of DC pension schemes expected to increase from c7 million at start of auto enrolment in 2012 to c23 million by 2020¹

We are a leading provider of workplace pensions



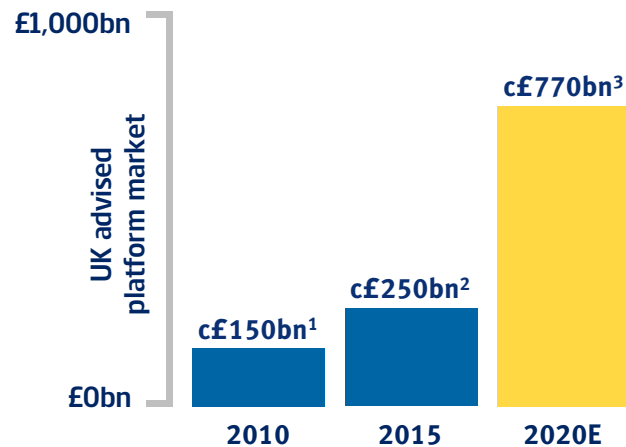
- c13% share of DC market (c20% of bundled DC market)
- Growing regular premiums into workplace through auto enrolment with H1 2016 regular premiums up 4% to £1.5bn

Providing a steady and resilient flow of customers and assets

1. Source: Spence Johnson, November 2015.

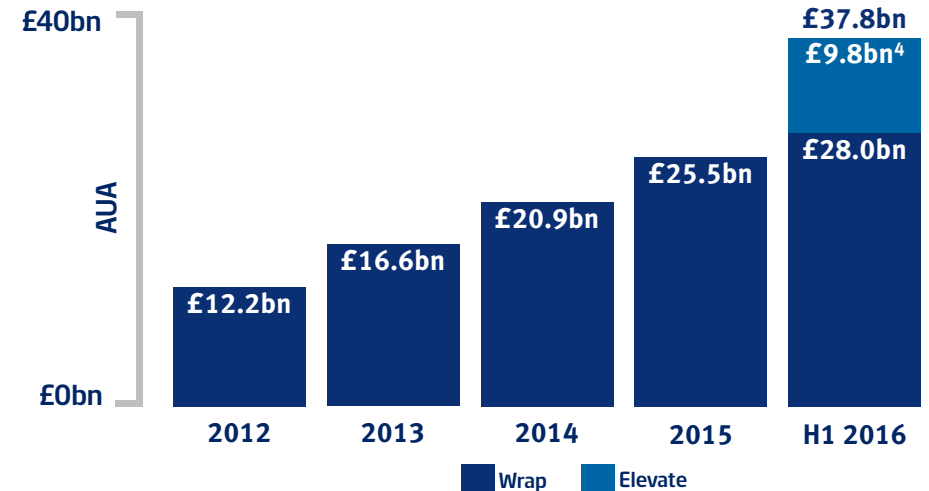
Retail - benefiting from consolidation of assets onto our award-winning platforms

Advisers turning to platforms to drive scalability and efficiency



- The platform market remains fragmented but scale will become increasingly important
- Growing need for financial advice with assets expected to remain invested for longer as popularity of drawdown increases

Our Wrap platform has capitalised on this demand



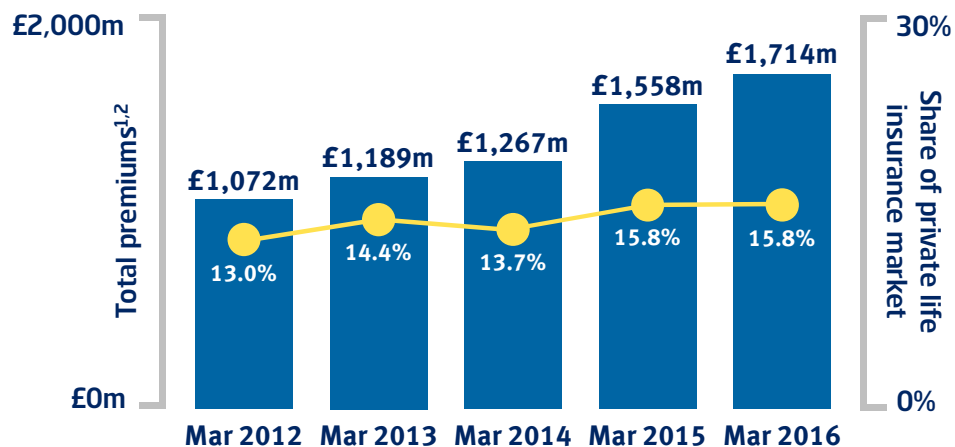
- Retail benefiting from market-leading Wrap platform with net inflows up 3% to £2.1bn in H1 2016
- Acquisition of Elevate expected to complete in H2 2016 and will further strengthen our already leading position in the UK advised platform market

