

Summary Financial Report 2010

Standard Life plc

Standard Life 

Group financial highlights

£7.2bn

Group net inflows -
11% increase

£3.8bn

Group capital surplus -
6% increase

£432m

Group IFRS profit
after tax attributable
to equity holders -
103% increase

£287m

Group EEV operating
profit capital and
cash generation -
23% decrease

£787m

Group EEV operating
profit before tax from
continuing operations -
7% decrease

£196.8bn

Group assets under
administration -
16% increase

£425m

Group IFRS operating
profit before tax from
continuing operations -
7% increase

£71.6bn

Standard Life Investments
third party funds
under management -
26% increase

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Chairman's statement

A successful year of transformation and delivery

Standard Life has had a good year. Our strong set of results, and the progress that we have made during 2010 in transforming our business, have put us in good shape to anticipate the changes that the savings and investments industry worldwide is facing in the years to come.

8.65p
Recommended
final dividend
payment per
share

Despite wider economic conditions remaining tough in 2010, we were able to create shareholder value through investing in growing our business, and by improving the efficiency of our operations and increasing our profitability. We are in a strong position financially and I'm pleased to report that once again, we've been able to increase the final dividend. The Board has recommended a final dividend payment of 8.65p per share. That makes a total of 13.0p per share for 2010 – a 6.2% increase on 2009. The payment will be made on 27 May 2011, if our shareholders vote to approve it. This increase reflects our confidence in our ability to grow future cash flows.

2010 was an important year for our company. David Nish took over as Chief Executive and has made tremendous progress in transforming how we operate. David and our new management team are working hard to drive cultural change across the organisation by increasing our pace of delivery and making us much more responsive to customer requirements. We've made great strides in putting our customers at the heart of everything we do and concentrating on making it easier for them to do business with us.

There will be significant change in the UK savings industry over the coming years driven by policy and regulatory changes, and by customer behaviour. Our strategy is well aligned to these changes and there's a lot of work going on behind the scenes to make sure we can capitalise on them when they come into effect. We believe that we have built a firm foundation to support continued profitable growth.

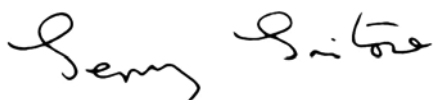
Long-term savings and investments are an important contributor to economic growth and we need stability in pensions, savings and fiscal policies if people are to be encouraged to save for the future. We are passionate advocates of this and we actively engage with policymakers and key influencers to encourage them to create an environment in which people have the opportunity to save and understand the benefits of doing so.

Strong corporate governance continues to be close to our hearts both in relation to our own affairs and within the companies in which we invest. Through Standard Life Investments, we actively monitor developments and encourage good practice. To increase the scrutiny of our own activities, we established a new Risk and Capital Committee, chaired by Lord Blackwell, our Senior Independent Director. This Committee supports the Board's key risk management responsibilities by overseeing and advising the Board on the Group's capital and liquidity risk management and on our risk strategy.

We have a responsibility to ensure that Standard Life is a sustainable business and contributes to the communities in which we operate. Last year I wrote about the Standard Life Charitable Trust, which we have set up using some of the shares that weren't claimed at the time of our demutualisation. I am very pleased that the Trust has decided to focus on working with people who are most in need, helping them develop the right skills needed to manage their own finances.

Finally, I hope you like our new visual identity on the front of this year's report. This is all part of how we are approaching our business differently. Our traditions, our financial strength and stability are very important to us but we won't stay in the forefront of our industry unless we continue to move our business forward and to provide our customers with the products and services that they need to help manage their lives.

My sincere thanks to you for your support, and to our people around the world for their continued hard work and dedication.



Gerry Grimstone, Chairman

Chief Executive's statement

A strong platform for profitable growth

My first year as Chief Executive has been another eventful and exciting one for your company. The business has made a huge amount of progress in building a strong platform for sustainable profitable growth. Our financial performance for 2010 was strong and we are beginning to see the benefits of the investment programme we outlined in March last year. Great thanks must go to our employees, who have worked very hard in challenging conditions to make this past year a success.

Delivering our strategy

Standard Life is a leading, long-term savings and investments business, with customers' needs at the heart of everything we do. Over the year we've increased the metabolic rate at which we are delivering our strategy. There is more to do but I am very pleased with the advances we are making.

In March 2010, we set our key strategic priorities and targeted a significant increase in the level of investment to grow our business. We are now just over one year into our three year transformation to deliver our strategy and drive improved performance. We are making strong progress and are firmly on track to deliver. Some highlights are:

Building on our strength in pension savings and corporate benefits

We delivered a number of exciting new propositions over the year, including the launch of our Corporate ISA and Trust Based Pensions, where we have already won several new schemes. We also significantly enhanced the web-based support we give both to our intermediaries and customers and launched Active Money Life Plan, an easy way of saving for retirement.

February 2011 saw a significant step-up in our delivery of propositions with the launch of Lifelens, our innovative benefits solution for Corporates. We have a strong pipeline of business for 2011 already and are implementing a number of schemes on this new technology.

We had a record year for UK corporate pension sales securing 182 new schemes, representing 72,000 employees in total. Our Vebnet business has also implemented 32 new clients with approximately 108,000 employees. Outside of the UK, our performance has also been strong, with our market share of Canadian corporate pensions sales more than doubling to 21%.

Focusing on the savings and investment needs of customers in our chosen segments

We have one of the fastest-growing Wrap platforms in the UK, with assets under administration recently passing the £7bn milestone. Our acquisition of threesixty gives additional depth to the support we provide to intermediaries. The acquisition of Focus Solutions brings a leading provider of software and consultancy to the Group and allows us to accelerate our multi-channel distribution strategy by offering end-to-end solutions to IFAs, bank distribution partners, and end customers.

In September we launched MyFolio, a proposition designed to help customers find the right investment solution for them. Since its launch MyFolio has quickly secured over £100m of AUM, with higher than expected investment into actively managed funds at Standard Life Investments. In February of this year we launched a new on-line ISA and a complete refresh of Adviserzone, our market-leading adviser platform.

Expanding the global reach of our investment management business

Standard Life Investments continued its excellent record of strong and profitable growth in 2010. Our Global Absolute Returns Strategies (GARS) fund now totals over £7bn and is among the top sellers on five of the UK's leading investment platforms. We have also achieved significant growth in our UK retail business, becoming the third largest manager by net retail sales of mutual funds. Significant progress has been made across a number of asset classes.

We took a 75.1% stake in Aida Capital to extend our alternative investments offering, and our strategic alliance with the Chuo Mitsui Asset Trust and Banking Company gives us access to the Japanese market and helps extend our global franchise.

Maximising the value from our Joint Venture relationships in Asia

Performance across our joint venture businesses in Asia has been very strong in 2010, with net flows increasing by 20%. Our Indian joint venture, HDFC Life, marked its tenth anniversary with a strong year for the business, with exceptional trading and a strong rise in market share despite difficult market conditions. HDFC Asset Management, in which we have a 40% share, is also the fastest growing and second largest mutual fund company in India. We continue to be focused on driving the performance from our business in China.

Focusing the Group portfolio

We've sold Standard Life Bank and Standard Life Healthcare. The acquisitions of Aida Capital, threesixty and Focus Solutions are all in line with our strategic, customer-centric focus on long-term savings and investments.

Transformation

In 2010 I focused on getting the Group in the right shape, putting the building blocks in place to drive the business forward over the coming years. One of my priorities was to make sure we have the right management team and operational framework to meet the opportunities and challenges ahead.

Some important appointments were made to my executive team during the first half of the year. In March, Christian Torkington joined as Group Information and Operations Director, and in May, Jackie Hunt became our Chief Financial Officer. You can read Jackie's statement on the Group's financial performance on page 4. Also in May, Sandy Begbie joined us as Group People and Transformation Director.

We've made a number of significant organisational changes, with a "Take to Market" focus established in each of our markets. This brings together distribution and marketing functions, allowing us to respond more effectively to changing customer needs and to develop new propositions faster. We've also continued to drive further efficiencies. In September, we announced a net reduction of 500 jobs in the UK, phasing out 600 existing roles while creating 100 new ones, by the end of 2011. Many of these moves have now happened, helping us to deliver the margin improvement we are targeting by 2012.

These changes are already delivering benefits, making our business more efficient, faster to market and improving our customers' experience. We believe this will make us more profitable and generate more cash for shareholders.

Bringing transformation to life

Our focus for 2011 is on bringing transformation to life for our customers.

Customers are at the heart of our business. We've been listening to what they want and now we're working to give them the services and support they need for the future. We've created new and innovative technologies to make it easier for our customers to deal with us. Our groundbreaking employee benefits platform, Lifelens, launched in February 2011. Lifelens is the only proposition in the market that offers a single, fully flexible savings and benefits solution for employers and employees. New technologies like this will play an increasingly important role in the way we operate.

Another major step in our ongoing transformation was the launch of our repositioned brand and a refreshed visual identity earlier this year. This was shaped by extensive customer research and insight and reflects the changing financial landscape.

A key part of our brand repositioning is to deliver even clearer communications to our customers to help them plan for their financial future. We want everyone who deals with Standard Life to look forward to the future with confidence and optimism.

