



The Asset Managing Opportunity

22 May 2008

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Welcome

Sandy Crombie – Group Chief Executive

Agenda



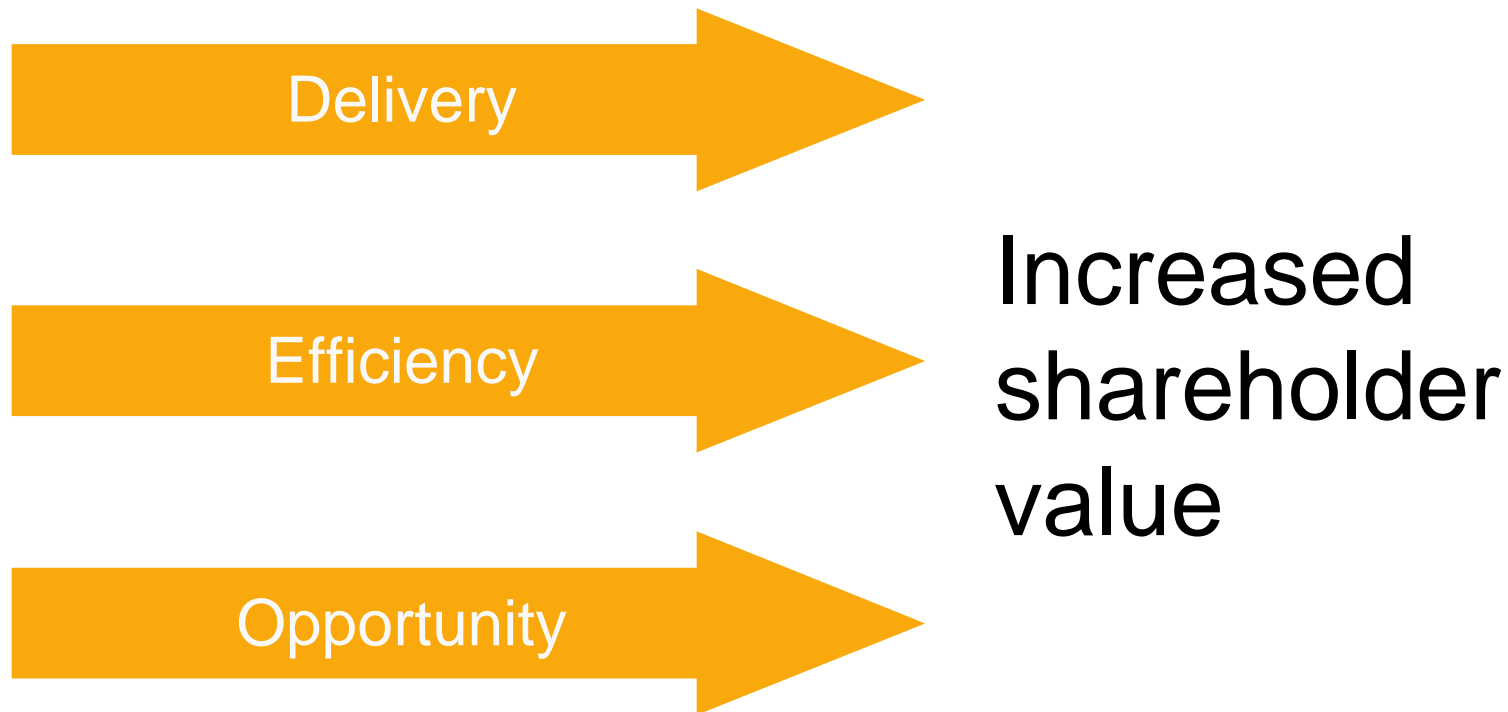
- A reminder of our strategy
- Driving towards an asset managing business
- Capital and cash generation
- Standard Life Investments



A reminder of our strategy

Paul McNamara – Managing Director, Group Strategy
and Corporate Finance

Driving sustainable shareholder value



**Significantly exceeded our RoEV target for 2007 of 9-10%
Actual return of 11.5%**

Our strategies for delivering value



Build 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 for operational excellence

Delivering shareholder value

An asset managing business



The asset managing value chain



Exploring our strategy in more depth today



Our Strategy

Creating capital efficient, innovative products

Opening new routes to markets

Leveraging investment management expertise and performance

Driving for operational excellence

Focus for today

Driving towards an asset managing business

Capital and cash generation

Standard Life Investments

Some of the ways we are making our strategy a reality

The Platform Opportunity



What we said last year

- UK platform market is very attractive
- Standard Life has first mover advantage in SIPP
- Wrap strategy is progressing
- Standard Life well placed to:
 - Lead and shape the emerging platform market
 - Deliver ongoing profitable growth

Our strengths are difficult to replicate



Driving towards an asset managing business

Nathan Parnaby – Chief Executive, Europe

Agenda



Asset managing strategy

Nathan Parnaby

Chief Executive, Europe

UK market dynamics: The opportunities for our asset managing business

Paul Matthews

Managing Director, Distribution

SIPP

Dave Campbell

Director, Retirement Solutions

Corporate Pensions

Jim Black

Director, Corporate Solutions

Wrap, Fundzone and demonstration

Nick Blake

Head of Sales, SL Savings Ltd

Summary

Nathan Parnaby

Building a leading asset managing business

A recap of our May 2007 analyst presentation



Last year we focused on ‘The Platform Opportunity’

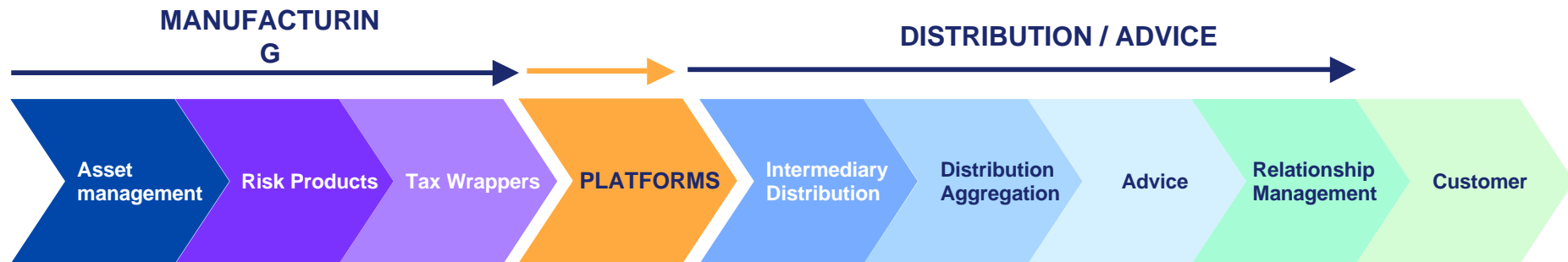
The SIPP opportunity	The Group Pensions opportunity	The Wrap opportunity
<ul style="list-style-type: none">• Award winning SIPP proposition• Significant SIPP growth achieved• 30,800 customers as at 31 March 2007• Continuous enhancements since launch• Huge growth potential	<ul style="list-style-type: none">• Best defined contribution (DC) proposition in the UK• GSIPP combines our SIPP capability with our industrial strength DC platform• Strong pricing discipline• Excellent growth potential	<ul style="list-style-type: none">• Award winning Wrap platform• Strong growth potential fuelled by market dynamics• Commitment to ongoing development• Work in partnership with advisers

A year later, our confidence in the opportunity has increased

Building an asset managing business



The value chain for an asset managing business



- Platforms are asset consolidation vehicles
- By inserting themselves into the value chain between distribution and manufacturer:
 - they become key to accessing and influencing customers;
 - are steadily transforming the asset managing business; and
 - have the potential to extract margin from both tax wrappers and asset management

Platforms are a key component of the asset managing value chain

What does a platform actually do?



Platforms are changing distributors' business models

Platforms provide:

- Automation and structure to financial planning
- A window on the financial world
- Tools and technology that help create financial advice
- Efficient web-based transaction processing
- Holistic management of all the clients' assets

Platforms enable more efficient and structured financial planning

Why platforms are important



To remain close to customers

Customers need platforms in order to understand, plan and transact their financial affairs.

Platforms will provide

- a larger share of wallet
- close customer relationships
- greater persistency
- more loyal customers

Platforms provision is essential to retain customer relationships

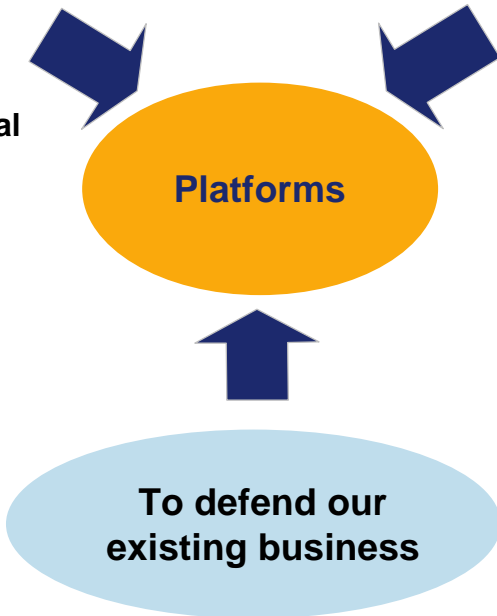
To remain close to distribution

Platforms allow advisers to transform their businesses by:

- increasing efficiency
- focusing on ongoing advice and relationships
- generating recurring income to build value

Platforms will be embedded at the heart of a distributor's business and will:

- dramatically strengthen relationships
- reduce initial commission focus



Platform providers allow distributors direct access to investment houses

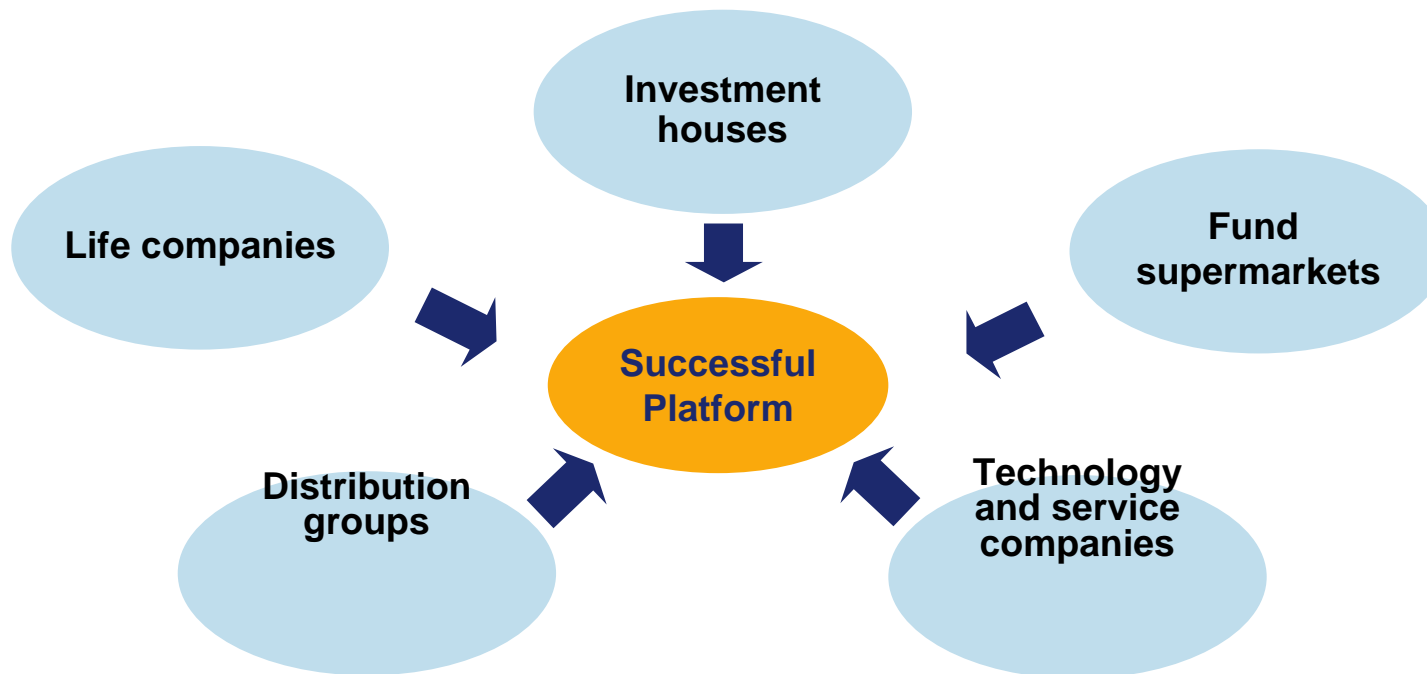
Backbooks are likely to churn onto an adviser's chosen platforms

Platforms are the basis of an asset managing business

Who are our competitors in this space?



We are competing against a different set of competitors



The market is still evolving... but we have several competitive advantages

What are the key success criteria?



Key success criteria

- Reliability and ease of use
- Support services
- Wide range of tools, tax wrappers and funds
- Influence over distribution
- The trust of the adviser
- Staying power (capital and brand strength)

Standard Life's competitive advantages

Quality service

Trusted by advisers

Proposition innovation

Investment excellence

Sophisticated technology

We have the right competitive advantages to succeed

Our key competitive advantages



Our strengths cover all elements of the asset managing value chain



Investment excellence

Trusted by advisers

Proposition innovation

Quality service

Sophisticated technology

Capital and risk management

Capabilities we are strengthening to further increase our advantage

Tools to assist with advice and relationship management

We have true competitive advantage

Our journey



In the Past

New Business



Product selling



Product focused



Provider financed
commission



Inflexible products /opaque
charges



In the Future

Focus on AuA

Developing relationships and
providing a service

Customer focused

Customer financed fees

Flexible services / transparent
charges

We are transforming Standard Life into an asset managing business

Developing our asset managing business



We will leverage our platform expertise across all UK market segments and new geographies to give us true economies of scale by:

Quality service

Trusted by advisers

Proposition innovation

Investment excellence

Sophisticated technology

- Developing different platforms for different market segments
- Continuing to share common components between platforms
- Leveraging our UK platforms in overseas markets
- Continuing to invest in tools and functionality to ensure we stay ahead of the market

Scaling our platforms, maintaining our competitive advantages

How platforms fit with the Group's strategic objectives



Platforms are essential to building an asset managing business

Our objectives

Creating capital efficient innovative products

Opening new routes to markets

Leveraging investment management expertise and performance

Driving for operational excellence

How platforms deliver

No provider commission

The basis of a global business

Increasing SLI funds through our platforms

Automating the financial planning process

Delivering shareholder value through our platforms

Vision for our business



Our vision is within 5 years to:

- Maintain a leading position in a market that will have high barriers to entry
- Further embed our platforms in a variety of distribution channels
- Form long-term relationships via the platform
- Build on a reputation for outstanding service in this market
- Establish a substantial global business

**Be a leading UK asset managing business and
develop a substantial global presence**

Driving towards an asset managing business



UK market dynamics: The opportunities for our asset managing business

Paul Matthews – Managing Director, Distribution

The UK market



We face a unique opportunity to differentiate ourselves further from our competitors in the UK

This opportunity is arising through:

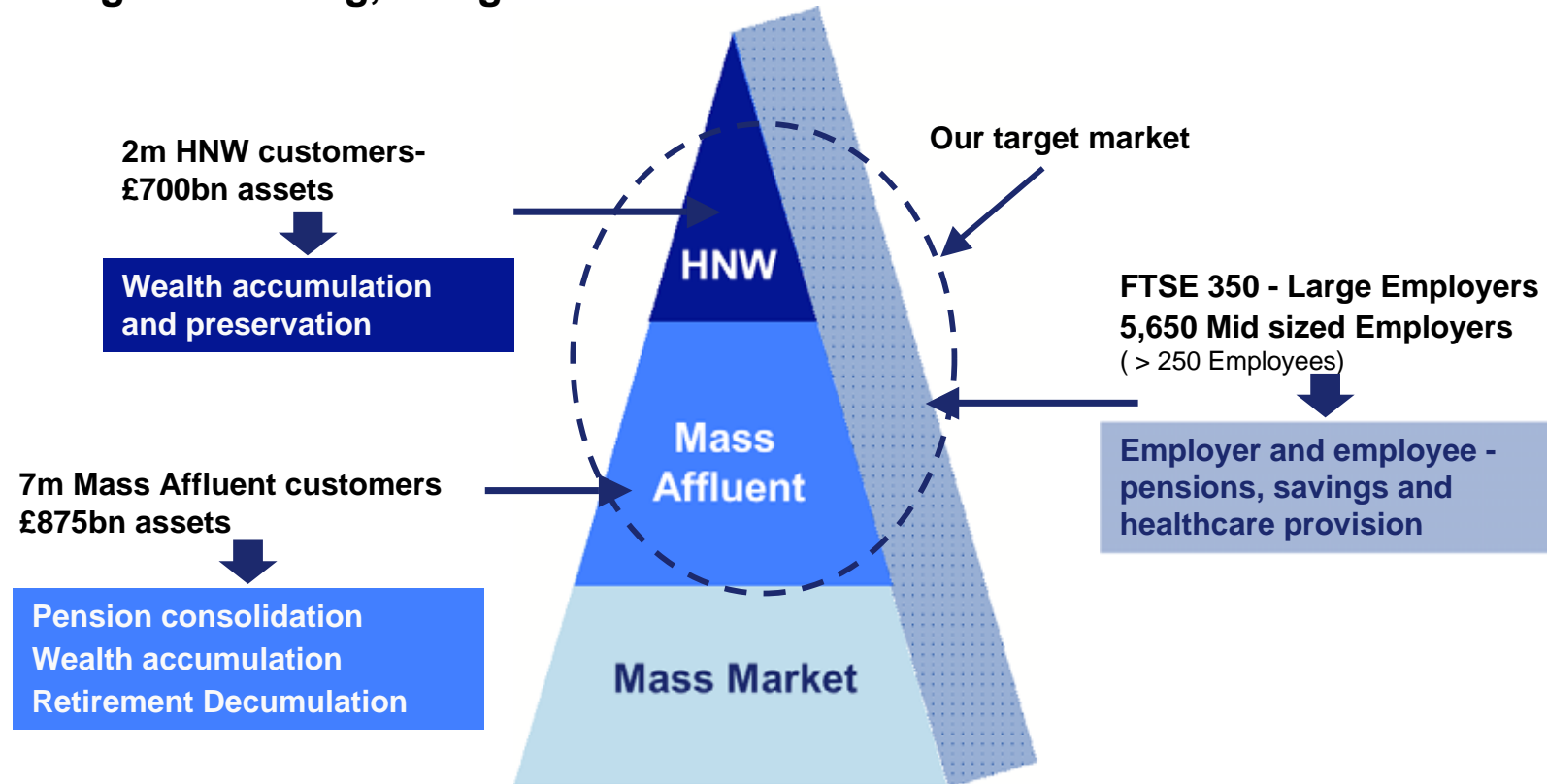
- Market demographic movement
- Changing regulation
- Product innovation
- Distributor consolidation
- Platform development

