

Standard Life plc

Interim Management Statement – nine months to 30 September 2009

29 October 2009

Positive net inflows across the Group

- Standard Life Investments third party net inflows 75% higher at £4.3bn
- Life and pensions net inflows of £1.2bn¹
- Life and pensions net inflows excluding bulk bond deals 18% higher at £1.8bn¹
- Life and pensions net inflows in the third quarter 91% higher at £586m

Strong growth in assets as markets recover

- Standard Life Investments total assets under management increased by £15.3bn in the third quarter
- Standard Life Investments third party assets under management 19% higher at £54.1bn
- SIPP assets under administration 27% higher at £11.0bn²
- Wrap assets under administration 76% higher at £3.0bn
- Group pensions assets under administration 19% higher at £17.1bn

New business sales reflect impact of weaker average financial market levels

- Life and pensions sales 15% lower at £10.5bn³

Group Chief Executive Sir Sandy Crombie said:

“Standard Life has continued to deliver a reliable underlying performance in the first nine months of the year, despite the challenging market conditions. I am particularly pleased with the strong growth in assets, especially in the third quarter. This should benefit the Group’s profits and cashflow in the years to come and is a testament to our track record, demonstrating the confidence shown in us by our customers.

“As announced last week, I am stepping down as Group Chief Executive at the end of December after 43 years at Standard Life. I am delighted to be handing over a business that, having positioned itself well to cope with the financial crisis, is in the right place to benefit from the recovery as and when it comes. Standard Life has a strong balance sheet, attractive products and significant growth opportunities and I wish my successor David Nish every success as he leads the business forward next year.”

Unless otherwise stated, all sales figures are on a PVNBP basis and all comparisons are in sterling and with the nine months ending 30 September 2008.

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Strong growth in assets as markets recover

Continued demand for our broad and innovative product set, coupled with the recent upturn in market levels, has led to strong growth in assets under administration across the Group.

Third party assets under management at Standard Life Investments have increased to a record level of £54.1bn. Good long term investment performance and the diversity of our fund range have led to significant growth in third party net investment inflows with a substantial contribution from our international operations as we expand our global presence. During the third quarter total assets under management increased by £15.3bn to £136.9bn.

Within our life and pensions operations we have also seen strong growth in assets under administration with resilient customer run rates and positive net inflows demonstrating the strength of our propositions, excellence in customer service and strong distribution relationships. While markets have recovered sharply in recent months, average equity market levels over the nine month period were 25%⁴ lower than the prior year which has had an inevitable impact on net flows and new business sales. Nevertheless, net flows across our life and pensions operations have improved in the third quarter, with strong growth in our retail product lines in Canada following the successful repositioning of the business.

Worldwide life and pensions operations

Net inflows across our worldwide life and pensions operations¹ were £1.2bn (2008: net inflow of £2.1bn), reflecting our decision not to renew UK bulk investment bond deals which were written in 2008 at lower margins in order to secure distribution relationships. These generated net inflows of £597m in 2008 and led to net outflows of £581m in 2009. Excluding these bond deals, worldwide net inflows increased to £1.8bn (2008: £1.6bn). Worldwide life and pension sales were 15% lower at £10.5bn (2008: £12.4bn). Excluding the bond deals sales were 11% lower.

UK Financial Services

Within our UK life and pensions business, net inflows of £356m (2008: £1,086m) and new business sales of £7.3bn (2008: £9.4bn) have been impacted by our decision not to renew bulk investment bond deals as described above. Excluding these deals, net flows strengthened to £937m (2008: £489m). As highlighted in previous years, our UK pensions business is seasonal with higher flows and sales in the first two quarters of the year reflecting increased activity levels around the tax year end.

We continue to see strong growth in our individual SIPP customer base and assets under administration. During the period the total number of customer accounts increased to 79,100 (31 December 2008: 65,900, 30 June 2009: 74,700). The strength of our customer run rate and the recent recovery in financial markets have increased SIPP assets under administration to £11.0bn (31 December 2008: £8.7bn, 30 June 2009: £9.7bn)². Across our SIPP portfolio the average case size was £139,000 (31 December 2008: £131,000, 30 June 2009: £130,000). The lower average market levels over the period have had an inevitable impact on incoming transfer values, which continue to represent the majority of new business. This has been reflected in net inflows, which were lower at £1.3bn (2008: £1.9bn), and a 25% reduction in new business sales to £2.2bn (2008: £2.9bn). During the period we have seen a modest increase in SIPP outflows. This has been driven by customers increasingly using the flexible features within the product such as taking tax free cash and income drawdown. These outflows remain consistent with our expectations.

In group pensions, net inflows and positive market movements have driven an increase in UK group pensions assets under administration to £17.1bn (31 December 2008: £14.4bn, 30 June 2009: £14.7bn)⁵. The quality, sustainability and flexibility of our proposition, combined with the financial strength of the Group, continue to act as key differentiators and enable us to win profitable new business. The number of new schemes implemented during the period was 317 (2008: 380). Increments into existing schemes have been impacted by current economic conditions, including lower average levels of salary increases and recruitment across the UK. This trend, combined with lower average asset values has been reflected in lower net inflows of £962m (2008: £1,201m) and a 17% reduction in new business sales. Volumes in our flexible group SIPP increased by 35% and accounted for 50% of total group pensions sales (2008: 31%).