To achieve our goals we need to create the strongest team, and that means continuing to attract new talent and developing our own talented people. Our investment in leadership development is key to this and I look forward to the opening of our new Training and Leadership Centre in April this year. A stronger focus on making performance matter has provided greater clarity for individuals and increased transparency on performance standards and reward.

To deliver sustainable long-term success we need to deliver against the expectations of all stakeholders. We recognise our responsibility to shape and influence what's happening around us and are committed to championing increased financial capability across communities and promoting financial inclusion in our society.

Looking forward

2011 promises to be a challenging but exciting year for Standard Life.

We are making great progress in achieving our ambitions. Our investment programme is delivering leading propositions for our customers and distribution partners. Our brand is robust and we have a strong pipeline of new business. Importantly, we have great people working for us. Our people make the difference each day and I thank them all for their enthusiasm, innovation and commitment to raise the bar during the last year.

We have considerable opportunities within our changing markets. I am confident that our clear strategy and approach will grow our business, delivering improved profits and cash flow. This will deliver improved shareholder returns.



David Nish, Chief Executive

Chief Financial Officer's statement

I joined Standard Life in early 2009 and became Interim Chief Financial Officer later that year. I was delighted to take on the role permanently in May 2010.

My priority has been to develop and put in place a finance strategy for the Group that helps drive improved performance across the Group, maximises the efficiency of our operations and manages our capital effectively. In 2010, we made great progress.

Change in reporting style

In July, we announced that we were adopting IFRS operating profit as our main performance measure. It's a simpler measure than we have used in the past and will make it easier to compare our performance against competitors. Switching to IFRS operating profit means that short-term market fluctuations no longer have a direct impact on our results.

In addition, we now analyse our business split by fee based and spread based business. 83% of our assets under administration and over 92% of our sales in 2010 relate to fee based business. This reflects our move from traditional life insurance business to long-term savings and investments.

This increased transparency makes our reporting simpler and helps us give shareholders and other stakeholders a better understanding of the Group's long-term performance.

We will still report on EEV because it gives a good representation of the way we are growing the long-term value of the business.

A simple business model

The majority of the business we sell is fee based – that means we earn fees for managing investors' assets. This is usually based on a percentage of the value of those assets. We drive profit and shareholder value by:

- Maximising the value of assets
- Maximising the revenues that we earn from those assets
- Being more cost-effective



Capital management

We are managing our capital effectively by making sure it is invested in line with our strategy. That means investing it in the right places and generating appropriate returns. In 2010 we sold our banking and healthcare businesses and acquired threesixty and a majority share in Aida Capital. In January 2011 we completed the purchase of Focus Solutions. These changes bring new capabilities into the Group and will allow us to concentrate on our core business propositions.

Our financial performance in 2010

Key highlights:

Good profits

- Group IFRS operating profit before tax from continuing operations increased by 7% to £425m (2009: £399m) despite significantly increasing the level of investment in our business
- Group IFRS profit after tax attributable to equity holders more than doubled to £432m (2009: £213m)

Growth in fee revenues and improving cost efficiency

- Revenue from fee business increased by 16% to £1,131m
- 41% increase in growth investment expensed to £149m
- Efficiency savings of £61m

IFRS operating profit before tax from continuing operations

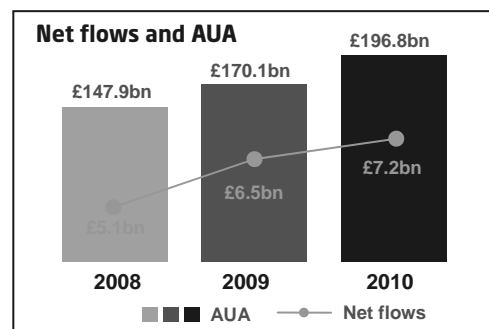
	2010 £m	2009 £m
Fee based revenue	1,131	972
Spread/risk margin	370	461
Total income	1,501	1,433
Acquisition expenses	(267)	(240)
Maintenance expenses	(673)	(628)
Growth investment spend	(149)	(106)
Other	13	(60)
Group IFRS operating profit before tax from continuing operations	425	399

Positive net flows and increase in assets under administration (AUA)

- Net inflows up 11% to £7.2bn
- Group total assets under administration increased by 16% to £196.8bn

Strong cash flow

- Core operating capital and cash generation of £289m
- New business strain covered almost 3 times by capital and cash generation from existing business
- Final dividend of 8.65p making a total of 13.0p for 2010, representing 6.2% growth



In our **UK business**, IFRS operating profit increased by 5% to £234m. Fee revenues increased by 19% to £593m. Long-term savings net inflows increased by £1.8bn to £3.0bn and this contributed to a 13% increase in AUA to £119.2bn. In our corporate business, we launched Trust Based Pension in 2010 and, more recently in 2011 our employee benefits platform, Lifelens. In our retail business, Active Money Personal Pension was launched and customer numbers and assets on our SIPP and Wrap platforms continue to grow strongly.

These figures don't include Standard Life Bank and Standard Life Healthcare which were sold during 2010.

Standard Life Investments performed very strongly in 2010, continuing to build the momentum of previous years' investment performance and sales. Third party net inflows increased by 9% to £6.2bn and this helped drive third party assets under administration to a new record level of £71.6bn. IFRS operating profit before tax increased by 41% to £103m, reflecting the benefit of higher asset values and good margin net inflows. Strong investment performance over both short and longer time periods and excellent customer service underpin this continued growth.

In **Canada**, IFRS operating profit was broadly in line with the previous year at £110m. Fee revenues increased by 38% to £150m. Long-term savings net inflows were £63m, a fall from the previous year due to a higher proportion of regular premium new business won in pensions and higher withdrawals in mutual funds. AUA increased by 19% to £25.3bn. We have increased sales and market share in our core product segments of pension and retail investment funds.

In our wholly owned **International** businesses in Europe and Hong Kong we saw strong growth in sales and net inflows. Net inflows rose by 60% to £1.4bn and were strong in all territories. A fall in sales in Germany was more than offset by significant growth in Ireland and Hong Kong. IFRS operating profit fell by £12m to £38m, mainly due to the continuing run-off of revenue in respect of the German back book of business. AUA increased by £2bn to £11.1bn. The joint ventures in India and China have continued to grow, with increasing sales volumes in India and increasing net inflows in both businesses.

Investment in our business

We invested £201m in developing our business in 2010, as we ready it to meet the challenges of our future targets.

Future regulatory and accounting changes

- Solvency 2 is a major regulatory change for the EU insurance industry. It is due to be implemented in 2013. The new regime will transform how we manage and report risk and capital. There will be significant changes in how we measure liabilities and solvency for regulatory purposes. We have a large programme in place which will make sure we are ready for these changes.
- The International Accounting Standards Board has issued draft proposals for the accounting for insurance contracts. We have contributed to feedback on the proposals and are monitoring the impact.

I am pleased with the Group's financial results for 2010. I believe we are very well placed to deliver increased profits and cash flow in the future.

Jackie Hunt, Chief Financial Officer

Board of Directors



Gerry Grimstone
Chairman

Appointed Chairman in May 2007, having been Deputy Chairman since March 2006. He became a director of The Standard Life Assurance Company in July 2003. He is also Chairman of Candover Investments plc. Gerry held senior positions within the Department of Health and Social Security and HM Treasury until 1986. He then spent 13 years with Schroders in London, Hong Kong and New York, and was Vice Chairman of Schroders' worldwide investment banking activities from 1998 to 1999.



David Nish
Chief Executive

Appointed Chief Executive on 1 January 2010, having been Group Finance Director since November 2006 when he was appointed to the Board. He is also a Non-Executive Director of Northern Foods plc and a board member of the Association of British Insurers. David was previously a Partner with Price Waterhouse, and subsequently Group Finance Director and then Executive Director, Infrastructure Division at Scottish Power plc.



Jackie Hunt
Chief Financial Officer

Appointed a Director and Chief Financial Officer in May 2010. Jackie joined Standard Life in January 2009. Before this, she held various senior management roles at Aviva, including Chief Financial Officer at Norwich Union. After qualifying as a Chartered Accountant with Deloitte & Touche in South Africa, Jackie worked for PricewaterhouseCoopers and Royal & Sun Alliance before joining Aviva in 2003.



Colin Buchan
Non-Executive Director

Appointed Director in January 2008. He is Non-Executive Chairman of Standard Life Investments Limited. Colin is also a Non-Executive Director of The Royal Bank of Scotland Group plc and Blackrock World Mining Trust plc. He was formerly Global Head of Equities at UBS Warburg and a member of the Group Management Board of UBS AG.



Crawford Gillies
Non-Executive Director

Appointed Director in January 2007. He is also Chairman of Scottish Enterprise, Control Risks Group Holdings Limited and Touch EMAS Limited. Crawford spent 22 years with Bain & Company Inc, the international management consultants, where he was Managing Director Europe. He was an independent member of the DTI's Management and Strategy Boards from 2002 to 2007, and chaired the DTI's Audit and Risk Committee from 2003 to 2007.



