Interim Financial Report 2026

Standard Life plc

Standard Life
For the life we live

In this report

We changed our name to **Standard Life plc** on 24 February 2026. References to performance prior to this date relate to Phoenix Group Holdings plc.

In the UK, Solvency II as modified by the PRA's 2024 reforms ('Solvency UK') became effective from 31 December 2024. Solvency UK has been referred to in this document except for where referring to relevant Alternative Performance Measures and other solvency metrics, where we refer to Solvency II in line with the current PRA guidance and consistent with the name of the prudential regime in the PRA policy manual.

Strong strategic and operating momentum; achieving 2026 targets

Uniquely positioned in attractive markets

Building momentum through execution against strategic priorities

Poised for further growth with Aegon UK acquisition and UK PRT partnership

"Standard Life continues to demonstrate exciting momentum against our vision to be the UK's leading retirement savings and income business. Our strong half year results reflect how we are helping more customers achieve better outcomes and we remain on track to deliver our end-2026 financial targets, while our profitable growth and strong cash generation is increasing our financial flexibility. The £2 billion acquisition of Aegon UK and our recently announced UK PRT partnership will further strengthen our capabilities and customer offering. Standard Life champions the belief that everyone's journey to and through retirement can be better and we look to the future with confidence."

Andy Briggs, Group Chief Executive Officer

Strong H1 2026 financial performance across all key metrics:

	30 June 2026	Comparative	Change
Operating Cash Generation[1]	£745m	£705m (H1 2025)	+6% YoY
Total cash generation[2]	£900m	£784m (H1 2025)	+15% YoY
Shareholder Capital Coverage Ratio[3,4]	169%	176% (FY 2025)	-7%pts 6-mth
Solvency II ('SII') surplus[4]	£3.2bn	£3.6bn (FY 2025)	-11% 6-mth
SII leverage ratio[5]	29%	33% (FY 2025)	-4%pts 6-mth
IFRS adjusted operating profit	£563m	£451m (H1 2025)	+25% YoY
Cumulative annual run-rate cost savings delivered	£210m	£180m (FY 2025)	+17% 6-mth
IFRS loss after tax	£(179)m	£(156)m (H1 2025)	-15% YoY
IFRS adjusted shareholders' equity	£2,702m	£3,098m (FY 2025)	-13% 6-mth
2026 Interim dividend per share	28.05p	27.35p (H1 2025)	+2.6% YoY
Assets under administration	£333bn	£317bn (FY 2025)	+5% 6-mth

1 Operating Cash Generation ('OCG') represents the sustainable level of ongoing cash generation from our underlying business operations, that is remitted from our Life Companies to the Group.
2 Total cash generation represents the total cash remitted from the operating entities to the Group, comprising OCG, non-recurring management actions and the release of free surplus above capital requirements in the Life Companies.
3 The Shareholder Capital Coverage Ratio excludes SII Own Funds and Solvency Capital Requirements of unsupported With-Profit funds and unsupported pension schemes.
4 30 June 2026 Solvency II capital position is an estimated position.
5 SII leverage ratio calculation = debt (all debt including RT1) / SII regulatory Own Funds. Ratio allows for currency hedges over foreign currency denominated debt.

Continued operating momentum in core businesses with 6% growth in OCG[1] and 25% growth in IFRS adjusted operating profit

Pensions and Savings: growth in AUA and improving margins driving strong earnings development

- Workplace and Retail momentum continues, supported by strong customer engagement, improving satisfaction, high client retention and innovative solutions that help customers navigate evolving financial needs
- 36% IFRS adjusted operating profit growth in our capital-light fee-based business to £244m (H1 2025: £179m)
- 10% growth in average assets under administration ('AUA') to £217bn (H1 2025: £198bn)
- Cost efficiencies drove a 4bps margin improvement to 22bps (H1 2025: 18bps)
- 23% Operating Cash Generation[1] ('OCG') growth to £203m (H1 2025: £165m)

Retirement Solutions: delivering strong contributions to OCG[1] and continued discipline in competitive PRT market

- Strong performances across Pension Risk Transfer ('PRT') and Individual Annuities, combining customer-focused propositions with disciplined participation in competitive markets
- 5% OCG[1] growth in our capital-utilising spread-based business to £466m (H1 2025: £443m)
- 6% growth in average AUA to £42.0bn (H1 2025: £39.5bn)
- Attractive OCG[1] margin maintained at 222bps (H1 2025: 224bps), supported by our capital efficiency, scale and recurring management actions
- 13% IFRS adjusted operating profit growth to £324m (H1 2025: £286m)
- Disciplined capital deployment maintained and generation of lifetime IRRs of more than 20% in PRT. We expect to deploy up to c.£200m of capital across PRT and Individual Annuities in 2026

Accelerating our vision to be the UK's leading retirement savings and income business through proposed Aegon UK acquisition and by expanding our PRT business with up to £2bn partnership

Proposed £2bn Aegon UK acquisition announced on 15 April 2026

- The £2bn[6] acquisition is strategically and financially compelling and significantly strengthens our capabilities and customer offering in the capital-light fee-based Pensions and Savings market
- Establishes Standard Life as the largest player in the UK Pensions and Savings market on a pro forma basis, underpinned by number two positions in both the Workplace and Retail markets
- On track for completion around the end of 2026, subject to regulatory approvals

Expanding UK PRT business with proposed up to £2bn partnership announced on 20 August 2026

- Announced a strategic partnership, with CVC Capital Partners plc and Prudential Financial, Inc. of the US, alongside The Goldman Sachs Group, Inc., MS&AD Insurance Group Holdings, Inc. and other long-term institutional investors to expand our PRT business
- The partnership combines the strength of Standard Life's existing PRT proposition and operating expertise with the additional capital and specialist investment capabilities of the partners and enables us to target the schemes that are over £2bn in size, the fastest growing part of the UK PRT market
- Standard Life will have operational control and a 25% economic interest, contributing £500m over a 5-year period of the up to £2bn initial combined capital commitment, supporting incremental PRT volume capacity of £5-7bn per annum, in addition to Standard Life volumes
- Expected to launch in the first half of 2027, subject to regulatory approvals

[6] The proposed acquisition of Aegon UK for a total consideration of £2bn is based on 181m Standard Life shares and £750m in cash as of the announcement date, 15 April 2026.

Building momentum across our strategic priorities

Grow: meeting more of our existing customers' needs and acquiring new customers

- Products and distribution:
  - Launched Future Opportunities, a new alternative pension default solution to help drive better member outcomes by opening up access to private markets
  - Expanded Standard Life advice proposition and relaunched Tailored Investment Bond, an onshore investment bond, to meet the evolving tax planning needs of customers
  - Broadened distribution of our Smoothed Managed Fund through launch on Quilter platform

Optimise: optimising our scale in-force business and balance sheet

- Excess cash generation has enabled us to achieve our c.30% SII leverage ratio[5] target at 30 June 2026
  - $350m Tier 2 notes and £250m Tier 3 notes both repaid in June 2026
  - SII leverage ratio[5] improved by 4% points to 29% (FY 2025: 33%)
- Unique in-house expertise delivering better customer outcomes and enhancing returns
  - £12bn of £42bn annuity-backing assets managed in-house

Enhance: transforming our operating model and culture

- Cumulative run-rate cost savings increased to £210m (FY 2025: £180m)

Outlook - On track across all 2026 financial targets

	Financial target	Progress	Performance in H1 2026: in year or cumulative since start of 2024
Cash	Mid-single digit percentage growth p.a. in Operating Cash Generation[1]	On track	• 6% growth year-on-year in H1 2026 to £745m
	Total cash generation[2] 3-year target of £5.1bn across 2024–26	On track	• £4.4bn achieved cumulatively across 2024 – H1 2026
Capital	Operate within our 140–180% Shareholder Capital Coverage Ratio[3] operating range	In upper half of target range	• 169% at the end of H1 2026
	SII leverage ratio[5] of c.30% by the end of 2026	Achieved	• 4% point improvement to 29% in H1 2026
Earnings	c.£1.1bn of IFRS adjusted operating profit in 2026	On track	• 25% growth year-on-year in H1 2026 to £563m
	£250m of annual run-rate cost savings by the end of 2026	On track	• £210m cumulative run-rate savings achieved by the end of H1 2026

- We expect to deliver c.£500m of excess cash in 2026, our final year of using excess cash to de-lever
- Excess cash to grow over time as OCG[1] grows faster than our recurring uses. Supports our progressive and sustainable dividend policy and creates financial flexibility
- Excess cash generated post-2026 will be available to be deployed to the highest returning opportunities, in line with our capital allocation framework. We will look to strike the right balance between growth opportunities and shareholder returns
- Following the Aegon UK acquisition, IFRS shareholders' equity is expected to increase and be positive in 2027

30 November 2026 Capital Markets Update

- Post-2026, the broad strategic direction for Standard Life will be in line with our current vision
- At the Standard Life Capital Markets Update, management will present further detail on the post-2026 strategic priorities and new financial guidance. We will also outline usages of excess cash for 2027

Group Chief Executive Officer's report

Strong strategic and operating momentum; achieving 2026 targets

Standard Life is a retirement specialist focused entirely on retirement savings and income. We are proud to manage £333 billion in assets on behalf of our 12 million customers[7], and champion the belief that everyone's journey to and through retirement can be better. In March 2024 we set out a highly ambitious 3-year strategy to realise our vision to be the UK's leading retirement savings and income business. Progress towards fulfilling our vision is delivered through executing against our strategic priorities of Grow, Optimise and Enhance.

We are now in the final stages of our current strategy and I'm delighted with the excellent progress we have made. The UK market is one of the most attractive globally for retirement savings and income, and we are uniquely positioned within it, because of the capabilities and platforms we have built, our leading brand, and our commitment to putting our customers at the core of everything we do. We are building momentum through execution against our strategic priorities which is driving profitable growth and means we are on track for our end-2026 financial targets. We are poised for further growth, and an acceleration of our strategy, through both the £2 billion[6] Aegon UK acquisition and the recently announced up to £2 billion UK Pension Risk Transfer ('PRT') partnership. Together these will provide a step-change in strengthening our capabilities and customer offering, and provide access to a broader customer base.

Achieving our 2026 targets

Our strategic execution continues to translate into strong performance across our financial framework of Cash, Capital and Earnings, as demonstrated by our first half results.

Operating Cash Generation[1] ('OCG') grew 6% in the first half and we remain confident in mid-single digit percentage growth into the long term. Our growing business is generating surplus capital which we have used to improve the quality of our capital by paying down debt while remaining in the upper half of our target operating Shareholder Capital Coverage Ratio ('SCCR') range. Finally on Earnings, we remain on track to achieve our c.£1.1 billion IFRS adjusted operating profit target in 2026 having delivered another period of strong operational performance and made further progress against our cost savings programme. We continue to grow our dividend, bringing total dividend payments to £1.4 billion across this phase of our strategy.

Please see more detail in our Business Review on pages 9 to 16.

Building momentum across our strategic priorities

We already have a full product suite to support customers across all stages of their retirement journey but recognise to **Grow** there is always more to do, so we continue to innovate and adapt to changing customer needs, behaviours and market trends. We launched Future Opportunities, our new alternative pension default solution which is designed to improve customer outcomes by opening up access to high-quality private assets. We also expanded the distribution of our Smoothed Managed Fund which is now available on the Quilter platform.

Under **Optimise,** deleveraging remained a clear priority and I'm particularly pleased we achieved our leverage target at 30 June 2026. Within asset management we have increased the proportion of annuity-backing assets managed in house to £12 billion, which supports enhanced returns and the delivery of better customer outcomes.

Under **Enhance**, we delivered £210 million of cumulative run-rate cost savings, using technology, including artificial intelligence, to reshape our organisation, enhance colleague experience and create a more efficient, scalable business.

Uniquely positioned in attractive markets

The UK long-term savings and retirement market is already large, with c.£3.6 trillion of assets[8] managed on behalf of customers. Across our key markets of Workplace, Retail and Annuities it is also set to grow by c.70% over the next decade[8]. As the only scale UK player solely focused on the full savings and retirement lifecycle, Standard Life is uniquely positioned to benefit from this market growth and additional tailwinds.

With the Aegon UK acquisition we will become the largest player in the UK Pensions and Savings market, underpinned by a number two position in both Workplace and Retail. What is unique to us is that we are big in both of these markets, which brings real synergistic benefits, whereas the other players are only big in one or the other. The additional annuities capacity from our

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[7] FY 2025 customer number.
[8] Company analysis of market data and industry forecasts including 2024 LCP Pension Risk Transfer report, NMG, The 2024 Purple Book and publicly available FY 2024 and H1 2025 financial disclosures.

PRT partnership, on top of Standard Life's existing business, will move us to be a top three player in the Annuities market. We will remain disciplined in our approach, with a laser focus on value over volume.

These transformational developments mean that we will now be able to participate more fully in the ISAs and general investment accounts segment which accounts for one third of the Retail profit pool. We will also have access to the large schemes' market-segment, which is about half of the total UK PRT profit pool.

Overall, we will be the largest long-term savings and retirement market player in the UK, with c.£0.5 trillion of assets. To give a sense of scale, the number two player has c.£300 billion of assets. This scale supports greater commercial advantage and further operating leverage, given a high proportion of costs in our sector are fixed. We will use our increased scale and expanded capabilities to advocate for better retirements and help our customers achieve better outcomes and greater financial security in later life.

Why we are winning

Winning in **Workplace** requires three things: a leading employer proposition, excellent customer service and scale-driven cost efficiency. We are strong on all three, as demonstrated across a collection of key customer metrics. We have seen our Net Promoter Score ('NPS') increase 4 points this year[9] and we have maintained an exceptionally high level of client retention[10] at 99.8%. We secured £6.2 billion of new scheme wins in the first half, including the largest ever for Standard Life, which will support our flow trajectory in 2027. Scheme wins are lumpy but the £6.2 billion compares very favourably to the £1.5 billion wins across the whole of last year.

Our **Retail** strategy is to engage customers with innovative products to join, stay and consolidate with us. Success in this market is driven by three things: customer engagement, offering products that meet customers' evolving needs and leveraging digital infrastructure to do all this proactively. We are investing to ensure effective customer engagement, and that we offer the right products and solutions, at the right time. To help our customers navigate some of the recent budget changes, we re-entered the onshore investment bond market and have seen attractive flows into our international bond and SIPP of £1.1 billion. We are also preparing to expand our advice proposition to include inheritance tax planning, and aim to launch our first targeted support proposition around the end of this year. We still have a significant opportunity to leverage our digital infrastructure, and there is more to do here. This is an area Angela Byrne has been focusing much of her energy on, since joining earlier this year as Chief Executive Officer Pensions and Savings, and will be further bolstered by the arrival of Wendy Redshaw, who will join us in our newly created role of Chief Digital and Technology Officer in the coming months. The outcomes of our existing efforts in Retail are encouraging. Similar to Workplace, our Retail customer satisfaction scores are high, with a NPS of 61, a 6 point improvement in the first half[11]. Our advice proposition is resonating well with customers with 95% of them rating it good or excellent value.

In our **Annuities** business, which includes both Individual Annuities and PRT, winning is all about having a leading employer proposition and innovative products, excellent member experience and competitive pricing. Our strength in all three is why we are winning in these markets. Growth in our new individual annuity products continues, up 14% year-on-year in the first half. Our disciplined approach to annuities is evidenced by the attractive returns generated with lifetime IRRs on our annuity business maintained at more than 20% in the first half. From a PRT perspective, our existing business is delivering strongly, actively quoting on a pipeline of c.£7 billion, and with huge client interest in our new partnership, it means that we expect an even stronger pipeline once it launches.

Accelerating our vision to be the UK's leading retirement savings and income business

At the outset of this strategic plan, we set out a clear vision to be the UK's leading retirement savings and income business. We have been building out the capabilities to achieve this vision and the evidence of this comes through in our strong first half results. A digitally enabled and personalised customer interface focused on data, guidance and advice is the last bit of the picture. Developing this is now very much our focus, and you can expect to hear more on this in 2027. Through both our £2 billion acquisition of Aegon UK, and the up to £2 billion UK PRT partnership, we can scale and accelerate that same strategy.

Aegon UK acquisition is strategically and financially compelling

This transaction brings together two businesses, with shared goals, ambitions and social purpose, to create a new leader in one of the world's most attractive markets. This transaction is both strategically and financially compelling.

First, it gives us increased scale. Standard Life will become the largest player in the UK Pensions and Savings market serving 16 million customers. Second, we will be in an even stronger position to meet the evolving needs of our customers, with enhanced digital, advice and distribution capabilities, across Workplace and Retail. Aegon UK adds a number of areas where we have less of a presence today and regard as being very important to our offering going forward, in particular their adviser platform capability, corporate advisory, financial advice and planning, and their wrap platform. The enlarged group will have broader waterfront capabilities, strengthened distribution, with an enhanced digital and technology offering. Third, it accelerates making us a more capital-light business. Fourth, the financial metrics for the deal are attractive. We expect to unlock c.£0.8 billion of net synergies, and increase our excess cash by c.£0.4 billion over the next five years. That will give us even

9 Workplace customer satisfaction score converted to NPS equivalent metric.
10 Client retention measures our ability to retain existing Employer and Trustee relationships. A client loss typically results in the cessation of future contributions but does not necessarily lead to an immediate transfer of assets, meaning client retention and asset retention should be measured separately.
11 Retail direct customer satisfaction score converted to NPS equivalent metric.

greater flexibility to invest in growth, or return capital, in the future. Finally, the funding structure is efficient and it enhances our capital strength. We agreed a total consideration of £2 billion to acquire 100% of Aegon UK. We will fund this through a combination of cash, debt (consistent with our target leverage ratio of c.30%) and 181 million new shares in Standard Life. Newly issued shares to Aegon on completion will result in Aegon becoming a 15.3% shareholder in the enlarged group and appointing a non-executive director to the Board.

We continue to make progress towards completion, which is expected around the end of 2026, subject to regulatory approvals. I look forward to welcoming Aegon UK colleagues into the Standard Life family at that point, and working together to capture the huge potential in front of us all.

Expanding UK PRT business with partners

Another important milestone reached this year is the announcement that we are expanding our UK PRT business through an up to £2 billion partnership.