Our historic and current position with distributors, strategic focus and execution capability will enable us to increase our market leading position

Assets are on the move and there is a significant opportunity for us to capture them



The accumulated wealth of the High Net Worth (HNW) and Mass Affluent is growing and moving, along with the shift of assets from DB to DC



Our strategy is to target the three core customer segments where asset growth will be concentrated

Advisers constantly look for new and innovative propositions



Opportunities

- Protected rights to SIPP
- Consolidation and flexibility
- Increased wealth used tax efficiently
- New entrants can't cope

- Employers seeking to reduce cost and risk
- Corporate advisers seeking improved efficiencies and employee solutions

- Demand for greater choice
- Desire for a holistic view of assets
- Need for automation and efficiency
- Customers desire to self-serve 24/7

- SIPP market expected to **double to £100bn** by 2011
- Protected rights estimated to be worth **£75 –100bn** at the end of 2008

- **£800bn** currently in DB pensions
- **£100bn** potential in the movement from unbundled to bundled DC pensions

- Assets forecast to be **£3 trillion** by 2010

Our capability

Industry leading SIPP platform

Industry leading Corporate platform

Industry leading Wrap and Fundzone platforms

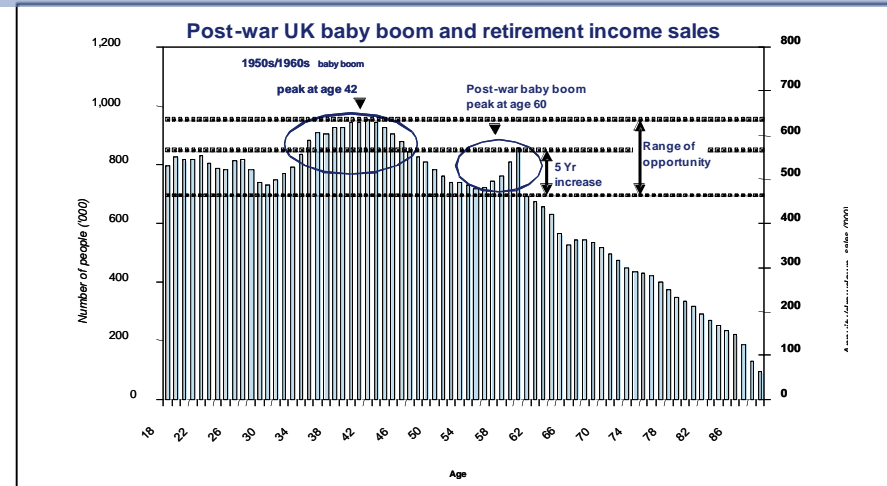
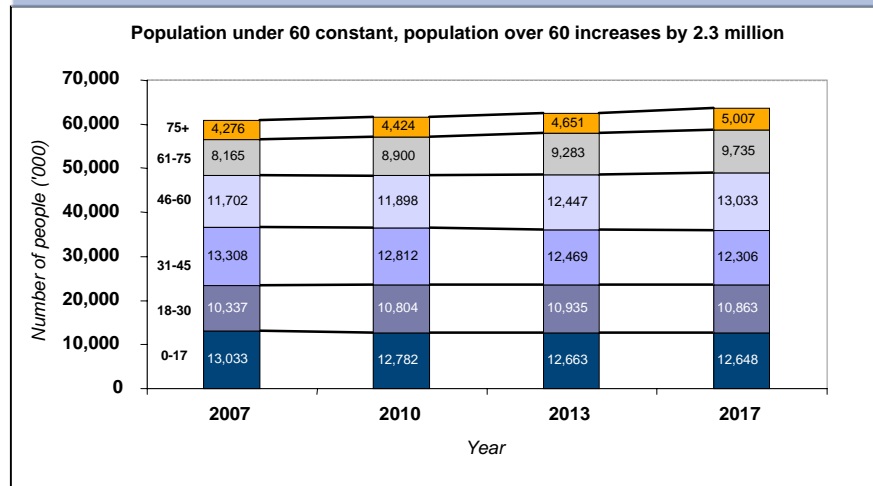
Our market focus, distribution reach, service capability and strength of platform propositions have positioned us well to benefit from all these opportunities

Demographic changes are influencing the movement of customer assets



The assets moving from accumulation to decumulation each year will increase from £14bn to £30bn a year by 2012¹

An additional 13 million customers will reach age 65 over the next 20 years



Our existing and future propositions have great potential to capture asset flow as consumers seek solutions that provide financial security pre and post retirement

1: Source: FT and Watson Wyatt

It is a changing and dynamic market place



Customer dynamics

Technology

Adviser Remuneration

Regulation

Consolidation of the market



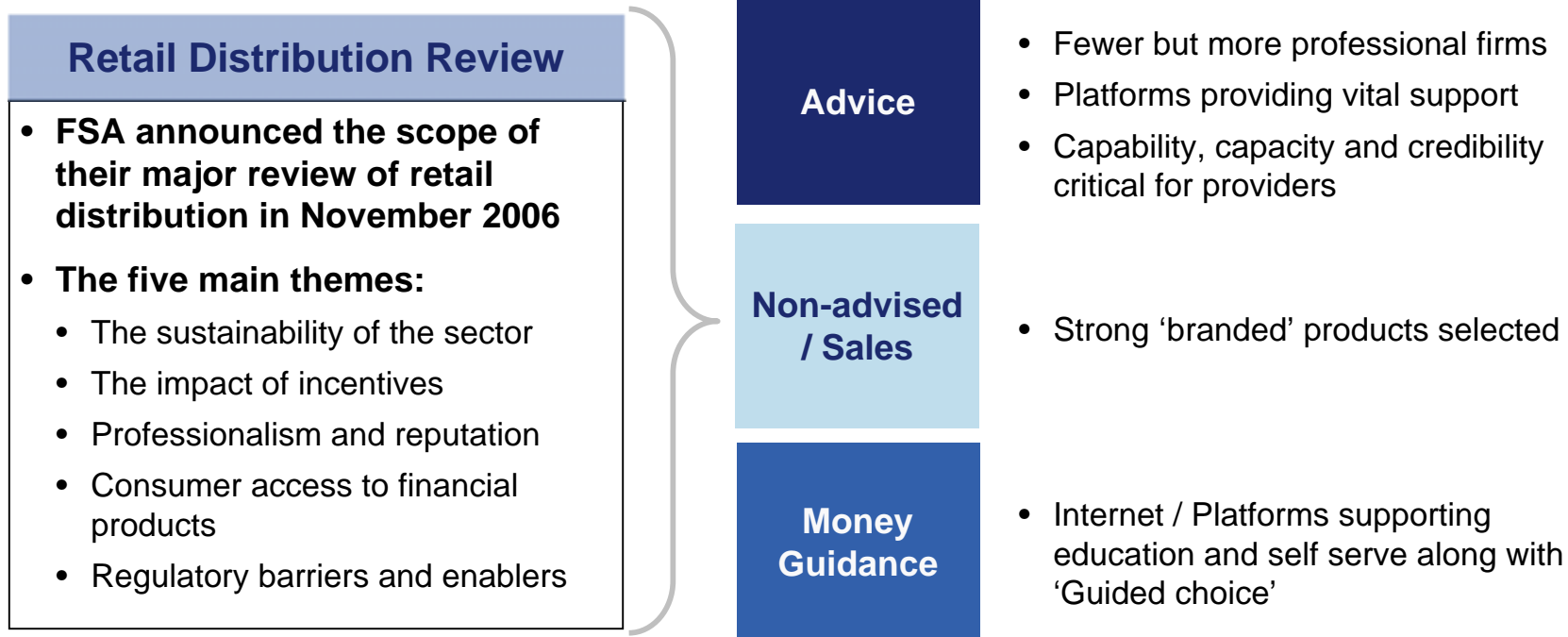
- New business models
- Consolidation
- Use of platforms

We are uniquely positioned to derive value from these changes, due to actions we have taken and investments we have made over a number of years

New regulation will only accelerate change

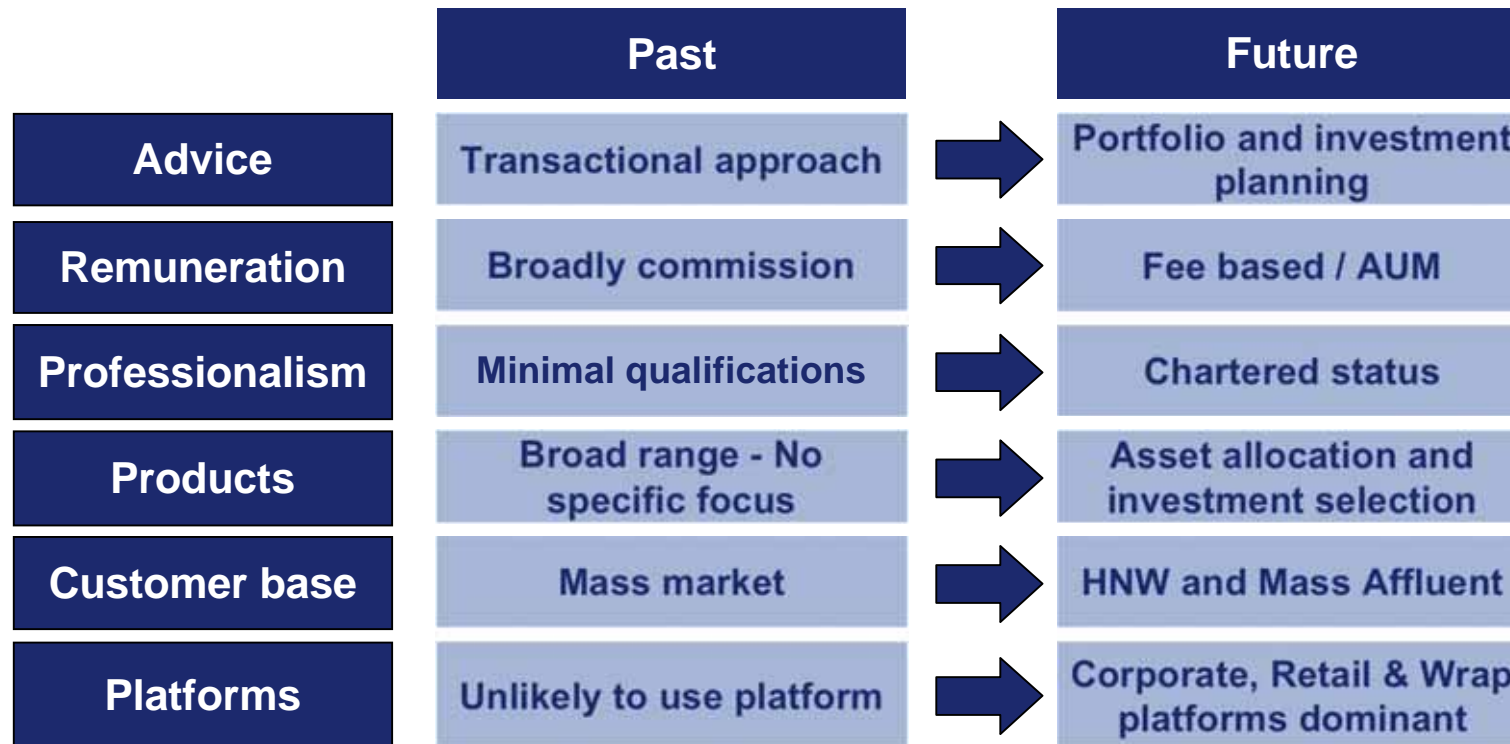


The RDR proposes a new and clear distinction between advice and sales which will have significant implications for certain types of distributors and product providers



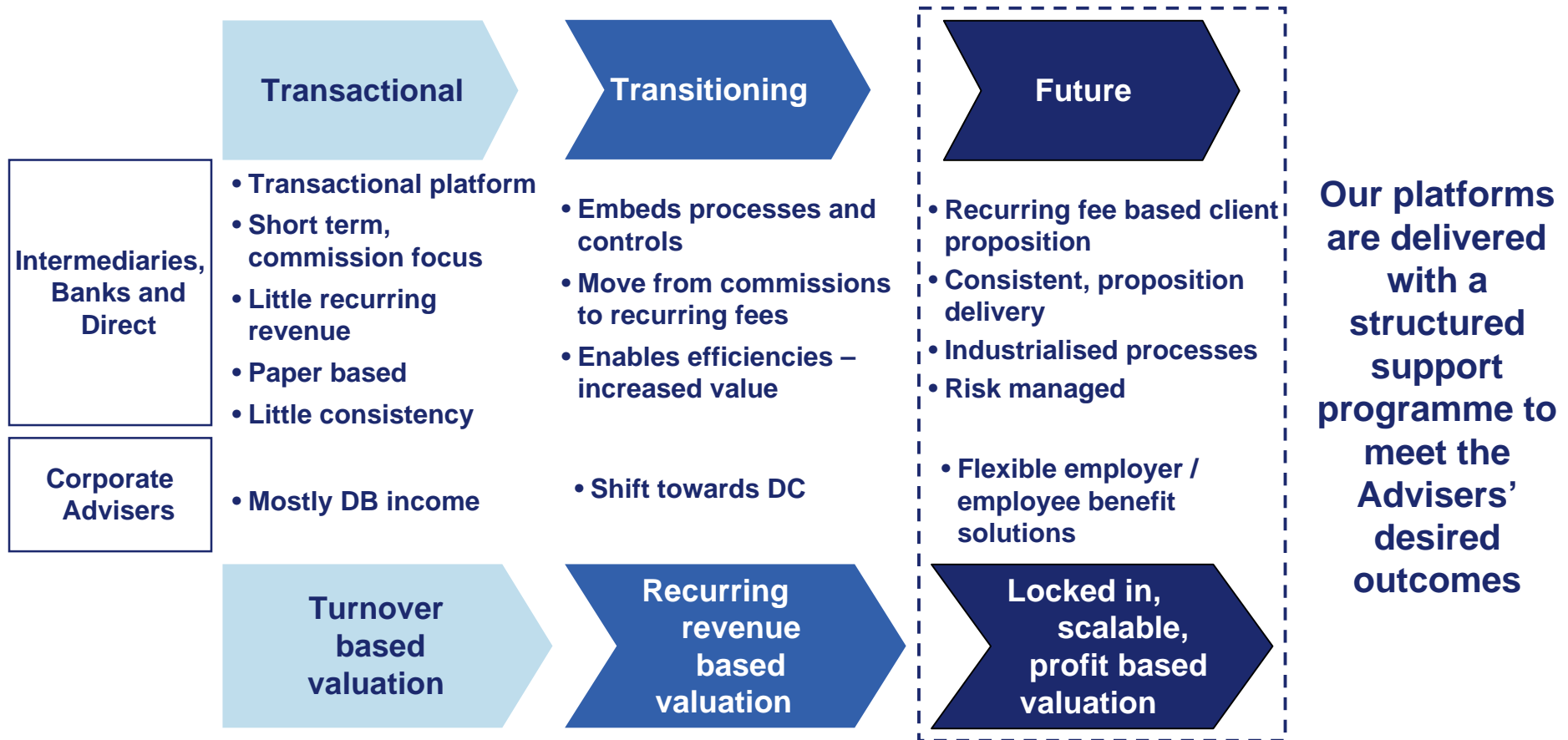
Standard Life has consistently led the market ahead of regulatory change, being a first mover in SIPP and Wrap and moving away from DC commission in 2004

We are already seeing considerable change ahead of the proposed regulation



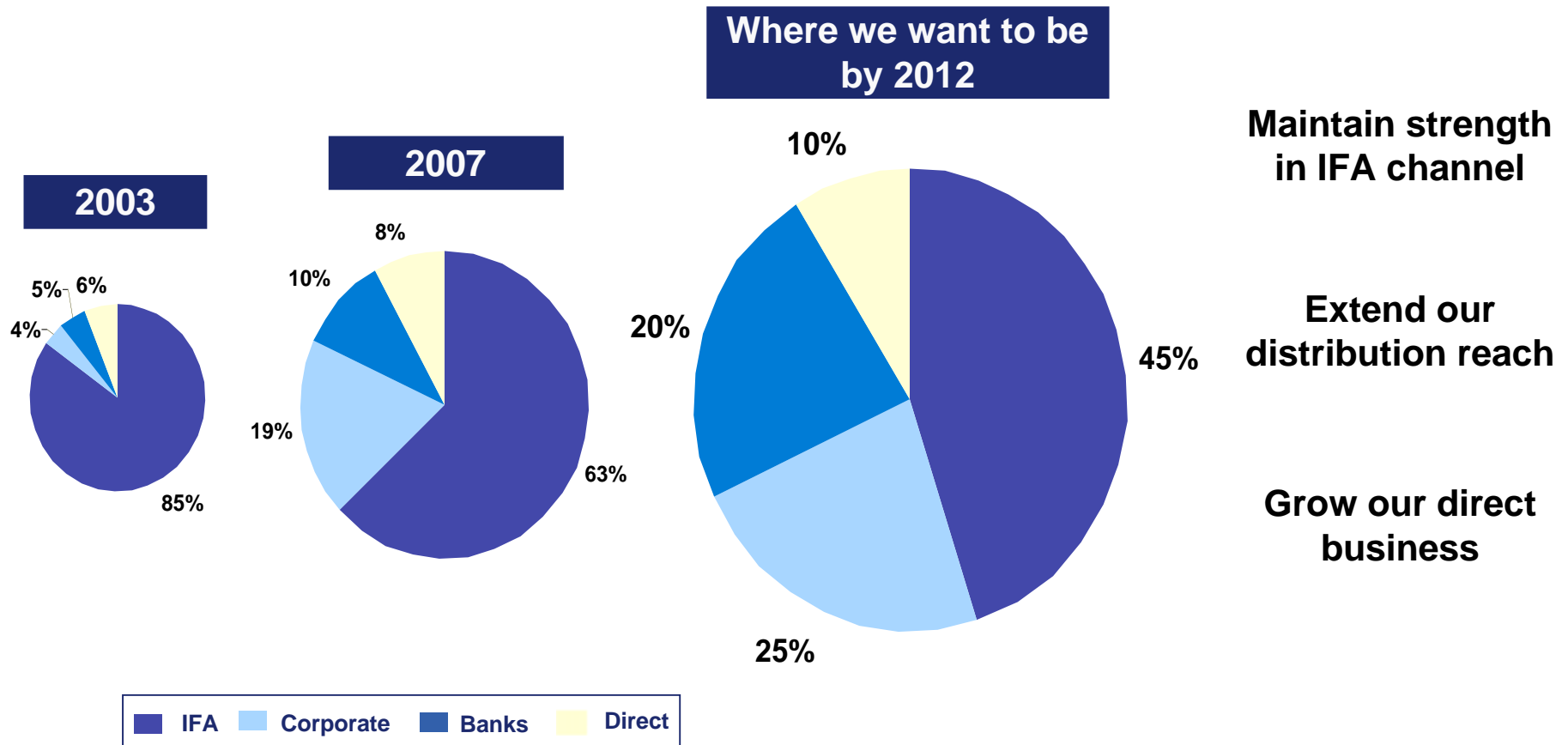
We have the trust of advisers and are positioned to support the winning distributors and their customers with propositions they value