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As reported in our *Interim Results 2009*, regular premium contributions in respect of the 18,000 member BT scheme generated £347m of PVNBP in the first half of 2009. Single premium asset transfers for the BT scheme of £220m were received during October and will be reflected in our reported sales figures for Q4. We are particularly pleased that three quarters of the active members have chosen to transfer to the scheme.

Demand for mutual funds sold through our UK life and pensions business on our Wrap, Sigma and Fundzone platforms remains strong with net inflows increasing to £538m (2008: £257m) and sales 48% higher at £830m (2008: £559m).

Assets under administration on our Wrap platform increased to £3.0bn (31 December 2008: £1.7bn, 30 June 2009: £2.3bn)⁶. At the end of the quarter there were 532 IFA firms using the platform (31 December 2008: 409, 30 June 2009: 484) and 26,600 customers (31 December 2008: 16,900, 30 June 2009: 23,000) with an average fund size of £111,000 (31 December 2008: £101,000, 30 June 2009: £101,000)⁶. We continue to see strong momentum in our Wrap offering, with a strong pipeline of IFA firms in the process of adopting the platform.

A number of endowment policies that were written during the early 1980s reached maturity during the period. This led to a net outflow of £1.1bn (2008: net outflow of £1.2bn) in respect of pre-Demutualisation life products. The vast majority of these products are conventional with profits contracts, which generate minimal shareholder margin. Excluding these flows, UK life and pensions net inflows amounted to £1.4bn during the period (2008: £2.3bn) within worldwide life and pensions net inflows of £2.3bn (2008: £3.4bn).

Claims levels across our UK life and pensions operations remain broadly in line with assumptions, with lower claims in respect of individual pensions leading to a reduced net outflow from this product line.

Savings balances in our banking operations have increased to £5.6bn (31 December 2008: £5.0bn, 30 June 2009: £5.5bn) with business accounts performing well during 2009. This total includes combined SIPP and Wrap balances of £1.8bn (31 December 2008: £1.5bn, 30 June 2009: £1.8bn).

Consistent with our strategy to manage our mortgage exposure, gross mortgage lending decreased by 78% to £210m (2008: £946m). Mortgages under management stood at £8.2bn (31 December 2008: £9.7bn, 30 June 2009: £8.8bn), with an arrears rate of 0.78%, which is less than a third of the Council of Mortgage Lenders industry average of 2.62% reported at 30 June 2009.

Healthcare sales were 21% lower at £15m (2008: £19m) on an APE basis reflecting adverse economic conditions and our strategy of only writing profitable business.

Europe

In Europe, net inflows were 27% lower at £564m (2008: £771m)⁷ and sales were 26% lower in constant currency at £854m (2008: £1,063m).

In Ireland, sales of £589m (2008: £661m) were 15% lower in constant currency. Domestic sales increased by 29% in constant currency, driven by increased sales of post-retirement products during the second quarter ahead of planned changes to tax legislation. However, offshore bond sales were 42% lower at £252m (2008: £433m) due to the impact of the weak economic conditions experienced during the year.

Sales in Germany of £265m (2008: £402m) were 43% lower than the prior year in constant currency. This reflects weak consumer confidence and a continuing preference for the German domestic life insurers. Net flows of £492m were more resilient and were 4% higher (2008: £471m) due to strong inflows of regular premiums from the in-force book.

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Canada

Canadian net inflows of £328m (2008: £292m) reflect higher gross inflows into individual insurance, savings and retirement product lines, with positive trends in the retail market driving a marked turnaround in net inflows to £189m (2008: net outflow £12m) during the third quarter.

Canadian sales were 12% higher in constant currency at £1,938m (2008: £1,562m) with sales in the third quarter significantly higher than those recorded during the same period in 2008. Group savings and retirement sales of £964m were 7% lower in constant currency due to the distorting impact of a large defined benefit administration mandate secured in 2008. Within the Group savings and retirement total, sales of our core defined contribution offering increased by 41% in constant currency to £810m (2008: £519m).

Individual insurance, savings and retirement new business has increased by 58% in constant currency to £442m (2008: £252m) with strong sales growth of 153% achieved in the third quarter amid early signs of a recovery in the previously challenging Canadian retail market. However, the market for mutual funds remains challenging, where new business sales over the period were 22% lower in constant currency at £155m (2008: £180m).

Group insurance new business has also increased by 82% in constant currency to £377m (2008: £187m). This increase is due to changes to renewal assumptions, which were made as part of the year end process and were reflected in our 2008 Preliminary Results.

Asia

Combined sales across our Indian and Chinese joint ventures and our Hong Kong operation were 6% higher in constant currency at £448m (2008: £373m)⁸.

Sales in India increased by 1% in constant currency as we continue to refocus the business for greater profitability. Standard Life's share of these sales was £301m (2008: £275m)⁸.

In China, sales volumes decreased by 9% in constant currency. Standard Life's share of these sales was £78m (2008: £66m). The lower sales reflect reduced consumer confidence caused by the economic downturn.

Hong Kong has continued to enjoy strong growth due to the success of its new unit-linked savings product, with new business sales in constant currency increasing by 72% to £69m (2008: £32m).

Global investment management

At Standard Life Investments, strong inflows across our international markets, and the recent recovery in market levels, have driven an increase in third party assets under management to a record level of £54.1bn (31 December 2008: £45.5bn, 30 June 2009: £47.3bn). Third party assets under management now represent 39% of total assets under management compared with 37% as at 31 December 2008. Total assets under management increased by £15.3bn in the third quarter to £136.9bn (31 December 2008: £123.8bn, 30 June 2009: £121.6bn).