David Grigson
Non-Executive Director

Appointed Director in November 2009. He is also Chairman of Creston plc and a Non-Executive Director of Ocado Group plc. David spent much of his career in senior financial executive positions, firstly with Emap plc where he served as Group Finance Director from 1989 to 2000, and more recently with Reuters Group plc, where he was Chief Financial Officer from 2000 to 2008, when Reuters Group became Thomson Reuters Limited.



Keith Skeoch
Executive Director

Appointed Director in May 2006, having been a director of The Standard Life Assurance Company since March 2006. He is Chief Executive of Standard Life Investments Limited. Keith joined Standard Life Investments in 1999 as Chief Investment Officer after nearly 20 years' investment experience at James Capel & Company Limited in a number of roles, including Chief Economist and Managing Director International Equities. He is also a Director of the Investment Management Association, and a member of the Advisory Board of Reform Scotland.



Kent Atkinson
Non-Executive Director

Appointed Director in March 2006, having been a director of The Standard Life Assurance Company since January 2005. He is also Senior Independent Director and Chairman of the Audit Committee of Coca-Cola HBC S.A., the Senior Independent Director, Chairman of the Audit Committee and a member of the Risk Committee of UK Asset Resolution Limited (which includes Northern Rock (Asset Management) plc and Bradford and Bingley plc), and a Non-Executive Director of Gemalto N.V. From 1994 to 2002, Kent was Group Finance Director at Lloyds TSB Group plc and then a Non-Executive Director until 2003.



Lord Blackwell
Non-Executive Director

Appointed Director in March 2006, having been a director of The Standard Life Assurance Company since June 2003. He is the Company's Senior Independent Director. Lord Blackwell is also Chairman of Interserve plc, a Non-Executive Director of Halma plc, a board member of Ofcom, and a Non-Executive Commissioner of Postcomm, a Non-Executive Director of the Centre for Policy Studies and an active member of the House of Lords. From 1995 to 1997, he was Head of the Prime Minister's Policy Unit and, subsequently, Director of Group Development at National Westminster Bank until 2000.

Board Committee members

Audit and Compliance Committee

- Kent Atkinson (Chairman)
- Lord Blackwell
- Crawford Gillies
- David Grigson
- Baroness McDonagh

Risk and Capital Committee

- Lord Blackwell (Chairman)
- Kent Atkinson
- David Grigson
- Sheelagh Whittaker

Remuneration Committee

- Crawford Gillies (Chairman)
- Lord Blackwell
- Colin Buchan
- Sheelagh Whittaker

Nomination and Governance Committee

- Gerry Grimstone (Chairman)
- Lord Blackwell
- Colin Buchan
- Baroness McDonagh
- David Nish

Investment Committee

- Colin Buchan (Chairman)
- Kent Atkinson
- Crawford Gillies

Corporate Responsibility Committee

- Gerry Grimstone (Chairman)
- Baroness McDonagh
- David Nish

You can find out more about how these Committees operate – including the duties of the members – on pages 62 to 66.



Baroness McDonagh
Non-Executive Director

Appointed Director in March 2007. She is also a Non-Executive Director of TBI Limited. Margaret is a business consultant, having previously been General Manager of Express Newspapers. From 1998 to 2001, she was the General Secretary of the Labour Party. She was appointed a Life Peer in 2004.



Sheelagh Whittaker
Non-Executive Director

Appointed Director in September 2009. She is also a Non-Executive Director of Imperial Oil Limited in Canada, where she chairs the Corporate Governance and Nominations Committee. From 1993 to her retirement in 2005, Sheelagh worked worldwide for Electronic Data Systems in various key leadership roles, initially as President and CEO of EDS Canada and finally as Managing Director, UK Middle East and Africa. Before this, she was Vice President, Planning and Corporate Affairs at the Canadian Broadcasting Corporation and then President and CEO of Canadian Satellite Communications Inc.

Summary Directors' report

Summary financial statements

These summary financial statements are aimed at providing shareholders with a summary of the position and performance of the Standard Life Group (the Group). They do not contain sufficient information to allow as full an understanding of the results and state of affairs of the Group and of its policies and arrangements concerning Directors' remuneration as would be provided by the full Annual Report and Accounts 2010. This summary report contains some information derived from the full Directors' report in the Annual Report and Accounts 2010, but does not contain the full text of that report.

Shareholders, and people nominated by shareholders to enjoy information rights, have the right to obtain, free of charge, a copy of the full Annual Report and Accounts 2010. This contains an unqualified audit opinion and does not include a statement under section 498 (2) (inadequate accounting records or returns or accounts not agreeing with records or returns) or 498 (3) (failure to obtain necessary information and explanations) of the Companies Act 2006. The statement under section 496 (whether directors' report is consistent with the accounts) was unqualified.

This is available on our website at www.standardlife.com/reporting or from our registrars, Capita Registrars Limited (Capita) at Standard Life Shareholder Services, 34 Beckenham Road, Beckenham, Kent BR3 4TU. If you would like to receive a copy in future years, please write to Capita at the above address.

Activities and business review

Standard Life plc (the Company) is the holding company of the Group. The principal activities of the Group are to provide long-term savings and pensions, protection and investment management products and solutions. You can find out about the activities of the Company's principal subsidiary undertakings and their overseas branches in the Group overview and Business segment performance sections of the Business review.

Dividend

The Board recommends paying a final dividend for 2010 of 8.65p per ordinary share on 27 May 2011 to shareholders on the register of members on 18 March 2011. The total payment is estimated at £197m. Together with the interim dividend of 4.35p per share paid on 19 November 2010, this makes a total dividend of 13.0p per share for the year (2009: 12.24p). During 2009, with the approval of our shareholders, the Company introduced a Scrip dividend scheme, and discontinued the previous dividend reinvestment plan. With the Scrip dividend scheme, shareholders still have the option to receive additional ordinary shares instead of cash dividend payments. 44,854,401 shares were issued under the Scrip dividend scheme in 2010.

Shareholders who want to receive their dividends in cash can choose from a range of payment services. These include local currency payments for shareholders who live in certain countries outside the UK, and a choice of some major currencies for transfers to banks outside the UK. You can find out more about these shareholder services on the Shareholder information section of our website at www.standardlife.com/shareholders

Annual General Meeting

The Company's Annual General Meeting (AGM) will be held at 2pm on Tuesday 17 May 2011. You can find the formal notice convening this meeting, information about the meeting venue and full details of the resolutions to be proposed, together with explanatory notes, in the AGM guide 2011.

Directors

The Directors who served during the year were:

- Gerry Grimstone (Chairman)
- David Nish (Chief Executive)
- Jackie Hunt (appointed on 14 May 2010)
- Keith Skeoch
- Kent Atkinson
- Lord Blackwell (Senior Independent Director)
- Colin Buchan
- Crawford Gillies
- David Grigson
- Baroness McDonagh
- Sheelagh Whittaker

The Directors' biographies are on pages six and seven.

All of the Directors, other than Jackie Hunt, will retire at the 2011 AGM and, being eligible, will offer themselves for re-election. Jackie Hunt will retire and, being eligible, will offer herself for election.

Corporate governance

The Board remains committed to high standards of corporate governance in directing the Group's affairs and in its accountability to shareholders. The Directors believe that these are key to managing our business effectively and delivering shareholder value over the longer term. The Group's governance framework is approved by the Board, kept under regular review and documented in the Board Charter. The Nomination and Governance Committee reviews the Board Charter regularly in light of developments in regulatory guidance and corporate governance best practice, and recommends any changes to the Board. The Board Charter is complemented by the Group's Code of Business Conduct, which sets out our standards of behaviour in terms of operational excellence, compliance responsibilities, customer service, our people and other stakeholders.

The Board considers that throughout 2010, the Company complied with all relevant provisions of Section 1 of the UK Corporate Governance Code issued by the Financial Reporting Council in June 2008.

Sustainability

In 2010, we completed a formal review of our approach to Corporate Responsibility and developed a new Sustainability strategy that ties our responsibilities to our stakeholders more closely to our long-term business objectives.

Our new strategy builds on what we have achieved so far and has four key pillars:

- Listening and responding to our customers
- Operating and growing responsibly
- Developing and engaging our people
- Contributing to the environment and our communities

During 2011 we will continue to implement our new sustainability strategy across the business. Our 2010 Sustainability Report is published online at the same time as this report and is available at www.standardlife.com/sustainability

Forward-looking statements

The Chairman's statement, Chief Executive's statement, Chief Financial Officer's statement, Business review and other sections of this Annual Report and Accounts 2010 may contain forward-looking statements about the Group's current plans, goals and expectations on future financial conditions, performance, results, strategy and objectives. Statements containing the words: 'believes', 'intends', 'expects', 'plans', 'seeks', 'anticipates' and other words of similar meaning are forward-looking. All forward-looking statements involve risk and uncertainty. This is because they relate to future events and circumstances that are beyond the Group's control.

As a result, the Group's actual future financial condition, performance and results may differ materially from the plans, goals and expectations set out in the forward-looking statements. The Company will not undertake any obligation to update any of the forward-looking statements in this Annual Report and Accounts 2010.

On behalf of the Board



Malcolm J Wood
Group Company Secretary and General Counsel
Standard Life plc (SC286832)
10 March 2011

Summary Directors' remuneration report

This section of the Annual Report and Accounts explains how, why and what we pay to the Directors of Standard Life plc. The tables at the end of this section have been audited by PricewaterhouseCoopers LLP and are marked as 'audited' for clarity.