As more Defined Benefit ('DB') pension schemes look to secure member benefits over the coming decade, we see a significant opportunity to expand the strength of Standard Life's PRT business to a broader range of schemes, particularly at the larger and more complex end of the market, with scheme sizes of over £2 billion. Schemes at this upper end of the market are anticipated to drive a significant and growing share of the £1.1 trillion UK scheme assets[12] that are expected to be de-risked over the next decade. Customers at this end of the market are currently served by only three providers.

We thought carefully about the best way to serve this part of the market and concluded that this structure creates a differentiated and unique proposition for trustees of the UK's largest DB schemes, as the partnership combines Standard Life's trusted PRT expertise, customer service and operational capabilities, with substantial long-term capital, and specialist investment expertise from our partners. Here our brand, a household name, will be a key differentiator. Trustees have specifically told us they want Standard Life to participate in the larger end of the market.

There is clearly a lot of private capital interest coming into the PRT market, which shows the opportunity, but what makes our offering unique is the nature of the partnership. We have selected partners who have similarly strong brands and reputations. This consortium approach gives us access to a broader range of asset classes, sectors and geographies than would be available through any single provider, which means more competitive pricing and structuring flexibility, which will be available to the whole of Standard Life. We have deliberately brought together multiple global institutions with very strong and complementary private credit origination capabilities including CVC, Prudential Financial and Goldman Sachs. I'm also delighted to further deepen our long-standing strategic partnership with MS&AD. This investment reflects their confidence in both the UK PRT market and the strength of the proposition being created through this partnership.

In addition to the attractive returns the partnership expects to generate, Standard Life will receive fee-based payments for our oversight, operational services and origination of PRT transactions, creating a new fee-based revenue stream for us. Together these underline our confidence in delivering mid-single digit growth in OCG[1] into the long term and also growth in IFRS adjusted operating profit over time.

Of the up to £2 billion combined total over five years, Standard Life expects to fund its £500 million capital contribution from yearly excess cash generation. Standard Life's voting share and economic ownership of the partnership will result in its control of 51% of the shareholder voting rights at completion. The partnership is expected to launch in the first half of next year, subject to regulatory approvals and will build up volumes over time; targeting £5-7 billion of new premiums per annum, on top of c.£6 billion per annum from the existing Standard Life annuities business.

Summary and Thank you

We operate in one of the most attractive savings and retirement markets in the world, and we are uniquely positioned to benefit. We are building momentum through executing on our strategic priorities which means we are on track to achieve our 2026 targets. We are poised for further growth with Aegon UK and the UK PRT partnership. Our strong execution is delivering better customer outcomes, and all of this is translating into greater financial flexibility and generating excess cash and capital. We will look to strike the right balance, between investing in growth opportunities, and shareholder returns. We look forward to presenting our post-2026 plans on 30 November.

The strong strategic execution and performance we have delivered in the first half is only possible because of the continued commitment, expertise and passion of our outstanding colleagues. I would like to take this opportunity to thank every one of them for the contribution they have made so far this year. Every day, across Standard Life, colleagues are helping our customers engage with their financial futures and supporting them to achieve better outcomes. It's fantastic to see the collective energy from colleagues throughout the organisation and the excitement for what comes next for Standard Life.

Andy Briggs
Group Chief Executive Officer

[12] Lane Clark & Peacock, November 2025.

Delivering cash, capital and earnings

Strong execution against our financial framework

We remain on track to deliver our end-2026 financial targets and have met our leverage target at 30 June 2026.

Total cash generation in the first half of 2026 was £900 million (H1 2025: £784 million), taking our total cash generation since the start of 2024 to £4.4 billion, keeping us on course to achieve our 2024-26 cumulative £5.1 billion target. Underpinning this delivery is strong growth in OCG, up 6% year-on-year to £745 million (H1 2025: £705 million), in line with our annual mid-single digit percentage growth guidance. Importantly, OCG more than covered our recurring cash uses and dividend, totalling £516 million in the period, generating £229 million of recurring excess cash. This was in line with the £0.5 billion of net recurring excess cash we expect to generate at the full year. Supported by opening central cash balances, the £229 million was deployed in line with our capital allocation framework to reduce leverage to 29%, enabling us to achieve our c.30% leverage ratio target at the end of the first half.

Our Solvency II capital position remains strong, with a surplus of £3.2 billion and SCCR of 169%, albeit lower than FY 2025 (£3.6 billion and 176%) due to the £0.5 billion debt redemptions made. This position reflected positive net recurring solvency capital generation of £0.2 billion, equivalent to a 5%pts increase in the SCCR. Other Solvency II capital actions broadly covered the continued investment across our strategic priorities to Grow, Optimise and Enhance, while our hedging programme dampened the impact of market effects as intended. With the debt reduction programme behind us, we expect that the second half net recurring solvency capital generation will replenish the Group's SII surplus and SCCR.

Strong momentum in the Group's operating performance led to a 25% increase in IFRS adjusted operating profit to £563 million (H1 2025: £451 million). We reported an IFRS statutory loss after tax of £179 million in the period primarily due to adverse economic variances of £473 million pre-tax, reflecting the known consequence of the Group's hedging programme under this reporting basis. This statutory loss impacted our IFRS shareholders' equity position, which reduced to £(218) million (FY 2025: £244 million). We continue to actively prioritise stable SII surplus capital to sustain predictable dividends and we accept the hedge-related volatility in the IFRS result. Our CSM (gross of tax) was £3,894 million at 30 June 2026 (FY 2025: £3,806 million) and represents a sizeable stock of value that will be released into IFRS adjusted operating profit in future years. Combining the CSM net of tax with shareholders' equity, our adjusted shareholders' equity totalled £2,702 million (FY 2025: £3,098 million).

Business segment review

Strong OCG delivery across our core segments

Pensions and Savings grew its OCG by 23% to £203 million (H1 2025: £165 million), equivalent to an annualised 19bps on average AUA. Retirement Solutions grew its OCG by 5% to £466 million (H1 2025: £443 million), equivalent to an annualised 222bps on average AUA. Taken together, With-Profits, Europe and Other produced £76 million of OCG (H1 2025: £97 million).

+6%

Group OCG growth REM APM[a]

+25%

Group IFRS adjusted operating profit growth REM APM[b]

Diversified earnings profile

IFRS adjusted operating profits from Pensions and Savings grew by 36% to £244 million (H1 2025: £179 million), while those from Retirement Solutions increased by 13% to £324 million (H1 2025: £286 million). These performance improvements were driven by business expansion, cost savings and higher trading profits, reflecting the successful delivery of our Grow, Optimise and Enhance strategic priorities. Combined, With-Profits, Europe and Other produced £46 million (H1 2025: £45 million) of IFRS adjusted operating profit. The Group's Corporate Centre operating loss of £51 million (H1 2025: £59 million) includes lower investment income of £16 million (H1 2025: £21 million) from reduced cash balances owing to debt repayments made in the period.

Operating Cash Generation

£m	H1 2026	H1 2025	YOY change
Pensions and Savings	203	165	+23%
Retirement Solutions	466	443	+5%
Europe and Other	44	62	-29%
With-Profits	32	35	-9%
Total Group	**745**	**705**	**+6%**

IFRS adjusted operating profit

£m	H1 2026	H1 2025	YOY change
Pensions and Savings	244	179	+36%
Retirement Solutions	324	286	+13%
Europe and Other	32	41	-22%
With-Profits	14	4	+250%
Corporate Centre	(51)	(59)	+14%
Total Group	**563**	**451**	**+25%**

[a] All amounts throughout the report marked with REM are KPIs linked to Executive remuneration.
[b] All amounts throughout the report marked with APM are alternative performance measures - read more on pages 68 to 74

Pensions and Savings

+10%	22bps	+36%
Average AUA growth APM	IFRS adjusted operating profit margin APM	IFRS adjusted operating profit growth APM

Our core capital-light fee-based business

Backed by our leading propositions and brand, our Pensions and Savings business continues to grow assets, margin, and profitability. The capital-light fee-based nature of this business means we consider IFRS adjusted operating profit to be the most suitable performance measure.

Reliable flows and growing AUA

Pensions and Savings reported 4% growth in gross inflows to £8.5 billion (H1 2025: £8.2 billion), as we continue to strengthen our capabilities across our Workplace and Retail segments.

Workplace gross inflows totalled £4.9 billion in the first half of 2026 (H1 2025: £4.9 billion). Of this, £0.8 billion were from new scheme wins. Excluding new scheme wins, gross inflows were £4.1 billion which highlights the strong flywheel effect of this business. Retail's gross inflows position continues to improve, up 9% to £3.6 billion in the period (H1 2025: £3.3 billion) as it benefits from a greater take up of our drawdown product and from higher international bond sales (up 8% year-on-year).

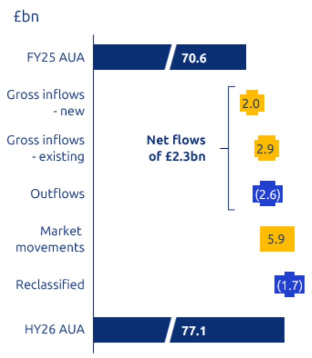
Gross outflows totalled £9.9 billion (H1 2025: £9.3 billion), largely a reflection of our higher asset base. These outflows are driven by customers accessing their retirement savings in the form of drawdown payments, encashments or withdrawing tax-free lump sums as they journey to and through retirement, as well as customers moving internally between products or moving to other providers. Scheme losses were modest at £0.1 billion (H1 2025: £0.1 billion).

Positive market effects of £16.0 billion more than offset the overall net outflow position of £1.4 billion (H1 2025: £1.1 billion net outflows) which drove Pensions and Savings AUA 7% higher to £226.3 billion at 30 June 2026 (FY 2025: £211.7 billion). Reclassifications from Workplace totalled £1.7 billion (H1 2025: £1.7 billion) and relate to Workplace leavers moving to Retail.

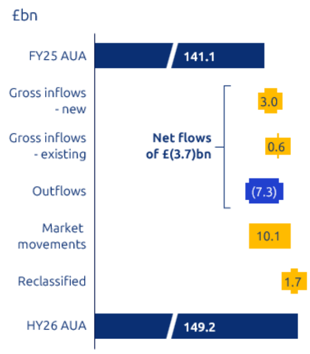
Higher margins fuel growth in IFRS adjusted operating profit

Compared to the equivalent period last year, average AUA grew 10% in the first half to £217.0 billion (H1 2025: £198.0 billion), which combined with an improved operating margin of 22 bps (H1 2025: 18 bps), drove IFRS adjusted operating profit 36% higher year-on-year to £244 million (H1 2025: £179 million). This performance highlights our scale advantage and operating leverage, with further margin improvement expected near term as the full benefits of our cost savings programme come through. OCG similarly increased to £203 million (H1 2025: £165 million).

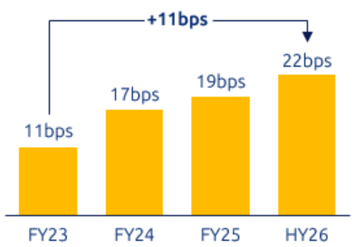
Pensions and Savings – Workplace



Pensions and Savings – Retail[c,d]



Operating margins[e]



[c] International Bonds AUA and flows reallocated to Retail from Europe for FY23, FY24 and FY25, and a held for transfer CTIP reclassified to Other from Workplace at end of FY25
[d] Estimate c.20-30% of Retail outflows relate to customers using products at retirement, with external transfers to other pension providers making up c.40-50% (H1 2025: c.45%)
[e] H1 2026 operating margin is shown on an annualised basis

Retirement Solutions

+6%
Average AUA growth APM

222bps
OCG spread APM

+5%
OCG growth REM APM

Our core capital-utilising spread-based business

Retirement Solutions delivered a strong operating performance in the first half of 2026. As a reminder, new volumes are not the primary driver of current year profits but are a source of future value. We manage over £41 billion of annuity assets, and it is the management of this large book that drives most of our profitability. Given the capital-utilising spread-based nature of this business, we consider OCG to be the most appropriate performance measure.

Disciplined approach to new business

Retirement Solutions delivered new business premiums of £2.2 billion during the first half of 2026 (H1 2025: £0.8 billion). This comprised of £1.6 billion of PRT business (H1 2025: £0.3 billion) reflecting our continued discipline in this competitive market, with a further £0.4 billion completed or at an exclusive stage since June. In individual annuities, new premiums grew 8% year-on-year to £0.6 billion (H1 2025: £0.6 billion), through a combination of product innovation and rising consumer demand. External individual annuities secured in the open market increased at a faster rate of 14%.

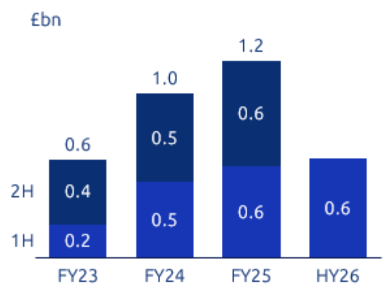
Our current aim is to deploy up to £200 million of capital to annuities each year, provided we secure sufficiently attractive returns. In the first half, returns on new annuity premiums were broadly equivalent to those achieved in 2025. The persistently narrow credit spreads and competitive market is putting increasing pressure on the new business returns, so we expect new business economics to be lower in the second half. We remain disciplined and confident in our ability to win in this market, and our competitive position will be further supported by our new UK PRT partnership with prominent global financial institutions.

Strong OCG delivery and consistent margins

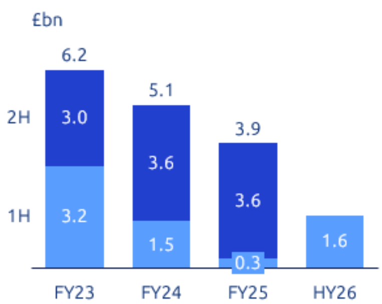
Our effective management of the in-force book, combined with our scale, efficiency and expertise in delivering asset portfolio optimisation actions, enabled us to sustain the annualised OCG-basis spread-based margin at 222 bps (H1 2025: 224 bps).

Applied to our growing average AUA of £42.0 billion (H1 2025: £39.5 billion). Retirement Solutions produced OCG of £466 million (H1 2025: £443 million), up 5% year-on-year. IFRS adjusted operating profit also increased by 13% to £324 million (H1 2025: £286 million) driven by business growth and lower costs.

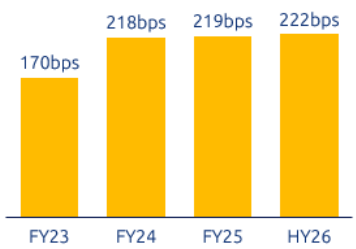
Individual Annuities



PRT transactions



OCG margins[f]



[f] H1 2026 OCG margin is shown on an annualised basis

Cash

£745m

Operating Cash Generation REM APM

£900m

Total cash generation REM APM

Group holding companies' sources and uses of cash

£m	H1 2026	H1 2025
Holding companies' cash at 1 January [g]	**846**	**1,117**
Operating Cash Generation	745	705
Non-operating cash generation	155	79
Total cash generation [h]	**900**	**784**
Recurring uses of cash	(516)	(459)
Non-operating cash outflows	(171)	(285)
Holding companies' cash, pre-debt movements	**1,059**	**1,157**
Debt repayments	(503)	(200)
Holding companies' cash at 30 June [g]	**556**	**957**
Operating Cash Generation comprises:		
Recurring management actions	318	294
Surplus emergence	427	411

Consistent OCG delivery

In the first half of 2026, OCG increased 6% to £745 million (H1 2025: £705 million). This was driven by surplus emergence of £427 million (H1 2025: £411 million), supported by new business written which has offset the natural run-off of our in-force business. The remaining £318 million of OCG was generated through recurring management actions (H1 2025: £294 million), reflecting another strong performance delivered by our in-house asset management capabilities, and in line with our guidance of delivering sustainable recurring management actions of c.£0.5 billion per annum. The majority of these actions were portfolio optimisation actions contributing £195 million (H1 2025: £189 million), with a further £123 million from capital improvements and fund simplification actions (H1 2025: £105 million).

Total cash generation supports deleveraging and investment

Total cash generation during the period was £900 million (H1 2025: £784 million), comprising OCG and £155 million (H1 2025: £79 million) of non-operating cash generation from the delivery of non-recurring management actions. The debt repayments in the first half of the year were in part funded through excess cash generation and in part from the holding companies' opening cash. With the debt reduction programme behind us, net recurring cash flows are expected to replenish holding companies' cash in the second half of the year.

Recurring uses of cash

Our recurring uses of cash comprise central operating expenses, debt interest, capital invested in annuities and shareholder dividends. Operating expenses increased to £55 million (H1 2025: £33 million), reflecting lower investment income received and small net negative other one-offs, whilst debt interest remained broadly flat at £135 million (H1 2025: £133 million). We invested £44 million of capital into our annuities business (H1 2025: £19 million) to support £2.2 billion of new business annuity premiums (H1 2025: £0.8 billion). Combined with the £282 million shareholder dividend (H1 2025: £274 million), these recurring uses totalled £516 million in the period. Importantly, OCG of £745 million more than covered these recurring uses and generated £229 million of excess cash. This is in line with the c. £0.5 billion excess cash expected at the full year, which supports the c.30% leverage ratio.

Non-recurring uses of cash

Non-operating net cash outflows decreased to £171 million (H1 2025: £285 million), driven by lower cash collateral outflows on currency derivatives used to hedge non-sterling debt instruments of £16 million (H1 2025: £113 million outflows), and lower non-operating costs that included our planned investment across our strategic priorities of £110 million (H1 2025: £149 million) to Grow, Optimise and Enhance our business. Other initiatives funded centrally of £45 million (H1 2025: £23 million) include £25 million of expenditure on strategic transactions announced this year.

Debt repayments

Debt repayments were higher at £503 million (H1 2025: £200 million) in support of the Group's deleveraging programme and represent the redemption of $350 million of Tier 2 notes and £250 million Tier 3 notes in June 2026.

£m	H1 2026	H1 2025
OCG	745	705
Dividend	(282)	(274)
Other recurring uses [i]	(234)	(185)
Excess cash generated	229	246

[g] Holding companies' cash is an APM – further information can be found on pages 68 to 74
[h] Total cash generation includes £103 million received by the holding companies in respect of tax losses surrendered (H1 2025: £114 million).
[i] Other recurring uses comprises central operation expenses, debt interest and capital invested in annuities.