Despite volatile markets Standard Life Investments achieved strong third party net inflows of £4.3bn, £3.2bn of which relates to investment products only, representing a 75% increase over the equivalent period last year and an annualised 13% of opening third party assets under management. Over 85% of the net inflows came from outside the UK, further emphasising Standard Life Investments' growing global capability.

In UK and Europe, we have seen strong client demand for our Fixed Interest and Global Absolute Return Strategy (GARS) products, while sales of our mutual fund and SICAV⁹ ranges showed very significant increases on the same period last year with net inflows of retail mutual funds of £444m (2008: net inflow £57m).

While conditions remain challenging within the UK market for segregated institutional mandates, we have seen strong growth in institutional flows across our international markets. Total European net flows rose to £913m (2008: net inflow £373m), with a significant increase in net flows in India of £1,630m (2008: £219m)¹⁰ reflecting greater www.standardlife.com

traction into higher margin cash funds. In addition we have seen strong inflows into Canadian institutional business of £1,021m (2008: net outflow £102m).

The money-weighted active investment performance over all time periods (1, 3, 5 and 10 years) continues to be comfortably above median for our third party business. The strength of our investment process across a range of OEICs and unit trusts is demonstrated by the proportion of eligible actively managed funds (21 out of 29) rated 'A' or above by Standard & Poor's.

Of particular note is the outstanding performance of the UK Equity Recovery Fund (OEIC), which has returned 110% since its launch on 6 March this year, and the UK Equity Unconstrained Fund (OEIC), which has produced a return of over 95% during the year to date.

The pipeline for institutional and retail business remains encouraging with fixed interest and GARS products attracting a lot of interest. We also continue to see very positive demand for our mutual funds in the UK and for our SICAVS⁹ in continental Europe.

Capital strength maintained

In our *Interim Results 2009* on 5 August 2009, we reported that Standard Life had a robust capital position that had been largely insensitive to market movements. At the end of September 2009 there was a modest strengthening of this position, with rising equity markets and lower gilt yields increasing our estimated FGD surplus to £3.4bn (31 December 2008: £3.3bn, 30 June 2009: £3.1bn) and HWPF residual estate to £0.5bn (31 December 2008: £0.5bn, 30 June 2009: £0.4bn).

Other developments

On 9 September 2009 we announced that the Chinese Regulators were in the final stages of approving a business combination whereby Bank of China would take a majority stake in Heng An Standard Life. The company would then become a domestic insurance company. The commercial details, together with any further approvals required are now being discussed between the parties.

On 19 October 2009 we announced that David Nish will succeed Sir Sandy Crombie as Group Chief Executive with effect from 1 January 2010.

On 26 October 2009 we announced that we had entered into an agreement to sell Standard Life Bank plc ("Standard Life Bank") to Barclays Bank PLC ("Barclays"). We also announced that Standard Life and Barclays UK Retail Banking have agreed heads of terms to enter into a strategic agreement to explore joint opportunities in the UK retail long-term savings and investments sector.

Standard Life Group outlook

Standard Life has a resilient balance sheet, innovative propositions and strong distribution relationships which position us well for any future market upturn.

While the outlook for the UK savings and investment market remains challenging in the short term, we are confident in the prospects for our pensions businesses and Wrap proposition. We see opportunities for our Asian business and in Canada have a good pipeline of business developing around our core defined contribution proposition.

Standard Life Investments continues to see strong demand for Fixed Interest and Global Absolute Return Strategy (GARS) products which will further increase our global capability.

Our continued ability to attract positive net inflows, combined with the recent upturn in market levels, has led to strong growth in assets across the Group. If sustained, this will lead to higher revenues and cash profits.

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For further information please contact:

Institutional Equity Investors:

Gordon Aitken 0131 245 6799
 Duncan Heath 0131 245 4742
 Paul De'Ath 0131 245 9893

Retail Equity Investors:

Capita Registrars 0845 113 0045

Media:

Barry Cameron 0131 245 6165 / 07712 486 463
 Paul Keeble 0207 872 4481 / 07712 486 387
 Neil Bennett (Maitland) 0207 379 5151 / 07900 000 777

Debt Investors:

Andy Townsend 0131 245 7260
 Alan Coutts 0131 245 0201

Notes to Editors

- 1 Worldwide life and pensions net flows do not include net flows in respect of our Asia Pacific joint ventures and our Hong Kong subsidiary.
- 2 Analysis of Individual SIPP funds under administration.

	30 Sep 2009 £m	30 Jun 2009 £m	31 Mar 2009 £m	31 Dec 2008 £m
Insured Standard Life funds	2,757	2,495	2,375	2,559
Insured external funds	1,621	1,370	1,229	1,268
Collectives – Standard Life Investments	1,605	1,201	947	864
Collectives – Funds Network	913	764	658	656
Cash	1,114	1,092	1,056	869
Non collectives	3,023	2,796	2,540	2,443
Total	11,033	9,718	8,805	8,659
Insured	4,378	3,865	3,604	3,827
Non-insured	6,655	5,853	5,201	4,832
Total	11,033	9,718	8,805	8,659

Of the £11.0bn funds under administration at 30 September 2009, £1.4bn relate to funds on the Wrap platform.