Introduction

The Remuneration Committee's major challenge this year has been to ensure that the way we structure our remuneration supports the revised strategic direction of the Group, and the delivery of our strategy.

This has resulted in changes in executive remuneration. These changes strengthen the link between performance, reward and strategy; ensure sound, effective risk management controls; and are consistent with the changing corporate governance landscape.

Strategy and review

At the beginning of 2010, the Board approved four strategic goals to support Standard Life being a leading, customer-centric long-term savings and investments business:

- Build on our strength in our pension savings and corporate benefits markets
- Focus on the savings and investment needs of customers in our chosen segments
- Expand the global reach of our investment management business
- Maximise the capital value of our joint venture relationships

As part of this change in direction, the Remuneration Committee has sought to ensure that executive remuneration is aligned to the new strategy, and that it gives senior management the clarity and incentive which support the right outcomes.

For the 2010 performance year, we introduced a new annual bonus plan. This used performance scorecards to set both Group and personal outcomes for the year. The level of award to executive Directors was primarily based on the delivery of the Group scorecard. Personal scorecards contained a comprehensive list of financial, strategic, customer and talent goals, and were tailored to the individual. To reflect the change from a life and pensions company to a leading customer-centric long-term savings and investments business, a significant weighting (36%) was given to the delivery of our new strategy. The change to IFRS profits as the core measure of profitability was reflected in the financial element of the scorecard.

With the bonus linked to annual performance measured through the scorecard, the Remuneration Committee sought to align the Group's Long-Term Incentive Plan (LTIP) with a longer-term measure of success based on the growth of IFRS operating profits. This ensures continuing alignment with our strategy, which is built on delivering sustainable IFRS operating profits.

Before changing the LTIP measure, we held valuable and constructive discussions with key investors. The Remuneration Committee then approved the use of IFRS operating profits as the measure for the whole of the 2010 award and for the last two years (2010 and 2011) of the 2009 award's three-year performance period. Return on embedded value (RoEV) performance continues to be used for the first year of the 2009 award's performance period (2009). This change should support long-term share price performance and support our progressive dividend policy, with the overriding objective of enhancing shareholder value.

The Remuneration Committee reviewed the measures under the 2008 award and decided that no change should be made to the measures. This award will vest at nil in March 2011 based on the RoEV performance being below the threshold level for the three years to 31 December 2010.

Using IFRS operating profit as the LTIP performance measure reflects the change in reporting style announced in July. It's a simpler measure than we have used in the past and will make it easier to compare our performance against competitors. Switching to IFRS operating profit also means that short-term market fluctuations no longer have a direct impact on our results.

The Remuneration Committee also consulted with investors on the changes to Standard Life Investments' LTIP arrangements that received support at the 2010 AGM. The introduction of a challenging new third party three-year EBIT target, combined with an investment performance hurdle applied to the 2010 awards, ensures the measures were aligned with Standard Life Investments' strategy.

Remuneration principles

As part of our 2010 review, the Remuneration Committee agreed that remuneration should:

- Encourage behaviours and bring about results that reflect corporate goals that are in the best interests of shareholders and other stakeholders, and balance risk and reward
- Reflect Standard Life's role in promoting best practice in the wider market
- Be transparent and easy to understand
- Be competitive and reflect an individual's performance and their value in the market
- Provide an appropriate proportion of annual and longer-term performance-related variable pay

Our people

Although this part of the report covers executive Directors, the Remuneration Committee has the responsibility to oversee the remuneration policy of the Group as a whole. One of the key aims of our remuneration policy is to enable us to attract, reward and retain high-quality people to support delivery of our corporate goals.

In 2010, we approved the use of the Chief Executive's scorecard as a measure of Group performance for bonus arrangements outside the executive population. At the same time, changes to LTIP arrangements for other senior employees will link the level of their 2011 award with their personal performance in 2010.

We believe that share ownership by our employees helps them to better understand the interests of our shareholders and at the 2011 AGM, we will put forward a resolution to adopt a Standard Life Sharesave Plan. If this is approved, it will run alongside the present Standard Life (Employee) Share Plan and will give employees another opportunity to buy shares in Standard Life. Initially it will be for employees who are UK resident tax payers but over time we will look at rolling this out more widely, subject to local tax and regulatory rules.

Risk management and regulation

I do not recall a year when pay in the financial services sector has attracted so much commentary. There were numerous consultations and Standard Life contributed to those sponsored by the FSA as part of our commitment to the highest standards of corporate governance. These consultations have resulted in a number of corporate governance guidelines, including the FSA's revised Code on Remuneration. The final version of this Code (published on 17 December 2010) applies to some parts of our business, including Standard Life Investments and we will ensure compliance with the requirements by the required deadlines.

The awards made under our bonus and LTIP arrangements are underpinned by sound risk management. Our Remuneration Committee sought the views of the Risk and Capital Committee before confirming the 2011 remuneration structures and the level of performance for 2010.

Conclusion

The Remuneration Committee played an active role in the challenges faced in 2010. It is confident that the revisions to Directors' remuneration, which encourage the Executive team to deliver our new strategy, will help drive sustainable performance by focusing on a balance of measures in the short term and on profit and shareholder value growth in the longer term.

As ever, Standard Life endeavours to meet the highest and best standards of disclosure and we have aimed to make this year's remuneration report informative, comprehensive and concise. A resolution to approve the Directors' remuneration report will be put forward at the AGM, which I hope you will support. I will be attending the AGM to answer any questions you may have on the content of this report.



Crawford Gillies, Chairman, Remuneration Committee

Remuneration Committee members and our role

Members: The Remuneration Committee is made up of four independent non-executive Directors - Crawford Gillies (Committee Chairman), Lord Blackwell, Colin Buchan and Sheelagh Whittaker.

Our role: To consider and make recommendations to the Board in respect of total remuneration policy across the Group, including:

- Rewards for the executive Directors, senior executives and the Chairman
- The design and targets related to any employee share plan
- The design and targets for annual cash bonus plans below the executive level
- Changes to employee benefits structures (including pensions) throughout the Group

If you would like a copy of the Remuneration Committee's terms of reference go to www.standardlife.com/about/board_committees or request a copy from our Group Company Secretary and General Counsel.

Elements of remuneration at Standard Life

Our policy is to attract, retain and develop key talent to support the delivery of our long-term strategy. Our remuneration principles are a key element in achieving this. The following shows the elements of an executive Director's 2011 remuneration package:

Fixed	Base Salary	Reflects the relative market value of an individual's role, their position and sustained performance
	Benefits	Provides monetary and non-monetary items that assist employees in carrying out their duties efficiently, including car allowance and private medical cover
	Pension	Gives a specific element of remuneration to save for their retirement
Variable	Annual bonus	Rewards good financial and non-financial performance that supports the corporate strategy at a Group and personal level
	Long-Term Incentive Plan	Rewards long-term financial performance in line with corporate strategy and personal contribution, and aligns the interest of executives and shareholders
Shareholding guidelines		Aligns the interests of executives and shareholders

Our policy in relation to each element is as follows:

Base Salary	<ul style="list-style-type: none"> • Pay a market rate comparable to similar roles within the financial services industry • Set salary of executive Directors to reflect their contribution and level of experience • Review annually using independent benchmarking data • Set salaries which support the recruitment and retention of talent
Benefits	<ul style="list-style-type: none"> • Provide a range of benefits on a cost-effective basis, while allowing a degree of individual choice
Pension	<ul style="list-style-type: none"> • Provide competitive retirement benefits in a way that does not create an unacceptable level of financial risk for our business
Annual bonus	<ul style="list-style-type: none"> • Measure performance against targets set out in performance scorecards • Cover key financial and non-financial objectives (and related measures) needed to deliver the Group's strategic ambitions and goals • Focus on Group, business unit and personal performance • Ensure performance is underpinned by sound risk management
Long-Term Incentive Plan	<ul style="list-style-type: none"> • Grant a share-based award to selected senior executives • Align vesting conditions to the delivery of long-term strategy and link them to our core financial measures at the time of the award • Align vesting with continued employment and satisfying corporate performance targets over the performance period • Ensure existing awards continue to drive performance that is in line with the Group's strategy
Shareholding guidelines	<ul style="list-style-type: none"> • Encourage executive Directors to build up a holding equivalent to 100% of salary (150% for the Chief Executive) over a five-year period from appointment by retaining share-based incentives and making personal investments

What we did in 2010 and our approach for 2011

Base salary

2011: The Committee approved annual increases for David Nish and Jackie Hunt with effect from 16 March 2011. Keith Skeoch's salary will remain unchanged in 2011.

	Annual base salary at 01/01/2010	Annual base salary at 16/03/2010	Annual base salary at 31/12/2010	Annual base salary from 16/03/2011
David Nish ¹	£700,000	£725,000	£725,000	£775,000
Keith Skeoch ²	£350,000	£350,000	£425,000	£425,000
Jackie Hunt ³	£430,000	£430,000	£475,000	£500,000

¹ David Nish's base salary will be increased in March 2011 to reflect his strong performance in 2010 following his promotion to Chief Executive.