Capital

£3.2bn

Group SII surplus (estimated) REM

169%

Group SCCR (estimated) APM

29%

SII leverage ratio REM APM

Solvency II economic sensitivity analysis [j]

	Surplus (£bn)	SCCR (%)
Solvency II base	3.2	169
Equities: 20% fall in markets	0.1	7
Long-term rates: 100bps rise in interest rates	0.1	4
Long-term rates: 100bps fall in interest rates	(0.1)	(5)
Long-term inflation: 50bps rise in inflation	-	(2)
Property: 12% fall in values	(0.2)	(3)
Credit spreads: 110bps widening with no allowance for downgrades	-	2
Credit downgrade: immediate full letter downgrade on 20% of portfolio [k]	(0.3)	(7)
Lapse: 10% increase/decrease in rates	(0.2)	(2)
Longevity: 6 months increase	(0.4)	(8)

Resilient Solvency II position

Our Solvency II capital position remains resilient, with an estimated surplus of £3.2 billion (FY 2025: £3.6 billion) and is stated after the accrual for the 2026 Interim dividend. Our surplus was £0.4 billion lower than FY 2025 mainly due to £0.5 billion of debt repayments made. The resulting SCCR declined to 169%, whilst remaining in the upper half of our operating range (140–180%). With the debt reduction programme now behind us, we expect that surplus generation in the second half will replenish SII surplus and drive the SCCR back towards the top end of our operating range.

Recurring capital generation

Net recurring SII capital generation totalled £0.2 billion which increased the SCCR by 5%pts. In-force business surplus emergence and release of capital requirements contributed £0.3 billion to the SII surplus and 10%pts to the SCCR. We also delivered recurring management actions of £0.3 billion, increasing the SCCR by 7%pts, with the majority being Own Funds accretive as a result of portfolio optimisation and other actions. Operating costs, dividends and debt interest totalled £0.4 billion, reducing the SCCR by 10%pts. New business strain was negligible in the period and reduced the SCCR by 2%pts.

Non-recurring capital utilisation

Net non-recurring SII capital utilisation, excluding debt repayments, was £0.1 billion. The £0.2 billion from other non-recurring management actions offset non-recurring investment spend supporting our strategic priorities and other items of £0.2 billion. Other management actions included benefits delivered through further simplification of our With-Profits business, capital model reviews and Irish annuity reinsurance. We continue to be well hedged on a Solvency II economic basis and experienced a negative impact of £0.1 billion this year driven by higher inflation.

Deleveraging target met

Our SII leverage ratio improved by 4%pts to 29% at 30 June 2026 (FY 2025: 33%) as a result of the £503 million debt repayments completed in June 2026. Subsequently, we raised £350 million Restricted Tier 1 debt in July 2026 to support part of the Aegon UK acquisition funding. Therefore, there will be a temporary increase in our SII leverage ratio, but we expect to remain below c.30% once this acquisition is completed.

Movement in Group Solvency II capital during H1 2026

		Recurring capital generation of +£0.2bn surplus and +5%pts SCCR				Non-recurring capital generation of £(0.1)bn surplus and (1)%pts SCCR					
£bn	2025	Surplus emergence and release of SCR	Recurring management actions	Operating costs, debt interest and dividend	New business strain	Other management actions	Economics and temporary strain	Investment spend and other	H1 2026 (pre-debt repayment)	Debt repayment	H1 2026
Own Funds	8.3	0.2	0.3	(0.4)	0.1	0.1	(0.1)	(0.2)	8.3	(0.5)	7.8
SCR	(4.7)	0.1	-	-	(0.1)	0.1	-	-	(4.6)	-	(4.6)
SII surplus	3.6	0.3	0.3	(0.4)	(0.0)	0.2	(0.1)	(0.2)	3.7	(0.5)	3.2
SCCR [l]	176%	9%	7%	(9)%	(2)%	8%	(3)%	(6)%	180%	(11)%	169%

[j] Illustrative impacts assume changing one assumption on 1 July 2026, while keeping others unchanged, and that there is no market recovery. They should not be used to predict the impact of future events as this will not fully capture the impact of economic or business changes. Given recent volatile markets, we caution against extrapolating results as exposures are not all linear.
[k] Impact of an immediate full letter downgrade across 20% of the shareholder exposure to the bonds backing the annuity portfolio (e.g. from AAA to AA, AA to A, etc.). Reinsurance exposures and internal securitisations of ERM loans are excluded. The sensitivity assumes spread widening impacts on the market value of downgrading bonds, and rebalancing of liquid assets that fall to sub-investment grade.
[l] The SCCR excludes SII Own Funds and Solvency Capital Requirements ('SCR') of unsupported With-Profit funds and unsupported pension schemes

Earnings

£563m

IFRS adjusted operating profit REM APM

£3,894m

Contractual Service Margin (gross of tax)

£2,702m

IFRS adjusted shareholders' equity APM

IFRS income statement

£m	H1 2026	H1 2025
Pensions and Savings	244	179
Retirement Solutions	324	286
Europe and Other	32	41
With-Profits	14	4
Corporate Centre	(51)	(59)
Adjusted operating profit	**563**	**451**
Amortisation and impairment of intangibles	(103)	(116)
Finance costs attributable to owners	(90)	(97)
Other non-operating items	(179)	(184)
Profit before economics, tax and NCI	**191**	**54**
Economic variances	(473)	(275)
Loss before tax and NCI	**(282)**	**(221)**
Profit before tax attributable to non-controlling interest	10	12
Loss before tax attributable to owners	**(272)**	**(209)**
Tax credit attributable to owners	93	53
Loss after tax attributable to owners	**(179)**	**(156)**

Strong momentum on IFRS adjusted operating profit

We generated a 25% year-on-year increase in IFRS adjusted operating profit to £563 million (H1 2025: £451 million) driven by uplifts in both of our two main operating business units, Pensions and Savings (+36% growth year-on-year) and Retirement Solutions (+13% growth year-on-year). This continued momentum gives us confidence in meeting our 2026 IFRS adjusted operating profit target of c.£1.1 billion.

Continued delivery of cost savings

The Group's cost savings programme remains on track to deliver the end-2026 targeted £250 million of annual run-rate cost savings, net of inflation, relative to the Group's 2023 cost levels, as we continue to enhance our business and progress towards a more efficient Group-wide operating model through migrations to end-state platforms and business simplification. In the first half of 2026, £30 million of run-rate savings were delivered (H1 2025: £37 million), which combined with the savings achieved in 2024 and 2025, brings the cumulative run-rate cost savings total to £210 million.

Amortisation and impairment of intangibles, finance costs and other non-operating items

The previously acquired in-force business, relating to IFRS 9 capital-light fee-based business, is being amortised in line with the expected run-off profile of the investment contract profits to which it relates. Amortisation and impairment during the period reduced to £103 million (H1 2025: £116 million) reflecting the run-off of this acquired business. Other non-operating losses in the period totalled £179 million (H1 2025: £184 million loss), the majority of which reflects £123 million of planned investment spend across our strategic priorities, with £56 million of other one-off items that includes £25 million expenditure on strategic transactions announced this year. Finance costs of £90 million (H1 2025: £97 million) reflected interest borne on the Group's debt and continue to benefit from the Group's ongoing deleveraging programme.

IFRS loss after tax shaped by economic variances

The Group generated an IFRS loss after tax attributable to owners of £179 million (H1 2025: £156 million). The loss is driven by £473 million of adverse hedging-related economic variances (H1 2025: £275 million), primarily from rising equity markets in the period (FTSE 100 +6%, S&P 500 +10% and Eurostoxx 50 +9%), and reflects the result of the Group's hedging programme which aims to protect cash and Solvency II capital from volatility in equities and interest rates. This gives rise to accounting movements, as several of the Solvency II capital components covered by hedging are not recognised on the IFRS balance sheet, with the IFRS market sensitivities shown on page 43.

Adjusted shareholders' equity highlights strong underlying value

We have continued the progress made in 2025, with IFRS adjusted operating profit now exceeding recurring uses (pre-tax) by £88 million, compared with deficits of £36 million in H1 2025 and £29 million in FY 2025. This reflects the higher levels of sustainable operating profit now being generated and increases confidence that our target of c.£1.1 billion IFRS adjusted operating profit in 2026 will cover recurring uses and support ongoing investment.

Non-operating costs remain elevated due to our planned investment programme, together with other items including additional expenditure relating to the Aegon UK acquisition and PRT partnership.

These factors, alongside economic variances, resulted in a reduction in shareholders' equity to £(218) million (FY 2025: £244 million). However, this does not affect the underlying operating performance, cash generation or capital strength of the business. The Board remains focused on maintaining a resilient SII surplus and delivering sustainable, predictable dividends. Following the acquisition of Aegon UK, IFRS shareholders' equity is expected to increase and be positive in 2027.

Adjusted shareholders' equity, comprising IFRS shareholders' equity and the post-tax CSM, provides a more representative measure of underlying value and was £2,702 million at 30 June 2026 (FY 2025: £3,098 million).

IFRS shareholders' equity and adjusted shareholders' equity

£m	H1 2026	FY 2025	H1 2025
Adjusted operating profit	**563**	**945**	**451**
Recurring uses:			
Amortisation of intangibles	(103)	(233)	(116)
Finance costs attributable to owners	(90)	(193)	(97)
Dividend	(282)	(548)	(274)
Adjusted operating profit/(loss) before tax, less recurring uses	**88**	**(29)**	**(36)**
Non-recurring uses, economics and tax:			
Other non-operating items	(179)	(396)	(184)
Economic variances	(473)	(604)	(275)
Tax and other items recognised in equity	102	60	50
Movement in shareholders' equity	**(462)**	**(969)**	**(445)**
Opening shareholders' equity	**244**	**1,213**	**1,213**
Movement in shareholders' equity	(462)	(969)	(445)
Closing shareholders' equity	**(218)**	**244**	**768**
CSM (net of tax)	2,920	2,854	2,675
Adjusted shareholders' equity	**2,702**	**3,098**	**3,443**

CSM momentum drives value

The Group's CSM (gross of tax) increased to £3,894 million at 30 June 2026 (FY 2025: £3,806 million), reinforcing the significant store of future earnings embedded within the business. Growth in the period reflected contributions from new business of £79 million, interest accretion of £37 million and other movements including assumption changes, experience, economics and other of £122 million. This compares with £152 million in H1 2025, which additionally benefitted from a £296 million uplift from strategic projects. The annualised CSM release rate remained unchanged at 7%, contributing £150 million to pre-tax adjusted operating profit (H1 2025: £138 million). Net of tax, the CSM increased to £2,920 million at 30 June 2026 (FY 2025: £2,854 million).

Other stores of value not captured in IFRS balance sheet

In addition to the store of future value of £2.9 billion (post-tax) captured in the CSM for insurance contracts, there is a further store of future value which is included in SII Own Funds, relating to the value-in-force for investment contracts. This increased to £4.9 billion post-tax at 30 June 2026 (FY 2025: £4.4 billion post-tax), primarily reflecting equity market rises, but also new business flows and improved in-force business management. These stores of value will emerge through IFRS adjusted operating profit in future years, providing a strong underpin to the Group performance trajectory for many years to come.

Movement in Group Contractual Service Margin during H1 2026, including segmental split

£m	Opening CSM (gross)	New business	Interest accretion	Assumption changes, experience, economics and other	Strategic project initiatives	Closing CSM, pre-release (gross)	CSM release	Closing CSM (gross)	Tax	Closing CSM (net)
Pensions and Savings	296	-	-	80	-	376	(18)	358	(89)	269
Retirement Solutions	2,800	58	33	(26)	-	2,865	(99)	2,766	(692)	2,074
Europe and Other	196	21	1	9	-	227	(12)	215	(54)	161
With-Profits	514	-	3	59	-	576	(21)	555	(139)	416
H1 2026 Total Group CSM	3,806	79	37	122	-	4,044	(150)	3,894	(974)	2,920
H1 2025 Total Group CSM	3,257	24	33	95	296	3,705	(138)	3,567	(892)	2,675
FY 2025 Total Group CSM	3,257	150	69	308	296	4,080	(274)	3,806	(952)	2,854

Dividend

28.05p
2026 Interim dividend

2.6%
Year-on-year increase in Interim dividend

In March 2024, the Board outlined a 3-year strategy for 2024–26, to support the creation of a business which delivers sustainable and growing Cash, Capital and Earnings and adopted a progressive and sustainable ordinary dividend policy, reflecting its confidence in the Group's strategy.

In operating this dividend policy, the Board will announce any potential annual dividend increase alongside the Group's Full Year results and expects the Interim dividend to be in line with the previous year's Final dividend. The Board continues to prioritise the sustainability of our dividend over the long term. Future dividends and annual increases will be subject to the discretion of the Board, following assessment of longer-term affordability.

In operating the policy and assessing longer-term affordability, the Board considers the quantum and trajectory of the Group's OCG, SII surplus, SCCR and the distributable reserves at the Group's holding company.

At 31 December 2025, distributable reserves at Standard Life plc, the Group's holding company that pays dividends to shareholders, stood at £5,800 million (2024: £5,571 million), supported by distributions from its main operating companies which continue to report under UK GAAP and carry sizeable distributable reserves. In 2025 the Group's main operating subsidiaries generated strong UK GAAP net profits after hedging impacts, which supported the cash remittances to Group.

In the consolidated IFRS financial statements, and prior to the financial effects of the recently announced strategic transactions, the Group is targeting a positive pre-hedge post-dividend IFRS net profit contribution to the IFRS shareholders' equity from 2027. The Group accepts the hedge-related volatility that impacts IFRS shareholders' equity, which is a known consequence of our hedging strategy that is designed to protect our cash, capital and dividend. In this overall context and consistent with previous guidance, the Board considers that the Group's consolidated IFRS shareholders' equity is not a constraint to the payment of our dividends.

In line with our policy, the Board has declared a 2026 Interim dividend of 28.05 pence per share, equal to the 2025 Final dividend announced at the Group's Full Year results in March. The 2026 Interim dividend equates to a 2.6% year-on-year increase compared to the 2025 Interim dividend, in line with the increase of our 2025 Final dividend, which reflected the result of our improved operating performance in 2025 and our ongoing confidence in the Group's strategy.

Looking ahead

The Group continues to operate in an environment with heightened global geopolitical and macroeconomic uncertainty. Notwithstanding this challenging backdrop, the UK consumer retirement needs we serve are long term in nature and enduring.

We are 6 months away from completing our 3-year strategy, with demonstrable progress made across our strategic priorities to date and we remain on track to meet all our 2026 financial targets at the full year.

At the end of 2026, our business will have a higher OCG and IFRS adjusted operating profit base and a higher quality Solvency balance sheet. Importantly, it will generate a healthy and growing level of excess cash, improving both our financial and strategic flexibility.

2026 financial targets

	Financial target	Status	Performance in H1 2026, 2025 and 2024
Cash	Mid-single digit percentage growth p.a. in Operating Cash Generation	On track	£745m, +6% vs H1 2025 (2025: £1,474m, 2024: £1,403m)
	Total cash generation of £5.1bn across 2024–26	On track	£4.4bn cumulative across 2024 to H1 2026 (2024-25: £3.5bn, 2024: £1.8bn)
Capital	Operate within our 140–180% Shareholder Capital Coverage Ratio operating range	On track	169%, within operating range (2025: 176%, 2024: 172%)
	SII leverage ratio of c.30% by the end of 2026	Achieved	29%, -4%pts vs 2025 (2025: 33%, 2024: 36%)
Earnings	c.£1.1bn of IFRS adjusted operating profit in 2026	On track	£563m, +25% vs H1 2025 (2025: £945m, 2024: £825m)
	£250m of annual run-rate cost savings by the end of 2026	On track	£210m cumulative across 2024 to H1 2026 (2024-25: £180m, 2024: £63m)

Our risks and risk management

The Group’s principal risks and uncertainties over the remainder of 2026 remain consistent with those reported in the Group’s 2025 Annual Report and Accounts, published in March 2026. The seven principal risks facing the Group remain those detailed on pages 80 to 83 of the 2025 Annual Report and Accounts, albeit recognising the continued rapid development of emerging technologies, which remains an important emerging risk for the Group.

The Group continues to operate against a backdrop of heightened geopolitical risk, a competitive and evolving market landscape, and ongoing regulatory and technological change that must be navigated to deliver on the Group’s strategic priorities. The Group is particularly focused on:

- **Balancing delivery of the Group's existing transformation agenda to simplify the operating model and modernise customer service platforms, alongside the launch of the PRT partnership and pre-completion activities relating to the Aegon UK acquisition.** The scale and complexity of these programmes, alongside regulatory and legislative change, and evolving operational resilience requirements, increase execution and delivery risk. The Group manages these risks through established governance, prioritisation, and risk and control frameworks, with a focus on maintaining good customer outcomes, meeting regulatory requirements and delivering change in a controlled and sustainable manner.
- **The cyber threat landscape which continues to evolve.** Cyber-attacks continue to grow in scale and sophistication, with advances in emerging technologies providing additional capabilities for threat actors to exploit vulnerabilities. This increasing complexity reinforces the need for stronger security, operational resilience and effective data management. The Group continues to maintain a robust cybersecurity framework and strengthen its cyber detection, response and resilience capabilities, while evolving its governance and control frameworks to ensure associated risks are appropriately understood and managed.
- **The rapid acceleration of emerging technologies,** including artificial intelligence, which continue to reshape customer expectations, business models and operating practices across the financial services industry. Recent developments in frontier AI models demonstrate the pace of technological advancement and the potential for technology to enhance customer experiences, decision-making and operational efficiency. These developments introduce new considerations around governance, security, resilience, data management and the responsible deployment of emerging technologies. The Group continues to evolve its governance and control framework for emerging technologies and invest in the skills and capabilities required to support innovation, while ensuring associated risks are appropriately understood and managed.

Financials

Additional Information

Statement of Directors' responsibilities

The Board of Directors of Standard Life plc hereby declares that, to the best of its knowledge:

- the condensed consolidated interim financial statements set out on pages 22 to 55 have been prepared in accordance with UK adopted IAS 34 'Interim Financial Reporting'; and
- the Interim Financial Report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R:
  - indication of important events that have occurred during the first six months ended 30 June 2026 and their impact on the condensed set of interim financial statements, and description of principal risks and uncertainties for the remaining six months of the year; and
  - transactions with related parties and any material changes in related party transactions described in the last Annual Report and Accounts that could have a material effect on the financial position or performance of Standard Life in the six months ended 30 June 2026.