Our platforms are already helping intermediaries move to a new distribution model



Our platform strategy is deepening our relationship with winning intermediaries during the transition of their business and into the future

Our distribution reach and focus will continue to be a differentiator



There is a need for platforms across all distribution channels – our diversification strategy is providing access to a larger and growing marketplace

In summary



We have a unique opportunity to differentiate ourselves further from our competitors in the UK

- There is a significant opportunity to capture growing customer assets
- We have the trust of advisers as the distribution landscape transforms
- Regulation is accelerating this change and adding momentum to our strategy
- We can seize this opportunity with our innovative and scalable propositions

Changing UK market dynamics and our combination of strengths mean we are well positioned to be a leading asset managing business

Driving towards an asset managing business



SIPP

Dave Campbell – Director, Retirement Solutions

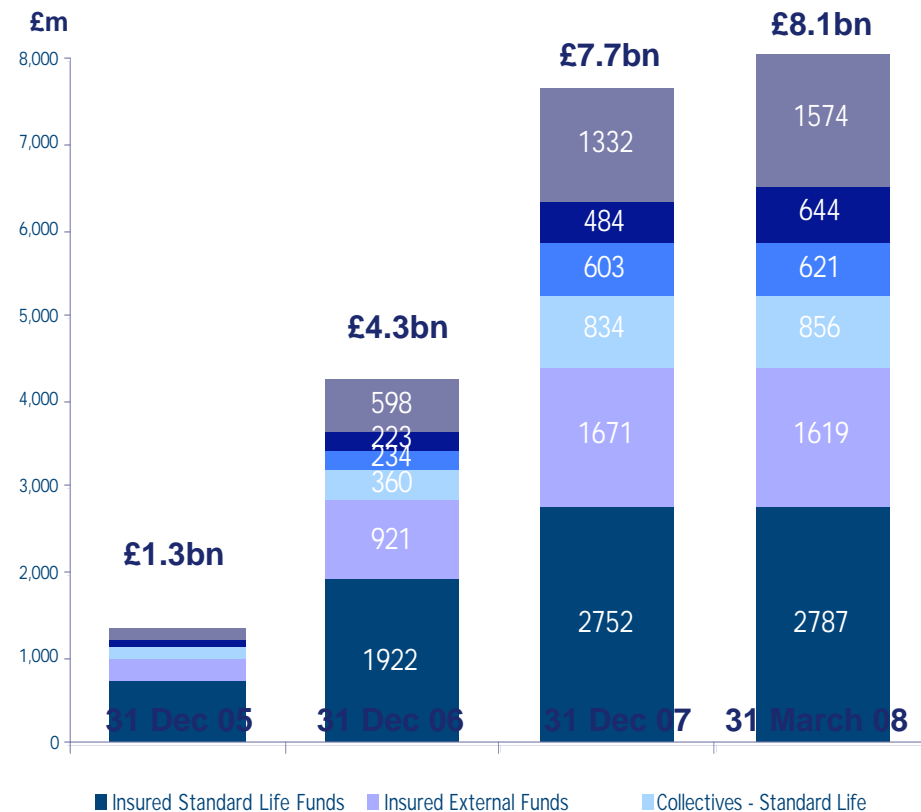
Standard Life has demonstrated stellar growth in the SIPP market



Our SIPP has enjoyed significant and sustained growth

- 80% growth in FUM achieved in 2007 against a flat headcount
- UK SIPP market expected to double from £50bn¹ to £100bn assets under management by 2011
- Protected rights in late 2008 – potential size of market £75bn - £100bn in Personal Pensions alone
- Plans to introduce straight through processing and a variable annuity offering during 2008

SIPP funds under administration



Our platform's scalability cannot be replicated easily and provides us with the basis for significant future growth

(1) Source: Pensions Management survey April 2008 supplement

Standard Life has demonstrated its market leadership position in pensions platforms



Our first mover advantage and industrial strength platform continue to keep us ahead of the competition

defaqto

**Supporting
£8.1bn in FUA**

**Providing 52,600
customers with
investment and
retirement
solutions**

**Supporting more
than 718
commercial
properties**

**Supporting
organic product
development**

	Growth 30 Sept 2005 – 1 February 2008	Funds Under Management – 1 February 2008 (*)	Defaqto Star Rating 2008
Standard Life	£6,600m	£7,700m	*****
James Hay	£870m	£10,870m	*****
AEGON	£2,800m	£6,600m	*****
Suffolk Life	£1,900m	£3,000m	****
Winterthur	£100m	£2,100m	****
Hargreaves Lansdown	not disclosed	£1,800m	***

Our SIPP evolution and extensive distribution reach will cement our leading position

Our awards



Our award winning platform continues to steam ahead

2005

**Financial Adviser
Life & Pensions
Awards**

- Best SIPP Provider

2006

**Financial Adviser
Life & Pensions
Awards**

- Best SIPP/SSAS
Provider

MoneyFacts

- Best SIPP
Provider
- Service beyond
the call of duty

2007

**Financial Adviser
Life & Pensions
Awards**

- Best SIPP/ SSAS
provider
- Best Income
Drawdown provider
- Best ASP Provider

MoneyWise

- Best Comprehensive
SIPP Provider

2008

**Financial Adviser
Life & Pensions
Awards**

- Best SIPP/ SSAS
provider
- Best Income
Drawdown
provider
- Best ASP Provider



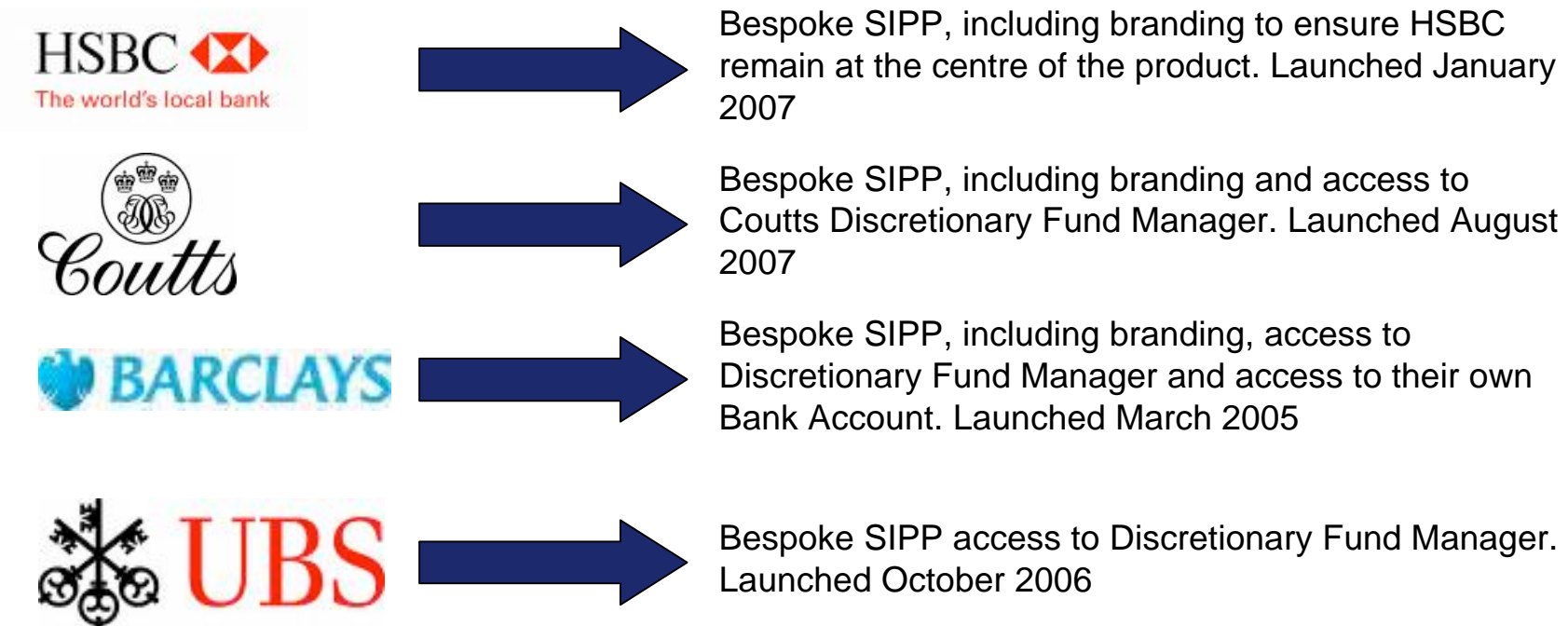
Moneywise

Best SIPP Provider for 2005, 2006, 2007 and 2008

Our leadership position has enabled us to secure major strategic distribution alliances



Our SIPP proposition has enabled us to extend our distribution in the banking sector

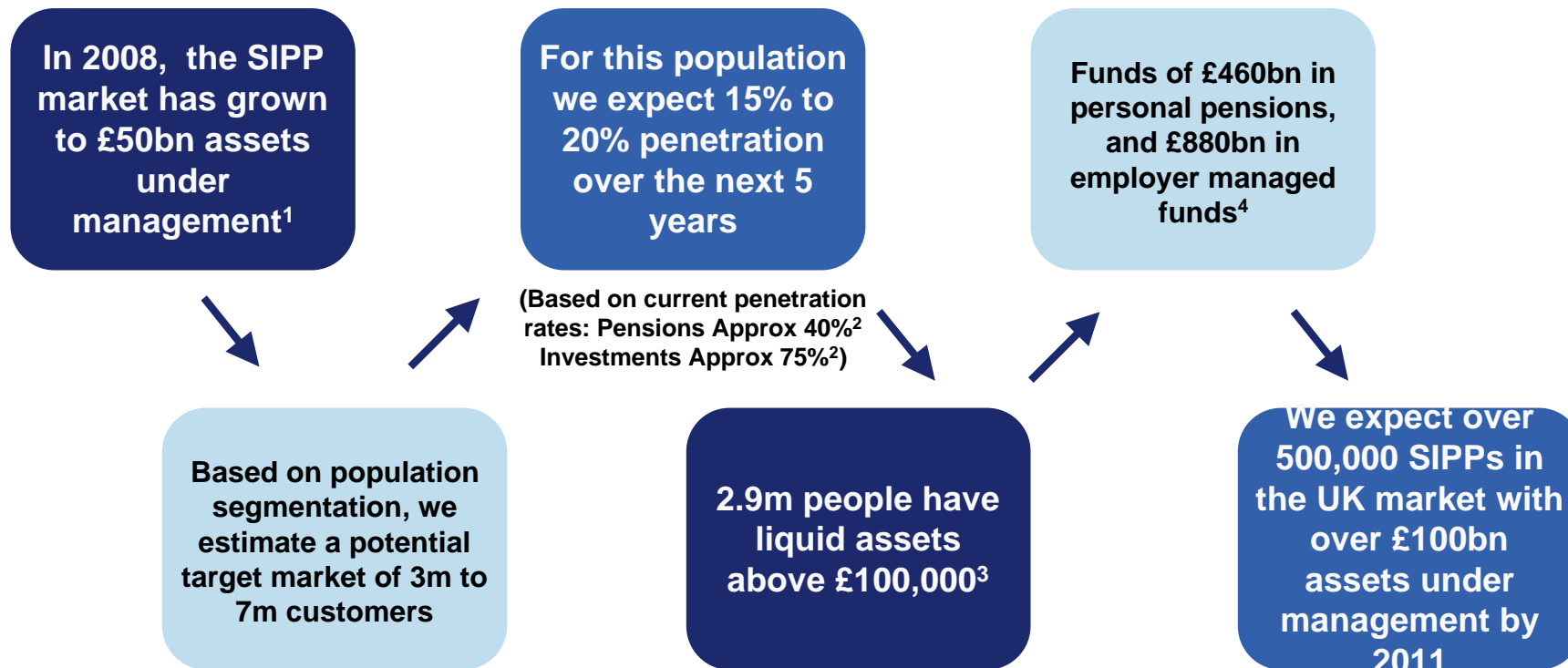


Standard Life is now looking at the wider platform opportunity, where we will look to explore the potential for banks and their customers

Future growth potential to meet customers' asset managing and retirement planning needs



The growth potential for SIPP remains extremely strong



We will continue to enhance our proposition and extend our distribution reach to capture the growth in the market

Notes:

1 Money Management Survey April 2008. Not all providers disclosed.
3 Citigroup

2 Standard Life & Experian
4 ABI

Evolving our SIPP to a higher standard



Protected Rights

Investment options

- Giving customers the ability to move Post '97 final salary contracted out scheme transfers into a SIPP for the first time

Improved consolidation opportunities

- The second wave of consolidation for new and existing customers
- Increase in transfer values for new business and FUM. Will also include post '97 GFS monies

Retirement options

- Increased choice and control when unlocking income will add to the reason to transfer into a SIPP

Fits with existing Platform

- One plan, one investment pot, one income allowing greater value add

Better value and more choice for customers will further increase the size of the market

Evolving our SIPP to a higher standard



Fund Platform

Increased choice

- Insured + Mutual Funds = 1,000 funds at NAV

Ability to rebate Mutual Fund trail commission

- Increase attraction to fee based advisers
- Avoids potential adviser commission disclosure issues

Integrated to our service proposition

- Consolidated view and on-line trading – supported with leading service

Increased choice, flexibility and control leads to increased attraction for customers and advisers

Evolving our SIPP to a higher standard



Variable Annuities

Variable Annuities

- Combining the benefits of drawdown with the security of an annuity will appeal to pre and post retirement customers

A key part of the distributors' retirement toolkit

- Helping at the pre-retirement, at-retirement, and post retirement stages

Customer and distributor peace of mind

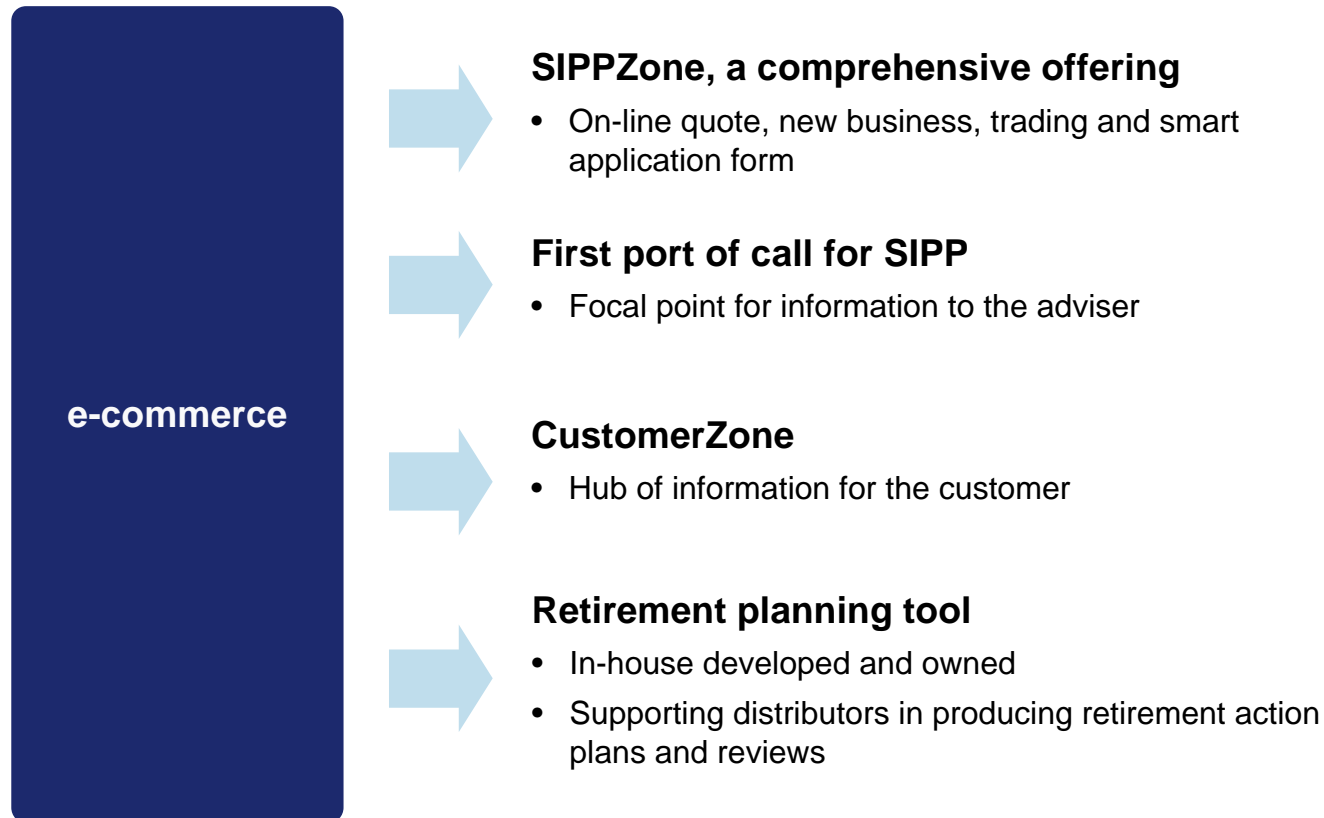
- Encourages consolidation and provides security and peace of mind

Increasing the target market

- Attractive option for those who may not have considered drawdown in the past

Increasing attractiveness by providing increased choice, flexibility, control and peace of mind

Evolving our SIPP to a higher standard



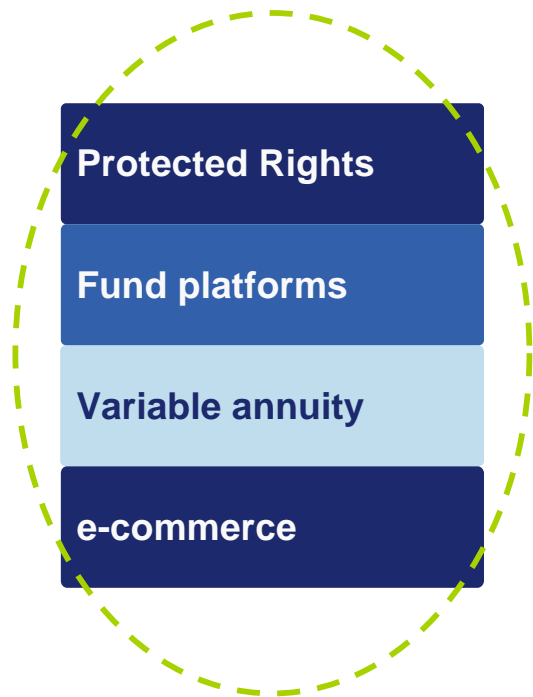
Making it easier for advisers to take costs out of their business