Providing a steady and resilient flow of customers and assets

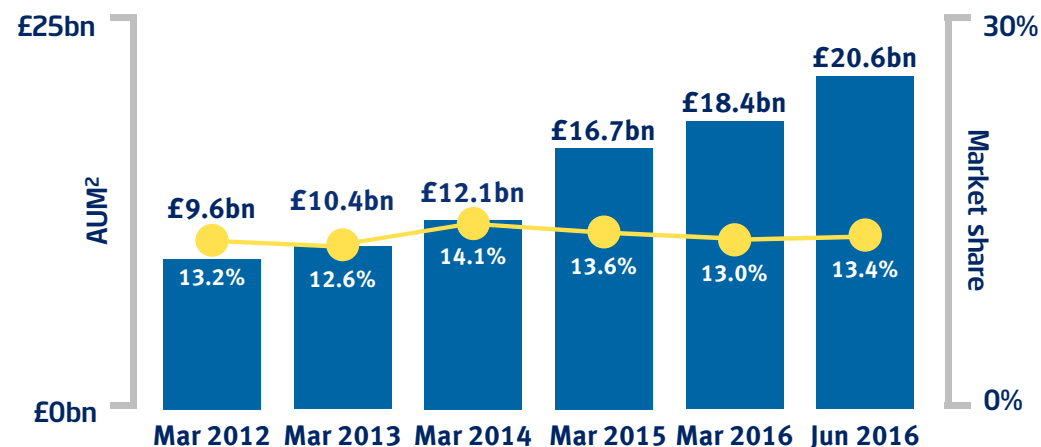
1. Source: Platform – The UK Adviser Guide Issue 22. 2. Source: Fundscape Platform Report Q4 2015. 3. Source: Fundscape Platform Report Q3 2015. 4. As at 31 March 2016.

Capitalising on opportunities for our two valuable businesses in India

HDFC Life - a leading private Indian life insurer



HDFC AMC - a leading Indian private asset manager



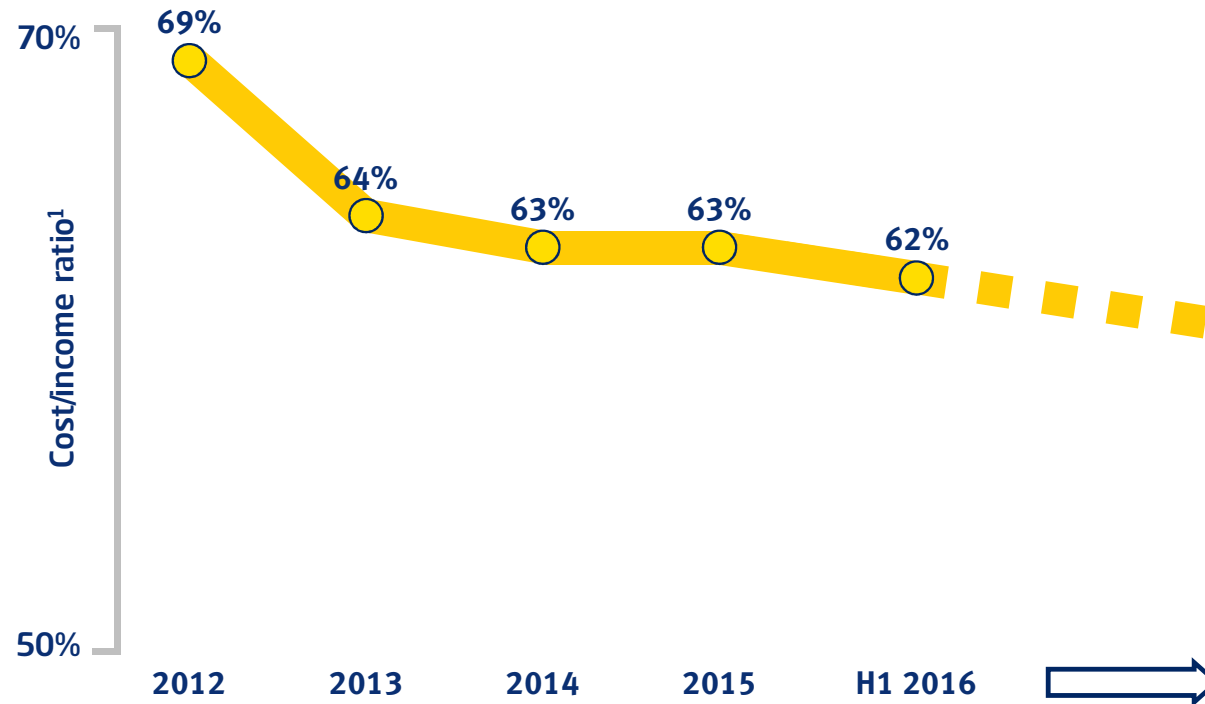
- HDFC Life has agreed terms that, subject to approvals, will see:
 - Combination of the life insurance businesses of HDFC Life and Max Life to create the leading private sector life insurer in India
 - Increased transparency of value through listings on the Bombay Stock Exchange and the National Stock Exchange of India
- Standard Life will hold a 24.1% stake in the enlarged HDFC Life