- 3 Present value of new business premiums (PVNBP) is calculated as 100% of single premiums plus the expected present value of new regular premiums.
- 4 The daily average level of the FTSE All share index was 25% lower over the nine months to 30 September 2009 when compared to the same period in 2008. On the same basis the UK IPD All Property Index was 25% lower and the Sterling 5-10 Yr Corporate Securities Index was down 12%.
- 5 The group pensions AUA figure as at 31 December 2008 has been restated to align with the methodology used for other product lines.
- 6 Wrap assets under administration have been restated to exclude amounts that have been secured but are pending investment onto the Wrap platform. The impact of this restatement has been immaterial, reducing the assets under administration figures as at 31 December 2008 by £0.1bn.
- 7 Offshore bond net inflows of £100m (2008: £420m) are included within the European results.
- 8 2008 PVNBP includes a £40m reduction due to a restatement to opening assumptions in India.
- 9 A SICAV (société d'investissement à capital variable) is an open-ended collective investment scheme common in Western Europe. SICAVs can be cross-border marketed in the EU under the UCITS directive.
- 10 Historically, the Indian cash fund flows were calculated on the spot rate balances. Due to the volatility of these funds, the approach has been changed to ensure consistency with the methodology applied to UK money market funds.
- 11 There will be a conference call today for newswires and online publications at 8:00am hosted by David Nish, Group Finance Director, Keith Skeoch, Chief Executive of Standard Life Investments, and Paul Matthews, Managing Director of Distribution for UK Financial Services. Dial in telephone number +44 (0) 1452 555 566. Callers should quote Standard Life Media Call. The conference ID number is 35954645. A recording of this call will be available for replay for one week by dialling +44 (0) 1452 550 000 (access code 35954654#).
- 12 There will be a conference call today for analysts and investors at 9.30am hosted by David Nish, Group Finance Director, Keith Skeoch, Chief Executive of Standard Life Investments, and Paul Matthews, Managing Director of Distribution for UK Financial Services. Dial in telephone number +44 (0) 1452 555 566. Callers should quote Standard Life Analysts & Investors Call. The conference ID number is 35958422. A recording of this call will be available for replay for one week by dialling +44 (0) 1452 550 000 (access code 35958422#).
- 13 This Interim Management Statement is available on the Financial Results page of the Standard Life website at www.standardlife.com

Insurance operations net flows (regulatory basis) 9 months ended 30 September 2009

	Gross inflows 9 months to 30 Sep 2009 £m	Redemptions 9 months to 30 Sep 2009 £m	Net inflows 9 months to 30 Sep 2009 £m	Gross inflows 9 months to 30 Sep 2008 £m	Redemptions 9 months to 30 Sep 2008 £m	Net inflows 9 months to 30 Sep 2008 £m
UK						
Individual SIPP ^(a)	2,113	(790)	1,323	2,542	(623)	1,919
Individual pensions	738	(1,667)	(929)	922	(2,336)	(1,414)
Group pensions ^(a)	1,792	(830)	962	2,054	(853)	1,201
Institutional pensions	1,565	(663)	902	1,510	(924)	586
Pensions	6,208	(3,950)	2,258	7,028	(4,736)	2,292
Investment bonds	242	(1,282)	(1,040)	1,267	(1,186)	81
Mutual funds ^{(b) (c)}	701	(163)	538	516	(259)	257
Savings and investments	943	(1,445)	(502)	1,783	(1,445)	338
Annuities	486	(860)	(374)	456	(823)	(367)
Protection	72	(44)	28	83	(55)	28
Legacy life	303	(1,357)	(1,054)	354	(1,559)	(1,205)
UK life and pensions ^{(d) (e)}	8,012	(7,656)	356	9,704	(8,618)	1,086
Europe						
Ireland ^(d)	635	(563)	72	724	(424)	300
Germany	583	(91)	492	520	(49)	471
Europe life and pensions	1,218	(654)	564	1,244	(473)	771
Canada						
Group savings and retirement	1,018	(751)	267	1,135	(827)	308
Individual insurance, savings and retirement	494	(509)	(15)	314	(475)	(161)
Group insurance	261	(212)	49	228	(135)	93
Mutual funds ^(b)	155	(128)	27	180	(128)	52
Canada life and pensions	1,928	(1,600)	328	1,857	(1,565)	292
Total worldwide life and pensions excluding Asia	11,158	(9,910)	1,248	12,805	(10,656)	2,149

(a) Included within non-insured SIPP is an element which is also included within UK mutual funds net flows in the third party Investment operations figures.

(b) The mutual funds net flows are also included within mutual fund net flows in the third party Investment operations figures.

(c) UK figures include Sigma UKFS mutual funds. 2008 figures have been restated to reflect inclusion of these mutual funds. The total net outflow for the period was £22m (2008: £176m outflow).

(d) The offshore business is shown within the total Ireland result. This was previously included within UK life and pensions. The total net inflow for the period was £100m (2008: £420m inflow).

(e) UK life and pensions include a total net outflow of £1,645m in relation to conventional with profits business (2008: £1,795m outflow).