Well placed to benefit from new growth opportunities



Our proposition to the customer

New growth opportunities



A pension for life

- Deferred and full SIPP at competitive charges
- 1,000 Funds at NAV
- Access to leading fund managers
- Unrivalled service
- On – line excellence

Encouraging pension provision

- Large fund discounts
- Diverse investment choice
- Ability to unlock income while still accumulating
- Peace of mind with variable annuities

Providing real income flexibility

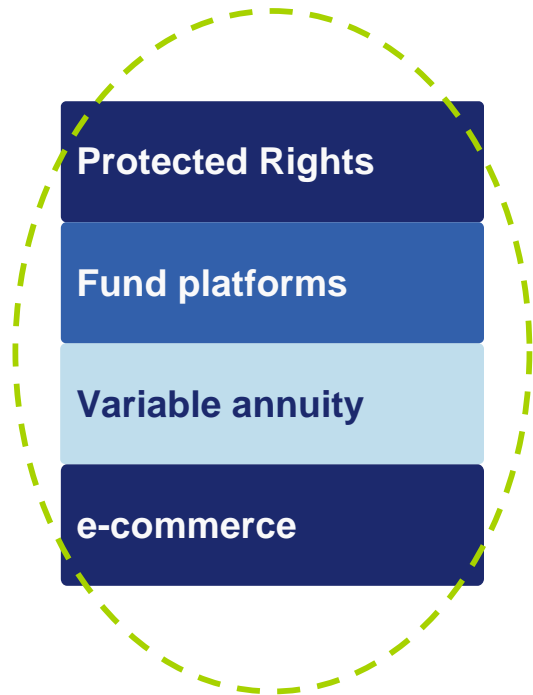
- Flexible Income (what, when, where and how)
- Full Phased and our unique dripfeed drawdown
- Target specific funds
- ASP
- Variable Annuities

Our platforms are difficult to replicate - a basis for significant future growth

Well placed to benefit from new growth opportunities



New growth opportunities



Our proposition to the distributor

People

- Providing excellent customer experiences
- A brand ethos of leading service
- Dedicated and professional administration

Processes

- Industrial strength systems supporting leading service
- 'Outside in' approach to ensure continuous improvement
- Information super highways with our partners

Technology

- Enhancing leading customer service, not replacing it
- Supporting value added advice with e-commerce
- Supporting the distributor to manage the platform

Our platforms are difficult to replicate - a basis for significant future growth

Driving towards an asset managing
business



Corporate Pensions

Jim Black – Director, Corporate Solutions

Our market-leading Corporate Pensions business



Range of market-leading propositions

Group SIPP
Group Personal Pension
Group Stakeholder

Award-winning, efficient service & technology



GREENWICH ASSOCIATES
Focused financial intelligence

High-performing investment platform

Wide-range of funds and asset classes

Exceptionally strong franchise

Employee Benefit Consultants and Pensions Specialists



Combination of **excellence** in each of these areas provides us with our **competitive advantage**

Corporate Pensions – Today



Over £14.9bn funds under management

117% increase since Dec 2003

Sustainable pricing model

Circa 1 million plan members

24% increase since Dec 2003

Profitable business

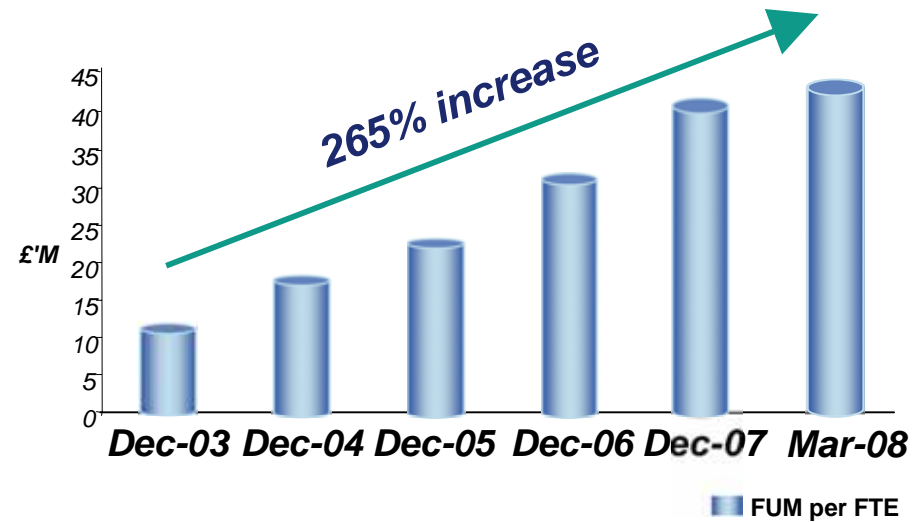
2007: £60m NBC & 2.1% PVNBP margin

14.8% market share

2007 ABI figures

48% increase in Q1 2008 sales

Funds under management per customer-facing member of staff



265% increase in efficiency since Dec 2003

e-sourcing strategy

Corporate Pensions – Opportunities



Changing markets

DB to DC:
£800bn DB
market ¹

Unbundled to
Bundled:
est. £100bn ²

Competition under pressure

Prohibitive
cost of entry

The need for
scale

Our strengths
are hard to
replicate

Leveraging existing relationships

48 of FTSE
100 ³

27% of FTSE
250 ³

Wider
employee
solutions

Personal Accounts – Threat or opportunity?



Pensions Act 2008 introduces Personal Accounts in 2012

Targeted around **10 million employees**
with poor access to private provision

Consolidation amongst smaller employers **inevitable**

With the right **strategy**,
Personal Accounts presents a **significant opportunity**

Increased awareness of pensions,
leading to increased **take-up** and **payment**
levels

“Levelling-Up” for plans paying less than 4%

Employers with **good quality** plans can demonstrate their **value** to employees

Corporate Pensions – Evolving our business



New trust-based plan in 2009

Aimed at Large Employers

Employee Wealth Plan

Wider range of benefits
Group Healthcare
Group ISA

“Plan for Life”

Innovative
Communication & Education
for plan members

Thought-leadership

Against a backdrop of continuing to

Drive efficiencies in our processes

Invest in our people & technology

Deliver service excellence

Build valuable customer relationships

Driving towards an asset managing business



Wrap

Nick Blake – Head of Sales, SL Savings Limited

Wrap growth potential



Our Wrap platform enables the New Model Advisers to provide a holistic planning service to their customers

Uncertain markets

- Advisers can demonstrate the value of holistic investment management
- The platform provides regular reporting and reassurance
- The platform provides access to safe haven investments

Regulation

- RDR supports 'factory gate pricing'
- RDR supports transparency
- RDR supports TCF

Wrappable assets in the UK expected to reach £3 trillion by 2010



More intermediaries will demand a platform that is RDR and TCF compatible – giving Standard Life a competitive advantage

Standard Life Wrap



The controlled roll out of the Wrap platform will enhance Standard Life's credibility as the market evolves

Our Wrap proposition

A tried and tested technology supplier

Leading service – Wrap customer centre

Leading product and investment coverage

Differentiating business development teams

Modern adviser remuneration options

Our Wrap success

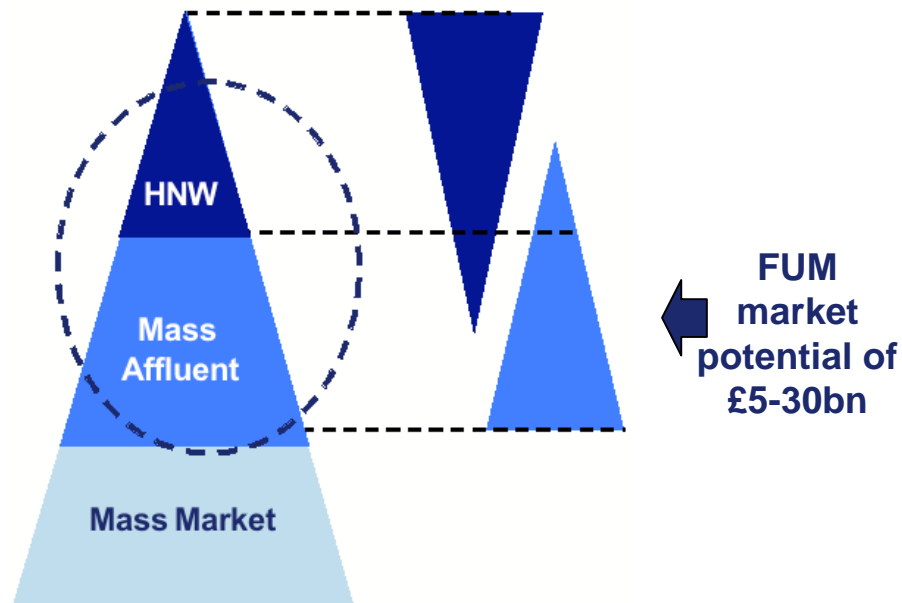
- Over 10,400 clients
- Average account size - £121,000
- 234 live advisory firms
- Funds under administration of £1.3bn
- Business coming from top 50 firms increased by 95%
- Of this business 86% is via Wrap
- Opportunities with non traditional books
- Top UK platform - Defaqto

Once again awarded the only “eee” rating from the FTRC – third year of this honour

A Retail platform solution



Some advisers will initially require a simplified platform that will allow them to move to a more profitable, efficient and robust business model in stages



- Buy and sell all retail products on a per product basis
- Robust and time efficient sales process with integrated portfolio management and planning tools
- Reduced costs of administration
- Combines our existing successful SIPP and Fund Supermarket platforms
- Ability to provide bespoke solutions to meet client needs
- Facilitates migration to Wrap

We have the breadth of proposition to capture value as advisers move to a more profitable business model

Driving towards an asset managing business



Summary

Nathan Parnaby – Chief Executive, Europe

We were very confident last year..... we are even more confident this year

- Platforms are fundamental to:
 - building an asset managing company
 - building long term relationships with customers
- The assets are there to be captured
- Regulation is accelerating the opportunity
- We have demonstrated market leadership
- We have the systems, trust of advisers, propositions, service standards, investment expertise and brand to succeed

We are on track to become a leading asset managing business



Capital and cash generation

Evelyn Bourke – Managing Director Finance, UK financial services

Management of capital and cash

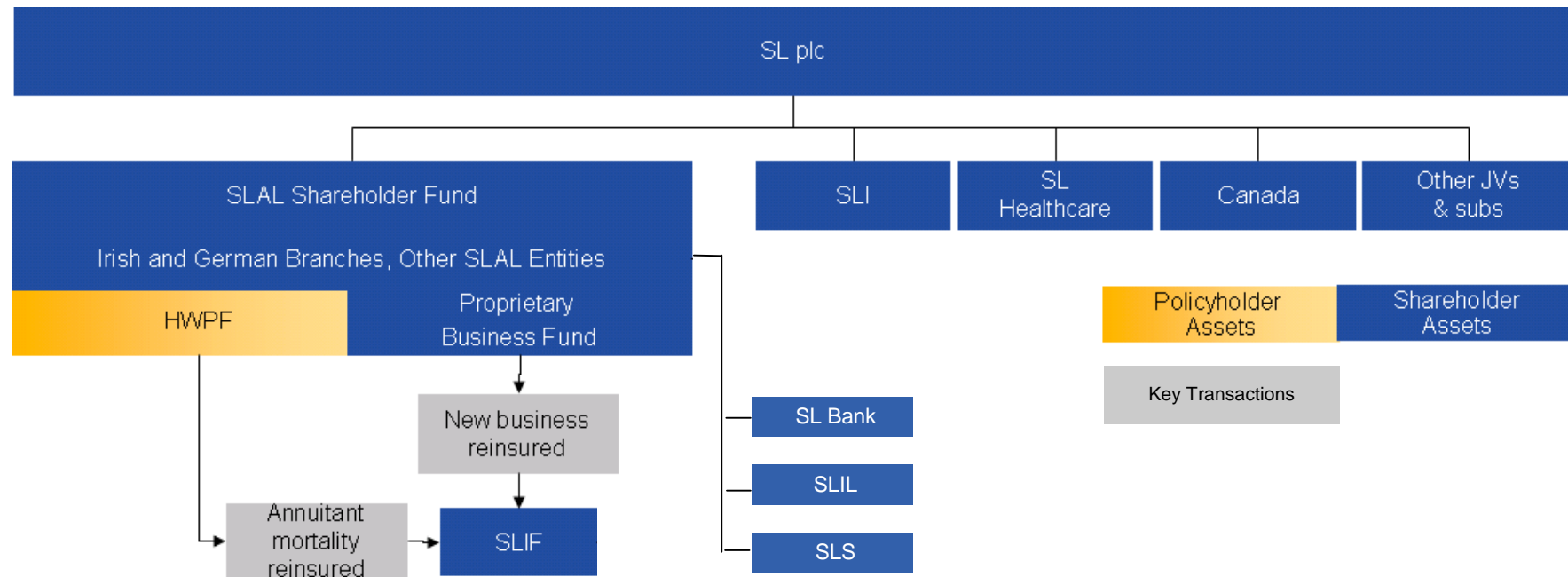


***Group capital
and cashflows***

***SLAL capital
and cashflows***

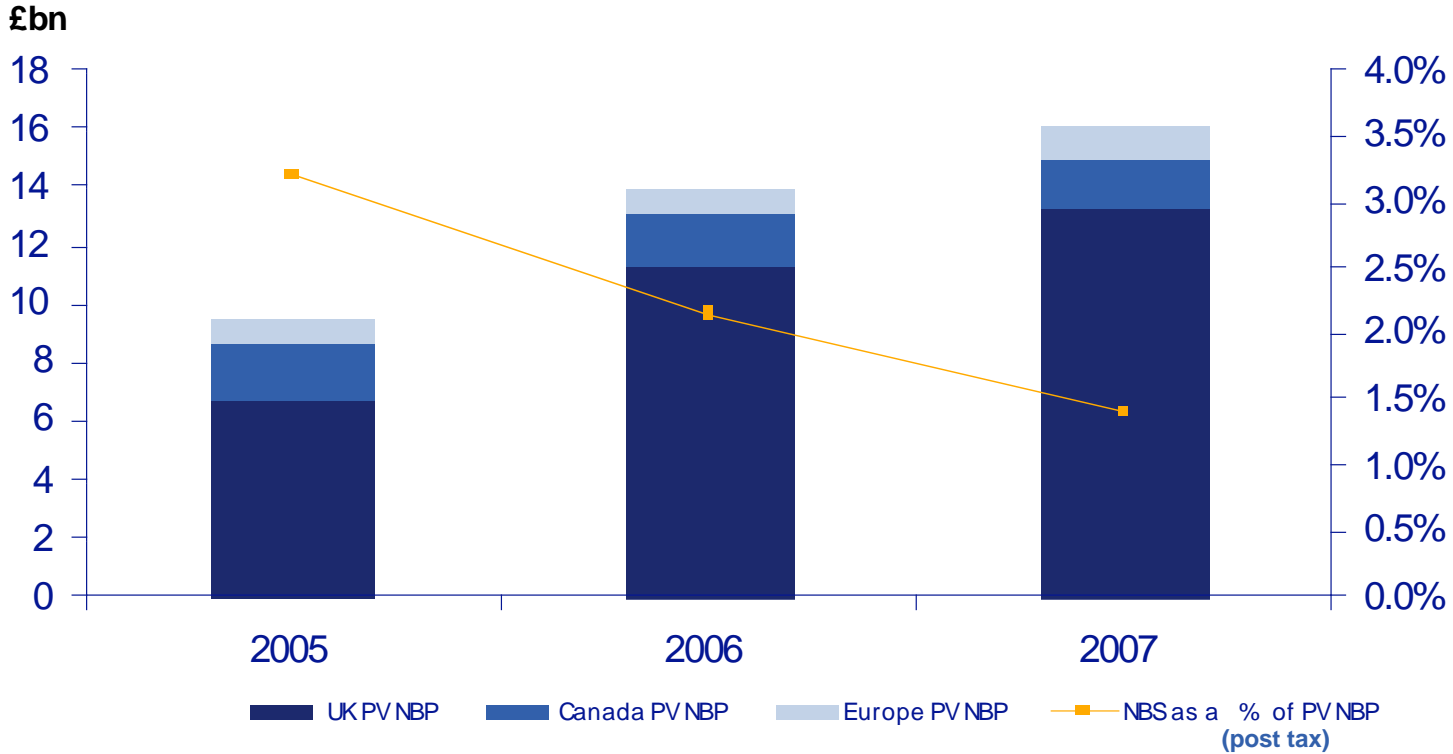
***Risks to capital
and cash***

Group structure



- Capital transferred from businesses to Standard Life (SL) plc in the form of dividends
- Financing for growth businesses injected from SL plc to group companies usually in the form of equity
- Focused on creating value and maintaining appropriate levels of solvency capital, while reducing capital tied up backing unrewarded risks

A 'capital lite' business model



Significant EEV cash and capital generation in 2007



	2006 £m	2007 £m
Opening net worth	1,883	2,391
New business strain	(303)	(225)
Capital and cash generation from existing business	436	549
Covered business capital and cash generation from new business and expected return	133	324
Covered business development expenses	(17)	(16)
Investments, banking and healthcare	64	65
Group Corporate Centre costs	(62)	(40)
Investment income and other non-life entities	3	1
Core	121	334
Efficiency	13	20
Back book management	72	209
Capital and cash generation from non-operating items	56	37
Total capital and cash generation	262	600
Other capital movements	54	90
Injection / Dividends	192	(197)
Closing net worth	2,391	2,884