- Broad offering diversified by client type and asset class
- 40% stake in a leading private asset manager
- Over 15% share of equity AUM in Indian market
- AUM CAGR of 16% over last 5 years²

Enhancing opportunities to drive further shareholder value

1. Financial year of HDFC Life ends 31 March. 2. In constant currency.

Track record of improving operational efficiency

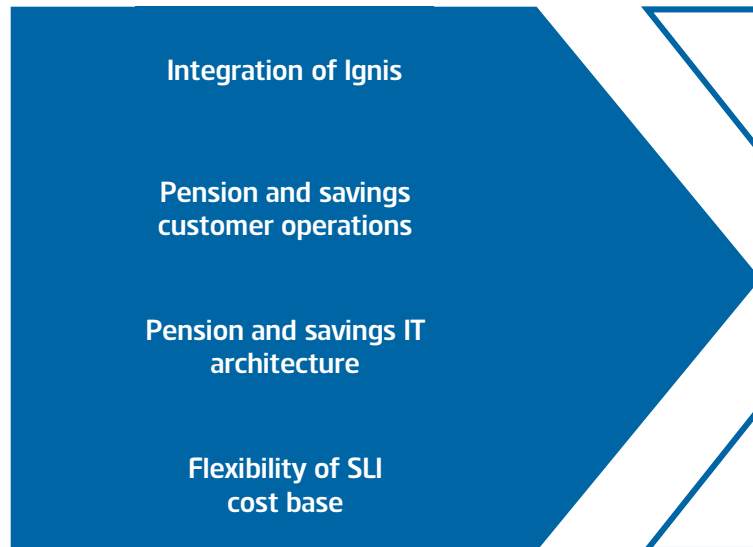


Sharpening focus on cost efficiency

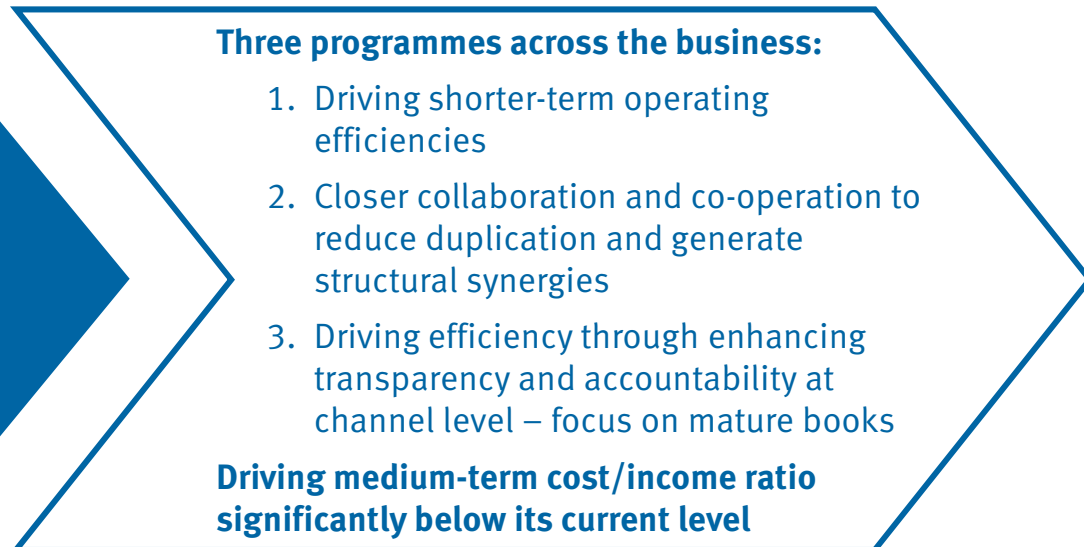