Insurance operations new business 9 months ended 30 September 2009

	Single Premiums		New Regular Premiums		PVNBP		Change ^(g) %	Change in constant currency ^{(g) (h)} %
	9 months to 30 Sep 2009	9 months to 30 Sep 2008	9 months to 30 Sep 2009	9 months to 30 Sep 2008	9 months to 30 Sep 2009	9 months to 30 Sep 2008		
	£m	£m	£m	£m	£m	£m		
UK								
Individual SIPP ^(a)	1,976	2,611	45	55	2,179	2,889	(25%)	(25%)
Individual pensions ^(b)	333	472	19	26	379	571	(34%)	(34%)
Group pensions ^{(a) (b)}	544	868	352	353	1,905	2,292	(17%)	(17%)
Institutional pensions	1,384	1,410	14	60	1,414	1,554	(9%)	(9%)
Pensions	4,237	5,361	430	494	5,877	7,306	(20%)	(20%)
Investment bonds	194	1,186	-	-	194	1,186	(84%)	(84%)
Mutual funds ^(c)	683	509	19	7	830	559	48%	48%
Savings and investments	877	1,695	19	7	1,024	1,745	(41%)	(41%)
Annuities	353	361	-	-	353	361	(2%)	(2%)
Protection	-	-	1	2	2	6	(67%)	(67%)
UK life and pensions^(d)	5,467	7,417	450	503	7,256	9,418	(23%)	(23%)
Europe								
Ireland ^(d)	561	615	7	9	589	661	(11%)	(15%)
Germany	15	30	20	36	265	402	(34%)	(43%)
Europe life and pensions	576	645	27	45	854	1,063	(20%)	(26%)
Canada								
Group savings and retirement	339	503	43	33	964	943	2%	(7%)
Individual insurance, savings and retirement	418	236	2	1	442	252	75%	58%
Group insurance ^(e)	1	-	22	26	377	187	102%	82%
Mutual funds	155	180	-	-	155	180	(14%)	(22%)
Canada life and pensions	913	919	67	60	1,938	1,562	24%	12%
Asia								
India ^(f)	9	12	61	73	301	275	9%	1%
China ^(f)	37	47 ⁽ⁱ⁾	8	3 ⁽ⁱ⁾	78	66	18%	(9%)
Hong Kong	4	8	12	6	69	32	116%	72%
Asia life and pensions	50	67	81	82	448	373	20%	6%
Total worldwide life and pensions	7,006	9,048	625	690	10,496	12,416	(15%)	(18%)

(a) Included within non-insured SIPP is an element which is also included within UK mutual funds net flows in the third party Investment operations figures.

(b) Single premiums include Department of Work and Pensions rebate premiums of £246m (2008: £272m), comprising Individual pension rebates of £134m (2008: £148m) and Group pensions rebates of £112m (2008: £125m).

(c) UK figures include Sigma UKFS mutual funds. 2008 figures have been restated to reflect inclusion of these mutual funds. The 2009 impact in PVNBP is £117m (2008: £66m).

(d) The offshore business is shown within the total Ireland result, comprising single premiums of £252m (2008: £433m) and PVNBP of £252m (2008: £433m). This was previously included within UK life and pensions.

(e) Canada Group insurance includes £1.1m (2008: £2.4m) of new regular premiums in respect of Consultation policies, representing the comparable full premium for £0.1m (2008: £0.3m) of new annualised fee income.

(f) Standard Life's share of the Joint Venture Company's new business.

(g) % change is calculated on the figures rounded to millions.

(h) Calculated using constant rates of exchange.

(i) Regular premiums in China of £2m for Group protection business have been reclassified to single premiums for the nine months to 30 September 2008.

(j) New business gross sales for overseas operations are calculated using average exchange rates. The principal average rates for the nine months to 30 September 2009 were £1: C\$1.79 (2008: £1: C\$1.98) and £1: €1.12 (2008: £1: €1.29).

Investment operations
9 months ended 30 September 2009

		Opening FUM 1 Jan 2009 £m	Gross inflows £m	Redemptions £m	Net inflows £m	Market and other movements £m	Net movement in FUM £m	Closing FUM 30 Sep 2009 £m
UK	Mutual funds ^(a)	4,237	1,116 ^(b)	(672)	444	816	1,260	5,497
	Private equity	3,859	56	(3)	53	(276)	(223)	3,636
	Segregated funds	11,312	820	(1,056)	(236)	1,475	1,239	12,551
	Pooled property funds	917	48	-	48	144	192	1,109
Total UK		20,325	2,040	(1,731)	309	2,159	2,468	22,793
Canada	Mutual funds ^(a)	1,295	159 ^(c)	(132)	27	191	218	1,513
	Separate mandates ^(d)	1,375	1,092	(71)	1,021	355	1,376	2,751
Total Canada		2,670	1,251	(203)	1,048	546	1,594	4,264
International	Europe	840	933	(20)	913	132	1,045	1,885
	Asia (excluding India)	79	4	(5)	(1)	13	12	91
	India ^(e)	1,454	(144)	-	(144)	440	296	1,750
Total International		2,373	793	(25)	768	585	1,353	3,726
Total worldwide investment products excluding money market and related funds		25,368	4,084	(1,959)	2,125	3,290	5,415	30,783
	UK Money market funds ^(f)	4,977	(683)	-	(683)	(444)	(1,127)	3,850
	India cash funds ^{(f)(g)}	1,263	1,774	-	1,774	(810)	964	2,227
Total worldwide investment products		31,608	5,175	(1,959)	3,216	2,036	5,252	36,860

Total third party assets under management comprise the investment business noted above together with third party insurance contracts. New business relating to third party insurance contracts is disclosed as insurance business for reporting purposes. An analysis of total third party funds under management is shown below.