All figures are net of tax

Metrics supporting strategic capital management



Sustainable High Quality Returns for Shareholders

Growing shareholder value

Distributable earnings and dividend

Customer security and financial strength

EEV

Capital attributable to equity only

Key performance metric for Group companies

Robust embedded value and the financial strength of the

IFRS

Capital attributable to equity only

Key performance metric for Group companies

Key determinant of distributable profits

Regulatory Capital

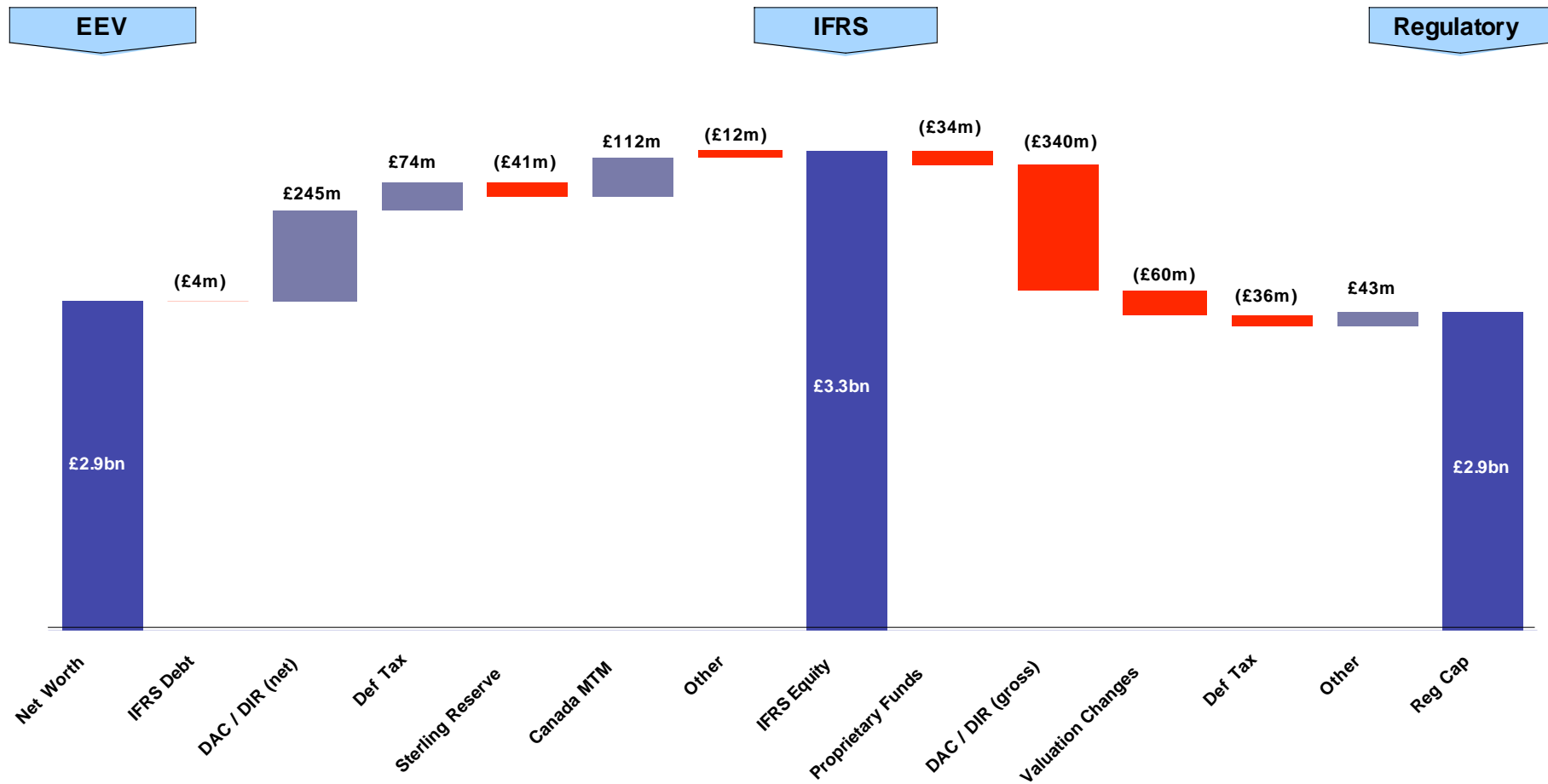
Capital attributable to equity and customers

Monitored globally and locally relevant measures

Potential constraint on distributable profits

Effective risk management and capital allocation

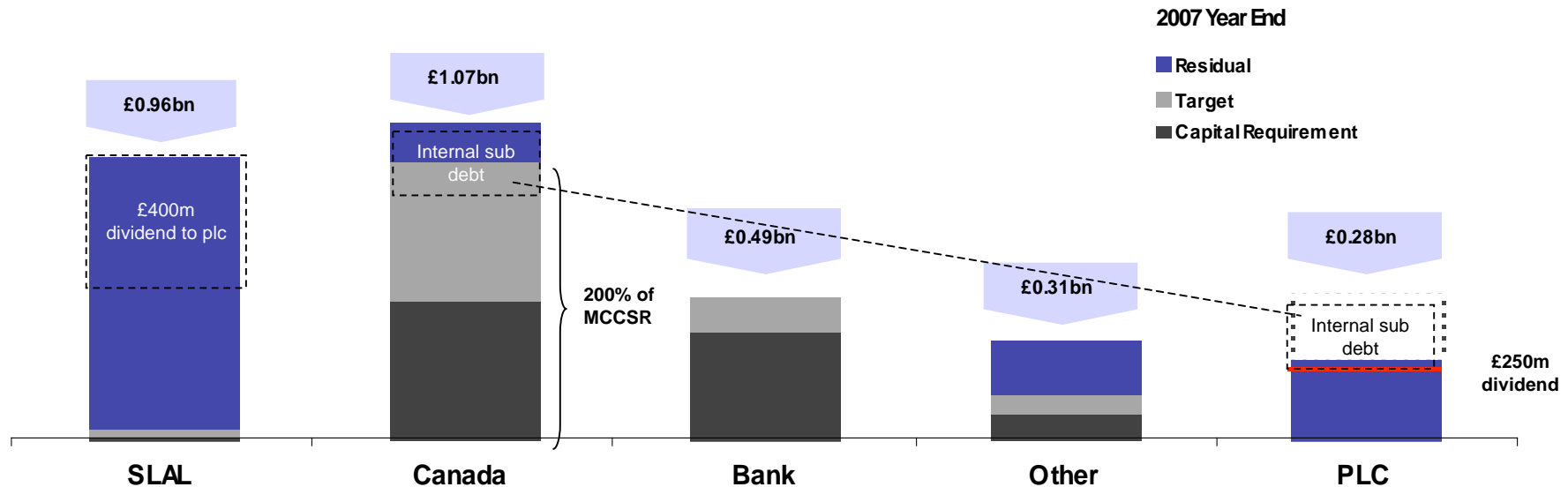
Reconciliation between key capital measures



Where capital sits and what it's doing



- Core capital requirements are defined by regulators:
 - FSA (Pillar 1 and Pillar 2)
 - OSFI¹
- Pillar 1 currently key driver for SLAL distribution
- Companies operate internal targets, principally to maintain:
 - Operational flexibility
 - Market confidence
- Considerations include ICAAP² requirements



'Capital does not always equal 'cash': liquidity and fungibility of capital resources monitored and managed

¹ Office of the Superintendent of Financial Institutions (Canadian Regulator) define the MCCSR

² Internal Capital Adequacy Assessment Process

Considerations determining cash retained



Capital retained within the Group to:

- Maintain financial strength and security – underpinning customer, regulatory and analyst confidence
- Grow shareholder value by investing in value creating opportunities

Capital allocation supported by risk based analysis

- Capital held against financial (incl. liquidity), operational and strategic risk
- Risk management focused on reducing unrewarded risk and therefore capital needed
- Enhancing our enterprise risk management framework

Management of capital and cash

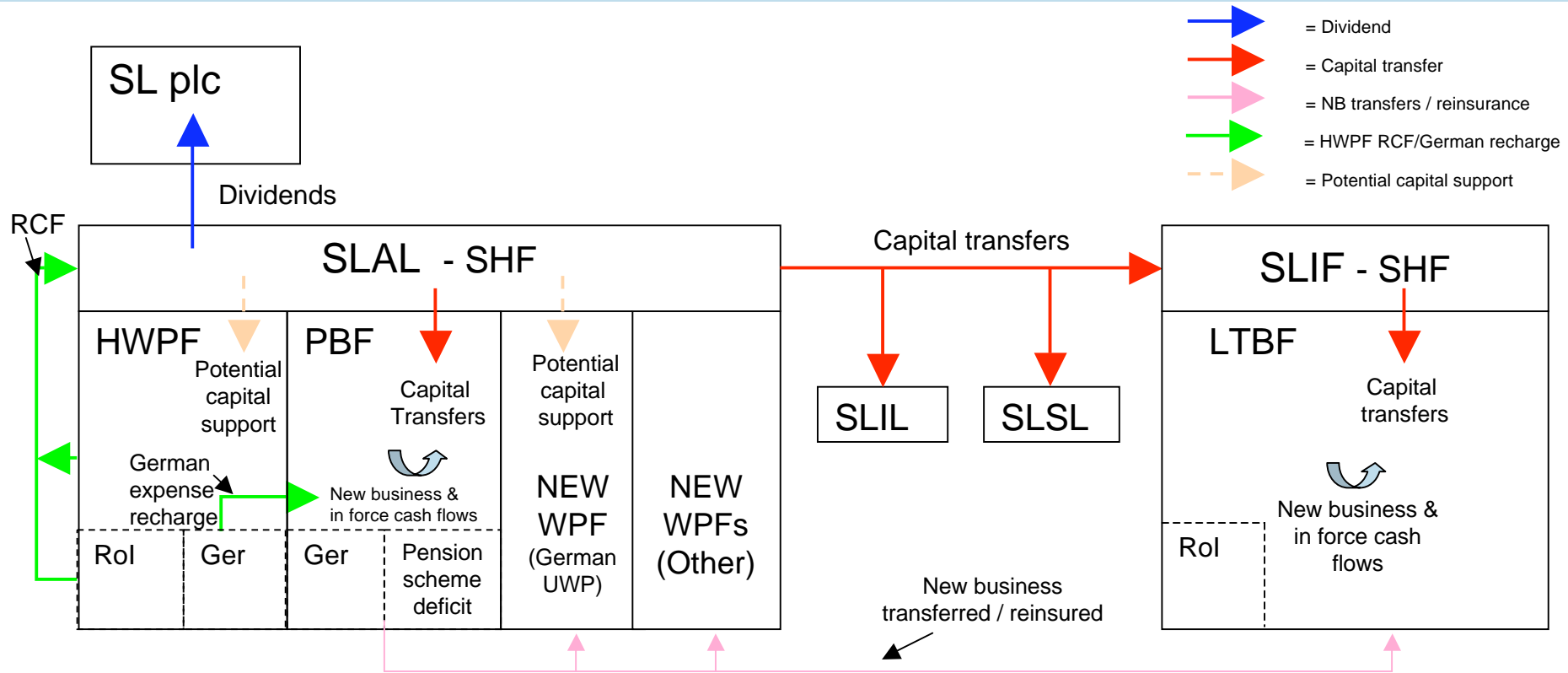


*Group capital
and cashflows*

***SLAL capital
and cashflows***

*Risks to capital
and cash*

SLAL – where cash emerges and goes



Cash Inflows

- HWPf Recourse Cash Flow payments
- HWPf German expense recharge
- Surplus emerging from in force business

Cash Requirements

- Fund new business strain (gross of tax)
- Cover solvency requirements (gross of tax)
- Finance business development costs and exceptional costs
- Provide working capital
- Paying off the pension scheme deficit

What the SLAL capital is doing



Net asset value of subs is *net* of solvency capital

- £0.96bn SLAL NAV is after deduction of solvency capital of c£70m in SLIF, SLIL and SLS

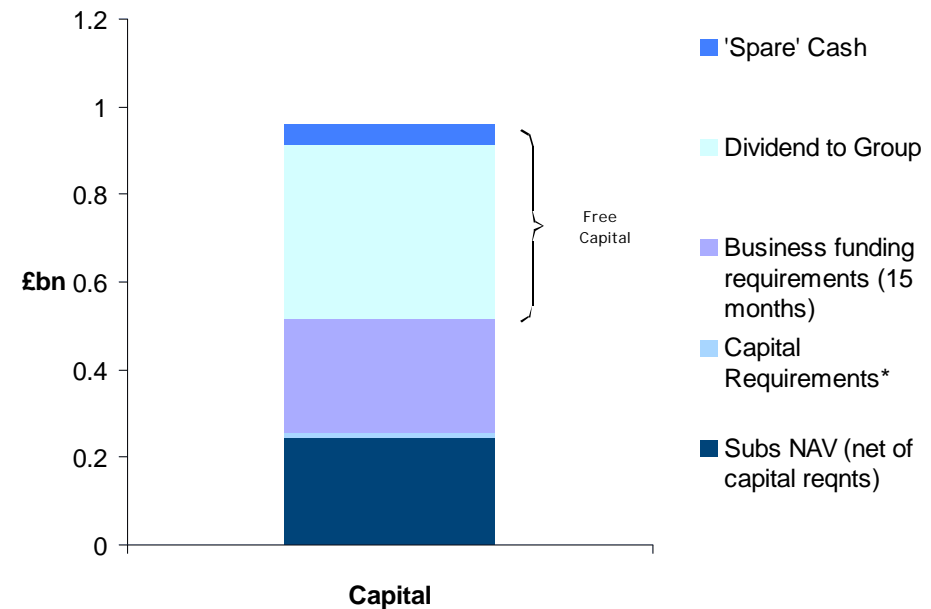
Significant working capital required

- £50m to £100m in SLIF (funding p/h tax, unit reservations, etc.)
- c£25m in SLAL PBF (pre-funding TVs, German hedging)

Business funding requirements through to end Q1 2009 includes:

- New business funding for SLAL, SLIF, SLSL and SLIL
- Solvency capital funding for SLAL, SLIF, SLSL and SLIL
- Development costs and exceptional costs
- Fund payoff of the pension scheme deficit

SLAL 2007 capital breakdown



HWPF Recourse Cash Flow (RCF)



- RCF is
 - Charges less expenses on unitised business
 - Excess of income over outgoings and change in reserves on non profit blocks
 - UK & RoI
- Only excluded lines of business are:
 - Conventional with profits i.e. no shareholder interest
 - Immediate annuities – longevity margin arises in SLIF
- Surplus emerging on pre-demutualisation German business is transferred to shareholders through a profit margin on the expense recharge
- The RCF is determined after the year end and transferred to the SLAL Shareholder Fund subject only to the Capital Support Mechanism

In force cash generation (UK)



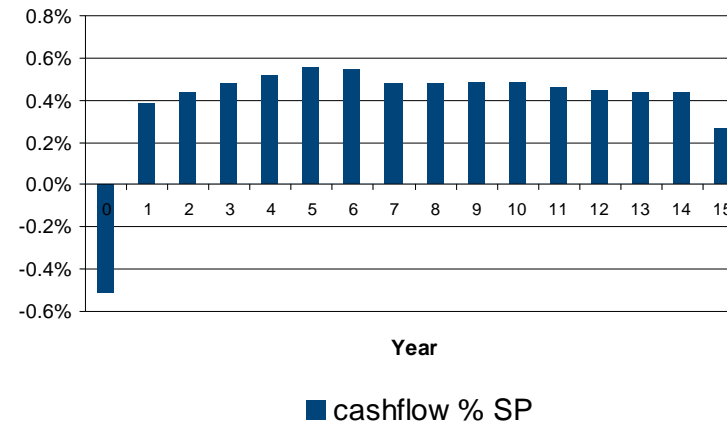
	Block of business	Definition of cash flow to shareholders		
Pre demut	Pre demutualisation Conventional WP	No shareholder cash flow	• In force	£372m
	Pre demutualisation Unitised Life and Pensions	Charges (typically fund charges) less expenses		
	Pre demutualisation Deferred Annuities and Protection	Income less expenses less change in reserves		
	Pre demutualisation Immediate Annuities	Prudence margin on the longevity		
	Reserving changes and other	Changes in longevity assumptions, expense assumptions, credit default assumptions		
Post demut	Post demutualisation Unit Linked Life and Pensions	Charges less expenses	• One offs	£373m
	Post demutualisation Immediate Annuities	Investment income and prudence margin on longevity	• Reserve changes	(£132m)
			Total	£613m

All figures are net of tax

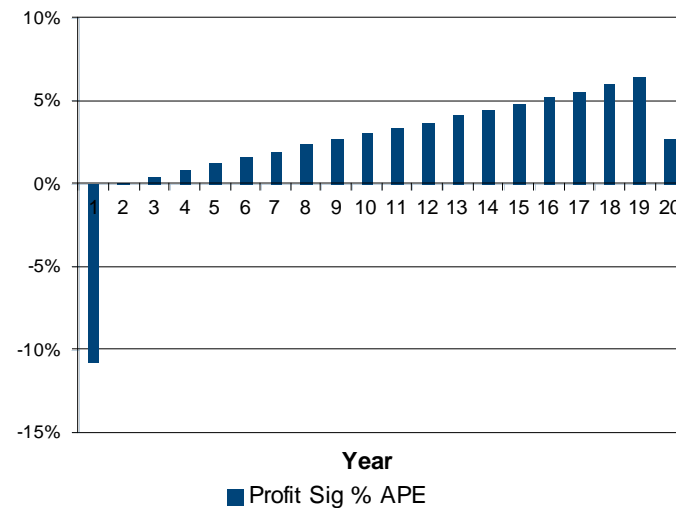
'Capital lite' products – typical cash profiles



Single premium SIPP product



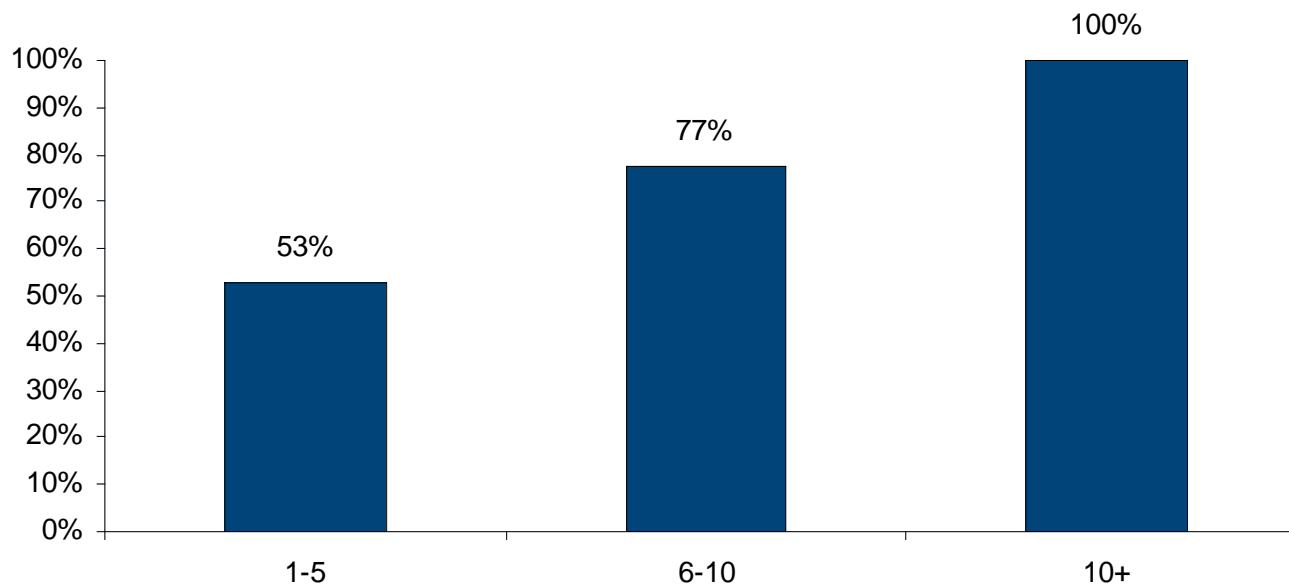
Group Personal Pension regular premium nil commission