Information on the current Directors responsible for providing this statement can be found on the Standard Life plc website at www.standardlifeplc.com

By order of the Board

Andy Briggs
Group Chief Executive Officer

6 September 2026

Standard Life plc Board of Directors

Chair
Sir Nicholas Lyons

Executive Directors
Andy Briggs, MBE
Nicolaos Nicandrou

Non-Executive Directors
Siobhan Boylan
Eleanor Bucks
Karin Cook
Sherry Coutu, CBE
Mark Gregory
Hiroyuki Iioka
Katie Murray
Margaret Semple, OBE

Registered address
Standard Life plc
20 Old Bailey
London
England EC4M 7AN

Independent auditor's review report to the members of Standard Life plc

Conclusion

We have been engaged by Standard Life plc ('the Company') to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2026 which comprises the condensed consolidated income statement, condensed statement of consolidated comprehensive income, condensed statement of consolidated financial position, condensed statement of consolidated changes in equity, condensed statement of consolidated cash flows and the related notes to the condensed consolidated interim financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2026 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting as adopted for use in the UK and the Disclosure Guidance and Transparency Rules ('the DTR') of the UK's Financial Conduct Authority ('the UK FCA').

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity ('ISRE (UK) 2410') issued for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention that causes us to believe that the directors have inappropriately adopted the going concern basis of accounting, or that the directors have identified material uncertainties relating to going concern that have not been appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the Group to cease to continue as a going concern, and the above conclusions are not a guarantee that the Group will continue in operation.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with UK-adopted international accounting standards. The Directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted for use in the UK.

In preparing the condensed set of financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion section of this report.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Stuart Crisp
for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square
London
E14 5GL

6 September 2026

Condensed consolidated income statement (unaudited)

For the half year ended 30 June 2026

	Notes	Half year ended 30 June 2026 £m	Half year ended 30 June 2025 £m
Insurance revenue	5	2,819	2,698
Insurance service expenses		(2,536)	(2,362)
Insurance service result before reinsurance contracts		283	336
Net expenses from reinsurance contracts		(154)	(159)
Insurance service result		129	177
Fees and commissions		573	510
Net investment income		20,972	7,895
Other operating income		57	20
Total income		21,731	8,602
Net finance expense from insurance contracts		(4,247)	(2,630)
Net finance (expense)/income from reinsurance contracts		(25)	79
Net insurance finance expense	6	(4,272)	(2,551)
Change in investment contract liabilities		(17,179)	(5,756)
Change in reinsurers' share of investment contract liabilities		1,028	720
Amortisation and impairment of intangible assets		(106)	(120)
Administrative expenses		(658)	(736)
Net expense attributable to unit holders		(326)	(15)
Profit before finance costs and tax		218	144
Finance costs		(125)	(136)
Profit for the period before tax		93	8
Tax charge attributable to policyholders' returns	7	(365)	(217)
Loss before the tax attributable to owners		(272)	(209)
Tax charge	7	(272)	(164)
Add: tax attributable to policyholders' returns	7	365	217
Tax credit attributable to owners	7	93	53
Loss for the period		(179)	(156)
Attributable to:			
Owners of the parent		(189)	(168)
Non-controlling interests	16	10	12
		(179)	(156)
Earnings per ordinary share			
Basic (pence per share)	8	(20.3)p	(18.2)p
Diluted (pence per share)	8	(20.3)p	(18.2)p

Condensed statement of consolidated comprehensive income (unaudited)

For the half year ended 30 June 2026

	Notes	Half year ended 30 June 2026 £m	Half year ended 30 June 2025 £m
Loss for the period		(179)	(156)
Other comprehensive income/(expense):			
Items that are or may be reclassified to profit or loss:			
Cash flow hedges:			
Fair value gains/(losses) arising during the period		11	(91)
Reclassification adjustments for amounts recognised in profit or loss		(5)	73
Exchange differences on translating foreign operations (net of deferred tax)		(2)	-
Items that will not be reclassified to profit or loss:			
Remeasurements of net pension scheme asset/liability		12	15
Tax charge relating to other comprehensive income items	7	(5)	-
Total other comprehensive income/(expense) for the period		11	(3)
Total comprehensive expense for the period		(168)	(159)
Attributable to:			
Owners of the parent		(178)	(171)
Non-controlling interests	16	10	12
		(168)	(159)

Condensed statement of consolidated financial position (unaudited)

As at 30 June 2026

	Notes	30 June 2026 £m	31 December 2025 £m
Assets			
Pension scheme asset	10	14	33
Reimbursement right assets	10	168	175
Intangible assets		1,449	1,554
Property, plant and equipment		78	74
Investment property		4,351	4,528
Investment in associate accounted for using the equity method		9	11
Financial assets	11	327,214	309,031
Reinsurance contract assets	13	6,820	5,808
Deferred tax assets		427	327
Current tax assets		330	298
Prepayments and accrued income		436	367
Other receivables		3,472	2,719
Cash and cash equivalents		7,450	7,302
Assets classified as held for sale	2	-	14
Total assets		352,218	332,241
Equity			
Share capital	14	101	101
Share premium		22	20
Shares held by employee benefit trust		(8)	(14)
Foreign currency translation reserve		125	127
Other reserves	15	600	594
Retained earnings		(1,058)	(584)
Equity attributable to owners of the parent		(218)	244
Tier 1 Notes		494	494
Non-controlling interests		547	554
Total equity		823	1,292
Liabilities			
Pension scheme liability	10	1,589	1,247
Reimbursement right liabilities	10	20	10
Insurance contract liabilities	13	121,615	120,326
Reinsurance contract liabilities	13	193	180
Financial liabilities	11	223,573	205,437
Provisions		197	188
Deferred tax liabilities		716	490
Current tax liabilities		9	18
Lease liabilities		55	59
Accruals and deferred income		466	565
Other payables		2,962	2,429
Total liabilities		351,395	330,949
Total equity and liabilities		352,218	332,241

Condensed statement of consolidated changes in equity (unaudited)

For the half year ended 30 June 2026

	Share capital (note 14) £m	Share premium £m	Shares held by the employee benefit trust £m	Foreign currency translation reserve £m	Other reserves (note 15) £m	Retained earnings £m	Total £m	Tier 1 Notes £m	Non-controlling interests (note 16) £m	Total equity £m
At 1 January 2026	101	20	(14)	127	594	(584)	244	494	554	1,292
(Loss)/profit for the period	-	-	-	-	-	(189)	(189)	-	10	(179)
Other comprehensive (expense)/income for the period	-	-	-	(2)	6	7	11	-	-	11
Total comprehensive (expense)/income for the period	-	-	-	(2)	6	(182)	(178)	-	10	(168)
Issue of ordinary share capital, net of associated commissions and expenses	-	2	-	-	-	-	2	-	-	2
Dividends paid on ordinary shares	-	-	-	-	-	(282)	(282)	-	-	(282)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(6)	(6)
Credit to equity for equity-settled share-based payments	-	-	-	-	-	13	13	-	-	13
Taxation on share schemes	-	-	-	-	-	4	4	-	-	4
Reserve movement on exercise of share scheme awards	-	-	13	-	-	(13)	-	-	-	-
Shares acquired by the employee benefit trust	-	-	(7)	-	-	-	(7)	-	-	(7)
Decrease in non-controlling interests	-	-	-	-	-	-	-		(11)	(11)
Coupon paid on Tier 1 Notes	-	-	-	-	-	(14)	(14)	-	-	(14)
At 30 June 2026	101	22	(8)	125	600	(1,058)	(218)	494	547	823

Condensed statement of consolidated changes in equity (unaudited)

For the half year ended 30 June 2025

	Share capital (note 14) £m	Share premium £m	Shares held by the employee benefit trust £m	Foreign currency translation reserve £m	Other reserves (note 15) £m	Retained earnings £m	Total £m	Tier 1 Notes £m	Non-controlling interests (note 16) £m	Total equity £m
At 1 January 2025	100	16	(18)	124	616	375	1,213	494	539	2,246
(Loss)/profit for the period	-	-	-	-	-	(168)	(168)	-	12	(156)
Other comprehensive (expense)/income for the period	-	-	-	-	(18)	15	(3)	-	-	(3)
Total comprehensive (expense)/income for the period	-	-	-	-	(18)	(153)	(171)	-	12	(159)
Issue of ordinary share capital, net of associated commissions and expenses	-	2	-	-	-	-	2	-	-	2
Dividends paid on ordinary shares	-	-	-	-	-	(274)	(274)	-	-	(274)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(6)	(6)
Credit to equity for equity-settled share-based payments	-	-	-	-	-	13	13	-	-	13
Taxation on share schemes	-	-	-	-	-	3	3	-	-	3
Reserve movement on exercise of share scheme awards	-	-	11	-	-	(11)	-	-	-	-
Shares acquired by the employee benefit trust	-	-	(4)	-	-	-	(4)	-	-	(4)
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	(15)	(15)
Coupon paid on Tier 1 Notes	-	-	-	-	-	(14)	(14)	-	-	(14)
At 30 June 2025	100	18	(11)	124	598	(61)	768	494	530	1,792

Condensed statement of consolidated cash flows (unaudited)

For the half year ended 30 June 2026

	Notes	Half year ended 30 June 2026 £m	Half year ended 30 June 2025 £m
Cash flows from operating activities			
Cash generated by operations	17	1,271	1,150
Taxation paid		(187)	(91)
Net cash flows from operating activities		1,084	1,059
Cash flows from investing activities			
Purchase of equipment		(11)	-
Capitalised development costs		(1)	(6)
Net cash flows from investing activities		(12)	(6)
Cash flows from financing activities			
Proceeds from issuing ordinary shares, net of associated commission and expenses		2	2
Acquisition of non-controlling interests		(11)	(10)
Ordinary share dividends paid	9	(282)	(274)
Dividends paid to non-controlling interests	16	(6)	(6)
Repayment of policyholder borrowings		(26)	(9)
Repayment of shareholder borrowings		(503)	(200)
Repayment of lease liabilities		(5)	(5)
Payment by the Employee Benefit Trust to acquire shares		(7)	(4)
Proceeds from new policyholder borrowings, net of associated expenses		54	80
Coupon paid on Tier 1 Notes		(14)	(14)
Interest paid on policyholder borrowings		(5)	(3)
Interest paid on shareholder borrowings		(121)	(119)
Net cash flows from financing activities		(924)	(562)
Net increase in cash and cash equivalents		148	491
Cash and cash equivalents at the beginning of the period		7,302	9,486
Cash and cash equivalents at the end of the period		7,450	9,977

Notes to the condensed consolidated interim financial statements (unaudited)

1. Basis of preparation

The condensed consolidated interim financial statements ('the interim financial statements') for the half year ended 30 June 2026 comprise the interim financial statements of Standard Life plc ('the Company') and its subsidiaries (together referred to as 'the Group') as set out on pages 22 to 55 and were authorised by the Board of Directors for issue on 6 September 2026.

These interim financial statements are unaudited but have been reviewed by the Group's auditor, KPMG LLP. They do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. The comparative results for the year ended 31 December 2025 are not the Group's statutory accounts for that financial year but have been derived from the Group's 2025 Annual Report and Accounts. The report of the auditor on those accounts was unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006. The comparative information for the half year ended 30 June 2025 is derived from the Group's 2025 Interim Financial Statements. The interim financial statements should be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 December 2025.

The interim financial statements have been prepared on a going concern basis and on a historical cost basis except for investment property, owner-occupied property, those financial assets and financial liabilities (including derivative instruments) that have been measured at fair value, and for insurance and reinsurance contracts that are measured using estimates of future cash flows, as explained in the Group's accounting policies.

The interim financial statements are presented in sterling (£), the presentational currency for the Group, rounded to the nearest million except where otherwise stated.

Assets and liabilities are offset and the net amount reported in the condensed statement of consolidated financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously. Income and expenses are not offset in the condensed consolidated income statement unless required or permitted by an International Financial Reporting Standard ('IFRS') or interpretation, as specifically disclosed in the accounting policies of the Group.

The interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the UK. The accounting policies applied in the interim financial statements are consistent with those set out in the 2025 consolidated financial statements. In preparing the interim financial statements the Group has adopted the following amendments effective from 1 January 2026 which have been endorsed by the UK Endorsement Board ('UKEB'):

- Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7; and
- Annual Improvement to IFRS Accounting Standards – Volume 11

The above amendments are not considered to have a material effect on these interim financial statements. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

IFRS 18 Presentation and Disclosure in Financial Statements becomes effective for accounting periods beginning on or after 1 January 2027 and will replace IAS 1 Presentation of Financial Statements. The standard introduces new requirements relating to the presentation and disclosure of financial performance, including specified categories and subtotals within the income statement, disclosures relating to management-defined performance measures and enhanced aggregation and disaggregation requirements. IFRS 18 does not change the recognition or measurement of assets, liabilities, income or expenses.

The Group continues to assess the impact of IFRS 18 and progress implementation activities. During the period, the Group has further developed its IFRS 18 methodology, assessed key presentation judgements, and undertaken detailed mapping of income statement balances and disclosures. Based on work performed to date, IFRS 18 is expected to primarily affect the presentation and disclosure of financial information rather than the Group's reported profit, net assets or equity. The assessment remains ongoing and the Group will provide further information as implementation progresses.

In its 2025 Annual Report and Accounts, the Group set out its intention to make a voluntary accounting policy change in 2026 to adopt the Risk Mitigation Option for the measurement of IFRS 17 contracts which apply the Variable Fee Approach. The Group continues to plan for the implementation of the Risk Mitigation Option but is taking the opportunity to consider this implementation in the context of the enlarged Group resulting from the expected acquisition of Aegon UK around the end of 2026. As a result, this accounting policy change has not been made in the Group's interim financial statements.

Going concern

As part of the Directors' consideration of the appropriateness of adopting the going concern basis for the preparation of the interim financial statements, the Directors have assessed whether the Group can meet its obligations as they fall due and can continue to meet its solvency requirements over a period of at least twelve months from the approval of this report.

As a regulated insurance group, for Standard Life plc to remain a going concern, there needs to be sufficient solvency capital and liquidity to meet all liabilities as they fall due. The Group must be able to meet its mandatory obligations, maintain regulatory capital requirements and cover recurring uses of capital. The Board performs a comprehensive assessment of whether the Group and the Company are a going concern and as part of this assessment the Board has considered financial projections over the period to 31 December 2027, which demonstrate the ability of the Group to withstand market shocks in a range of severe but plausible stress scenarios. The projections demonstrate that appropriate levels of capital and liquidity would remain in the Life Companies supporting cash generation in the going concern period. The stresses do not give rise to any material uncertainties over Standard Life plc's ability to continue as a going concern. Group IFRS shareholder equity, which has turned negative at £(218) million at 30 June 2026 (31 December 2025: £244 million), is not linked to the Group maintaining adequate levels of solvency and liquidity and therefore the impact of Group IFRS shareholder equity features less prominently in the financial analysis to support the going concern assessment.

In addition, the Board noted Standard Life plc's access to additional funding through its undrawn £1.5 billion revolving credit facility ('RCF'), plus two additional short term facilities available totalling £700 million (including a £300 million additional RCF and a £400 million Bridge Facility) during 2026 to support liquidity management in readiness for the Aegon acquisition.

As a result of the above assessment, these interim financial statements have been prepared on the basis that the Group will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the period covered by the assessment.

2. Significant transactions

2.1 Transfer of business to Aberdeen Group plc

On 28 March 2025, the Group completed the Part VII transfer of the UK Trustee Investment Plan ('TIP') business to Aberdeen Group plc. This business was classified as a disposal group held for sale prior to the transfer. The self-invested elements of the Wrap SIPP business, which are held off-balance sheet, are expected to be transferred to Aberdeen Group plc in 2027. At 30 June 2026, there are no assets or liabilities to be classified as held for sale.

2.2 Disposal of Wythall Green site

In January 2026, the Group completed the sale of the Wythall Green site which included land and an owner-occupied building. The land and buildings were classified as held for sale at 31 December 2025 and measured at the value of the net sales proceeds.

The major classes of assets and liabilities classified as held for sale are as follows:

	30 June 2026 £m	31 December2025 £m
Property, plant and equipment	-	10
Investment property	-	4
Assets classified as held for sale	-	14

2.3 Agreement to acquire Aegon UK plc

On 15 April 2026, the Group announced that it had entered into an agreement to acquire Aegon UK plc ('Aegon UK'), subject to regulatory approval, containing the UK insurance and pensions operations of Aegon Europe Holding B.V. ('Aegon') (the 'Transaction'), for a total consideration of £2 billion as at the date the agreement was entered into.

The transaction will be funded through a combination of debt, cash and the issue of 181 million new ordinary shares in the Company (representing approximately 15.3% of the Group's enlarged share capital) to Aegon on completion, with the Group welcoming Aegon as a new strategic shareholder and asset management partner. Further details of the debt funding arrangements are included in notes 12 and 20.

3. Segmental analysis

The Group defines and presents operating segments in accordance with IFRS 8 *Operating Segments* which requires such segments to be based on the information, which is provided to the Board, and therefore segmental information in this note is presented on a different basis from profit or loss in the interim financial statements.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses relating to transactions with other components of the Group. For management purposes the Group is organised into value centres and has five operating segments comprising Retirement Solutions, Pensions & Savings, With-Profits, SunLife & Protection, and Europe. Operating segments are aggregated where they share similar economic characteristics including the nature of products and services, types of customers and the nature of the regulatory environment. The SunLife & Protection operating segment has been aggregated with the Europe operating segment to form a single Europe & Other reportable segment. Details of each reporting segment are included in note B1 of the 2025 Annual Report and Accounts.

The Corporate Centre segment, which is not a reportable segment, principally comprises central head office costs that are not directly attributable to the Group's insurance or investment contracts. Management services costs are allocated to the four reportable segments.

Inter-segment transactions are set on an arm's length basis in a manner similar to transactions with third parties. Segmental results include those transfers between business segments which are then eliminated on consolidation.

Segmental measure of performance: Adjusted operating profit

The Group uses a non-GAAP measure of performance, being adjusted operating profit, to evaluate segmental performance. Adjusted operating profit is considered to provide a comparable measure of the underlying performance of the business as it excludes the impact of short-term economic volatility, one-off items and certain other items. Further details of the Group's adjusted operating profit methodology are included in note B1 of the 2025 Annual Report and Accounts.

The items excluded from adjusted operating profit are referred to as 'non-operating items'. Whilst the excluded items are important to an assessment of the consolidated financial performance of the Group, management considers that the presentation of adjusted operating profit provides a good indicator of the underlying performance of the Group's operating segments and the Group uses this, as part of a suite of measures, for decision-making and monitoring performance. The Group's adjusted operating profit should be read in conjunction with the IFRS profit or loss before tax.