² Keith Skeoch's base salary was increased from £350,000 p.a. to £425,000 p.a. on 1 October 2010. The Committee believed this increase was necessary to reflect his performance in 2010 and his wider Board responsibilities. His last increase was in 2006.

³ Jackie Hunt's base salary was set at £475,000 on her appointment as Chief Financial Officer on 14 May 2010, and as part of her annual review her salary will be increased in March 2011 to reflect her strong performance during 2010.

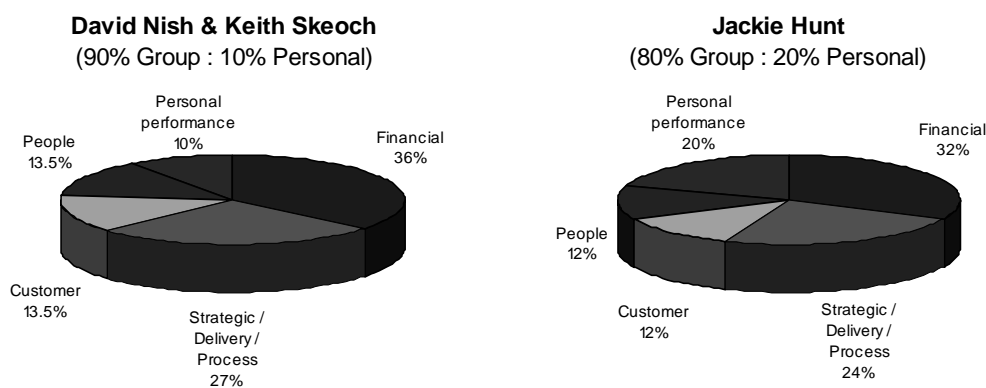
Pension

David Nish and Keith Skeoch elected to receive a cash allowance of 25% of salary. The Committee approved an increase to 30% for David Nish with effect from 16 March 2011. Jackie Hunt also elected to receive a cash allowance of 25% on her appointment as Chief Financial Officer.

Annual bonus

As in 2010, the annual bonus will use performance scorecards to measure Group and personal performance. The Remuneration Committee approved measures that are consistent with the Group's short-term aims and which support our long-term strategy. Group performance will be defined by the Chief Executive's scorecard across the four headings below. Personal performance will be defined by the individual's scorecard and behaviours against the Group's leadership framework.

Overall the weighting of the targets under the Group STIP for executive Directors are shown in the chart below:



Our continued focus on the activities which support the delivery of our strategy is reflected in the weighting of each key element of performance.

In determining the level of awards under the plan, the Remuneration Committee may reduce any bonus payable by an appropriate factor where it considers that risk has not been managed appropriately. The Risk and Capital Committee will be asked for advice when considering any reductions.

The table below shows the target and maximum annual bonuses (expressed as a percentage of salary) that can be earned in respect of 2011's Group performance:

	Target	Maximum
David Nish	75%	175%
Keith Skeoch	30%	60%
Jackie Hunt	65%	150%

Standard Life Investments' bonuses: As well as participating in the Group STIP, Keith Skeoch will continue to take part in two Standard Life Investments' discretionary annual cash bonus plans

- Personal bonus plan – rewards personal performance and is capped at 105% of salary
- Standard Life Investments' company bonus plan – rewards participants based on Standard Life Investments' corporate and investment performance. Consistent with fund management practice the amount of company bonus pool is determined by reference to Standard Life Investments' profit performance and having regard to the total remuneration spend. As such Keith Skeoch could expect to receive a company bonus equal to 200% of salary if Standard Life Investments met its stretch targets. In the event that these stretch targets are exceeded, a higher company bonus could be awarded by the Committee provided that it is in line with its principles on total remuneration.

Group Long-Term Incentive Plan (LTIP)

LTIP awards granted in 2007 to 2009 were subject to RoEV performance over a three-year performance period. In 2010, after consulting with key investors and shareholder representative bodies, the Remuneration Committee approved the use of IFRS operating profit (excluding joint ventures) before tax as the measure under the 2010 and future LTIP awards. This is to align executives' long-term rewards with the Group's strategy to deliver sustainable IFRS profits growth and also to ensure that the awards are not pulling in different directions from the revised strategy.

Joint ventures were excluded because Standard Life does not hold a majority stake in these and so has no active executive presence in their day-to-day management. Their results can also be more volatile. As a result, the Remuneration Committee feels it is more appropriate for joint venture performance to be recognised in the Chief Executive and Chief Executive International's scorecards which determine the level of their annual bonus.

The Remuneration Committee also approved:

- The use of an IFRS performance measure for the remaining two years of the 2009 award (2010 and 2011) in order to align the measure with the revised strategy, with RoEV performance only being used for the first year (2009). The relative Total Shareholder Return (TSR) multiplier still applies to the whole 2009 award.
- The introduction of two underpins when assessing IFRS performance. The first requires the Risk and Capital Committee to be satisfied that performance obtained has been achieved within defined risk parameters. The second requires the Remuneration Committee to be satisfied that IFRS performance reflects overall Company performance.

2008 award: The 2008 award was subject to RoEV performance over the three years to 31 December 2010. Actual performance (10.02%) was below the threshold level (10.67%), so none of the award will vest and all shares will lapse.

2011 award: The Remuneration Committee approved the use of 2013 IFRS operating profit (excluding joint ventures) before tax against the following range as the core measure:

Performance	2013 IFRS operating profit before tax (excluding JVs)	Proportion vesting (% of total award) ¹
Threshold	£650m	0%
Maximum	£800m	100%

¹ Vesting between threshold and maximum levels will be on an incremental basis using predetermined milestones. These will be disclosed on a retrospective basis in the 2013 Directors' remuneration report.

Standard Life Investments' Long-Term Investment Plan (SLI LTIP) awards

In 2010 the Remuneration Committee and shareholders approved a change of measures for the Standard Life Investments LTIP. This allowed awards to be made using newly issued Standard Life plc shares and for the Chief Executive Standard Life Investments (Keith Skeoch) to participate. Under the plan:

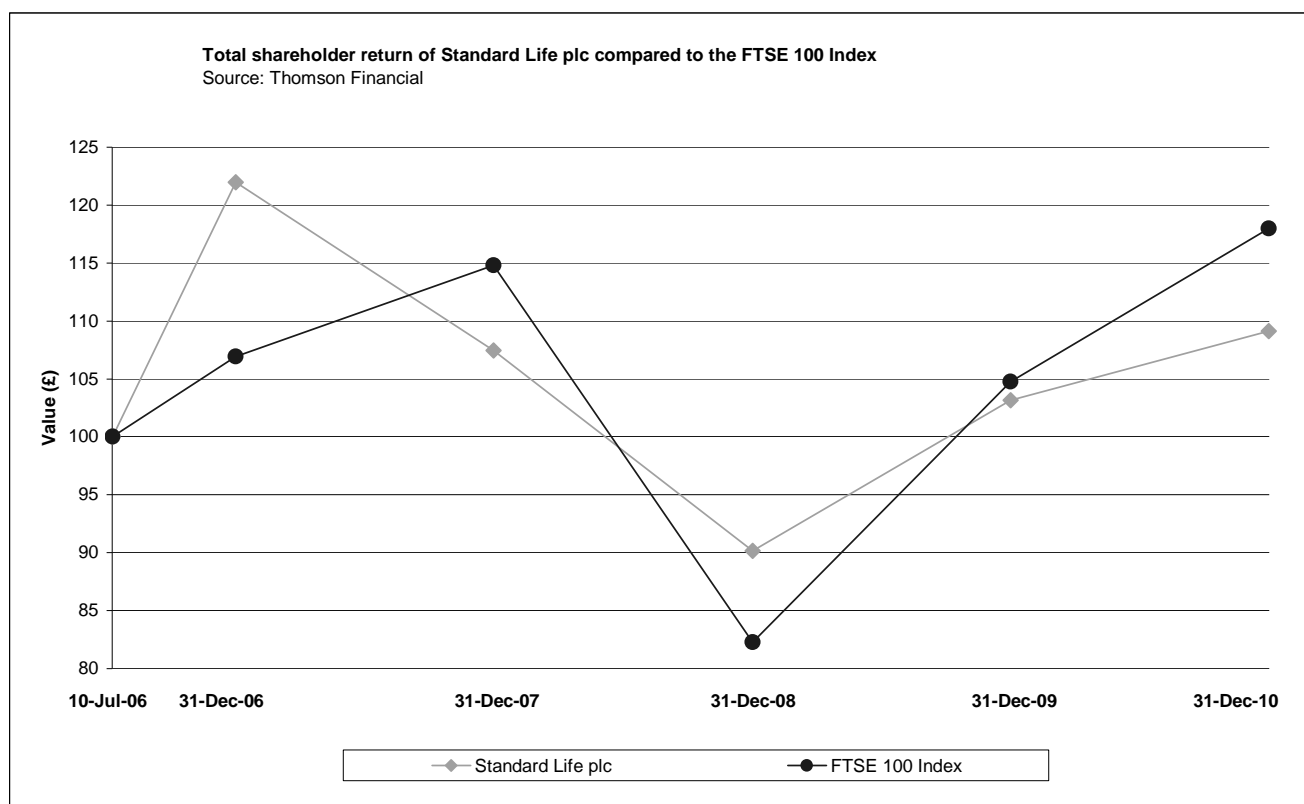
- Awards will only begin to vest if Standard Life Investments' investment performance is above the lower quartile of the money-weighted average of all assets under management (both captive and third party assets) compared to other asset managers. Investment performance is based on the three-year money-weighted average investment performance of Standard Life Investments against relevant benchmarks. It is measured over a blended and fixed set of time frames that go back as far as 10 years.
- The level of vesting, subject to the above hurdle being satisfied, will be based on consolidated cumulative three-year third party EBIT performance as shown in the table below:

Performance	Consolidated cumulative third party EBIT	% of target award of shares that vest ¹
Threshold	60% of target	0%
Maximum	140% of target	200%

¹ Vesting takes place on a straight-line basis between 60% of target third party EBIT and 140% of target third party EBIT.