Maturity profile of PVIF (SLAL inc. Europe)



Cumulative proportion of existing business PVIF converting into cash



Half of PVIF converts to cash within the next 5 years

Management of capital and cash



Sources of financial risk to shareholder cash and capital



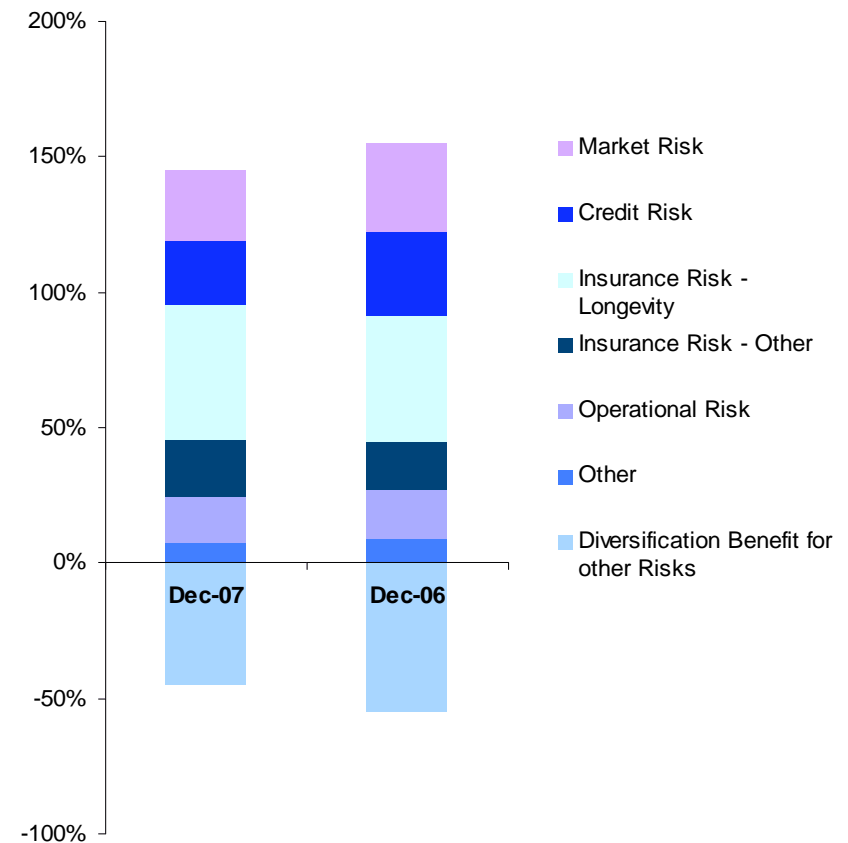
	Profits	Burnthrough	Key components	Management actions
Market – Equity	✓		Charge & fee reductions	Inherent to asset managing Stress testing
Other market	✓	✓	Asset liability mismatches Maturity guarantees	Hedging of HWPF market risk Asset liability modelling Duration and convexity matching
Persistency	✓		Charge & fee reductions Retention losses	Contract design Monitoring and retention programs
Expense	✓		Cost overruns	Continuous improvement program Budgetary control
Longevity	✓		Life expectancy increases	Research and investigations Reinsurance
Credit	✓	✓	Credit losses on bonds Reinsurance default Counterparty exposures	Portfolio exposure limits Limit monitoring & breach reporting 'Due diligence' Deposit back arrangements
New business strain	✓		Acq. expense overruns	'Capital lite' products
Liquidity	✓		Lack of available cash	Stress testing Diversifying funding sources Contingency funding plan

Risk management in SLAL driven from ICA



- SLAL overall capital driven by Pillar 2 i.e. ICA
- ICA capital requirement reflects policyholder and shareholder risks
- ICA risk capital requirements used to manage the business, e.g.
 - Hedging activity in HWPF
 - Management actions in HWPF
 - Annuity book duration and convexity matching
 - Reinsurance of significant % of annuity book
- Comfortably covered by available capital resources

SLAL & SLIF ICA Capital Requirements
(pre annuity reinsurance transaction)



Burnthrough cost

– Reducing risk to shareholder from HWPF



- **Shown in the accounts as ‘Time value of options and guarantees (TVOG)’**

- £200m at 31 December 2005
- £107m at 31 December 2006
- £56m at 31 December 2007

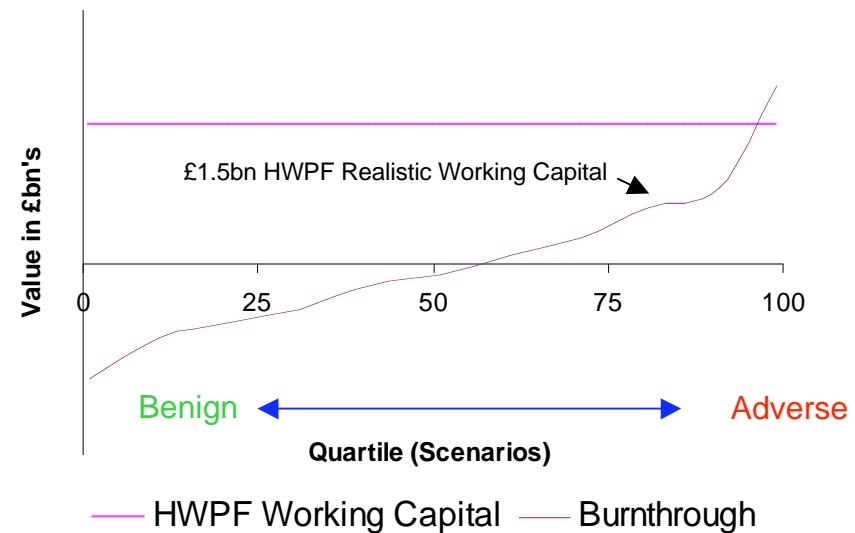
HWPF Realistic valuation results	Dec 06 (£m)	Dec 07 (£m)
Assets available to the fund ⁽¹⁾	43,213	40,439
Realistic value of liabilities ⁽¹⁾	41,933	38,953
Working capital in fund	1,280	1,486

- **Activity to reduce burn through:**

- Hedge guarantee costs
- Matching annuities on realistic basis
- Guarantee deduction framework

⁽¹⁾ Excludes unit linked

Distribution of burnthrough cost

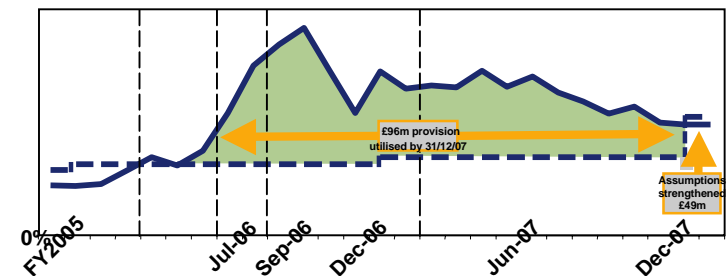


Persistency risk under control

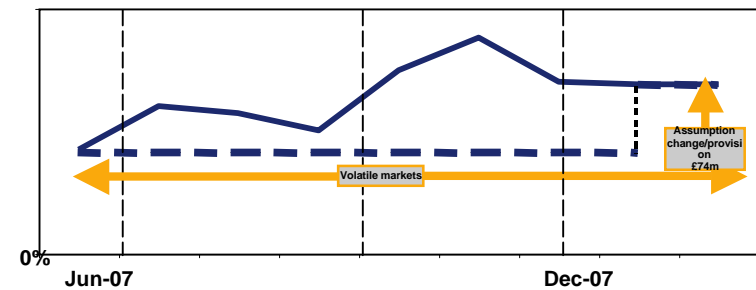


- **New Pensions lapse assumptions calibrated from experience over 2006 and 2007**
 - New assumptions eliminated experience variance in 2007 when back tested
 - Assumptions do not anticipate future improvements
 - Experience is tracking the new long term assumptions
- **With profits life lapses in line with new long term assumptions**
- **Single premium bonds**
 - Current lapse rates significantly higher than historic experience
 - Variances amply covered by provision
- **Continued programme of retention activity across the business**

Individual & Group Pensions



Capital Investment Plan



Longevity risk reduced through reinsurance



- The transaction followed an in-depth review of the options to manage longevity exposure within our annuity book (started in 2006) and a thorough selection process
- Believed to be the largest UK annuity reinsurance deal to date with £6.7bn of liabilities reinsured
- Significant positive one-off impact on embedded value operating profit for shareholders in 2008
- Longevity risk exposure reduced to peer-group levels
- Material reduction in ICA

Liquidity risk is actively mitigated



- Robust liquidity risk management
 - Stress testing and contingency planning
 - Group-wide liquidity management
- Diversified sources of funding
 - Increased money-market deposits and retail savings
 - Contingency funding within Group
- Greater emphasis on retail funding
 - Retail savings
 - SIPP and Wrap deposits
- Continuous monitoring
- Liquidity risk is at acceptable levels

Rating agencies – Increasingly positive perspective



- Agency methodologies differ, but emergent themes defined by Standard Life's strengths:

- Brand & market position
- Capitalisation
- Liquidity
- Customer & intermediary service

Entity	Standard & Poor's		Moody's	
	Rating	Outlook	Rating	Outlook
Standard Life Assurance Limited	A	Stable	A1	Stable
Standard Life Bank Limited	A-	Stable	A2	Stable

S&P affirmed SLB ratings on the 14th May 08 – one of a few small mortgage lenders to have retained its ratings through the credit crunch.

- Strong performance in a number of areas:

- **Profitability** – 2007 EEV operating profit up 43% on 2006
- **Distribution** – 37% of business in 2007 from non-traditional IFA and other channels, 15% in 2003
- **Longevity risk** – exposure downsized through Canada Life transaction
- **SIPP** – innovation, producing consistent performance, SL continues to drive market
- **Enterprise risk management** – noted by S&P in April as “Adequate with a positive trend”

Core cash covers the dividend - ahead of schedule



	£m	Dividend cover ¹
Return on insurance backbook	549	2.2
Investment in new business	(225)	(0.9)
Development expenses	(16)	(0.1)
Contribution from other businesses	26	0.1
Core capital and cash generation	334	1.3

¹Dividend cover relates to full year dividend of £250m

Summary of capital and cash strategy



- Cash generative business supported by 'capital lite' strategy
- Capital deployment driven by regulatory requirements
- Risk management activity focused on reducing unrewarded risk and capital requirements
- Development of enterprise risk management framework



Standard Life Investments

Keith Skeoch – Chief Executive, Standard Life Investments

Standard Life Investments – Overview



- Premier investment house founded in 1998
- Clearly differentiated investment philosophy and process
- Global investment company managing £134bn of assets
- 317 investment professionals and over 432 support staff
- HQ in Edinburgh – investment offices in Boston, Montreal, Hong Kong, Dublin, Paris, Mumbai†

Focus on delivering superior performance

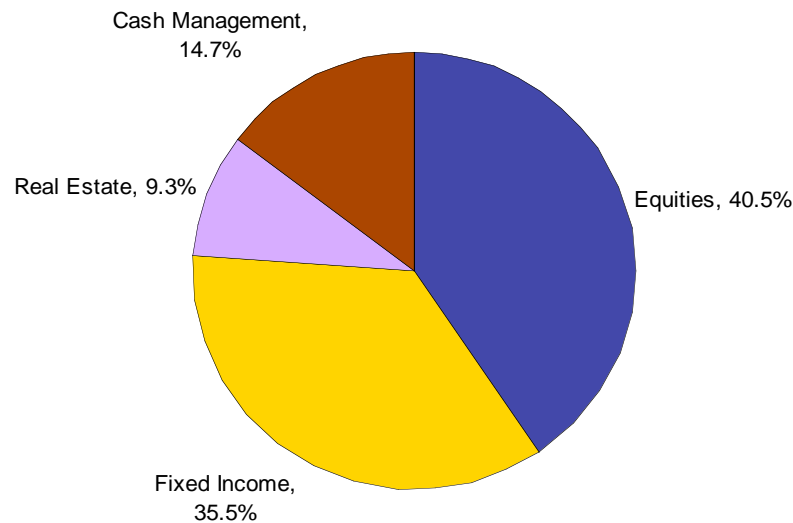
*Source: AUM as at March 31, 2008; other statistics as at December 31, 2007

† Joint Venture with HDFC Asset Management

Significant market presence



Total funds under management
£134.4bn[†]



By investor type:

- £91.1bn Institutional - £37.7bn Third Party
- £43.3bn Retail - £10.5bn Third Party
- **Third Party split:** 78% Institutional; 22% Retail

[†] Includes alternative strategies managed across a range of asset classes:

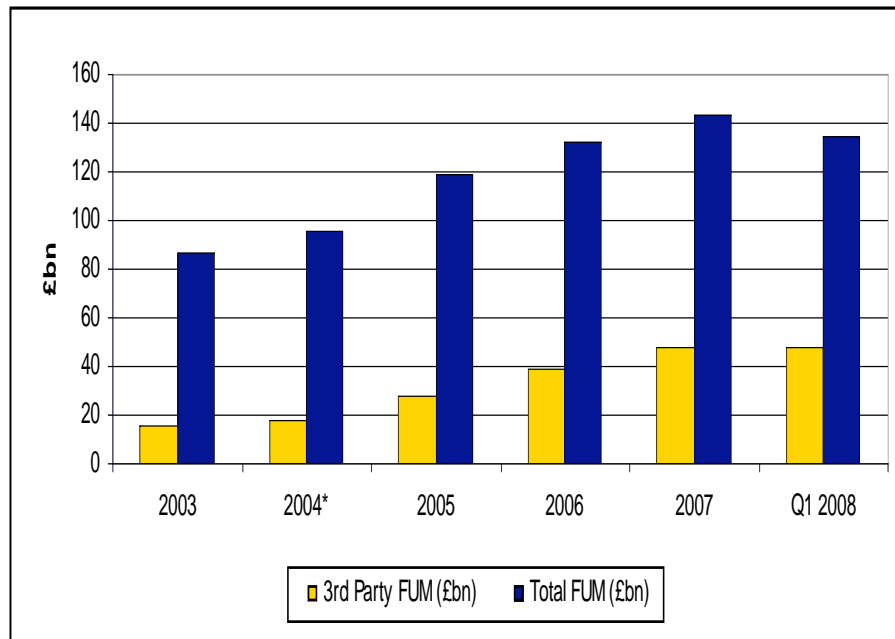
- £12.5bn Real Estate
- £12.7bn LDI Strategies
- £4.0bn Private Equity
- £1.7bn Absolute Return Strategies

Source: Standard Life Investments, March 31, 2008

Winning against peers – Strong asset & revenue growth



Assets

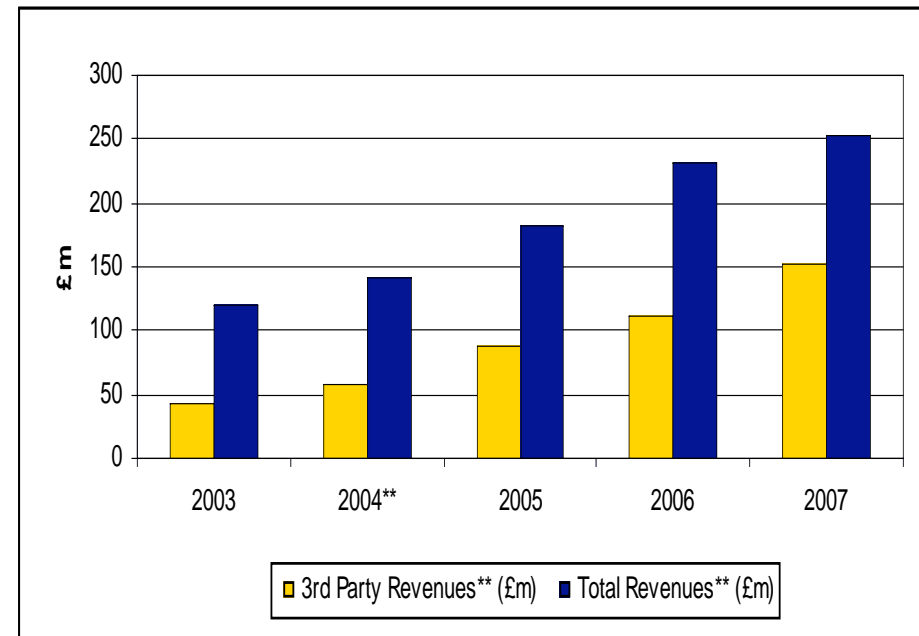


Third Party mandates have increased to 36% of total funds under management at March 2008 (18% for 2003)

2003-07 CAGR of 33%

Q1 2008 continued strong growth with net new monies of £2.4bn

Revenues



Third Party revenues have increased to 60% of total revenues (35% for 2003)