1. On a rolling 12 months basis, operating expenses divided by operating income (including share of associates' and joint ventures' profit before tax).

Driving greater cost efficiencies and financial discipline

We have made a good start ...



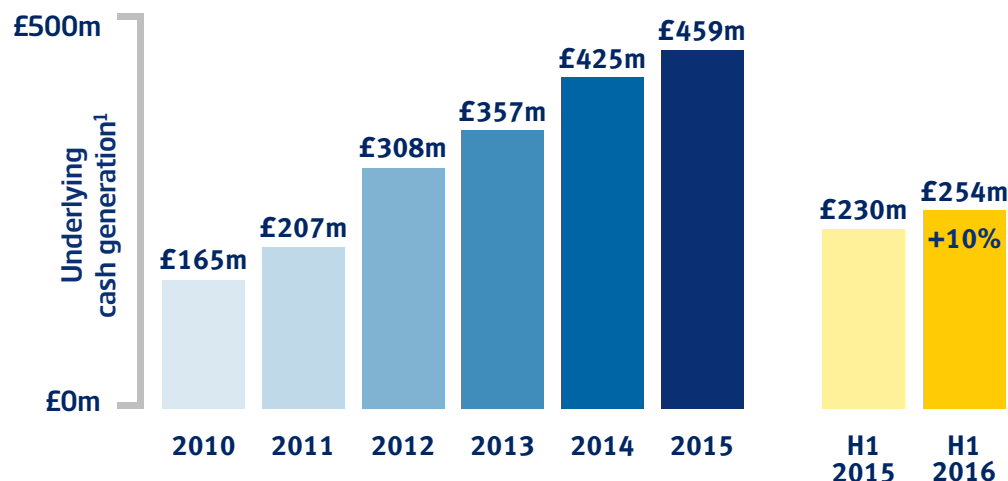
... but can do much more



Increased focus on driving efficiencies aided by greater transparency

Profits driving underlying cash generation

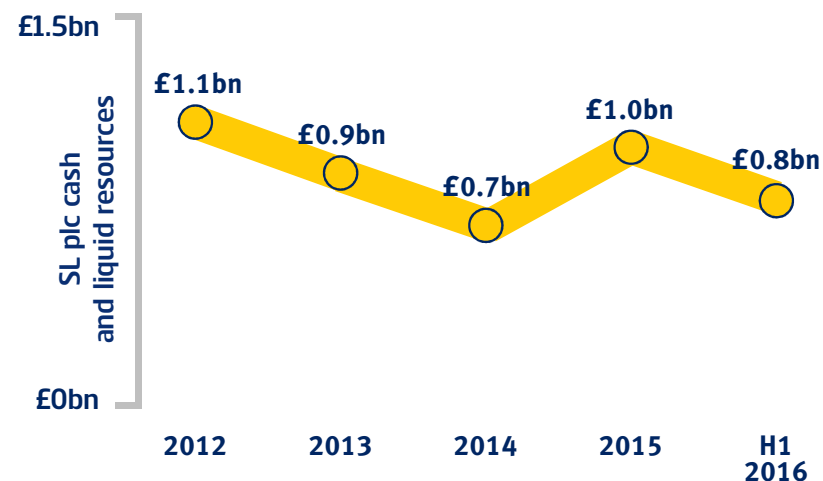
Underlying cash generation up 10%



Underlying cash generation aligned to IFRS earnings:

- Includes dividends received from HDFC AMC and HDFC Life of £8m (H1 2015: £7m)
- Effective rate of tax of 17% (H1 2015: 12%) now more reflective of long-term rate

Continued focus on SL plc liquid resources



Strong liquidity position:

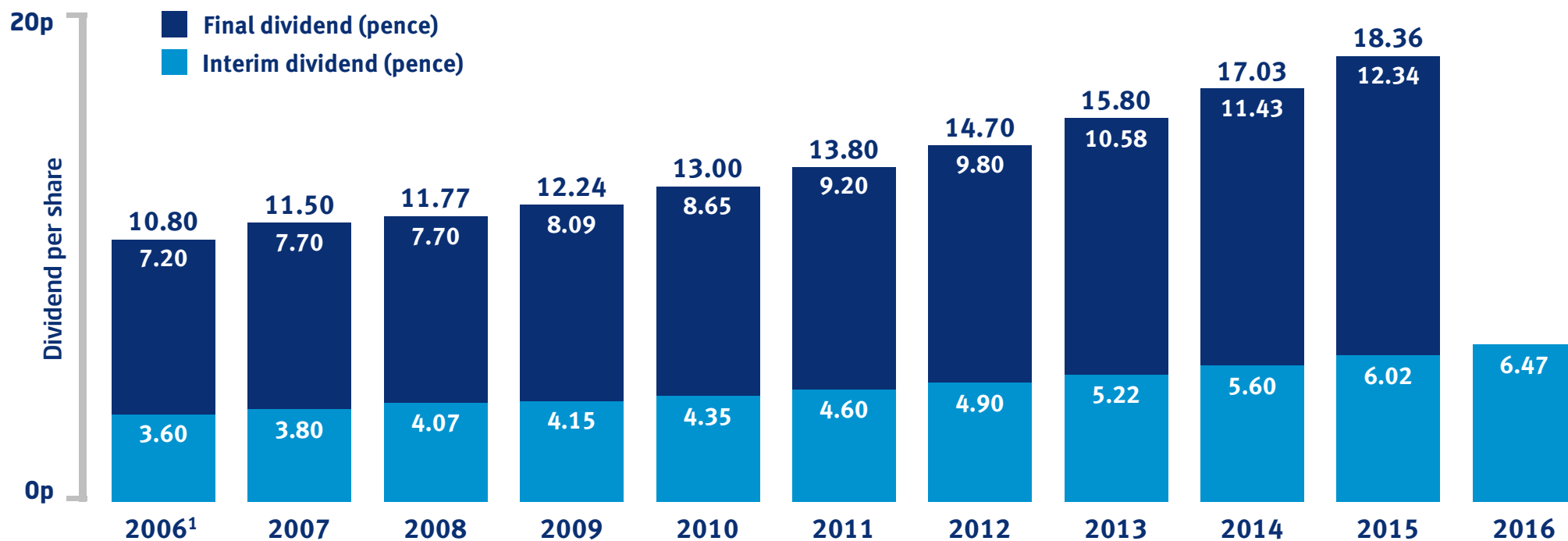
- £0.8bn of liquid resources after £0.2bn paid to increase stake in HDFC Life

SL plc liquid resources supporting:

- Progressive dividend buffer
- Organic growth / bolt-on acquisitions

1. Prior period comparatives have been restated to include dividends received from HDFC AMC and HDFC Life.

Continuing to deliver a progressive dividend



Interim dividend up 7.5% to 6.47p

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

Building a simplified and well diversified investment company

- We have a range of proven investment solutions to meet the needs of clients in a shifting investment landscape
- Track record of consistently strong long-term investment performance
- Expanding global reach of Standard Life Investments and diversifying by geography, client type, asset class and client need
- Leading the UK pensions and savings market and leveraging the potential of our careful positioning
- Highly scalable fee based business with ongoing focus on improving efficiency
- Growing sustainable business supporting our progressive dividend policy

Bringing together best-in-class investment management with global distribution and leading position in UK pensions and savings