2011 SLI LTIP award: The Remuneration Committee approved the same performance measures used for the 2010 award with EBIT performance and the investment performance hurdle being measured over the three years to 31 December 2013. Keith Skeoch will receive an award equivalent to 200% of salary (at maximum vesting) over Standard Life plc shares. No other executive Directors will receive an award under the Standard Life Investments LTIP.

Performance graph: This graph shows the difference between investing £100 in Standard Life plc and the FTSE 100 on 10 July 2006 (the first day of trading for Standard Life plc shares) and 31 December 2010. The FTSE 100 has been chosen as the comparator index because Standard Life is a member of this FTSE grouping.



Policy on executive contracts

Executive Directors: Executive Directors' terms and conditions of employment are detailed in individual contracts. In these contracts, the Remuneration Committee aims to strike the right balance between the Company's interests and those of the executive Directors, while ensuring that they comply with best practice, legislation and the remuneration principles. Contracts are not for a fixed term, but set out notice periods in line with the executive's role. The main terms are:

Provision	Policy
Notice periods	Six months by the Director 12 months by the Company or a payment in lieu of notice can be made
Termination payment	Any payment in lieu of notice will be up to 12 months' salary, pension contributions and the value of other contractual benefits A duty to mitigate applies The payment may be made in phased instalments and the policy is to do this for notice periods over six months Rights to bonus and existing LTIP awards are governed by the rules of the respective plans
Remuneration	Salary, pension and benefits are mentioned in the contracts and are treated as described above There is no contractual entitlement to annual bonus and LTIP awards. Individuals are notified of these discretionary schemes at the beginning of each year
Non-compete clause	Applies during the contract and for up to six months after leaving at the Company's choice
Contract dates	David Nish 31 October 2006 ¹ Keith Skeoch 3 April 2006 Jackie Hunt 27 April 2010 ²

¹ David Nish signed a new contract in October 2009, reflecting his appointment to Chief Executive from 1 January 2010.

² Jackie Hunt signed a contract in April 2010, reflecting her appointment to Chief Financial Officer on 14 May 2010.

Fees and appointment of non-executive Directors: The non-executive Directors, including the Chairman, have letters of appointment that set out their duties and responsibilities. The key terms are:

Provision	Policy
Period of appointment	Three-year term which can be extended by mutual consent and requires re-election by shareholders in line with the Company's articles of association and the UK Corporate Governance Code
Time commitment	Two to three days per week for the Chairman For other non-executive Directors – 30 to 35 days a year
Notice periods (apply to both the Company and the non-executive Director)	Gerry Grimstone – six months Kent Atkinson, Lord Blackwell, Colin Buchan, Crawford Gillies, David Grigson, Baroness McDonagh and Sheelagh Whittaker – no notice period
Termination payment	No provision for compensation payments
Remuneration	Fees as described below Reimbursement of travel and other reasonable expenses incurred in the performance of their duties, and private medical cover No pension, annual bonus or other incentive payment permitted
Dates of letters of appointment	Gerry Grimstone 6 June 2003 ¹ as Director and 28 February 2007 as Chairman (continuation 27 May 2010) Kent Atkinson 1 February 2005 ¹ (continuation 30 March 2009) Lord Blackwell 6 June 2003 ^{1,2} (continuation 30 March 2009) Colin Buchan 27 November 2007 (continuation 25 January 2011) Crawford Gillies 7 December 2006 (continuation 11 January 2010) David Grigson 26 October 2009 Baroness McDonagh 27 February 2007 (continuation 15 February 2010) Sheelagh Whittaker 23 June 2009

¹ Initially appointed as a Director of The Standard Life Assurance Company and appointment as a Director of Standard Life plc effective from 30 March 2006.

² Appointed as Senior Independent Director effective from 19 May 2008.

Directors' remuneration for 2010

The following table shows a breakdown of the various elements of remuneration paid or payable to the Directors for the year ended 31 December 2010.

	Base salary/ fees £000	Pension allowance £000	Taxable benefits ¹ £000	Annual bonus ² £000	Total 2010 £000	Total 2009 £000
Chairman						
Gerry Grimstone	350	-	12	-	362	342
Executive Directors						
David Nish	720	179	17	1,055	1,971	1,190
Keith Skeoch	369	92	12	1,399	1,872	2,102
Jackie Hunt ³	302	75	22	367	766	-
Non-executive Directors⁴	605	-	-	-	605	417
Former Directors⁵	-	-	-	-	-	1,792
Total	2,346	346	63	2,821	5,576	5,843

¹ Figures include car allowance and private health cover. David Nish and Keith Skeoch also received reimbursements for professional fees.

² Bonuses reflect the cash and deferred element for 2010 performance.

³ Jackie Hunt's figures reflect her earnings from 14 May 2010 when she was appointed as Chief Financial Officer. Note that as part of her appointment as Deputy Group Finance Director in January 2009 she received relocation/subsistence support to 31 July 2010 and the above benefits figure includes £12,337 reflecting the amount paid between 14 May 2010 and 31 July 2010 when this support ended.

⁴ Non executive Directors' fees include the £70k core fee and additional fees for chairing committees/subsidiaries. Gerry Grimstone received an allowance of £12,000 towards his business related accommodation costs in Edinburgh in addition to his Chairman's fee.

⁵ Includes Sir Sandy Crombie who stepped down as a Director on 31 December 2009 and Jocelyn Proteau who retired as a non-executive Director in May 2009.

Directors' interests in share-based Long-Term Incentive Plans

Based on RoEV performance in the three years to 31 December 2009. The 2007 awards under the Group LTIP vested at 49.67% of their maximum award in March 2010. The following gains were made on the exercise of these awards:

	Original Award	Exercised during year	Lapsed during year ¹	Share price at award date ¹	Share price on exercise date	Actual date of exercise	Total value on exercise date
David Nish	150,831	74,917	75,914	£3.21550	£2.06650	18/03/10	£154,816
Keith Skeoch	87,078	43,251	43,827	£3.21550	£2.05950	22/03/10	£89,075

¹ The lapsed awards reflect the unvested element of the 2007 award (50.33%) which vested in March 2010.

Notes:

- Sir Sandy Crombie exercised his 2007 LTIP award on 17 March 2010 at a price of £2.0840. This resulted in a value at exercise of £411,246 for his 197,335 shares (49.67% of his award).
- Jackie Hunt did not receive a 2007 LTIP award. However, she did receive a conditional share award as part of her recruitment to replace the loss of LTIP awards and deferred shares at her previous employer. The award was subject to her still being in employment with the Company and not under notice of termination at the date of vesting. This vested on 15 March 2010, with a value of £48,337 at the date of exercise (214.3p).



Crawford Gillies, Chairman, Remuneration Committee
Approved on behalf of the Board of Directors, 10 March 2011

Basis of preparation

Overview

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as endorsed by the European Union (EU). However, our Board believes that non-Generally Accepted Accounting Principles (GAAP) measures, which we have used in this report, together with other measures that are calculated in accordance with IFRS, are useful for both management and investors and make it easier to understand our Group's performance.

The most important non-GAAP measures in this report include IFRS operating profit and European Embedded Value (EEV) information.

All non-GAAP measures should be read together with the Group's IFRS summary consolidated income statement and statement of financial position contained in this report.

IFRS and EEV reporting

The financial results are prepared on both an IFRS basis and an EEV basis. All EU listed companies are required to prepare consolidated financial statements using IFRS issued by the International Accounting Standards Board (IASB) as endorsed by the EU. EEV measures the net assets of the business plus the present value of future profits expected to arise from in-force long-term life assurance and pensions policies. The summary IFRS financial results contained in this report have been prepared on the basis of the IFRS accounting policies applied by the Group in the IFRS Group financial statements section of the Annual Report and Accounts 2010. The EEV basis has been determined in accordance with the EEV Principles and Guidance issued in May 2004 and October 2005 by the Chief Financial Officers (CFO) Forum. The CFO Forum represents the chief financial officers of major European insurers, including Standard Life. EEV methodology has been applied to covered business, which mainly comprises the Group's long-term savings business. Non-covered business is reported on an IFRS basis. The summary EEV financial results contained in this report have been prepared in accordance with the EEV methodology applied by the Group in Note 17 of the EEV financial statements section of the Annual Report and Accounts 2010, and in the relevant EEV methodology note included in the Annual Report and Accounts 2009 in respect of the comparative period.