2003-07 CAGR of 38%

* 2004 Revenues on Pro-forma basis

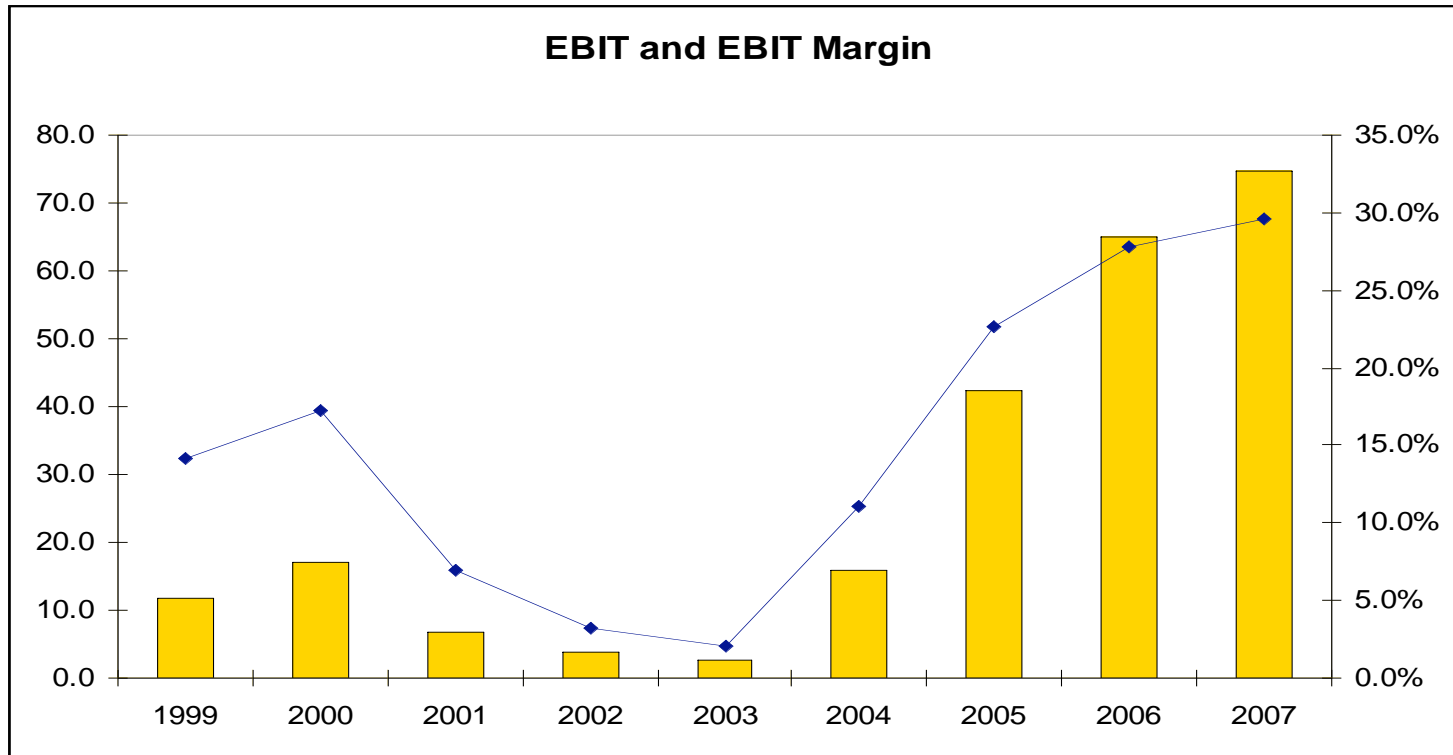
** Revenues are net of fees and commissions

Strong profits – Driven by third party assets



	<u>2007</u>	<u>2006</u>
Life & Pensions look through profits	35	28
Third party related life and pensions profits	(13)	(3)
Life and pensions look through excluding third party related profits	22	25
Third party related life and pensions profits	13	3
Third party profits	48	42
Total third party related profits	61	45
SLI Underlying profit before tax	83	70
Profit on part disposal of joint venture	17	0
SLI Total profit before tax	100	70

Strengthening profitability

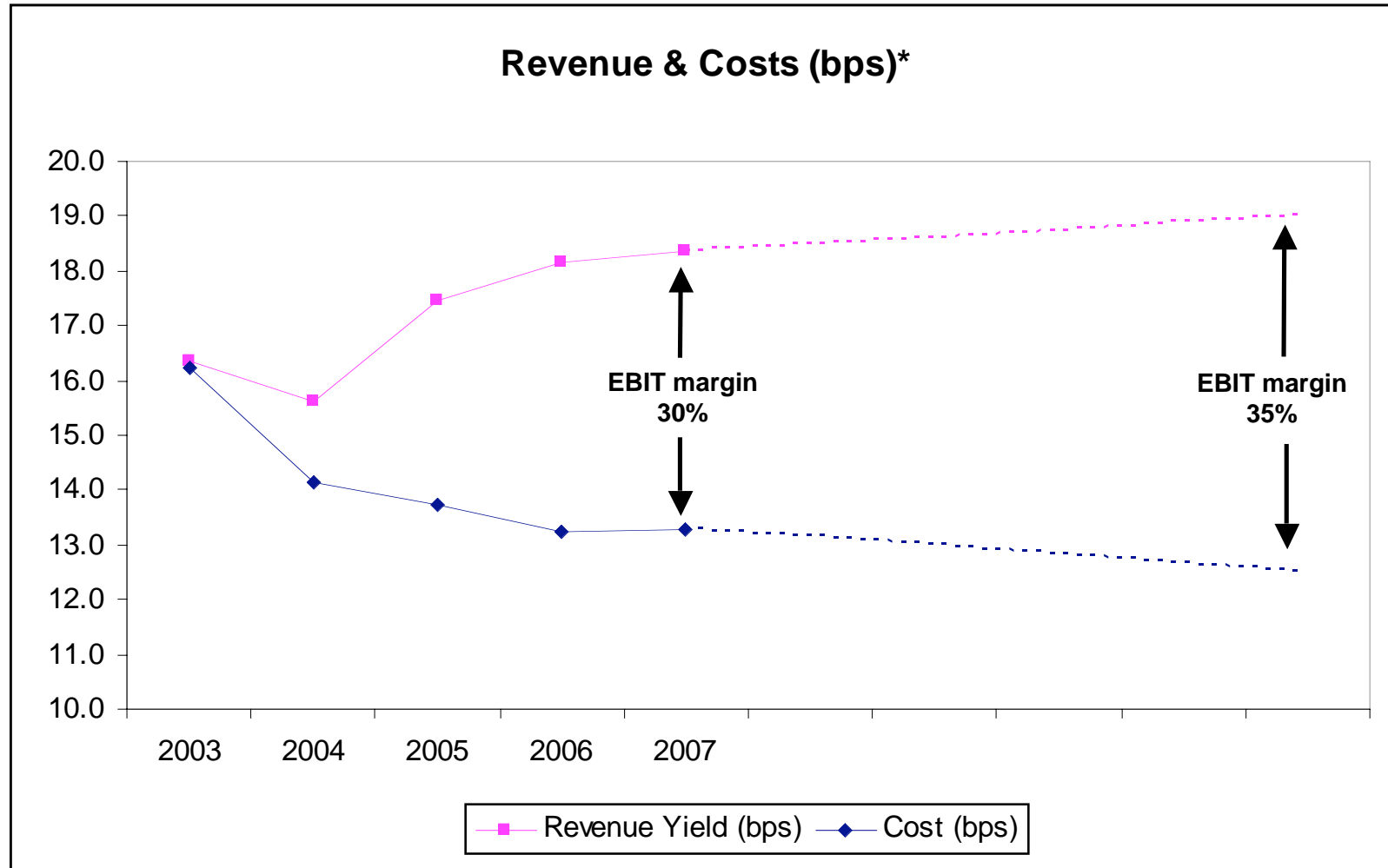


-----Investing for growth----- -----Coping with growth----- ---Sustaining growth →

Strengthening profitability and high returns – 2007 ROE* of 40%

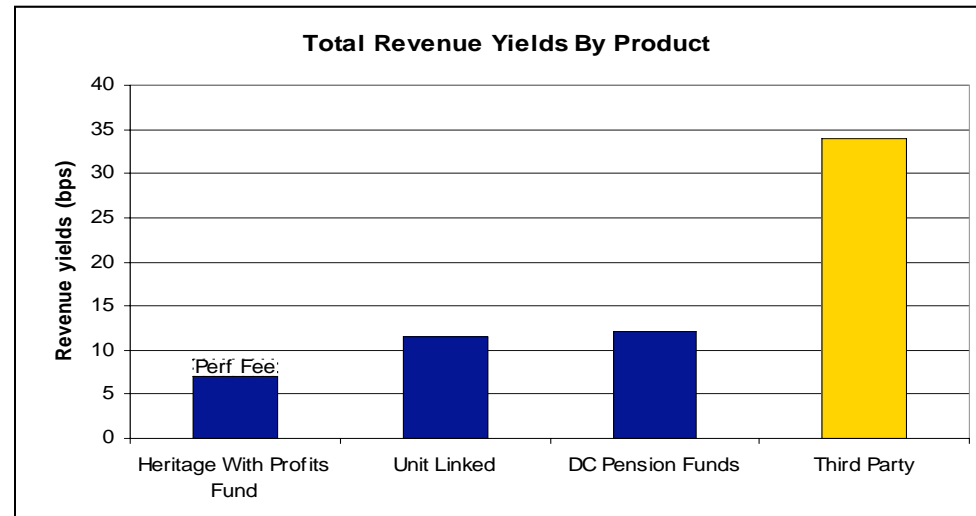
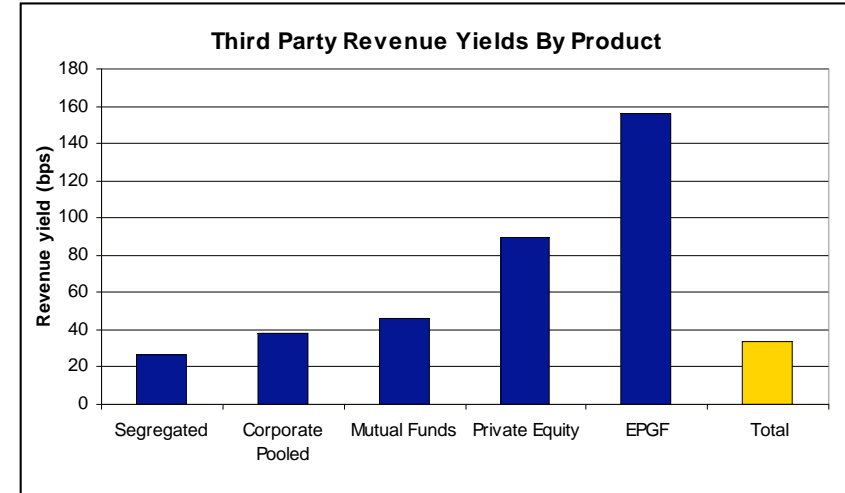
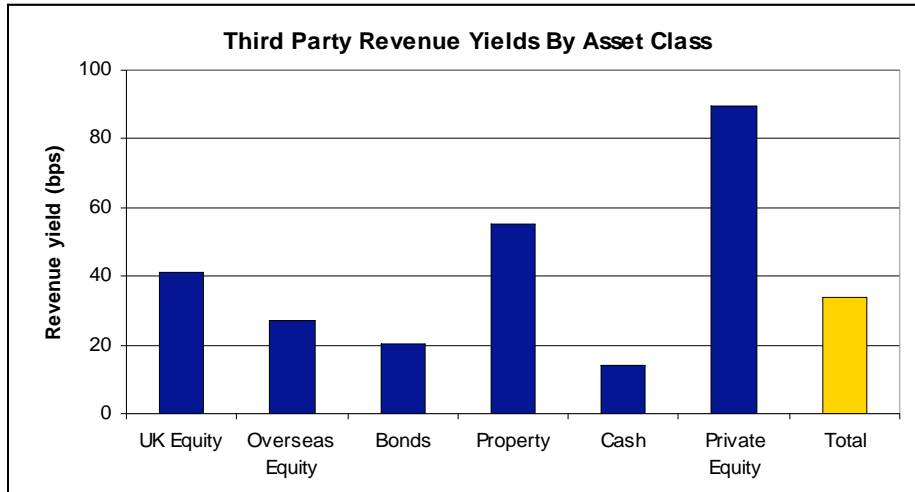
* ROE calculated as post tax IFRS underlying profits divided by opening net assets

Rising revenue margin and cost control



* Based on average of opening and closing funds under management for that year

Revenue yield driven by third party assets



Source: Standard Life Investments, December 31, 2007. Revenues are shown net of fees and commission; Heritage With Profits Fund performance fee is based on average over 2003-07

Differentiated investment approach



Investment philosophy

- focus on change
- no style bias

Common investment language

- share investment insights
- create information advantage

Team based approach

- no dependency on star culture
- maximum leverage from research to portfolios

Incentives aligned with clients

- based on investment performance

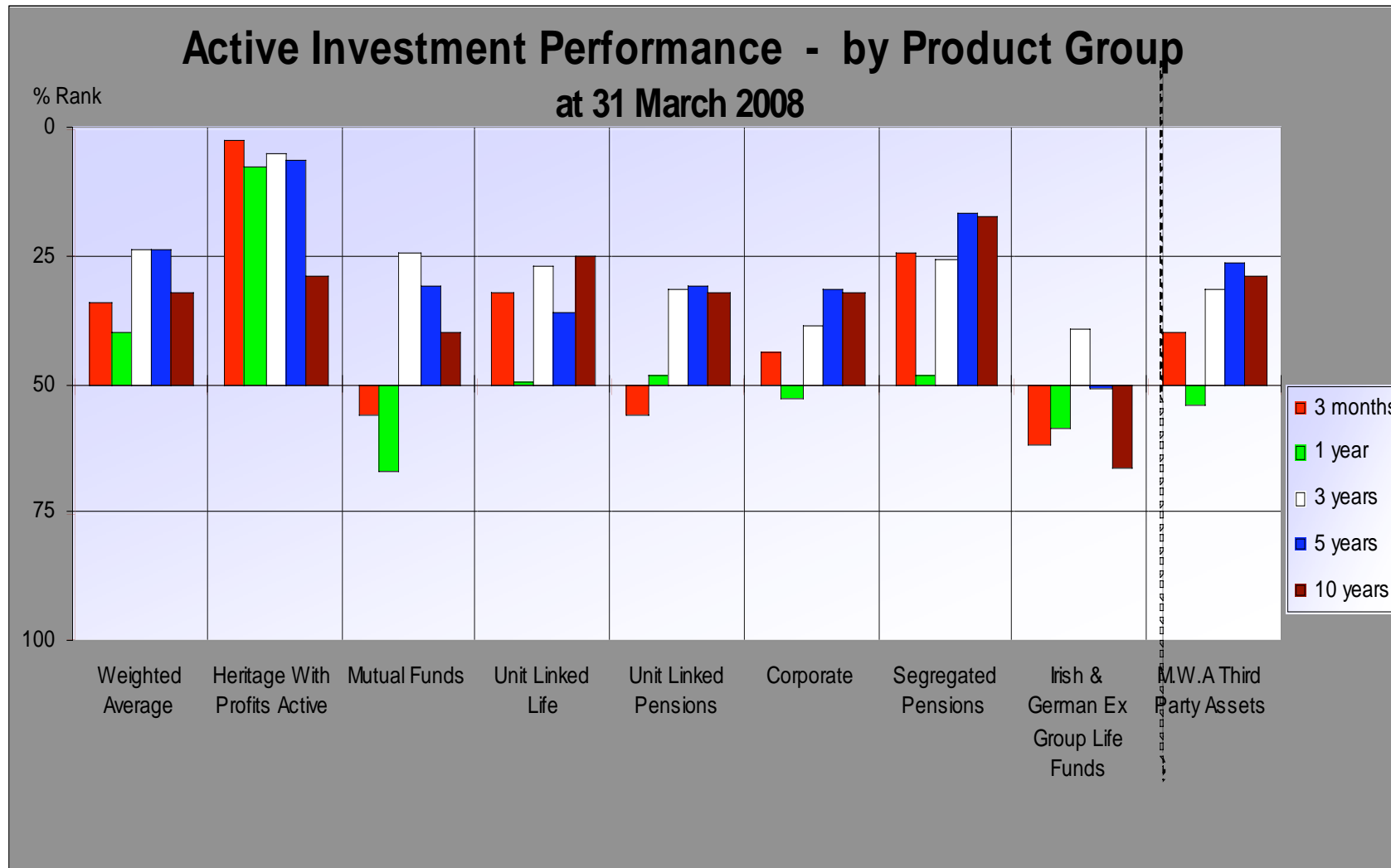
Differentiated investment approach



Product innovation

- Established track record of introducing innovative new funds / products to meet emerging client needs
- Institutional
 - Long Lease Property Fund
 - Liability Managed Credit Funds
 - GARS
 - Range of Unconstrained Equity Funds
 - FunDChoices (open architecture institutional DC platform)
- Retail
 - AAA Income Mutual Fund
 - Select Property Fund
 - Dynamic Distribution Fund
 - Global Index Linked Bond Fund
 - Range of Unconstrained Equity Funds

Investment performance



Client success metrics



Clients	<ul style="list-style-type: none"> • New clients won since Jan 2003: <ul style="list-style-type: none"> - 46 segregated clients - 2,304 pooled fund clients • Clients in 30 countries • Retail market share from 0.8% in 2003 to 3.9% in 2007
Service	<ul style="list-style-type: none"> • 5 star award for 12 years in a row • Greenwich rating: 1st quartile for client service 1st decile for consultant service
Awards	<ul style="list-style-type: none"> • 13 awards in 2007 and 35 awards since 2003 • 6 awards in 2008 to date: <ul style="list-style-type: none"> - UK Pension Awards – Multi-Asset Manager of the Year - Growth Company Awards Small Cap Fund of the Year - UK Smaller Companies Fund - Moneywise Best Small Companies Trust – UK Smaller Companies Trust plc - Citywire Number One Fund Manager of the Year - Harry Nimmo, UK Smaller Companies - Lipper Fund Awards - Best Overall Group Lipper Award in Non UK Equity Large category - Trustnet Awards - UK Smaller Companies fund sector category

Attractive market environment for fund management



- **Global marketplace, strong growth (15%+), low levels of concentration**
- **Institutional**
 - Global marketplace, product crosses borders
 - Sells on performance, innovation
 - Strong demand for alpha in specialised product:
 - Global – equity, bonds, private equity, property
 - Regional – high alpha equity, bonds, property, private equity
 - Multi Asset – LDI, absolute return, TAA
 - Premium prices available for high alpha and innovation
 - Subject to capacity constraints, outside UK none for SLI
- **Retail**
 - More regionally focused
 - Sells on performance, brand and innovation
 - Strong demand tends to be concentrated in few popular sectors, product areas:
 - Property
 - Equity income
 - High alpha equity
 - Multi Asset
 - Subject to stronger cyclical/market influence than institutional product
 - UCITS III opens up chance to market Absolute Return vehicles

Market environment – Winners & losers



More alpha focus from more players

- The search for alpha remains a key part of funds' strategy and fund managers' business plans
 - Recent surveys suggest this would increasingly be sought from absolute return type products and from boutique managers
- Defining winners and losers in terms of growth in revenue relative to the current starting position, the view of respondents was that the industry winners and losers would be:

Industry winners	SLI	Industry losers	SLI
Multi-strategy funds	✓	Hedge funds	X
Fiduciary management	✓	Funds of funds	X
Niche consultants	✓	Large consultants	✓
Investment banks	X	Buy-out firms	X

Source : Watson Wyatt Jan '08

SLI strategy for sustaining success



- **Improve product and geographic diversity of revenue streams - organic focus on category killer products**
 - GARS
 - Global Equity
 - Global Property
 - Global Fixed Income / LDI
- **Improve scalability and efficiency of platform**
 - Derivatives platform
 - Control environment
 - Bolt-on acquisitions to fill gaps
- **Shareholder value**
 - Focus on third party assets metrics
 - Assets under management growth > 20% CAGR
 - EBIT > 20% CAGR