	Opening FUM 1 Jan 2009 £m	Gross inflows £m	Redemptions £m	Net inflows £m	Market and other movements £m	Net movement in FUM £m	Closing FUM 30 Sep 2009 £m
Third party investment products	31,608	5,175	(1,959)	3,216	2,036	5,252	36,860
Third party insurance contracts (new business classified as insurance products)	13,861	2,149	(1,083)	1,066	2,266	3,332	17,193
Total third party assets under management	45,469	7,324	(3,042)	4,282	4,302	8,584	54,053
Standard Life Investments - total assets under management	123,835						136,942

(a) Included within mutual funds are cash inflows which have also been reflected in UK and Canada mutual fund new business sales.

(b) In the nine months to 30 September 2008 UK mutual funds gross inflows were £925m and net inflows were £57m.

(c) In the nine months to 30 September 2008 Canadian mutual funds gross inflows were £185m and net inflows were £53m.

(d) Separate mandates refers to investment funds products sold in Canada exclusively to institutional customers. These products contain no insurance risk and consist primarily of defined benefit pension plan assets for which Standard Life Investments exclusively provides portfolio advisory services.

(e) International gross inflows include India where, due to the nature of the Indian investment sales market, the new business is shown as the net of sales less redemptions. India cash funds are included under money market and related funds in the table.

(f) Due to the nature of the Money market funds and India cash funds the flows are calculated using average net client balances. Other movements are derived as the difference between these average net inflows and the movement in the opening and closing FUM.

(g) Historically, the Indian cash fund flows were calculated on the spot rate balances. Due to the volatility of these funds, the approach has been changed to ensure consistency with the methodology applied to UK money market funds.

(h) Funds denominated in foreign currencies have been translated to Sterling using the closing exchange rates at 30 September 2009. Investment fund flows are translated at average exchange rates. Gains and losses arising from the translation of funds denominated in foreign currencies are included in the market and other movements column. The principal closing exchange rates used as at 30 September 2009 were £1: C\$1.72 (31 December 2008: £1:C\$1.77) and £1:€1.09 (31 December 2008: £1: €1.03). The principal average exchange rates for the nine months to 30 September 2009 were £1: C\$1.79 (2008: £1: C\$1.98) and £1: €1.12 (2008: £1: €1.29).

Insurance operations net flows (regulatory basis) 3 months ended 30 September 2009

	Gross inflows 3 months to 30 Sep 2009 £m	Redemptions 3 months to 30 Sep 2009 £m	Net inflows 3 months to 30 Sep 2009 £m	Gross inflows 3 months to 30 Sep 2008 £m	Redemptions 3 months to 30 Sep 2008 £m	Net inflows 3 months to 30 Sep 2008 £m
UK						
Individual SIPP ^(a)	649	(285)	364	689	(205)	484
Individual pensions	209	(540)	(331)	257	(741)	(484)
Group pensions ^(a)	570	(279)	291	609	(293)	316
Institutional pensions	612	(270)	342	629	(268)	361
Pensions	2,040	(1,374)	666	2,184	(1,507)	677
Investment bonds	59	(274)	(215)	194	(386)	(192)
Mutual funds ^{(b) (c)}	263	(61)	202	184	(87)	97
Savings and investments	322	(335)	(13)	378	(473)	(95)
Annuities	133	(282)	(149)	136	(264)	(128)
Protection	23	(13)	10	27	(16)	11
Legacy life	97	(390)	(293)	114	(534)	(420)
UK life and pensions ^{(d) (e)}	2,615	(2,394)	221	2,839	(2,794)	45
Europe						
Ireland ^(d)	244	(234)	10	257	(143)	114
Germany	188	(22)	166	177	(17)	160
Europe life and pensions	432	(256)	176	434	(160)	274
Canada						
Group savings and retirement	342	(238)	104	257	(255)	2
Individual insurance, savings and retirement	217	(162)	55	92	(149)	(57)
Group insurance	88	(70)	18	77	(45)	32
Mutual funds ^(b)	53	(41)	12	49	(38)	11
Canada life and pensions	700	(511)	189	475	(487)	(12)
Total worldwide life and pensions excluding Asia	3,747	(3,161)	586	3,748	(3,441)	307

(a) Included within non-insured SIPP is an element which is also included within UK mutual fund net flows in the third party Investment operations figures.

(b) The mutual funds net flows are also included within mutual fund net flows in the third party Investment operations figures.

(c) UK figures include Sigma UKFS mutual funds. 2008 figures have been re-stated to reflect inclusion of these mutual funds. The total net outflow for the period was £13m (2008: £54m outflow).

(d) The offshore business is shown within the total Ireland result. This was previously included within UK life and pensions. The total net inflow for the period was £23m (2008: £155m inflow).

(e) UK life and pensions include a total net outflow of £486m in relation to conventional with profits business (2008: £611m outflow).