3.1 Segmental result

	Half year ended 30 June 2026 £m	Half year ended 30 June 2025 £m
Adjusted operating profit		
Retirement Solutions	324	286
Pensions & Savings	244	179
With-Profits	14	4
Europe & Other	32	41
Corporate Centre	(51)	(59)
Total segmental adjusted operating profit	563	451
Economic variances	(473)	(275)
Amortisation and impairment of intangible assets	(103)	(116)
Other non-operating items	(179)	(184)
Finance costs on borrowing attributable to owners	(90)	(97)
Loss before the tax attributable to owners of the parent	(282)	(221)
Profit before tax attributable to non-controlling interests	10	12
Loss before the tax attributable to owners	(272)	(209)

Other non-operating items in respect of the half year ended 30 June 2026 include:

- £77 million of costs associated with the delivery of the Group Target Operating Model for IT and Operations, including the provision for costs associated with the strategic decision to migrate policyholder administration onto the Tata Consultancy Services ('TCS') platform. Under IFRS 17, the expected costs in respect of this activity that are directly attributable to insurance contracts have been included within the measurement of insurance contract liabilities;
- £44 million of costs associated with finance transformation activities, including the migration to cloud-based systems and enhancements to actuarial modelling and reporting capabilities and the related control environment;
- £25 million of costs associated with strategic initiatives undertaken during the period, including the forthcoming Aegon UK acquisition;
- £10 million of costs associated with delivery of the Group's 3-year cost saving programme; and
- Corporate project costs and net other one-off items totalling a cost of £23 million.

Other non-operating items in respect of the half year ended 30 June 2025 include:

- £70 million of costs associated with the delivery of the Group Target Operating Model for IT and Operations, including the provision for costs associated with the strategic decision to migrate customer administration of ReAssure policies to Wipro. Under IFRS 17, the expected costs in respect of this activity that are directly attributable to insurance contracts have been included within the measurement of insurance contract liabilities;
- £35 million of costs associated with finance transformation activities, including the migration to cloud-based systems and enhancements to actuarial modelling and reporting capabilities and the related control environment;
- £29 million of costs associated with strategic growth initiatives, including investment in digital and direct asset sourcing capabilities, establishment of the Group's integrated capital requirements model and transformation of the Group's operating model to support efficient growth;
- £13 million of costs associated with delivery of the Group's 3-year cost saving programme;
- £4 million of costs associated with ongoing integration programmes; and
- Corporate project costs and net other one-off items totalling a cost of £33 million.

Further details of the economic variances are included in note 4.

3.2 Segmental revenue

	Half year ended 30 June 2026			Half year ended 30 June 2025		
	Insurance revenue	Fees and Commissions	Total segmental revenue	Insurance revenue	Fees and Commissions	Total segmental revenue
Revenue from external customers:	£m	£m	£m	£m	£m	£m
Retirement Solutions	2,277	-	2,277	2,116	-	2,116
Pensions & Savings	120	495	615	149	438	587
With-Profits	160	24	184	164	21	185
Europe & Other	262	54	316	269	51	320
Total segmental revenue	2,819	573	3,392	2,698	510	3,208

Of the revenue from external customers presented in the table above, £3,259 million (half year ended 30 June 2025: £3,076 million) is attributable to customers in the United Kingdom ('UK') and £133 million (half year ended 30 June 2025: £132 million) to the rest of the world. No revenue transaction with a single customer external to the Group amounts to greater than 10% of the Group's revenue.

The Group has total non-current assets (other than financial assets, deferred tax assets, pension schemes and rights arising under insurance contracts) of £4,223 million (as at 30 June 2025: £4,359 million) located in the UK and £340 million (as at 30 June 2025: £342 million) located in the rest of the world.

4. Economic variances

The long-term nature of much of the Group's operations means that, for internal performance management, the effects of short-term economic volatility are treated as non-operating items. The Group focuses instead on an adjusted operating profit measure that incorporates an expected return on investments supporting its long-term business. The methodology for the determination of the expected investment return is explained below together with an analysis of investment return variances and economic assumption changes recognised outside of adjusted operating profit.

4.1 Calculation of the long-term investment return

Adjusted operating profit for life assurance business is based on expected investment return on financial investments backing shareholder, annuity, other non-profit business, with-profits funds receiving shareholder support and surplus assets, with allowance for the corresponding movements in liabilities.

The long-term risk-free rate used as the basis for deriving the long-term investment return is consistent with that set out in note 13.1 at the 1-year duration for assets backing the insurance contract liabilities and surplus cash assets, and at the 15-year duration for surplus non-cash assets.

A risk premium of 340bps is added to the risk-free yield for equities (30 June 2025: 380bps) and 170bps for debt securities (30 June 2025: 160bps).

The principal assumptions, determined as at 1 January of each reporting period, underlying the calculation of the long-term investment return for surplus assets are:

	Half year ended 30 June 2026 %	Half year ended 30 June 2025 %
Equities	7.8	8.0
Debt Securities	6.1	5.8

4.2 Life assurance business

The economic variances excluded from the long-term business adjusted operating profit are as follows:

	Half year ended 30 June 2026 £m	Half year ended 30 June 2025 £m
Economic variances	(473)	(275)

The net adverse economic variances of £473 million (half year ended 30 June 2025: adverse £275 million) have primarily arisen as a result of rising global equity markets and an increase in yields, partially offset by favourable impacts from enhancements to the illiquidity premium calculation model and reference portfolio optimisations. Movements in equity markets and yields are hedged to protect our Solvency II surplus from volatility, but our IFRS balance sheet is, in effect, 'over-hedged' as it does not recognise the additional Solvency UK balance sheet items such as future profits on investment contracts measured under IFRS 9 and the Solvency Capital Requirements.

5. Insurance revenue

An analysis of insurance revenue from groups of insurance contracts held is included in the following table. Additional information on amounts recognised in profit or loss is included in the insurance contract balances reconciliation in note 13.

	Half year ended 30 June 2026 £m	Half year ended 30 June 2025 £m
Amounts relating to changes in liabilities for remaining coverage:		
CSM recognised in period for services provided	241	226
Change in risk adjustment for non-financial risk	51	59
Expected claims and other insurance service expenses	2,497	2,379
Expected policyholder tax charges	24	30
Amounts relating to recovery of insurance acquisition cash flows	6	4
Insurance revenue	2,819	2,698

6. Net insurance finance expense

An analysis of insurance finance income and expenses for insurance contracts issued and reinsurance contracts held is provided in the table below.

	Half year ended 30 June 2026 £m	Half year ended 30 June 2025 £m
Insurance contracts		
Changes in fair value of underlying items of direct participating contracts	(3,255)	(543)
Group's share of changes in fair value of underlying items or fulfilment cash flows that do not adjust the CSM	8	4
Unwind of discount on fulfilment cash flows	(2,331)	(2,612)
Interest accreted on the CSM	(61)	(56)
Effect of changes in interest rates and other financial assumptions	1,392	577
Net finance expense from insurance contracts	(4,247)	(2,630)
Reinsurance contracts		
Unwind of discount on fulfilment cash flows	135	133
Interest accreted on the CSM	24	24
Effect of changes in interest rates and other financial assumptions	(184)	(78)
Net finance (expense)/income from reinsurance contracts	(25)	79
Net insurance finance expense	(4,272)	(2,551)

7. Tax charge

7.1 Current period tax charge

Income tax comprises current and deferred tax. Income tax is recognised in the condensed consolidated income statement except to the extent that it relates to items recognised in the condensed statement of consolidated comprehensive income or the condensed statement of consolidated changes in equity, in which case it is recognised in these statements. Current tax is the expected tax payable on the taxable income for the period, using tax rates and laws enacted or substantively enacted at the date of the condensed statement of consolidated financial position together with adjustments to tax payable in respect of previous periods. The tax charge is analysed between tax that is payable in respect of policyholders' returns and tax that is payable on owners' returns.

	Half year ended 30 June 2026 £m	Half year ended 30 June 2025 £m
Current tax:		
UK corporation tax	91	57
Overseas tax	47	65
	138	122
Adjustment in respect of prior periods	9	39
Total current tax charge	147	161
Deferred tax:		
Origination and reversal of temporary differences	71	14
Change in the rate of UK corporation tax [1]	68	-
Adjustment in respect of prior periods	(14)	(11)
Total deferred tax charge	125	3
Total tax charge	272	164
Attributable to:		
– policyholders	365	217
– owners	(93)	(53)
Total tax charge	272	164

1 This relates to the increase in the rate of corporation tax charged on policyholders' profits from 20% to 22%, effective from 1 April 2027.

The Group, as a proxy for policyholders in the UK, is required to pay taxes on investment income and gains each year. Accordingly, the tax credit or expense attributable to UK life assurance policyholder earnings is included in the income tax expense. The tax charge attributable to policyholder earnings was £365 million (half year ended 30 June 2025: £217 million).

7.2 Tax charged to other comprehensive income

	Half year ended 30 June 2026 £m	Half year ended 30 June 2025 £m
Current tax charge/(credit)	1	(4)
Deferred tax charge on pension scheme asset/liability	4	4
Total tax charge relating to other comprehensive income items	5	-

7.3 Tax credited to equity

	Half year ended 30 June 2026 £m	Half year ended 30 June 2025 £m
Current tax credit on share schemes	(1)	-
Deferred tax credit on share schemes	(3)	(3)
Total tax credit	(4)	(3)

7.4 Reconciliation of tax charge

	Half year ended 30 June 2026 £m	Half year ended 30 June 2025 £m
Profit before tax	93	8
Tax charge attributable to policyholders' returns	(365)	(217)
Loss before the tax attributable to owners	(272)	(209)
Tax credit at standard UK rate of 25%[1]	(68)	(52)
Non-taxable income and gains	(1)	-
Prior year tax credit for shareholders[2]	(24)	(11)
Movement on acquired in-force amortisation at rates other than 25%	4	4
Profits taxed at rates other than 25%[3]	(9)	10
Recognition of previously unrecognised deferred tax assets	(4)	(10)
Deferred tax rate change[4]	12	-
Current year losses not valued	-	4
Other	(3)	2
Owners' tax credit	(93)	(53)
Tax charge attributable to policyholders' returns	365	217
Total tax charge for the period	272	164

1 The Standard Life operating segments are predominantly in the UK. The reconciliation of tax charge has therefore been completed by reference to the standard rate of UK tax.
2 The adjustments in respect of prior periods reported in note 7.1 were a net £5 million tax credit. This comprised a £24 million prior year shareholder tax credit partially offset by a £19 million prior year policyholder tax charge. The shareholder element can be seen as a separate line item in the tax reconciliation above, whereas the policyholder element is included within the total policyholder tax charge.
3 Profits taxed at rates other than 25% relate to overseas profits, consolidated fund investments and UK life company profits subject to marginal shareholder tax rates.
4 This relates to the increase in the rate of corporation tax charged on policyholders' profits from 20% to 22%, effective from 1 April 2027.

The Group is continuing to monitor developments in relation to the G20-OECD Inclusive Framework, commonly referred to as Pillar Two rules ('Pillar Two'), as the Group is within scope of the rules from 1 January 2024. Broadly, these rules seek to ensure that, on a jurisdiction-by-jurisdiction basis, large multinational enterprises pay a minimum tax rate of 15% on worldwide profits arising after 31 December 2023.

In May 2023, the scope of IAS 12 *Income Taxes* was amended to clarify that the IFRS accounting standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes described in those rules. The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The Group confirms that it has applied this exception during the period.

The main jurisdictions in which the Group may have exposures to Pillar Two income taxes are Ireland and the UK. As at 30 June 2026, the Group has accrued £nil in respect of Pillar Two income taxes based on its latest assessment. The Group also notes that the Pillar Two income taxes legislation is expected to continue developing, the rules are inherently complex and can potentially lead to arbitrary outcomes and therefore, the Group is continuing to assess the impact of the Pillar Two income taxes legislation on its operations.

	Half year ended 30 June 2026 £m	Year ended 31 December 2025 £m
Deferred tax assets have not been recognised in respect of:		
Tax losses carried forward	45	49
Capital losses	109	103

There is a technical matter which is currently being discussed with HMRC in relation to the L&G insurance business transfer to ReAssure Limited. These discussions are not sufficiently progressed at this stage for recognition of any potential tax benefit arising from this business transfer.

Deferred tax is provided for on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not provided in respect of the initial recognition of goodwill and the initial recognition of assets or liabilities in a transaction that is not a business combination and that, at the time of the transaction, affects neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates and laws enacted or substantively enacted at the period end.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

8. Earnings per share

The Group calculates its basic earnings per share based on the present shares in issue using the earnings attributable to ordinary equity holders of the parent, divided by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share are calculated based on the potential future shares in issue assuming the conversion of all potentially dilutive ordinary shares. The weighted average number of ordinary shares in issue is adjusted to assume conversion of dilutive share awards granted to employees.

The basic and diluted earnings per share calculations are also presented based on the Group's adjusted operating profit net of financing costs. Adjusted operating profit is a non-GAAP performance measure that is considered to provide a comparable measure of the underlying performance of the business as it excludes the impact of short-term economic volatility and other one-off items.

The result attributable to ordinary equity holders of the parent for the purposes of computing earnings per share has been calculated as set out below.

Half year ended 30 June 2026	Adjusted operating profit £m	Financing costs £m	Adjusted operating earnings net of financing costs £m	Other non-operating items £m	Total £m
Profit/(loss) before the tax attributable to owners	563	(90)	473	(745)	(272)
Tax (charge)/credit attributable to owners	(136)	23	(113)	206	93
Profit/(loss) for the period attributable to owners	427	(67)	360	(539)	(179)
Coupon paid on Tier 1 Notes	-	(14)	(14)	-	(14)
Deduct: Share of result attributable to non-controlling interests	-	-	-	(10)	(10)
Profit/(loss) for the period attributable to ordinary equity holders of the parent	427	(81)	346	(549)	(203)

Half year ended 30 June 2025	Adjusted operating profit £m	Financing costs £m	Adjusted operating earnings net of financing costs £m	Other non-operating items £m	Total £m
Profit/(loss) before the tax attributable to owners	451	(97)	354	(563)	(209)
Tax (charge)/credit attributable to owners	(111)	24	(87)	140	53
Profit/(loss) for the period attributable to owners	340	(73)	267	(423)	(156)
Coupon paid on Tier 1 Notes	-	(14)	(14)	-	(14)
Deduct: Share of result attributable to non-controlling interests	-	-	-	(12)	(12)
Profit/(loss) for the period attributable to ordinary equity holders of the parent	340	(87)	253	(435)	(182)

The weighted average number of ordinary shares outstanding during the period is calculated as follows:

	Half year ended 30 June 2026 Number million	Half year ended 30 June 2025 Number million
Issued ordinary shares at beginning of the period	1,006	1,003
Effect of non-contingently issuable shares in respect of Group's long-term incentive plan	1	2
Own shares held by employee benefit trust	(3)	(3)
Weighted average number of ordinary shares	1,004	1,002

The diluted weighted average number of ordinary shares outstanding during the period is 1,012 million (half year ended 30 June 2025: 1,008 million). The Group’s long-term incentive plan, deferred bonus share scheme and Sharesave schemes increased the weighted average number of shares on a diluted basis by 7,553,679 shares for the half year ended 30 June 2026 (half year ended 30 June 2025: 5,807,635 shares). As losses have an anti-dilutive effect, none of the share-based awards have a dilutive effect in the calculation of basic earnings per share for all periods presented.

Earnings per share disclosures are as follows:

	Half year ended 30 June 2026 pence	Half year ended 30 June 2025 pence
Basic earnings per share	**(20.3)**	(18.2)
Diluted earnings per share	**(20.3)**	(18.2)
Basic operating earnings net of financing costs per share	**34.4**	25.3
Diluted operating earnings net of financing costs per share	**34.1**	25.1

9. Dividends on ordinary shares

	Half year ended 30 June 2026 £m	Half year ended 30 June 2025 £m
Dividend declared and paid	**282**	274

On 13 March 2026, the Board recommended a final dividend of 28.05p per share in respect of the year ended 31 December 2025. The dividend was approved at the Company's Annual General Meeting, which was held on 14 May 2026. The dividend amounted to £282 million and was paid on 20 May 2026.

10. Pension schemes

The condensed statement of consolidated financial position incorporates the pension scheme assets and liabilities of the Pearl Group Staff Pension Scheme, the Abbey Life Staff Pension Scheme, the ReAssure Staff Pension Scheme and the Sun Life Assurance Company of Canada 1988 UK and Irish Employee Benefits scheme ('Sun Life of Canada Scheme') as at 30 June 2026.

	30 June 2026 £m	31 December 2025 £m
Pearl Group Staff Pension Scheme		
Economic surplus	**47**	48
Adjustment for insurance policies eliminated on consolidation	**(1,244)**	(1,294)
Net pension scheme liability	**(1,197)**	(1,246)
Reimbursement right asset	**166**	173
Reimbursement right liability	**(20)**	(10)
Abbey Life Staff Pension Scheme		
Economic surplus/(deficit)	**1**	(1)
Adjustment for insurance policies eliminated on consolidation	**(173)**	-
Net pension scheme liability	**(172)**	(1)
ReAssure Staff Pension Scheme		
Economic surplus	**4**	19
Adjustment for insurance policies eliminated on consolidation	**(224)**	-
Net pension scheme (liability)/asset	**(220)**	19
Sun Life of Canada Scheme		
Pension scheme asset	**14**	14
Reimbursement right asset	**2**	2

On 20 April 2026, the Abbey Scheme completed a buy-in transaction with Phoenix Life Limited ('PLL') to transfer the majority of the scheme's pensioner and deferred member liabilities, transferring associated risks, including longevity improvement risk. Prior to the transaction, an employer contribution of £25 million was paid to the scheme from the charged accounts and a balance of £10 million was released to Pearl Life holdings Limited as the sponsoring employer.

Upon completion of the buy-in transaction the scheme transferred £200 million of plan assets as premium to PLL and these are recognised within financial assets in the condensed statement of consolidated financial position. The economic effect of the buy-in transaction on the scheme is to replace the transferred plan assets with a single line insurance policy which is subsequently eliminated on consolidation. The value of the insurance policy at 30 June 2026 is £173 million.