Round up – Key messages



- History of delivering strong growth in AUMs
- Differentiated investment approach
- Strong track record – superior investment performance
- High quality team and sustainable platform
- Strategic vision with product and geographic diversification
- Focus on delivering sustainable long-term growth and profitability



Summary

David Nish, Group Finance Director

Recap on today



Our Strategy

Creating capital efficient, innovative products

Opening new routes to markets

Leveraging investment management expertise and performance

Driving for operational excellence

Focus for today

Driving towards an asset managing business

Capital and cash generation

Standard Life Investments

Some of the ways we are making our strategy a reality

Driving towards an asset managing business



We were very confident last year..... we are even more confident this year

- Platforms are fundamental to:
 - building an asset managing company
 - building long term relationships with customer
- The assets are there to be captured
- Regulation is accelerating the opportunity
- We have demonstrated market leadership
- We have the systems, trust of advisers, propositions, service standards, investment expertise and brand to succeed

We are on track to become a leading asset managing business

Capital and cash generation



- Cash generative business supported by 'capital lite' strategy
- Capital deployment driven by regulatory requirements
- Risk management activity focused on reducing unrewarded risk and capital requirements
- Development of enterprise risk management framework

Financial strength to support our business ambitions

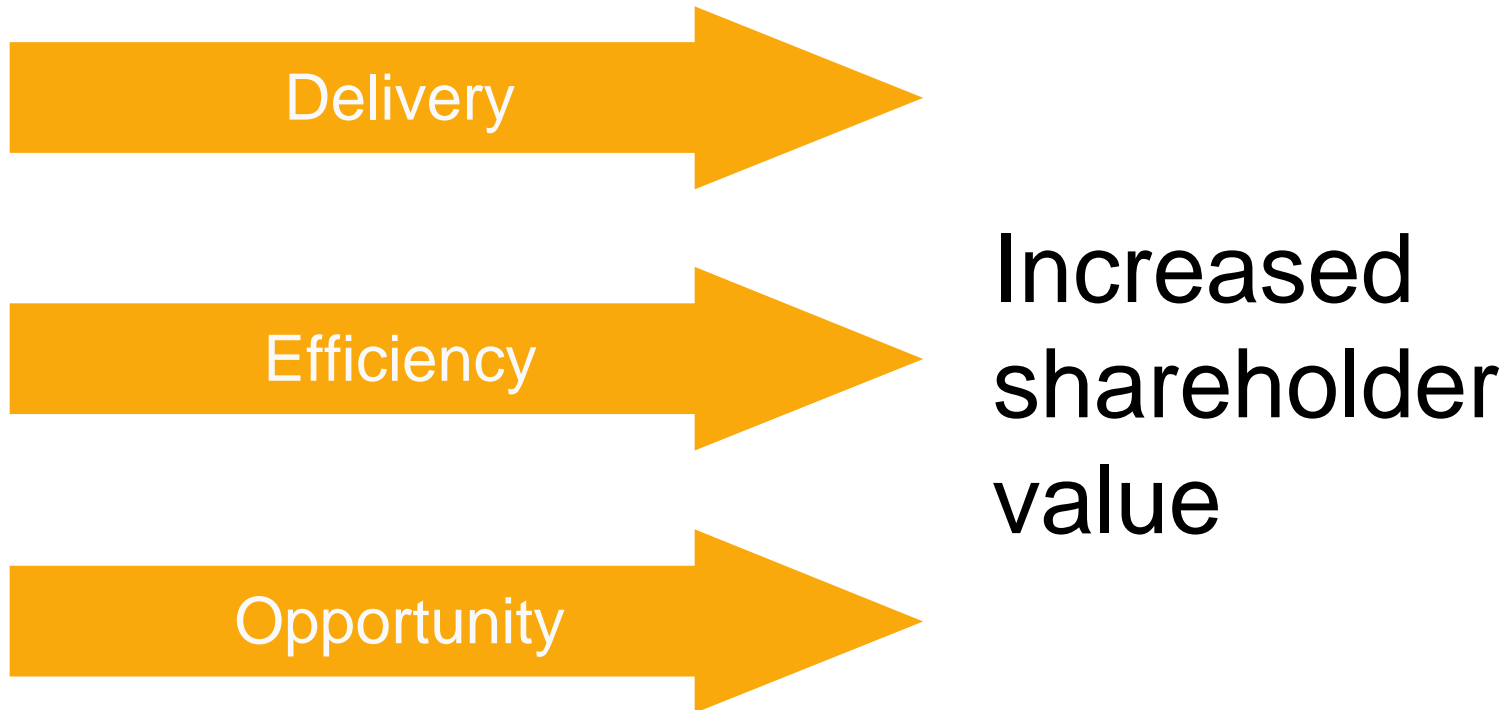
Standard Life Investments



- History of delivering strong growth in AUMs
- Differentiated investment approach
- Strong track record – superior investment performance
- High quality team and sustainable platform
- Strategic vision with product and geographic diversification
- Focus on delivering sustainable long-term growth and profitability

Strong investment performance that we will continue to build on

Driving sustainable shareholder value



Appendix

SIPP - Inner ring



150 *sigma*
Pension Funds

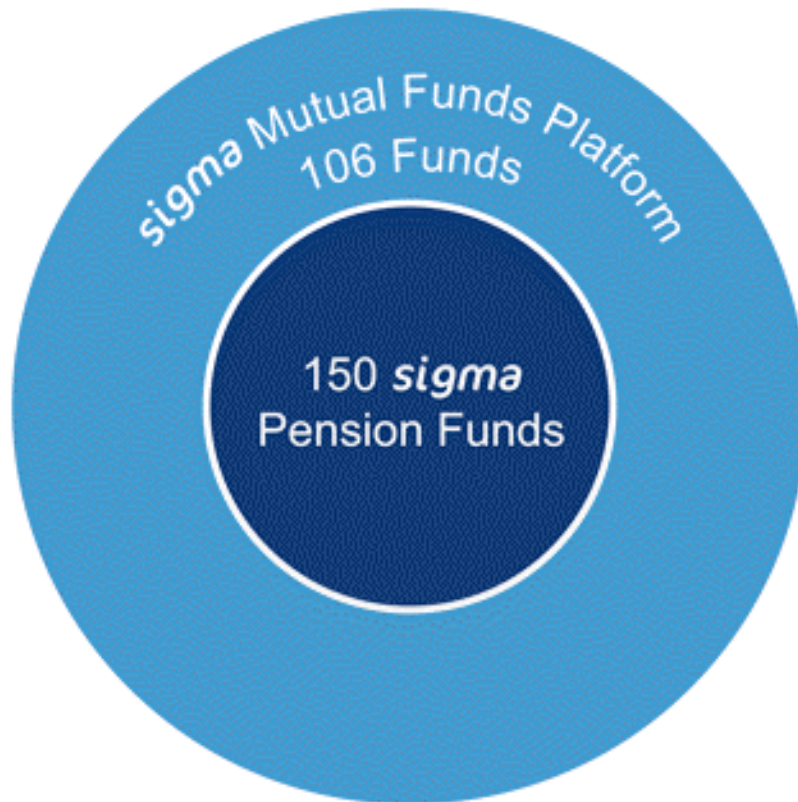
Top Funds	% of Insured	Annual Charge
Standard Life Sterling	15%	1%
Standard Life Select Property	8%	1.5%
Standard Life Managed	8%	1%
Invesco Perpetual High Income	5%	1.72%
Standard Life Cautions Managed	5%	1%
Standard Life Property	4%	1.5%
Standard Life UK Equity	4%	1%

Insured Funds	Annual Large Fund Discount
Less than £50,000	Nil
£50,000 - £250,000	0.3%
£250,000 - £ 500,000	0.4%
More than £500,000	0.5%

Total Funds Under Management at 31 March 2008 = £5.0bn¹

Note 1: Includes cash in SIPP transactional bank account of £0.6bn

SIPP - Middle ring



Top Funds

Invesco Perpetual Monthly Income Fund
Fidelity European Fund
Invesco Perpetual High Income Fund
SLI Higher Income

We receive a share of the annual management charge, plus

Charges	£
Set up	Nil
Administration	£208 pa
Drawdown	Nil
Transaction	£10

Total Funds Under Management at 31 March 2008 = £0.9bn

SIPP - Outer ring



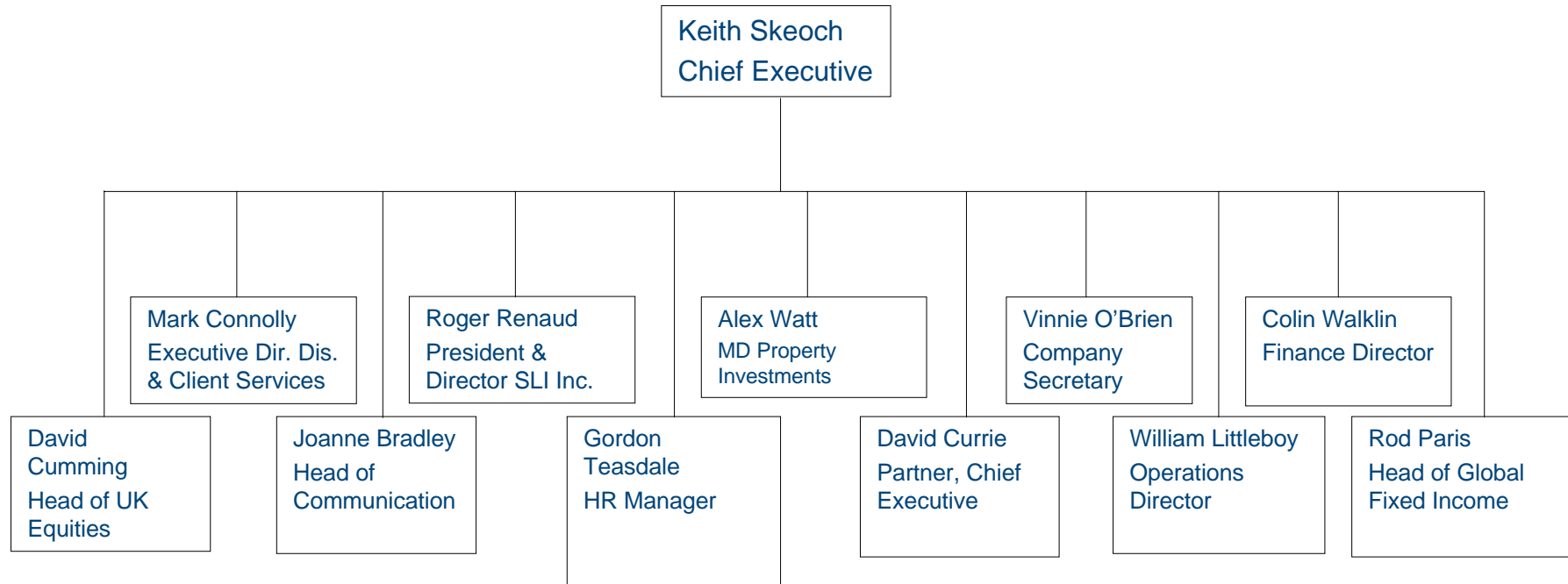
Outer Ring	Value
Fidelity FundsNetwork	£620m
Discretionary Investment Managers	£562m
Trustee Investments	£228m
Commercial Property	£145m
Stockbroker	£68m
Deposit Accounts & Other	£571m

Profit share agreements with business partners, plus

Charges	
Set up	£302
Administration	£416 pa
Drawdown	£125 pa
Transaction	Pro rata

Total Funds Under Management at 31 March 2008 - £2.2bn

Standard Life Investments – Organisation chart





Speaker biographies

Speaker biographies



Sandy Crombie, Group Chief Executive

Sandy Crombie joined Standard Life in 1966 as an actuarial student. He held a wide number of positions within the Company before his appointment as Group Chief Executive in January 2004. This included a spell as General Manager (Systems) between 1985 – 1988 where he was responsible for the development of Standard Life's IT platform. He was later appointed as Chief Executive of Standard Life Investments (SLI), a position he held from 1998 to January 2004. During this time SLI grew its total funds under management from £63Bn to £87Bn, with third party funds under management growing significantly from £5Bn to over £15Bn. Since becoming Group Chief Executive he has led the Company through a strategic review as well as the demutualisation and IPO. Concurrently he has overseen a significant turnaround in the financial performance of the Company.



David Nish, Group Finance Director

David joined Standard Life on 1 November 2006 as Group Finance Director. From 1999 to 2005 David was Finance Director at Scottish Power plc., and subsequently, he was Executive Director, Infrastructure Division, Scottish Power plc. Previously he was a partner with Price Waterhouse where his clients included several financial services companies and large plcs.

In 2005, David was appointed to the board of Northern Foods plc as non-executive director and chairman of the audit committee. From 2001-2002 he served as non-executive director of Thus plc. In 2000 he won the Scottish Business Awards Finance Director of the Year and from 2004 to 2005 he served on the Government Employers Pension Task Force. He is a member of the Institute of Chartered Accountants of Scotland.

David is married to Caroline and they have 2 teenage children. His interests include travel, trekking and rugby.

Speaker biographies



Paul McNamara, Managing Director – Group Strategy and Corporate Finance

Paul joined Standard Life plc in January 2008 and is responsible for leading group-wide strategy and planning activities and overseeing all corporate transactions. Previously, Paul was Marketing & Distribution Director at HBOS Financial Services, as an executive director of the life assurance and retail investment businesses including Halifax Life, St Andrews and Clerical Medical. Prior to HBOS, Paul was Group Strategy Director for AXA UK. Paul started his career in Ireland in 1984, training as an actuary with New Ireland Assurance, before joining the launch team for Bank of Ireland's very successful bancassurance business where he was responsible for product management and systems design. Whilst at Bank of Ireland, Paul completed an MBA with City University in London and then joined McKinsey & Company, where he served banking, asset management and insurance clients in the UK and around the world on a wide range of management challenges – including performance improvement, distribution management, strategy and M&A.



Nathan Parnaby, Chief Executive – Europe

Nathan joined Standard Life in 1982 and quickly assumed the role of Investment Manager, responsible for all UK net funds. He was appointed Head of European Equities in 1987, and moved to head up the North American desk in 1991. Nathan took on responsibility for all of Standard Life's Retail funds in 1995 and in the following year, ownership for all external funds and business development. In 1998, he was appointed a Director of the Standard Life Investments' board.

Speaker biographies



Paul Matthews, Managing Director – Distribution

Having spent 10 years at National Mutual Life in various roles in the Investment Division and Sales, Paul joined Standard Life in 1989. After achieving Number One position in the sales force, Paul moved into Management with his first role being Sales Manager in 1991. Paul has held the position of Regional Manager in two different Regions and also held the responsibility for our National Accounts Team and Sales Training. In 1999 Paul was appointed Head of IFA Sales and made Director in 2005, before being made Managing Director in 2007.

Outside of Standard Life, Paul is a Director of IFA Promotions, a position that he has held since 2000. He has three children 16, 14 and eleven and is married to Debbie. Centuries ago, Paul captained England under 19's Rugby team and played first class rugby for about 9 years. Apart from Sunday Cricket and the odd game of Golf, Paul spends most of his spare time watching his children playing Sport.



Dave Campbell, Director – Retirement Solutions

Following qualification in 1991 Dave spent time working on programme management until 1993. He then spent the next few years working on product pricing. In 1996 he moved to London to work as a regional actuary.

A move back to head office in 1998 followed and he headed up the customer service area responsible for SIPP, SSAS and our in house income drawdown product. From 2001 he was business sponsor of our SIPP programme and in 2004 he became business sponsor of our Wrap programme.

In September 2007 he took on his current role of Director, Retirement Solutions.

Speaker biographies



Jim Black, Director – Corporate Solutions

Jim joined Standard Life in 1986 as a Trainee Actuary and has been with the company for all of his career. Following qualification in 1991 he worked as a product manager in the UK Marketing function until 1994. He then spent time in the Corporate Pensions area advising Trustees on actuarial issues in relation to DB pension schemes.

In 1998 he moved to Standard Life's International Division and focused on supporting the growth of the relatively new German Branch. From there he moved in 2000 to the role of Marketing (and then Commercial) Director of Standard Life Healthcare in Guildford. In 2004 he took on the role of Actuarial Director in UK Finance where he was heavily involved in the transformation of the Life and Pension business through to demutualisation in 2006.

He took on his current role as Marketing Director (Corporate Solutions) in May 2008.



Nick Blake, Head of Sales – Standard Life Savings Limited

Nick is Head of Sales for Standard Life's Platform Business, responsible for the Platform and Business Consultancy proposition delivery to Intermediary firms.

He has been with Standard Life for 21 Years; having held numerous positions including Regional Sales Manager, Head of National Accounts & Strategy and Operations Manager.

Nick has been on the Executive team of the Platform Business since its inception in 2004. In his spare time he enjoys flying light aircrafts and (currently, very much) being a Pompey (Portsmouth FC) Supporter.

Speaker biographies



Evelyn Bourke, Managing Director – Finance, UK financial services

Evelyn began her career with New Ireland Assurance in Dublin in 1982 as a trainee actuary, subsequently working for Bank of Ireland Lifetime in Dublin, from 1986 to 1990. From 1991 to 2001 she was a consultant with Tillinghast Towers Perrin in London, and became a Principal in January 1999. With Tillinghast Evelyn advised life assurance companies and banks on distribution, product and market strategy, market entry and Mergers & Acquisitions.

Between 2001 and 2004 Evelyn was Finance Director for Nascent Group (a pan European start up) and she worked with the chairman and CEO of St James's Place as a Strategy Adviser. In 2004 she became CEO of Chase de Vere, until it was sold to AWD. She joined Standard Life Assurance Company Limited as Group Strategy and Planning Director in April 2005, moving to the position of MD Finance in SLAL in July 2006.



Keith Skeoch, Chief Executive – Standard Life Investments

As Chief Executive, Keith Skeoch is responsible for all company business and investment operations within Standard Life Investments. Keith joined Standard Life Investments as Chief Investment Officer from James Capel & Co (now HSBC Securities), where he was employed from 1980 to 1999. From his first role at James Capel as an International Economist, Keith went on to become Senior UK Economist in 1982 and Chief Economist two years later. In 1993 he was appointed Director of Economics and Strategy and in 1998 was given the responsibilities of Managing Director International Equities.

He is currently a Trustee of the Standard Life Staff Pension Scheme. He was appointed to the Board of the Investment Management Association in May 2007 and to the Board of the Association of British Insurers in September 2007. Keith has also assumed the role of Chairman of the ABI Investment Committee.