IFRS and EEV operating profit

The 2010 IFRS reconciliation of consolidated operating profit to profit for the year presents profit before tax attributable to equity holders adjusted for non-operating items. The 2010 EEV consolidated income statement presents EEV profit showing both operating and non-operating items. By presenting IFRS and EEV results in this way, the Directors believe they are presenting a more meaningful indication of the underlying business performance of the Group.

Independent auditors' report to the Directors of Standard Life plc

We have examined the summary financial statement which comprises the Summary consolidated income statement, Summary consolidated statement of financial position, Summary Directors' report and the Summary Directors' remuneration report.

Respective responsibilities of Directors and auditors

The Directors are responsible for preparing the Summary Financial Report 2010 in accordance with applicable United Kingdom law.

Our responsibility is to report to you our opinion on the consistency of the summary financial statement within the Summary Financial Report 2010 with the full annual financial statements, the Directors' report and the Directors' remuneration report, and its compliance with the relevant requirements of Section 428 of the Companies Act 2006 and the regulations made thereunder.

We also read the other information contained in the Summary Financial Report 2010 and consider the implications for our statement if we become aware of any apparent misstatements or material inconsistencies with the summary financial statement. The other information comprises only the Chairman's Statement and the Chief Executive's Statement.

This statement, including the opinion, has been prepared for and only for the Company's members as a body in accordance with section 428 of the Companies Act 2006 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this statement is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We conducted our work in accordance with Bulletin 2008/3 issued by the Auditing Practices Board. Our reports on the Company's full annual financial statements describe the basis of our audit opinions on those financial statements, the Directors' report and the Directors' remuneration report.

Opinion

In our opinion the summary financial statement is consistent with the full annual financial statements, the Directors' report and the Directors' remuneration report of Standard Life plc for the year ended 31 December 2010 and complies with the applicable requirements of section 428 of the Companies Act 2006, and the regulations made thereunder.



PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Edinburgh

10 March 2011

- (a) The maintenance and integrity of the Standard Life website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- (b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors' report to the members of Standard Life plc

We have examined the summary European Embedded Value (EEV) basis supplementary financial information set out on pages 24 and 25.

Respective responsibilities of Directors and auditors

The Directors are responsible for preparing the summary EEV basis supplementary financial information within the Summary Financial Report 2010.

Under the terms of our engagement, our responsibility is to report to you our opinion on the consistency of the summary EEV basis supplementary financial information with the full EEV basis supplementary financial statements set out in the Annual Report and Accounts 2010 and prepared in accordance with the EEV basis, and its compliance with the relevant requirements of section 428 of the Companies Act 2006 and the regulations made thereunder as if those requirements were to apply.

We also read the other information contained in the Summary Financial Report 2010 and consider the implications for our statement if we become aware of any apparent misstatements or material inconsistencies with the summary EEV basis supplementary financial information. The other information comprises only the Chairman's statement and the Chief Executive's statement.

This statement, including the opinion, has been prepared for and only for the Directors in accordance with our terms of engagement and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this statement is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We conducted our work in accordance with Bulletin 2008/3 issued by the Auditing Practices Board. Our report on the full EEV basis supplementary financial statements set out in the full annual financial statements describes the basis of our audit opinion on those financial statements.

Opinion

In our opinion the summary EEV basis supplementary financial information is consistent with the full EEV basis supplementary financial statements in the full annual financial statements of Standard Life plc for the year ended 31 December 2010 and complies with the applicable requirements of section 428 of the Companies Act 2006, and the regulations made thereunder, as if those regulations were to apply.



PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors
Edinburgh
10 March 2011

- (a) The maintenance and integrity of the Standard Life website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- (b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

IFRS summary consolidated income statement

For the year ended 31 December 2010

	2010 £m	Restated 2009* £m
Revenue		
Gross earned premium	3,244	3,296
Premium ceded to reinsurers	(94)	(95)
Net earned premium	3,150	3,201
Net investment return	14,570	13,171
Fee and commission income	752	666
Other income	97	129
Total net revenue	18,569	17,167
Expenses		
Claims and benefits paid	5,513	5,821
Claim recoveries from reinsurers	(619)	(623)
Net insurance benefits and claims	4,894	5,198
Change in policyholder liabilities	9,899	9,985
Change in reinsurance assets	97	(942)
Expenses under arrangements with reinsurers	569	563
Administrative expenses	1,607	1,486
Change in liability for third party interest in consolidated funds	443	323
Finance costs	113	115
Total expenses	17,622	16,728
Share of profit/(loss) from associates and joint ventures	24	(29)
Profit before tax	971	410
Tax expense attributable to policyholders' returns	400	299
Profit before tax attributable to equity holders' profits	571	111
Total tax expense	498	279
Less: Tax attributable to policyholders' returns	(400)	(299)
Tax expense/(credit) attributable to equity holders' profits	98	(20)
Profit for the year from continuing operations	473	131
Profit for the year from discontinued operations	20	49
Profit for the year	493	180
Attributable to:		
Equity holders of Standard Life plc	432	213
Non-controlling interests	61	(33)
	493	180
Earnings per share from continuing operations		
Basic (pence per share)	18.4	7.5
Diluted (pence per share)	18.3	7.5

* The Group's healthcare business, Standard Life Healthcare Limited, was sold on 31 July 2010 and has therefore been classified as a discontinued operation. The presentation of the 2009 comparatives in certain primary statements has been reclassified accordingly, as indicated. The Group's banking business, Standard Life Bank plc, was sold on 1 January 2010 and was classified as a discontinued operation for the year ended 31 December 2009.

IFRS pro forma reconciliation of consolidated operating profit to profit for the year For the year ended 31 December 2010

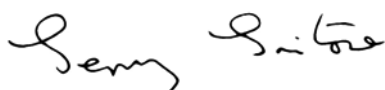
	2010* £m	2009* £m
Operating profit before tax from continuing operations		
UK	234	222
Canada	110	113
International	15	23
Global investment management	103	73
Other	(37)	(32)
Operating profit before tax from continuing operations	425	399
Adjusted for the following items:		
Short-term fluctuations in investment return and economic assumption changes	127	(214)
Restructuring and corporate transaction expenses	(71)	(52)
Impairment of intangible assets	-	(2)
Impairment of investments in associates	(1)	-
Other operating profit adjustments	30	13
Non-operating profit/(loss) before tax from continuing operations	85	(255)
Profit/(loss) attributable to non-controlling interests	61	(33)
Profit before tax attributable to equity holders' profits	571	111
Tax (expense)/credit attributable to:		
Operating profit	(89)	(34)
Adjusted items	(9)	54
Total tax (expense)/credit attributable to equity holders' profits	(98)	20
Profit for the year from continuing operations	473	131
Profit for the year from discontinued operations	20	49
Profit for the year	493	180

* The Group's healthcare business, Standard Life Healthcare Limited, was sold on 31 July 2010 and the Group's banking business, Standard Life Bank plc, was sold on 1 January 2010. Both businesses have been classified as discontinued operations. The analysis of operating profit presented for the years ended 31 December 2010 and 31 December 2009 include continuing operations only.

IFRS summary consolidated statement of financial position As at 31 December 2010

	2010 £m	2009 £m
Assets		
Intangible assets	135	106
Deferred acquisition costs	881	872
Investments in associates and joint ventures	3,087	2,169
Investment property	8,410	7,111
Property, plant and equipment	164	161
Reinsurance assets	6,962	7,032
Loans	3,136	2,769
Derivative financial assets	1,343	1,229
Investment securities	120,042	106,181
Other assets	2,522	2,152
Cash and cash equivalents	7,434	7,436
Assets of operations classified as held for sale	-	9,395
Total assets	154,116	146,613
Equity		
Share capital	228	224
Shares held by trusts	(21)	-
Share premium reserve	976	888
Retained earnings	1,094	685
Other reserves	1,626	1,660
Equity attributable to equity holders of Standard Life plc	3,903	3,457
Non-controlling interests	335	296
Total equity	4,238	3,753
Liabilities		
Non-participating contract liabilities	99,164	85,892
Participating contract liabilities	33,474	32,352
Deposits received from reinsurers	6,021	6,104
Third party interest in consolidated funds	5,454	3,004
Borrowings	245	227
Subordinated liabilities	1,799	1,832
Deferred income	382	371
Income and deferred tax liabilities	401	214
Derivative financial liabilities	924	797
Other liabilities	2,014	2,924
Liabilities of operations classified as held for sale	-	9,143
Total liabilities	149,878	142,860
Total equity and liabilities	154,116	146,613

Approved on behalf of the Board of Directors on 10 March 2011 by the following Directors:



Gerry Grimstone, Chairman



Jackie Hunt, Chief Financial Officer

EEV consolidated income statement

For the year ended 31 December 2010

	2010 ¹ £m	Restated 2009 ¹ £m
Covered business		
UK	436	506
Canada	250	192
International	93	29
HWPf TVOG	(8)	143
Covered business operating profit	771	870
Global investment management ²	33	42
UK	28	(18)
Group corporate centre costs	(54)	(50)
Other	9	-
Non-covered business operating profit/(loss)	16	(26)
Operating profit before tax from continuing operations	787	844
Non-operating items		
Long-term investment return and tax variances	578	70
Effect of economic assumption changes	(209)	(539)
Impairment of investments in associates	(1)	-
Restructuring and corporate transaction expenses ³	(71)	(52)
Other non-operating items	-	(9)
Consolidation adjustment for different accounting bases ⁴	51	67
Non-operating profit/(loss) before tax from continuing operations	348	(463)
Profit before tax from continuing operations	1,135	381
Tax attributable to:		
Operating profit	(249)	(247)
Non-operating items	(90)	122
Profit after tax from continuing operations	796	256
Profit after tax from discontinued operations	20	49
Total profit after tax	816	305

¹ The Group's healthcare business, Standard Life Healthcare Limited, was sold on 31 July 2010 and has therefore been classified as a discontinued operation. The presentation of the 2009 comparatives in certain primary statements has been reclassified accordingly, as indicated. The Group's banking business, Standard Life Bank plc, was sold on 1 January 2010 and was classified as a discontinued operation for the year ended 31 December 2009. Refer to the Annual Report and Accounts 2010 EEV financial information Note 1 – Basis of preparation.