On 8 June 2026, the ReAssure Scheme completed a buy-in transaction with PLL to transfer all the scheme's pensioner and deferred member liabilities, transferring associated risks, including longevity improvement risk. Prior to the transaction, an employer contribution of £23 million was paid to the scheme from the charged accounts and a balance of £22 million was released to ReAssure Midco Limited as the sponsoring employer.

Upon completion of the buy-in transaction the scheme transferred £257 million of plan assets as premium to PLL. The value of the insurance policy at 30 June 2026 is £224 million.

11. Financial instruments

11.1 Fair values

The table below sets out a comparison of the carrying amounts and fair values of financial instruments.

	30 June 2026		31 December 2025	
	Carrying value £m	Fair value £m	Carrying value £m	Fair value £m
Financial assets measured at fair value				
Financial assets at fair value through profit or loss ('FVTPL') (mandatory)				
Loans and deposits	204	204	234	234
Derivatives	5,216	5,216	4,243	4,243
Equities	124,703	124,703	110,759	110,759
Debt securities	98,394	98,394	99,681	99,681
Collective investment schemes	87,130	87,130	83,446	83,446
Reinsurers' share of investment contract liabilities	11,567	11,567	10,657	10,657
Financial assets measured at amortised cost				
Loans and deposits	-	-	11	11
Total financial assets	327,214	327,214	309,031	309,031

	30 June 2026		31 December 2025	
	Carrying value £m	Fair value £m	Carrying value £m	Fair value £m
Financial liabilities measured at fair value				
Financial liabilities at FVTPL (mandatory)				
Derivatives	9,787	9,787	7,761	7,761
Financial liabilities designated at FVTPL upon initial recognition:				
Borrowings	19	19	22	22
Net asset value attributable to unit holders	3,547	3,547	2,334	2,334
Investment contract liabilities	206,641	206,641	191,269	191,269
Financial liabilities measured at amortised cost				
Borrowings	2,734	2,804	3,212	3,309
Obligations for repayment of collateral received	845	845	839	839
Total financial liabilities	223,573	223,643	205,437	205,534

11.2 Fair value hierarchy

11.2.1 Determination of fair value and fair value hierarchy of financial instruments

All assets and liabilities which are measured using fair value in the interim financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. Further details of how these financial instruments are classified as either Level 1, Level 2 or Level 3 are included in note E2.1 of the 2025 Annual Report and Accounts.

For financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) during each reporting period.

11.2.2 Fair value hierarchy of financial instruments measured at fair value

30 June 2026	Level 1 £m	Level 2 £m	Level 3 £m	Total fair value £m
Financial assets measured at fair value				
Financial assets at FVTPL (mandatory)				
Loans and deposits	-	204	-	204
Derivatives	52	5,163	1	5,216
Equities	121,703	94	2,906	124,703
Debt securities	50,723	31,091	16,580	98,394
Collective investment schemes	81,358	5,277	495	87,130
Reinsurers' share of investment contract liabilities	11,567	-	-	11,567
Total financial assets measured at fair value	265,403	41,829	19,982	327,214

30 June 2026	Level 1 £m	Level 2 £m	Level 3 £m	Total fair value £m
Financial liabilities measured at fair value				
Financial liabilities at FVTPL (mandatory)				
Derivatives	68	9,717	2	9,787
Financial liabilities designated at FVTPL upon initial recognition				
Borrowings	-	-	19	19
Net asset value attributable to unit holders	3,547	-	-	3,547
Investment contract liabilities	-	206,641	-	206,641
Total financial liabilities measured at fair value	3,615	216,358	21	219,994

31 December 2025	Level 1 £m	Level 2 £m	Level 3 £m	Total fair value £m
Financial assets measured at fair value				
Financial assets at FVTPL (mandatory)				
Loans and deposits	-	234	-	234
Derivatives	44	4,198	1	4,243
Equities	107,629	258	2,872	110,759
Debt securities	51,429	31,989	16,263	99,681
Collective investment schemes	79,223	3,763	460	83,446
Reinsurers' share of investment contract liabilities	10,657	-	-	10,657
Total financial assets measured at fair value	248,982	40,442	19,596	309,020

31 December 2025	Level 1 £m	Level 2 £m	Level 3 £m	Total fair value £m
Financial liabilities measured at fair value				
Financial liabilities at FVTPL (mandatory)				
Derivatives	96	7,663	2	7,761
Financial liabilities designated at FVTPL upon initial recognition				
Borrowings	-	-	22	22
Net asset value attributable to unit holders	2,334	-	-	2,334
Investment contract liabilities	-	191,269	-	191,269
Total financial liabilities measured at fair value	2,430	198,932	24	201,386

11.2.3 Significant inputs and input values for Level 3 financial instruments

Description	Valuation technique	Significant inputs	Key unobservable input value 30 June 2026	Key unobservable input value 31 December 2025
Equities	Net asset value	Net asset statement	£2,906m	£2,872m
Debt securities (see 11.2.4 for further details)				
Loans guaranteed by export credit agencies & supranationals	DCF model[1]	Credit spread	118bps (weighted average)	123bps (weighted average)
Private corporate credit	DCF model[1]	Credit spread	160bps (weighted average)	156bps (weighted average)
Infrastructure loans	DCF model[1]	Credit spread	173bps (weighted average)	162bps (weighted average)
Loans to housing associations	DCF model[1]	Credit spread	135bps (weighted average)	152bps (weighted average)
Local authority loans	DCF model[1]	Credit spread	127bps (weighted average)	145bps (weighted average)
Equity Release Mortgage loans ('ERM')	DCF model[2]	Spread	201bps over SONIA	220bps over SONIA[3]
		House price inflation	+75bps adjustment to a flat RPI curve based on a 20-year term	+75bps adjustment to a flat RPI curve based on a 20-year term
		House prices	£401,186 (average)	£396,168 (average)
		Mortality	Average life expectancy of a male and female currently aged 75 is 14.7 years and 17.0 years respectively	Average life expectancy of a male and female currently aged 75 is 14.7 years and 17.0 years respectively
		Voluntary redemption rate	190bps to 400bps	190bps to 400bps
Commercial real estate loans	DCF model[1]	Credit spread	227bps (weighted average)	229bps (weighted average)
Collective investment schemes	Net asset value	Net asset statement	£495m	£460m
Borrowings				
Property reversions loans (see note 12)	Internally developed model	Mortality rate	130% IFL92C15 (Female)[4]	130% IFL92C15 (Female)[4]
			130% IML92C15 (Male)[4]	130% IML92C15 (Male)[4]
		House price inflation	3-year RPI rate plus 75bps	3-year RPI rate plus 75bps
		Discount rate	3-year swap rate plus 170bps + 1.7% margin	3-year swap rate plus 170bps + 1.7% margin
		Deferred possession rate	370bps	370bps
Derivative assets and liabilities				
Forward private placements, infrastructure and local authority loans[5]	DCF model[1]	Credit spread	169bps (weighted average)	169bps (weighted average)

1 Discounted cash flow ('DCF') model: Except where otherwise stated, the discount rate used is based on a risk-free curve and a credit spread. The risk-free rate is taken from an appropriate gilt of comparable duration. The spread is derived from a basket of comparable securities.
2 ERM loans: The loans are valued using a DCF model with loan cash flows projected to explicitly allow for the No-Negative Equity Guarantee ('NNEG') risk premium by deducting the NNEG based on a deterministic property scenario. The NNEG caps the loan repayments to be no greater than the sales proceeds from the property. The projected cash flows also consider assumed levels of mortality derived from approved mortality tables, entry into long-term care rates and voluntary redemption rates. For the NNEG assessment, property values are indexed from the latest property valuation point and then assumed to grow in line with an RPI based assumption. Cash flows are discounted using a risk-free curve plus an illiquidity premium. The illiquidity premium is calculated at a granular level based on the latest ERM pricing.
3 The input has been corrected to reflect the value of the spread used in determining the 2025 valuation. This correction relates solely to the disclosed significant unobservable input and does not impact the previously reported value of ERM loans.
4 IFL92C15 and IML92C15 relate to immediate annuitant female and male lives and refer to the 92 series mortality tables produced by the Continuous Mortality Investigation ('CMI').
5 Derivative liabilities include forward investments of £1 million (31 December 2025: £1 million) which include a commitment to acquire or provide funding for fixed rate debt instruments at specified future dates.

11.2.4 Level 3 debt securities

Analysis of Level 3 debt securities	30 June 2026 £m	31 December 2025 £m
Unquoted corporate bonds:		
Loans guaranteed by export credit agencies & supranationals	475	486
Private corporate credit	4,235	3,641
Infrastructure loans - project finance	1,086	1,028
Infrastructure loans - corporate	2,270	2,179
Loans to housing associations	870	1,202
Local authority loans	1,174	1,137
ERM	4,996	4,957
Commercial real estate loans	1,327	1,317
Bridging loans to private equity funds	62	304
Other	85	12
Total Level 3 debt securities	16,580	16,263

11.2.5 Level 3 financial instrument sensitivities

			30 June 2026		31 December 2025	
	Key unobservable input	Reasonable alternative	Impact from increase £m	Impact from decrease £m	Impact from increase £m	Impact from decrease £m
Equities	Net asset value statements	+/- 10%	291	(291)	287	(287)
Debt securities						
Loans guaranteed by export credit agencies & supranationals	Credit spread	+/- 65bps	(18)	19	(15)	16
Private corporate credit	Credit spread	+/- 65bps	(221)	240	(183)	199
Infrastructure loans	Credit spread	+/- 65bps	(154)	165	(146)	156
Loans to housing associations	Credit spread	+/- 65bps	(60)	65	(93)	101
Local authority loans	Credit spread	+/- 65bps	(88)	92	(88)	92
ERM	Credit spread	+/- 100bps	(477)	557	(442)	520
	House price inflation	+/- 100bps	120	(164)	64	(89)
	House prices	+/- 10%	61	(88)	47	(73)
	Mortality	+/- 5%	26	(27)	20	(21)
	Voluntary redemption rate	+/- 15%	47	(50)	57	(60)
Commercial real estate loans	Credit spread	+/- 65bps	(58)	64	(62)	68
Collective investment schemes	Net asset value statements	+/- 10%	50	(50)	46	(46)
Derivative assets and liabilities						
Forward private placements, infrastructure and local authority loans	Credit spread	+/- 65bps	(9)	10	(6)	6

For the property reversions loans and bridging loans to equity funds, there are no reasonably possible movements in unobservable input values which would result in a significant movement in the fair value of the financial instruments.

11.2.6 Transfers of financial instruments between Level 1 and Level 2

30 June 2026	From Level 1 to Level 2 £m	From Level 2 to Level 1 £m
Financial assets measured at fair value		
Financial assets at FVTPL (mandatory)		
Equities	9	92
Debt securities	154	515
Collective investment schemes	17	3

31 December 2025	From Level 1 to Level 2 £m	From Level 2 to Level 1 £m
Financial assets measured at fair value		
Financial assets at FVTPL (mandatory)		
Equities	26	15
Debt securities	251	386
Collective investment schemes	3	4

Consistent with the prior periods, all of the Group's Level 1 and Level 2 assets have been valued using standard market pricing sources.

11.2.7 Movement in Level 3 financial instruments measured at fair value

30 June 2026	At 1 January 2026 £m	Net gains in income statement £m	Purchases £m	Sales £m	Transfers from Level 1 and Level 2 £m	Transfers to Level 1 and Level 2 £m	At 30 June 2026 £m	Unrealised gains/ (losses) on assets held at end of period £m
Financial assets measured at fair value								
Financial assets at FVTPL (mandatory)								
Derivatives	1	-	-	-	-	-	1	-
Equities	2,872	26	135	(127)	-	-	2,906	26
Debt securities	16,263	44	2,093	(1,883)	63	-	16,580	(81)
Collective investment schemes	460	63	19	(49)	2	-	495	70
Total financial assets measured at fair value	19,596	133	2,247	(2,059)	65	-	19,982	15

30 June 2026	At 1 January 2026 £m	Net gains in income statement £m	Purchases £m	Sales/ repayments £m	Transfers from Level 1 and Level 2 £m	Transfers to Level 1 and Level 2 £m	At 30 June 2026 £m	Unrealised gains on liabilities held at end period £m
Financial liabilities measured at fair value								
Financial liabilities at FVTPL (mandatory)								
Derivatives	2	-	-	-	-	-	2	-
Financial liabilities designated at FVTPL upon initial recognition								
Borrowings	22	(1)	-	(2)	-	-	19	(1)
Total financial liabilities measured at fair value	24	(1)	-	(2)	-	-	21	(1)

31 December 2025	At 1 January 2025 £m	Net (losses)/ gains in income statement £m	Purchases £m	Sales £m	Transfers from Level 1 and Level 2 £m	Transfers to Level 1 and Level 2 £m	At 31 December 2025 £m	Unrealised gains on assets held at end of period £m
Financial assets measured at fair value								
Financial assets at FVTPL (mandatory)								
Derivatives	165	(164)	-	-	-	-	1	1
Equities	2,576	81	453	(238)	-	-	2,872	75
Debt securities	15,146	429	6,562	(5,927)	53	-	16,263	148
Collective investment schemes	487	(12)	81	(94)	-	(2)	460	-
Total financial assets measured at fair value	18,374	334	7,096	(6,259)	53	(2)	19,596	224

31 December 2025	At 1 January 2025 £m	Net (gains)/ losses in income statement £m	Purchases £m	Sales/ repayments £m	Transfers from Level 1 and Level 2 £m	Transfers to Level 1 and Level 2 £m	At 31 December 2025 £m	Unrealised (gains)/losses on liabilities held at end of period £m
Financial liabilities measured at fair value								
Financial liabilities at FVTPL (mandatory)								
Derivatives	133	(92)	-	(39)	-	-	2	(35)
Financial liabilities designated at FVTPL upon initial recognition:								
Borrowings	31	4	-	(13)	-	-	22	4
Total financial liabilities measured at fair value	164	(88)	-	(52)	-	-	24	(31)

Gains and losses on Level 3 financial instruments are included in net investment income in the condensed consolidated income statement. There were no gains or losses recognised in other comprehensive income in either period presented.

11.3 Sensitivities

The table below sets out the Group's sensitivity to credit risk and market risks. Further information on how these risks impact the Group and what the sensitivity represents can be found in note E6.2 of the 2025 Annual Report and Accounts.

	30 June 2026		31 December 2025	
	Impact on equity £m	Impact on profit after tax £m	Impact on equity £m	Impact on profit after tax £m
Interest rate: 1% increase	(404)	(551)	(358)	(472)
Interest rate: 1% decrease	516	693	406	543
Inflation: 1% increase	331	451	318	417
Inflation: 1% decrease	(293)	(410)	(199)	(292)
Equities: 10% increase	(366)	(366)	(259)	(259)
Equities: 10% decrease	356	356	254	254
Property: 10% increase	56	56	66	66
Property: 10% decrease	(82)	(82)	(93)	(93)
Credit spreads: 100bps widening	218	62	141	27
Credit spreads: 100bps narrowing	(226)	(53)	(144)	(7)

12. Borrowings

	30 June 2026 £m	31 December 2025 £m
Carrying value		
£400 million multi-currency revolving credit facility	193	162
Property reversions loan	19	22
Total policyholder borrowings	212	184
US $500 million Tier 2 notes	376	371
€500 million Tier 2 notes	429	435
£500 million 5.625% Tier 2 notes	493	492
US $500 million Fixed Rate Reset Callable Tier 2 notes (note a)	-	259
£500 million 5.867% Tier 2 notes	519	523
£250 million Tier 3 notes (note b)	-	251
£350 million Fixed Rate Reset Callable Tier 2 notes	348	348
US $500 million Perpetual Contingent Convertible Tier 1 notes	376	371
Total shareholder subordinated borrowings	2,541	3,050
Total borrowings	2,753	3,234

a. On 4 June 2026, the Company redeemed the remaining US $350 million of the original US $500 million Fixed Rate Reset Callable Tier 2 notes at their principal amount together with interest accrued.
b. On 15 June 2026, the Company redeemed at maturity the full amount of its £250 million 4.016% Tier 3 subordinated notes due 2026 at their principal amount, together with interest accrued.

The Group also has in place a £1.5 billion unsecured revolving credit facility (the 'revolving facility'), maturing in November 2030. This facility is undrawn at 30 June 2026.

A further £300 million revolving credit facility was put in place in March 2026 and matures in March 2027, with an option for the Company to extend for up to two periods of 6 months. This facility is undrawn at 30 June 2026.

In connection with the Aegon acquisition announcement, a £750 million Bridge Facility was put in place in April 2026, in order to bridge £650 million debt issuance and £100 million cash consideration to finance the acquisition. The Bridge Facility commitments are available to be drawn until the earlier of: (i) the date that both the Aegon acquisition has closed and the first utilisation of the Bridge Facility has occurred; (ii) the date 5 business days after the Aegon acquisition has closed; and (iii) 29 November 2027. If the Bridge Facility is utilised, it will mature 12 months after the utilisation, and can be extended by the Company by up to two periods of 6 months. In July 2026, the £350 million Restricted Tier 1 issuance associated with the Aegon financing facilitated the cancellation of £350 million of the Bridge Facility commitments leaving £400 million of commitments remaining. This facility was undrawn at 30 June 2026. Further details of the instrument issued in July 2026 are included in note 20.

13. Insurance contracts, investment contracts with DPF and reinsurance

The table below shows a summary of the carrying amount of insurance contracts and the related reinsurance contracts in the condensed statement of consolidated financial position.

30 June 2026	Retirement Solutions £m	Pensions & Savings £m	With-Profits £m	Europe & Other £m	Total £m
Insurance contracts issued					
Estimates of present value of future cash flows	(39,614)	(33,867)	(25,644)	(15,562)	(114,687)
Risk adjustment	(815)	(104)	(75)	(151)	(1,145)
CSM	(4,388)	(365)	(701)	(329)	(5,783)
Insurance contract liabilities issued	(44,817)	(34,336)	(26,420)	(16,042)	(121,615)
Reinsurance contracts held					
Estimates of present value of future cash flows	2,976	(10)	457	598	4,021
Risk adjustment	654	-	10	53	717
CSM	1,622	7	146	114	1,889
Net reinsurance contract assets held	5,252	(3)	613	765	6,627
Reinsurance contract assets	5,445	(3)	613	765	6,820
Reinsurance contract liabilities	(193)	-	-	-	(193)
Net reinsurance contract assets held	5,252	(3)	613	765	6,627

During the year, International Bonds were reallocated from Europe & Other to Pensions & Savings. At 30 June 2026, International Bonds comprised insurance contract liabilities of £10,160 million (31 December 2025: £9,365 million), including estimates of the present value of future cash flows of £10,117 million (31 December 2025: £9,321 million), risk adjustment of £26 million (31 December 2025: £25 million) and CSM of £17 million (31 December 2025: £19 million). Comparative information has not been restated.