Insurance operations new business 3 months ended 30 September 2009

	Single Premiums		New Regular Premiums		PVNBP		Change (g)	Change in constant currency (g) (h)
	3 months to 30 Sep 2009	3 months to 30 Sep 2008	3 months to 30 Sep 2009	3 months to 30 Sep 2008	3 months to 30 Sep 2009	3 months to 30 Sep 2008		
	£m	£m	£m	£m	£m	£m	%	%
UK								
Individual SIPP (a)	587	738	12	15	642	815	(21%)	(21%)
Individual pensions (b)	85	118	5	7	97	136	(29%)	(29%)
Group pensions (a) (b)	140	203	65	85	378	489	(23%)	(23%)
Institutional pensions	477	590	(4)	-	470	590	(20%)	(20%)
Pensions	1,289	1,649	78	107	1,587	2,030	(22%)	(22%)
Investment bonds	40	161	-	-	40	161	(75%)	(75%)
Mutual funds (c)	260	177	4	2	288	195	48%	48%
Savings and investments	300	338	4	2	328	356	(8%)	(8%)
Annuities	95	109	-	-	95	109	(13%)	(13%)
Protection	-	-	-	1	-	2	(100%)	(100%)
UK life and pensions (d)	1,684	2,096	82	110	2,010	2,497	(20%)	(20%)
Europe								
Ireland (d)	211	219	2	2	217	234	(7%)	(10%)
Germany	5	10	6	13	80	140	(43%)	(49%)
Europe life and pensions	216	229	8	15	297	374	(21%)	(26%)
Canada								
Group savings and retirement	131	65	6	8	214	176	22%	11%
Individual insurance, savings and retirement	192	67	1	-	202	72	181%	153%
Group insurance (e)	-	-	7	9	117	64	83%	64%
Mutual funds	53	49	-	-	53	49	8%	(4%)
Canada life and pensions	376	181	14	17	586	361	62%	47%
Asia								
India (f)	3	2	21	26	98	95	3%	(2%)
China (f)	8	14	2	2	22	24	(8%)	(24%)
Hong Kong	3	2	6	3	32	14	129%	95%
Asia life and pensions	14	18	29	31	152	133	14%	5%
Total worldwide life and pensions	2,290	2,524	133	173	3,045	3,365	(10%)	(12%)

(a) Included within non-insured SIPP is an element which is also included within UK mutual fund net flows in the third party Investment operations figures.

(b) Single premiums include Department of Work and Pensions rebate premiums of £75m (2008: £93m), comprising Individual pension rebates of £41m (2008: £48m) and Group pensions rebates of £34m (2008: £45m).

(c) UK figures include Sigma mutual funds. 2008 figures have been re-stated to reflect inclusion of these mutual funds. The 2009 impact is £39m (2008: £26m).

(d) The offshore business is shown within the total Ireland result, comprising single premiums of £79m (2008: £163m) and PVNBP of £79m (2008: £163m). This was previously included within UK life and pensions.

(e) Canada Group insurance includes £0.1m (2008: £nil) of new regular premiums in respect of Consultation policies, representing the comparable full premium for £nil (2008: £nil) of new annualised fee income.

(f) Standard Life's share of the Joint Venture Company's new business.

(g) % change is calculated on the figures rounded to millions.

(h) Calculated using constant rates of exchange.

(i) New business gross sales for overseas operations are calculated using average exchange rates. The principal average rates for the nine months to 30 September 2009 were £1:C\$1.79 (2008: £1: C\$1.98) and £1: €1.12 (2008:£1:€1.29).

Investment operations 3 months ended 30 September 2009

		Opening FUM 1 July 2009 £m	Gross inflows £m	Redemptions £m	Net inflows £m	Market and other movements £m	Net movement in FUM £m	Closing FUM 30 Sep 2009 £m
UK	Mutual funds ^(a)	4,705	372 ^(b)	(241)	131	661	792	5,497
	Private equity	3,414	4	(1)	3	219	222	3,636
	Segregated funds	10,995	338	(256)	82	1,474	1,556	12,551
	Pooled property funds	832	-	-	-	277	277	1,109
Total UK		19,946	714	(498)	216	2,631	2,847	22,793
Canada	Mutual funds ^(a)	1,267	60 ^(c)	(47)	13	233	246	1,513
	Separate mandates ^(d)	1,655	780	(10)	770	326	1,096	2,751
Total Canada		2,922	840	(57)	783	559	1,342	4,264
International	Europe	1,500	180	(10)	170	215	385	1,885
	Asia (excluding India)	87	1	(1)	-	4	4	91
	India ^(e)	1,595	(114)	-	(114)	269	155	1,750
Total International		3,182	67	(11)	56	488	544	3,726
Total worldwide investment products excluding money market and related funds		26,050	1,621	(566)	1,055	3,678	4,733	30,783
	Money market funds ^(f)	4,770	(1,117)	-	(1,117)	197	(920)	3,850
	India cash funds ^{(f) (g)}	1,981	888	-	888	(642)	246	2,227
Total worldwide investment products		32,801	1,392	(566)	826	3,233	4,059	36,860

Total third party assets under management comprise the investment business noted above together with third party insurance contracts. New business relating to third party insurance contracts is disclosed as insurance business for reporting purposes. An analysis of total third party funds under management is shown below.

	Opening FUM 1 July 2009 £m	Gross inflows £m	Redemptions £m	Net inflows £m	Market and other movements £m	Net movement in FUM £m	Closing FUM 30 Sep 2009 £m
Third party investment products	32,801	1,392	(566)	826	3,233	4,059	36,860
Third party insurance contracts (new business classified as insurance products)	14,523	721	(379)	342	2,328	2,670	17,193
Total third party assets under management	47,324	2,113	(945)	1,168	5,561	6,729	54,053
Standard Life Investments - total assets under management	121,552						136,942

(a) Included within mutual funds are cash inflows which have also been reflected in UK and Canada mutual fund new business sales.

(b) In the three months to 30 September 2008 UK mutual funds gross inflows were £352m and net inflows were £53m.

(c) In the three months to 30 September 2008 Canadian mutual funds gross inflows were £55m and net inflows were £13m.

(d) Separate mandates refers to investment funds products sold in Canada exclusively to institutional customers. These products contain no insurance risk and consist primarily of defined benefit pension plan assets for which Standard Life Investments exclusively provides portfolio advisory services.