² Global investment management operating profit before tax is stated after excluding profits of £70m (2009: £33m) which have been generated by life and pensions business. Refer to the Annual Report and Accounts 2010 EEV financial information Note 17 – EEV methodology.

³ Refer to the Annual Report and Accounts 2010 IFRS financial information Note 8 – Restructuring and corporate transaction expenses.

⁴ This adjustment reflects the removal of accounting differences for the Canada subordinated liability as explained in the Annual Report and Accounts 2010 EEV financial information Note 17 – EEV methodology.

EEV consolidated statement of financial position

As at 31 December 2010

	31 December 2010 £m	31 December 2009 £m
Covered business		
Free surplus	1,202	925
Required capital	1,031	956
Net worth	2,233	1,881
Present value of in-force	4,277	3,775
Cost of required capital	(439)	(391)
Total embedded value of covered business	6,071	5,265
Non-covered business		
Global investment management	256	195
UK	271	(19)
Group corporate centre	457	389
Other	221	255
Discontinued operations	-	343
Total net assets of non-covered business	1,205	1,163
Consolidation adjustment for different accounting bases ¹	45	7
Total Group embedded value	7,321	6,435
Equity		
Share capital	228	224
Shares held by trusts	(21)	-
Share premium reserve	976	888
Retained earnings on an IFRS basis	1,094	685
Other reserves	1,626	1,660
Additional retained earnings on an EEV basis	3,418	2,978
Total equity	7,321	6,435

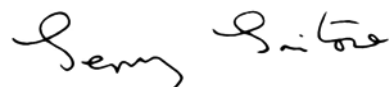
¹ This adjustment reflects the removal of accounting differences for the Canada subordinated liability as explained in the Annual Report and Accounts 2010 EEV financial information Note 17 – EEV methodology.

EEV per share

As at 31 December 2010

	31 December 2010	31 December 2009
Total Group embedded value (£m)	7,321	6,435
EEV per share (pence)	322	288
Diluted closing number of ordinary shares in issue (millions)	2,275	2,237

Approved on behalf of the Board of Directors on 10 March 2011 by the following Directors:



Gerry Grimstone, Chairman



Jackie Hunt, Chief Financial Officer

Shareholder information

Registered office

Company registration number: SC286832

Standard Life House

30 Lothian Road

Edinburgh

EH1 2DH

Scotland

Phone: **0800 634 7474** or **0131 225 2552**

For shareholder services call **0845 113 0045**

Registrar:

Capita Registrars Limited

Auditors:

PricewaterhouseCoopers LLP

Solicitors:

Slaughter and May

Brokers:

JP Morgan Cazenove

Deutsche Bank

Shareholder services

We offer a wide range of shareholder services, some details of which are set out below. If you need any further information about any of these services, please:

- Contact our registrar, Capita, on **0845 113 0045** if calling from the UK. International numbers for Capita can be found on the last page of this report.
- Visit our share portal at **www.standardlifeshareportal.com**

Sign up for ecommunications

You can choose to receive your shareholder communications electronically – registering is easy and free. Just go to **www.standardlifeshareportal.com** to find out how. Signing up means:

- You'll receive an email when documents like the Annual Report and Accounts, Summary Financial Report and AGM guide are available on our website. You can then read these online in an easy-to-use, searchable format instead of receiving paper copies in the post.
- Voting instructions for the Annual General Meeting will be sent to you electronically
- You can download your dividend tax vouchers when you need them
- You can view your Standard Life Share Account statement online

Any information you receive electronically will be the same as the paper version – but you'll help us save money, and conserve natural resources.

Preventing unsolicited mail

By law, the Company has to make certain details from its share register publicly available. Because of this, it is possible that some registered shareholders could receive unsolicited mail. You could also be targeted by fraudulent 'investment specialists' using high-pressure cold-calling sales techniques – these are sometimes called 'boiler room scams'. You can find more information about this at the Financial Services Authority website **www.moneymadeclear.org.uk**

If you are a certificated shareholder, your name and address may appear on a public register. Using a nominee company to hold your shares can help protect your privacy. You can transfer your shares into the Company-sponsored nominee – the Standard Life Share Account – by contacting Capita, or you could get in touch with your broker to find out about their nominee services.

If you want to limit the amount of unsolicited mail you receive generally, please contact:

Mailing Preference Service (MPS)

DMA House

70 Margaret Street

London

W1W 8SS

You can also register online at **www.mpsonline.org.uk**

Analysis of registered shareholdings as at 31 December 2010

Range of shares	Number of holders	% of total holders	Number of shares	% of total shares
1-1,000	65,771	54.83%	31,349,865	1.37%
1,001-5,000	47,679	39.75%	100,506,028	4.40%
5,001-10,000	3,753	3.13%	25,830,638	1.13%
10,001-100,000	2,256	1.88%	49,185,589	2.16%
*100,001+	496	0.41%	2,076,147,721	90.94%
Totals	119,955	100.00%	2,283,019,841	100.00%

*These figures include the Company-sponsored nominee – the Standard Life Share Account – which had **1,296,769** participants holding **1,048,702,236** shares, and the Unclaimed Asset Trust, which had **77,057** participants holding **29,178,524** shares.

Financial calendar for 2011

2010 preliminary results	10 March 2011
Ex-dividend date for 2010 final dividend	16 March 2011
Record date for 2010 final dividend	18 March 2011
Scrip reference price announced for 2010 final dividend	23 March 2011
2011 Q1 trading results and interim management statement	28 April 2011
Annual General Meeting	17 May 2011
Dividend payment date (2010 final dividend)	27 May 2011
2011 half year results*	3 August 2011
Ex-dividend date for 2011 interim dividend*	10 August 2011
Record date for 2011 interim dividend*	12 August 2011
Scrip reference price announced for 2011 interim dividend*	17 August 2011
2011 Q3 trading results and interim management statement	2 November 2011
Interim dividend payment date*	18 November 2011

*These plans and dates are anticipated at this stage and may be subject to change.

Contact details

We want to make sure you have answers to all your questions.

	Visit	Mail	Phone
<p>UK and Ireland</p> <p>If you have any questions about voting at the Annual General Meeting, dividends or your shareholding, please contact our registrar:</p>	<p>www.standardliveshareportal.com</p>	<p>questions@standardliveshares.com</p> <p>Address: Standard Life Shareholder Services 34 Beckenham Road Beckenham Kent BR3 4TU</p>	<p>0845 113 0045 +44 (0)20 3367 8224 (01) 431 9829</p>
<p>Germany and Austria</p> <p>If you have any questions about voting at the Annual General Meeting, dividends or your shareholding, please contact our registrar:</p>	<p>www.standardliveshareportal.com/de</p>	<p>fragen@standardliveshares.de</p> <p>Address: Standard Life Aktionärservice Postfach 20 01 43 60605 Frankfurt am Main Germany</p>	<p>+49 (0)6196 7693 130</p>
<p>Canada</p> <p>If you have any questions about voting at the Annual General Meeting, dividends or your shareholding, please contact our registrar:</p>	<p>www.standardliveshareportal.com (English)</p> <p>www.standardliveshareportal.com/fr (French Canadian)</p>	<p>questions@standardliveshares.ca</p> <p>Address: Standard Life Shareholder Services PO Box 4636 Station A Toronto M5W 7A4</p>	<p>1-866-982-9939</p>

Please note, you may not use any electronic address provided in this document or any related document – including in the Summary Financial Report 2010, Shareholder News, AGM guide 2011 (including the Notice of Annual General Meeting), your voting form or the letter or email from the Chairman about the 2011 AGM to communicate with the Company for any purposes other than those expressly stated.

Secretary, registered office and head office:

Malcolm J Wood
Standard Life plc
Standard Life House
30 Lothian Road
Edinburgh
EH1 2DH
Scotland

www.standardlife.com

Please remember that the value of shares can go down as well as up and you may not get back the full amount invested or any income from it. All figures and share price information have been calculated as at 31 December 2010 (unless otherwise indicated).

This document has been published by Standard Life for information only. It is based on our understanding as at March 2011 and does not provide financial or legal advice.

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

Calls may be monitored and/or recorded to protect both us and you and help with our training. Call charges may vary.

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