31 December 2025	Retirement Solutions £m	Pensions & Savings £m	With-Profits £m	Europe & Other £m	Total £m
Insurance contracts issued					
Estimates of present value of future cash flows	(40,203)	(22,398)	(25,732)	(25,090)	(113,423)
Risk adjustment	(828)	(78)	(76)	(180)	(1,162)
CSM	(4,452)	(306)	(657)	(326)	(5,741)
Insurance contract liabilities issued	(45,483)	(22,782)	(26,465)	(25,596)	(120,326)
Reinsurance contracts held					
Estimates of present value of future cash flows	2,193	4	432	337	2,966
Risk adjustment	660	-	11	56	727
CSM	1,652	10	143	130	1,935
Net reinsurance contract assets held	4,505	14	586	523	5,628
Reinsurance contract assets	4,685	14	586	523	5,808
Reinsurance contract liabilities	(180)	-	-	-	(180)
Net reinsurance contract assets held	4,505	14	586	523	5,628

13.1 Assumptions

The assumptions used to determine the liabilities are updated at each reporting date to reflect recent experience, unless IFRS 17 requires otherwise. Material judgement is required in calculating these liabilities and, in particular, in the choice of assumptions about which there is uncertainty over future experience. The principal assumptions are as follows:

13.1.1 Discount rate

All cash flows are discounted using risk-free yield curves adjusted to reflect the timing and, where necessary, liquidity characteristics of those cash flows. For the risk-free yield curve, the Group uses those published by the PRA and EIOPA for regulatory reporting. Where necessary, yield curves are interpolated between the last available market data point and the ultimate forward rate.

The Group uses a top-down approach primarily for annuities and a bottom-up discount rate for all other business.

Under the top-down approach, the discount rate is determined from the yield implicit in the fair value of an appropriate reference portfolio of assets that reflects the characteristics of the liabilities. The Group determines a reference portfolio which is constructed in line with the Group's investment strategy. The reference portfolio construction is based on the actual assets held by the Group backing annuity business at the valuation date. Adjustment is made, where appropriate, to allow for the asset portfolio included in the pricing of policies where that has not been fully deployed at the reporting date and there are no identified barriers to achieving the pricing asset mix, and to reflect any strategic management actions actively underway to re-shape the annuity asset portfolio. In addition, excess assets are removed from the portfolio where the level of assets exceeds those necessary to meet the future cash flows. The yield derived from the reference portfolio is determined based on the fair value of assets in that class held by the Group at the valuation date.

Adjustments are also made for differences between the reference portfolio and the insurance contract liability cash flows, including an allowance for credit defaults. The credit default deduction comprises an allowance for both expected and unexpected defaults and takes into consideration long-term historical data on actual defaults and an allowance for variability around these defaults. The credit default deduction is determined based on the assets held at the valuation date.

The Group has developed a credit model for use in the Group Solvency UK Internal Model which was approved by the PRA in 2025. The approved model sets out a structural model for credit defaults and allows for: (i) a best estimate view to be derived from long-term historical actual default data; (ii) applies a stress to these long-term historical defaults to determine the variability of defaults; and, (iii) the output is used to determine the assumption for unexpected credit defaults. Over 2025 the Group reviewed credit risk assumptions which act as an input to the discount rate used to value IFRS 17 annuity liabilities. While the overall credit risk assumption model structure remained unchanged, credit risk assumptions applied to the top-down reference portfolio were strengthened.

Under the bottom-up approach, the discount rate is determined as the risk-free yield curve, adjusted for differences in liquidity characteristics by adding an illiquidity premium. For with-profits business a single illiquidity premium is determined for each fund based on the cash flow characteristics of the contracts within the fund and applied to all contracts within the fund. The increase in the Annuities GBP illiquidity premium is primarily driven by a combination of enhancements to the illiquidity premium calculation model and the optimisation of the reference portfolio, which matches assets to the underlying liabilities.

The tables below set out the yield curves used to discount the cash flows of insurance contracts for major currencies.

	Risk-free rate (bps)				
30 June 2026	1 year	5 years	10 years	20 years	30 years
GBP	399	407	438	486	490
Euro	259	263	285	310	300

	Risk-free rate (bps)				
31 December 2025	1 year	5 years	10 years	20 years	30 years
GBP	354	367	404	454	459
Euro	208	248	286	321	320

	Illiquidity premium over risk-free rate	
	30 June 2026 bps	31 December 2025 bps
Annuities GBP	186	168
Annuities Euro	59	62
With-Profits GBP - liquid liabilities	40	40
With-Profits Euro - liquid liabilities	40	40
With-Profits GBP - illiquid liabilities	132-186	119-168

13.1.2 Risk adjustment

The Group has used the confidence level technique to derive the risk adjustment for non-financial risk. The risk adjustment percentile is determined based on the Group's view of the compensation required in respect of non-financial risk. The diversification benefit included in the risk adjustment reflects diversification between contracts within the perimeter of the Group's Internal Model. There is no diversification allowed for between contracts measured under standard formula and the internal model. The confidence level percentile is calculated on a one-year basis. The risk adjustment calibration is set at least annually, off-cycle, based on the Group's current view of risk. The risk adjustment calculation is reassessed at each reporting date, i.e. the risk adjustment is not locked-in at initial recognition.

For with-profits business, the shareholder's portion of non-financial risks (including an allowance for burn-through costs to the shareholder) is allowed for in the derivation of the risk adjustment. For non-profit business held within a with-profits fund, the risk adjustment takes into account the compensation required by both the shareholder and the participating policyholders.

Confidence level techniques are used to derive the overall risk adjustment for non-financial risk, and this is allocated down to each group of contracts in accordance with their risk profiles. The confidence level percentile input used to determine the risk adjustment is as follows:

	30 June 2026	31 December 2025
Insurance contracts (gross of reinsurance)	80th	80th

13.1.3 Assumption changes

During the period a small number of changes were made to assumptions to reflect expected experience. The impact of changes during the period was as follows:

	30 June 2026		31 December 2025	
	Increase in CSM £m	Increase in loss component £m	(Decrease)/ increase in CSM £m	Increase/ (decrease) in loss component £m
For insurance contracts:				
Change in longevity assumptions	-	-	(234)	3
Change in persistency assumptions	-	-	7	11
Change in mortality assumptions	-	-	(9)	5
Change in expense assumptions	13	23	368	(74)
For reinsurance contracts:				
Change in longevity assumptions	-	-	285	-
Change in persistency assumptions	-	-	5	-
Change in mortality assumptions	-	-	(1)	-
Change in expense assumptions	-	-	(6)	-

30 June 2026:

Changes in expense assumptions have given rise to a £13 million increase in CSM and a £23 million increase in loss component. This principally reflects the updates to the anticipated costs associated with the Group's operating model in respect of the management of annuity backing assets and the administration of customer policies.

31 December 2025:

Changes in longevity assumptions have given rise to a £51 million net of reinsurance increase in CSM and £3 million increase in loss component which reflect updates to base and proportions married assumptions reflecting latest experience analyses.

Reflecting the latest experience from annual persistency updates has resulted in a £12 million net of reinsurance increase in CSM and £11 million increase in loss component.

Changes in mortality assumptions, largely driven by latest experience analyses have resulted in a £10 million decrease in CSM and £5 million increase in loss component.

Changes in expense assumptions have resulted in a £362 million net of reinsurance increase in CSM and £74 million decrease in loss component principally reflecting expected cost savings attributable to strategic change activity. This includes the decision to discontinue further migration of customer administration of ReAssure policies to the TCS BaNCS platform and their transfer to Wipro under the new strategic partnership; the anticipated in-housing of the management of the majority of the Group's shareholder assets; and the ongoing refinements in the modelling of investment expense assumptions.

13.2 Movements in present value of future cash flows, risk adjustment, CSM and loss component of insurance contracts

The reconciliations below provide a roll-forward of the net liability for insurance contracts issued by measurement component showing estimates of the present value of future cash flows, the risk adjustment for non-financial risk and the CSM.

Where groups of insurance contracts are onerous, a loss component is established. The loss component is established within the liabilities for remaining coverage and represents a notional record of the losses recognised in the condensed consolidated income statement. A separate reconciliation of this loss component is also provided below.

	Half year ended 30 June 2026				Year ended 31 December 2025			
	Estimates of the present value of future cash flows £m	Risk adjustment £m	Contractual service margin £m	Total £m	Estimates of the present value of future cash flows £m	Risk adjustment £m	Contractual service margin £m	Total £m
Insurance contract liabilities as at 1 January	113,423	1,162	5,741	120,326	109,354	1,206	5,231	115,791
Changes in income statement:								
CSM recognised for services provided	-	-	(241)	(241)	-	-	(445)	(445)
Risk adjustment for the risk expired	-	(51)	-	(51)	-	(117)	-	(117)
Experience adjustments	53	-	-	53	40	-	-	40
Expected policyholder tax charges	(24)	-	-	(24)	(66)	-	-	(66)
Total change relating to current service	29	(51)	(241)	(263)	(26)	(117)	(445)	(588)
Contracts initially recognised in the period	(81)	30	51	-	(520)	90	430	-
Changes in estimates that adjust the CSM	(190)	17	173	-	(236)	(157)	393	-
Changes in estimates that do not adjust the CSM	19	(8)	-	11	(79)	(7)	-	(86)
Total change relating to future service	(252)	39	224	11	(835)	(74)	823	(86)
Adjustments to liabilities for incurred claims (past service)	(32)	1	-	(31)	(115)	20	-	(95)
Insurance service result	(255)	(11)	(17)	(283)	(976)	(171)	378	(769)
Insurance finance expense/(income)	4,194	(7)	60	4,247	8,115	124	125	8,364
Total changes in income statement	3,939	(18)	43	3,964	7,139	(47)	503	7,595
Cash flows:								
Premiums received	3,267	-	-	3,267	7,822	-	-	7,822
Claims and other expenses paid	(5,663)	-	-	(5,663)	(11,477)	-	-	(11,477)
Insurance acquisition cash flows	(77)	-	-	(77)	(180)	-	-	(180)
Total cash flows	(2,473)	-	-	(2,473)	(3,835)	-	-	(3,835)
Other movements[1]	(202)	1	(1)	(202)	765	3	7	775
Insurance contract liabilities as at 30 June/31 December	114,687	1,145	5,783	121,615	113,423	1,162	5,741	120,326

1 Other movements in both periods presented principally relate to foreign currency.

	Loss component	
	Half year ended 30 June 2026 £m	Year ended 31 December 2025 £m
Loss component as at 1 January	350	511
Insurance service expenses:		
Incurred claims and other expenses	(22)	(80)
Gains/(losses) on onerous contracts and reversal of those losses	12	(85)
Insurance service result	(10)	(165)
Insurance finance income	1	3
Total changes in income statement	(9)	(162)
Other movements	-	1
Loss component as at 30 June/31 December	341	350

13.3 Movements in present value of future cash flows, risk adjustment, CSM and loss-recovery component of reinsurance contracts held

The reconciliations below provide a roll-forward of the net asset for reinsurance contracts held by measurement component showing estimates of the present value of future cash flows, the risk adjustment for non-financial risk and the CSM.

A reconciliation of the loss recovery component is also provided.

	Half year ended 30 June 2026				Year ended 31 December 2025			
	Estimates of the present value of future cash flows £m	Risk Adjust-ment £m	Contract-ual service margin £m	Total £m	Estimates of the present value of future cash flows £m	Risk Adjust-ment £m	Contract-ual service margin £m	Total £m
Reinsurance contract liabilities as at 1 January	(266)	32	54	(180)	(252)	34	60	(158)
Reinsurance contract assets as at 1 January	3,232	695	1,881	5,808	2,621	652	1,914	5,187
Net reinsurance contract assets as at 1 January	2,966	727	1,935	5,628	2,369	686	1,974	5,029
Changes in income statement:								
CSM recognised for services received	-	-	(91)	(91)	-	-	(171)	(171)
Risk adjustment for the risk expired	-	(35)	-	(35)	-	(67)	-	(67)
Experience adjustments	(23)	-	-	(23)	(29)	-	-	(29)
Total change relating to current service	(23)	(35)	(91)	(149)	(29)	(67)	(171)	(267)
Contracts initially recognised in the period	(23)	51	(28)	-	(369)	89	280	-
Changes in estimates that adjust the CSM	(24)	(24)	48	-	264	(56)	(208)	-
Changes in estimates that do not adjust the CSM	(1)	(4)	-	(5)	(14)	(9)	-	(23)
Total change relating to future service	(48)	23	20	(5)	(119)	24	72	(23)
Net expenses from reinsurance contracts	(71)	(12)	(71)	(154)	(148)	(43)	(99)	(290)
Reinsurance finance (expenses)/income	(51)	3	23	(25)	(110)	81	57	28
Total changes in the income statement	(122)	(9)	(48)	(179)	(258)	38	(42)	(262)
Cash flows:								
Premiums paid	2,450	-	-	2,450	3,156	-	-	3,156
Claims recovered and other expenses paid	(1,270)	-	-	(1,270)	(2,300)	-	-	(2,300)
Total cash flows	1,180	-	-	1,180	856	-	-	856
Other movements	(3)	(1)	2	(2)	(1)	3	3	5
Net reinsurance contract assets as at 30 June/31 December	4,021	717	1,889	6,627	2,966	727	1,935	5,628
Reinsurance contract liabilities as at 30 June/31 December	(283)	30	60	(193)	(266)	32	54	(180)
Reinsurance contract assets as at 30 June/31 December	4,304	687	1,829	6,820	3,232	695	1,881	5,808
Net reinsurance contract assets as at 30 June/31 December	4,021	717	1,889	6,627	2,966	727	1,935	5,628

	Loss recovery component	
	Half year ended 30 June 2026 £m	Year ended 31 December 2025 £m
Loss recovery component as at 1 January	16	40
Reinsurance expenses:		
Changes in CSM due to recognition and reversal of a loss recovery component from onerous underlying contracts	(5)	(22)
Cost of retroactive cover on reinsurance contracts held	(1)	(1)
Net expense from reinsurance contracts	(6)	(23)
Other movements	(1)	(1)
Loss recovery component as at 30 June/31 December	9	16

13.4 Analysis of movement in CSM

Insurance contracts

Half year ended 30 June 2026	Retirement Solutions £m	Pensions & Savings £m	With-Profits £m	Europe & Other £m	Total £m
CSM at 1 January	4,452	306	657	326	5,741
Changes that relate to current service:					
CSM recognised for services provided	(171)	(20)	(27)	(23)	(241)
Changes that relate to future service:					
Contracts initially recognised in the period	37	-	-	14	51
Changes in estimates that adjust the CSM	15	60	68	30	173
Insurance service result	(119)	40	41	21	(17)
Insurance finance expense	55	-	4	1	60
Total changes in income statement	(64)	40	45	22	43
Other movements	-	19	(1)	(19)	(1)
CSM as at 30 June	4,388	365	701	329	5,783
Comprising contracts measured using:					
Fair Value Approach at transition	1,122	263	624	225	2,234
Fully Retrospective approach at transition & new contracts	3,266	102	77	104	3,549

Year ended 31 December 2025	Retirement Solutions £m	Pensions & Savings £m	With-Profits £m	Europe & Other £m	Total £m
CSM at 1 January	4,000	269	633	329	5,231
Changes that relate to current service:					
CSM recognised for services provided	(323)	(33)	(45)	(44)	(445)
Changes that relate to future service:					
Contracts initially recognised in the period	408	-	-	22	430
Changes in estimates that adjust the CSM	254	70	60	9	393
Insurance service result	339	37	15	(13)	378
Insurance finance expense	113	-	9	3	125
Total changes in income statement	452	37	24	(10)	503
Other movements	-	-	-	7	7
CSM as at 31 December	4,452	306	657	326	5,741
Comprising contracts measured using:					
Fair Value Approach at transition	1,145	214	577	223	2,159
Fully Retrospective approach at transition & new contracts	3,307	92	80	103	3,582

13.5 Effect of insurance contracts initially recognised in the period

The effect on the measurement components arising from the initial recognition of insurance and reinsurance contracts during the period is disclosed in the tables below. Contracts issued mainly comprise pension risk transfer transactions completed during the period and protection business.

13.5.1 Insurance contracts

	Half year ended 30 June 2026			Year ended 31 December 2025		
Contracts issued	Profitable £m	Onerous £m	Total £m	Profitable £m	Onerous £m	Total £m
Estimate of present value of future cash outflows:						
Insurance acquisition cash flows	70	2	72	153	1	154
Claims and other directly attributable expenses	1,564	48	1,612	4,267	77	4,344
Estimates of present value of future cash outflows	1,634	50	1,684	4,420	78	4,498
Estimates of present value of future cash inflows	(1,715)	(50)	(1,765)	(4,940)	(78)	(5,018)
Risk adjustment	30	-	30	90	-	90
CSM	51	-	51	430	-	430
Losses on onerous contracts at initial recognition[1]	-	-	-	-	-	-

1 Loss on onerous contracts at initial recognition was less than £0.5 million in both periods presented.

13.5.2 Reinsurance contracts

Contracts purchased	Half year ended 30 June 2026 Without a loss recovery component £m	Year ended 31 December 2025 Without a loss recovery component £m
Estimate of present value of future cash inflows	2,624	4,870
Estimates of present value of future cash outflows	(2,647)	(5,239)
Risk adjustment incurred	51	89
CSM	(28)	280
Income recognised on initial recognition	-	-

14. Share capital

	30 June 2026 £m	31 December 2025 £m
Issued and fully paid:		
1,006.7 million (31 December 2025: 1,006.3 million) ordinary shares of £0.10 each	101	101

Movements in share capital during the period:

	30 June 2026		31 December 2025	
	Number	£	Number	£
Shares in issue at 1 January	1,006,252,243	100,625,224	1,003,111,838	100,311,183
Ordinary shares issued in the period	472,004	47,201	3,140,405	314,041
Shares in issue at 30 June/31 December	1,006,724,247	100,672,425	1,006,252,243	100,625,224

During the period, the Company issued 472,004 shares (year ended 31 December 2025: 3,140,405 shares) with a total share premium of £2 million (year ended 31 December 2025: £4 million) in order to satisfy its obligation to employees under the Group's Sharesave schemes. This included nil shares (year ended 31 December 2025: 2,200,000 shares) that were issued to the Group's Employee Benefit Trust at nominal value.