(e) International gross inflows include India where, due to the nature of the Indian investment sales market, the new business is shown as the net of sales less redemptions. India cash funds are included under money market and related funds in the table.

(f) Due to the nature of the Money market funds and India cash funds the flows are calculated using average net client balances. Other movements are derived as the difference between these average net inflows and the movement in the opening and closing FUM.

(g) Historically, the Indian cash fund flows were calculated on the spot rate balances. Due to the volatility of these funds, the approach has been changed to ensure consistency with the methodology applied to UK money market funds. Included within the net flows for the period is £272m relating to prior period Indian cash fund net flows.

(h) Funds denominated in foreign currencies have been translated to Sterling using the closing exchange rates at 30 September 2009. Investment fund flows are translated at average exchange rates. Gains and losses arising from the translation of funds denominated in foreign currencies are included in the market and other movements column. The principal closing exchange rates used as at 30 September 2009 were £1: C\$1.72 (30 June 2009: £1: C\$1.91) and £1:€1.09 (30 June 2009: £1: €1.17). The principal average exchange rates for the nine months to 30 September 2009 were £1: C\$1.79 (2008: £1: C\$1.98) and £1: €1.12 (2008: £1: €1.29).

Insurance operations new business 15 months ended 30 September 2009

	Present Value of New Business Premiums (PVNBP)				
	3 months to 30 Sep 2009 £m	3 months to 30 June 2009 £m	3 months to 31 Mar 2009 £m	3 months to 31 Dec 2008 ^(d) £m	3 months to 30 Sep 2008 £m
UK					
Individual SIPP	642	696	841	870	815
Individual pensions	97	191	91	87	136
Group pensions	378	911	616	464	489
Institutional pensions	470	525	419	272	590
Pensions	1,587	2,323	1,967	1,693	2,030
Investment bonds	40	70	84	112	161
Mutual funds ^(a)	288	266	276	172	195
Savings and investments	328	336	360	284	356
Annuities	95	110	148	110	109
Protection	-	1	1	1	2
UK life and pensions ^(b)	2,010	2,770	2,476	2,088	2,497
Europe					
Ireland ^(b)	217	208	164	417	234
Germany	80	86	99	178	140
Europe life and pensions	297	294	263	595	374
Canada					
Group savings and retirement	214	393	357	204	176
Individual insurance, savings and retirement	202	130	110	110	72
Group insurance	117	145	115	62	64
Mutual funds	53	49	53	49	49
Canada life and pensions	586	717	635	425	361
Asia					
India ^(c)	98	58	145	70	95
China ^(c)	22	23	33	43	24
Hong Kong	32	23	14	9	14
Asia life and pensions	152	104	192	122	133
Total worldwide life and pensions	3,045	3,885	3,566	3,230	3,365

(a) UK figures include Sigma UKFS mutual funds. 2008 figures have been re-stated to reflect inclusion of these mutual funds.

(b) 2008 comparatives have been restated to reflect the inclusion of Offshore business within the total Ireland result. The impact on the three months to 31 December 2008: £228m; 30 September 2008: £163m. This was previously included within UK life and pensions.

(c) Amounts shown reflect Standard Life's share of the Joint Venture Company's new business.

(d) The three month period to 31 December 2008 excludes the full impact of 2008 year end changes to non-economic assumptions. The effect of changes to year end non-economic assumptions was an increase in total PVNBP of £33m in the final PVNBP results published in the 2008 Preliminary results.

Insurance operations net flows (regulatory basis) 15 months ended 30 September 2009

	Net flows				
	3 months to 30 Sep 2009 £m	3 months to 30 June 2009 £m	3 months to 31 Mar 2009 £m	3 months to 31 Dec 2008 £m	3 months to 30 Sep 2008 £m
UK					
Individual SIPP	364	518	441	545	484
Individual pensions	(331)	(228)	(370)	(500)	(484)
Group pensions	291	378	293	278	316
Institutional pensions	342	279	281	30	361
Pensions	666	947	645	353	677
Investment bonds	(215)	(309)	(516)	(192)	(192)
Mutual funds ^(a)	202	172	164	82	97
Savings and investments	(13)	(137)	(352)	(110)	(95)
Annuities	(149)	(136)	(89)	(135)	(128)
Protection	10	11	7	13	11
Legacy life	(293)	(292)	(469)	(359)	(420)
UK life and pensions ^(b)	221	393	(258)	(238)	45
Europe					
Ireland ^(b)	10	53	9	250	114
Germany	166	162	164	231	160
Europe life and pensions	176	215	173	481	274
Canada					
Group savings and retirement	104	83	80	59	2
Individual insurance, savings and retirement	55	(27)	(43)	(48)	(57)
Group insurance	18	15	16	31	32
Mutual funds	12	11	4	6	11
Canada life and pensions	189	82	57	48	(12)
Total worldwide life and pensions excluding Asia	586	690	(28)	291	307

(a) UK figures include Sigma UKFS mutual funds. 2008 figures have been re-stated to reflect inclusion of these mutual funds. The impact on the three months to 31 December 2008: £41m outflow; 30 September 2008: £54m outflow.

(b) 2008 comparatives have been restated to reflect the inclusion of Offshore business within the total Ireland result. The impact on the three months to 31 December 2008: £212m inflow; 30 September 2008: £155m inflow. This was previously included within UK life and pensions.