15. Other reserves

	30 June 2026			31 December 2025		
	Merger relief reserve £m	Cash flow hedging reserve £m	Total other reserves £m	Merger relief reserve £m	Cash flow hedging reserve £m	Total other reserves £m
At 1 January	593	1	594	593	23	616
Other comprehensive income/(expense) for the period	-	6	6	-	(22)	(22)
At 30 June/31 December	593	7	600	593	1	594

The Group has in place a number of cross currency swaps which have been designated as hedging instruments in order to effect cash flow hedges of the Group's Euro and US Dollar denominated borrowings.

On 4 June 2026, the Company redeemed the remaining US $350 million of the original US $500 million Fixed Rate Reset Callable Tier 2 notes leading to an unwinding of the related US $350 million of swap arrangement.

On 4 February 2025, the Company redeemed the remaining US $250 million of the US $750 million Perpetual Contingent Convertible Tier 1 notes leading to an unwinding of the related US $250 million of swap arrangement.

Hedge accounting has been adopted effective from the date of designation of the hedging relationships. The objective of the hedging relationships is to hedge the risk of variability in functional currency equivalent cash flows with the foreign currency denominated borrowings due to changes in forward rates. The hedge ratio (i.e. the relationship between the quantity of the hedging instrument and the quantity of the hedged item in terms of their relative weighting) is such that there is an exact match in the relative weightings of the hedged items and hedging instruments within each of the hedging relationships.

16. Non-controlling interests

	30 June 2026 £m	31 December 2025 £m
At 1 January	554	539
Profit for the period	10	49
Dividends paid	(6)	(12)
Decrease in non-controlling interests	(11)	(22)
At 30 June/31 December	547	554

The non-controlling interests of £547 million (year ended 31 December 2025: £554 million) reflects third party ownership of Patria Private Equity Trust plc ('PPET') determined at the proportionate value of the third party interest in the underlying assets and liabilities. PPET is a UK Investment Trust listed and traded on the London Stock Exchange. As at 30 June 2026, the Group held 56.3% (31 December 2025: 55.4%) of the issued share capital of PPET. The decrease in non-controlling interests reflects the impact of a share buy-back undertaken during the period.

The Group's interest in PPET is held in the with-profits and unit-linked funds of the Group's life companies. Therefore, policyholders bear the majority of the investment risk associated with PPET.

17. Cash flows from operating activities

The following analysis gives further detail behind the 'cash generated by operations' figure in the condensed statement of consolidated cash flows.

	Half year ended 30 June 2026 £m	Half year ended 30 June 2025 £m
Profit for the period before tax	93	8
Adjustments for non-cash movements in profit for the period before tax:		
Fair value (gains)/losses on:		
Investment property	(27)	(65)
Financial assets and derivative liabilities	(15,190)	(1,903)
Change in fair value of borrowings	(3)	(79)
Amortisation and impairment of intangible assets	106	120
Depreciation of property, plant and equipment	7	8
Share-based payment charge	13	13
Finance costs	125	136
Net interest expense on Group defined benefit pension scheme liability/asset	29	31
Other costs of pension schemes	2	2
Movements in assets and liabilities relating to operations:		
Decrease in investment assets	1,526	862
Increase in reinsurers' share of investment contract liabilities	(910)	(369)
Increase in net reinsurance contract assets	(1,003)	(237)
Increase/(decrease) in insurance contract assets and liabilities	1,473	(1,565)
Increase in investment contract liabilities	15,461	4,059
Decrease in assets classified as held for sale	4	3,067
Increase in obligation for repayment of collateral received	6	136
Decrease in liabilities classified as held for sale	-	(3,175)
Net (increase)/decrease in working capital	(390)	106
Other cash movements relating to operations:		
Contributions to defined benefit pension schemes	(51)	(5)
Cash generated by operations	1,271	1,150

18. Related party transactions

The nature of the related party transactions of the Group has not changed from those referred to in the Group's consolidated financial statements for the year ended 31 December 2025.

There were no further transactions with related parties during the half year ended 30 June 2026 which have had a material effect on the results or financial position of the Group.

19. Contingent liabilities

Where the Group has a possible future obligation as a result of a past event, or a present legal or constructive obligation but it is not probable that there will be an outflow of resources to settle the obligation or the amount cannot be reliably estimated, this is disclosed as a contingent liability.

As a long-term savings and retirement business, the Group operates in a highly regulated environment. Therefore, in the normal course of business the Group is exposed to certain legal issues, which can involve litigation and arbitration, complaints and regulatory and tax authority reviews. At the period end, the Group has a number of contingent liabilities in this regard, none of which are considered by the Directors to be material. This is consistent with the position reported at 31 December 2025.

20. Events after the reporting date

On 21 July 2026, the Company issued £350 million Fixed Rate Reset Perpetual Restricted Tier 1 Contingent Convertible Notes. These bear interest at an initial rate of 7.375%, subject to first call rate on 21 January 2034 and reset date on 21 July 2034 and on each coupon date thereafter. Interest will be payable semi-annually in arrears on 21 January and 21 July. The Notes meet the definition of equity and accordingly will be shown as a separate category of equity in the consolidated statement of financial position for the year ended 31 December 2026.

On 19 August 2026, the Group entered into a strategic partnership with CVC Capital Partners plc ('CVC') and Prudential Financial, Inc. ('PFI') of the US, alongside The Goldman Sachs Group, Inc., MS&AD Insurance Group Holdings, Inc. and other long-term institutional investors (collectively the 'Consortium') to expand its Pension Risk Transfer business to support schemes across a broader range of sizes, including the largest and most complex defined benefit schemes, subject to regulatory approval.

The Partnership will be funded by a combined initial capital commitment of up to £2.0 billion, expected to be drawn over five years, including £500 million from the Group, with the balance from the Consortium, which is led by CVC and PFI.

The Board declared an interim dividend per share of 28.05p for the half year ended 30 June 2026 (half year ended 30 June 2025: 27.35p; year ended 31 December 2025: 28.05p). The cost of this dividend has not been recognised as a liability in the interim financial statements for the half year ended 30 June 2026 and will be charged to the statement of consolidated changes in equity when paid.

Additional asset disclosures

The analysis of the asset portfolio provided below comprises the assets held by the Group's Life Companies, and it is stated net of derivative liabilities. It excludes other Group assets such as cash held in the holding and management service companies and the assets held by the non-controlling interest in consolidated collective investment schemes. The information is presented on a look-through basis into the underlying funds.

The following table provides an overview of the exposure by asset category of the Group's Life Companies' shareholder and policyholder funds:

30 June 2026

Carrying value	Shareholder and non-profit funds[1] £m	Participating supported[1] £m	Participating non-supported[2] £m	Unit-linked[2] £m	Total £m
Cash and cash equivalents	3,646	827	3,764	8,155	16,392
Debt securities - gilts and foreign government bonds	12,480	794	12,740	15,217	41,231
Debt securities - other government and supranationals	2,689	87	1,807	3,846	8,429
Debt securities - infrastructure loans - project finance[3]	1,049	-	-	37	1,086
Debt securities - infrastructure loans - corporate[4]	2,275	-	-	-	2,275
Debt securities - local authority loans[5]	1,227	-	-	1	1,228
Debt securities - loans guaranteed by export credit agencies and supranationals[6]	685	-	-	-	685
Debt securities - private corporate credit[7]	4,164	-	93	2	4,259
Debt securities - loans to housing associations[8]	889	-	3	2	894
Debt securities - commercial real estate loans[3]	1,274	-	-	53	1,327
Debt securities - equity release mortgages[3]	4,988	-	-	-	4,988
Debt securities - other debt securities	10,538	480	11,702	30,054	52,774
	42,258	1,361	26,345	49,212	119,176
Equity securities	122	46	18,632	156,565	175,365
Property investments	27	9	1,345	3,390	4,771
Other investments[9]	(3,853)	(415)	454	11,800	7,986
Total Life Company assets	42,200	1,828	50,540	229,122	323,690
Holding companies' cash					556
Cash and financial assets in other Group companies					778
Financial assets held by the non-controlling interest in consolidated collective investment schemes					4,204
Total Group consolidated assets					329,228
Comprised of:					
Investment property					4,351
Financial assets					327,214
Cash and cash equivalents					7,450
Derivative liabilities					(9,787)
					329,228

1 Includes assets where shareholders of the life companies bear the investment risk.
2 Includes assets where policyholders bear most of the investment risk.
3 All infrastructure loans – project finance, commercial real estate loans and equity release mortgages are classified as Level 3 securities in the fair value hierarchy.
4 Total infrastructure loans – corporate of £2,275 million include £2,270 million classified as Level 3 debt securities in the fair value hierarchy.
5 Total local authority loans of £1,228 million include £1,174 million classified as Level 3 debt securities in the fair value hierarchy.
6 Total loans guaranteed by export credit agencies and supranationals of £685 million include £475 million classified as Level 3 debt securities in the fair value hierarchy.
7 Total private corporate credit assets of £4,259 million include £4,235 million classified as Level 3 debt securities in the fair value hierarchy.
8 Total loans to housing associations of £894 million include £870 million classified as Level 3 debt securities in the fair value hierarchy.
9 Includes other loans of £182 million, net derivative liabilities of £(4,162) million, reinsurers' share of investment contracts of £11,567 million and other investments of £399 million.

31 December 2025

Carrying value	Shareholder and non-profit funds[1] £m	Participating supported[1] £m	Participating non-supported[2] £m	Unit-linked[2] £m	Total £m
Cash and cash equivalents	3,700	894	4,691	8,626	17,911
Debt securities - gilts and foreign government bonds	13,179	406	12,926	6,169	32,680
Debt securities - other government and supranationals	2,715	106	2,179	13,306	18,306
Debt securities - infrastructure loans - project finance[3]	1,008	-	-	-	1,008
Debt securities - infrastructure loans - corporate[4]	2,185	-	-	-	2,185
Debt securities - local authority loans[5]	1,191	-	5	1	1,197
Debt securities - loans guaranteed by export credit agencies and supranationals[6]	700	-	-	-	700
Debt securities - private corporate credit[7]	3,675	-	110	1	3,786
Debt securities - loans to housing associations[8]	1,249	-	7	2	1,258
Debt securities - commercial real estate loans[3]	1,293	-	-	-	1,293
Debt securities - equity release mortgages[3]	4,948	-	-	-	4,948
Debt securities - other debt securities	10,507	838	11,111	30,472	52,928
	42,650	1,350	26,338	49,951	120,289
Equity securities	124	48	18,206	139,025	157,403
Property investments	28	9	1,339	3,446	4,822
Other investments[9]	(2,893)	(627)	195	10,753	7,428
Total Life Company assets	43,609	1,674	50,769	211,801	307,853
Less assets held for sale[10]	-	-	(4)	-	(4)
At 31 December 2025	43,609	1,674	50,765	211,801	307,849
Holding companies' cash					846
Cash and financial assets in other Group companies					735
Financial assets held by the non-controlling interest in consolidated collective investment schemes					3,670
Total Group consolidated assets excluding amounts classified as held for sale					313,100
Comprised of:					
Investment property					4,528
Financial assets					309,031
Cash and cash equivalents					7,302
Derivative liabilities					(7,761)
					313,100

1 Includes assets where shareholders of the life companies bear the investment risk.
2 Includes assets where policyholders bear most of the investment risk.
3 All infrastructure loans - project finance, commercial real estate loans and equity release mortgages are classified as Level 3 debt securities in the fair value hierarchy.
4 Total infrastructure loans - corporate of £2,185 million include £2,179 million classified as Level 3 debt securities in the fair value hierarchy.
5 Total local authority loans of £1,197 million include £1,137 million classified as Level 3 debt securities in the fair value hierarchy.
6 Total loans guaranteed by export credit agencies and supranationals of £700 million include £486 million classified as Level 3 debt securities in the fair value hierarchy.
7 Total private corporate credit assets of £3,786 million include £3,641 million classified as Level 3 debt securities in the fair value hierarchy.
8 Total loans to housing associations of £1,258 million include £1,202 million classified as Level 3 debt securities in the fair value hierarchy.
9 Includes other loans of £183 million, net derivative liabilities of £(3,302) million, reinsurers' share of investment contracts of £10,657 million and other investments of £(110) million.
10 Represents investment property held for sale. See note 2 to the condensed consolidated interim financial statements for further details.

The following table provides a reconciliation of the total Life Company assets to the Assets Under Administration ('AUA') as at 30 June 2026.

	At 30 June 2026 £bn	At 31 December 2025 £bn
Total Life Company assets excluding amounts classified as held for sale	323.7	307.8
Off-balance sheet AUA[1]	11.4	11.0
Less: Wrap SIPP and Onshore Bond assets[2]	(2.2)	(2.2)
Assets Under Administration	332.9	316.6

1 Off-balance sheet AUA represents assets held in respect of certain Group Self-Invested Personal Pension products where the beneficial ownership interest resides with the customer (and which are therefore not recognised in the condensed statement of consolidated financial position) but on which the Group earns fee revenue.
2 Assets held in Wrap Self-Invested Personal Pension ('Wrap SIPP') and Onshore Bond products the associated profits of which accrue to Aberdeen Group under a profit transfer arrangement have been excluded from AUA.

All of the Life Companies' debt securities are held at fair value through profit or loss in accordance with IFRS 9 *Financial Instruments*, and therefore already reflect any reduction in value between the date of purchase and the reporting date.

The Life Companies have in place a comprehensive database that consolidates credit exposures across counterparties, geographies and business lines. This database is used for credit monitoring, stress testing and scenario planning. The Life Companies continue to manage their balance sheets prudently and have taken extra measures to ensure their market exposures remain within risk appetite.

For each of the Life Companies' significant financial institution counterparties, industry and other data has been used to assess the exposure of the individual counterparties. As part of the Group's risk appetite framework and analysis of shareholder exposure to a potential worsening of the economic situation, this assessment has been used to identify counterparties considered to be most at risk from defaults. The financial impact on these counterparties, and the contagion impact on the rest of the shareholder portfolio, is assessed under various scenarios and assumptions. This analysis is regularly reviewed to reflect the latest economic outlook, economic data and changes to asset portfolios. The results are used to inform the Group's views on whether any management actions are required.

The table below shows the Group's market exposure analysed by credit rating for the shareholder debt portfolio, which comprises debt securities held in the shareholder and non-profit funds.

Sector analysis of shareholder and non-profit fund bond portfolio

30 June 2026	AAA £m	AA £m	A £m	BBB £m	BB & below[1] £m	Total £m
Industrials	-	18	196	449	-	663
Basic materials	-	-	68	5	-	73
Consumer, cyclical	-	30	188	73	-	291
Technology and telecoms	24	363	185	204	-	776
Consumer, non-cyclical	46	42	220	126	11	445
Structured finance	-	-	35	-	-	35
Banks[2]	60	371	1,483	320	-	2,234
Financial services	44	105	83	47	2	281
Utilities	-	216	817	1,364	28	2,425
Sovereign, sub-sovereign and supranationals	1,249	14,716	1,417	104	-	17,486
Real estate	60	628	4,422	1,480	71	6,661
Investment companies	25	145	296	434	-	900
Insurance	2	397	604	195	-	1,198
Oil and gas	-	219	167	40	-	426
Collateralised debt obligations	-	7	-	-	-	7
Private equity loans	-	-	45	-	-	45
Equity release mortgages[3]	2,840	964	1,184	-	-	4,988
Infrastructure loans	-	515	288	2,388	133	3,324
At 30 June 2026	4,350	18,736	11,698	7,229	245	42,258

1 Includes unrated holdings of £15 million.
2 The £2,234 million total shareholder exposure to bank debt comprised £1,743 million senior debt and £491 million subordinated debt.
3 The credit ratings attributed to equity release mortgages are based on the ratings assigned to the internal securitised loan notes.

Sector analysis of shareholder and non-profit fund bond portfolio

31 December 2025	AAA £m	AA £m	A £m	BBB £m	BB & below[1] £m	Total £m
Industrials	-	140	237	504	-	881
Basic materials	-	3	74	17	-	94
Consumer, cyclical	-	29	230	77	-	336
Technology and telecoms	1	163	236	265	-	665
Consumer, non-cyclical	7	85	308	137	-	537
Structured finance	-	-	35	-	-	35
Banks[2]	58	378	1,572	347	-	2,355
Financial services	54	140	126	47	31	398
Diversified	-	-	4	-	-	4
Utilities	-	196	898	1,371	-	2,465
Sovereign, sub-sovereign and supranationals	1,442	15,335	1,321	80	-	18,178
Real estate	30	581	4,293	1,464	96	6,464
Investment companies	-	177	255	262	-	694
Insurance	-	313	453	162	6	934
Oil and gas	-	188	192	36	-	416
Collateralised debt obligations	-	8	-	-	-	8
Private equity loans	-	2	43	-	-	45
Equity release mortgages[3]	2,805	929	1,214	-	-	4,948
Infrastructure loans	-	423	296	2,385	89	3,193
At 31 December 2025	4,397	19,090	11,787	7,154	222	42,650

1 Includes unrated holdings of £43 million.
2 The £2,355 million total shareholder exposure to bank debt comprised £1,796 million senior debt and £559 million subordinated debt.
3 The credit ratings attributed to equity release mortgages are based on the ratings assigned to the internal securitised loan notes.

Additional capital disclosures

Standard Life plc Solvency Surplus

The Standard Life plc surplus at 30 June 2026 is £3.2 billion (31 December 2025: £3.6 billion).

	30 June 2026 Estimated £bn	31 December 2025 £bn
Own Funds	10.0	10.3
SCR	(6.8)	(6.7)
Surplus	3.2	3.6

Composition of Own Funds

Own Funds items are classified into different Tiers based on the features of the specific items and the extent to which they possess the following characteristics, with Tier 1 being the highest quality.

- availability to be called up on demand to fully absorb losses on a going-concern basis, as well as in the case of winding-up (‘permanent availability’); and
- in the case of winding-up, the total amount that is available to absorb losses before repayment to the holder until all obligations to policyholders and other beneficiaries have been met (‘subordination’).

Standard Life plc’s total Own Funds are analysed by Tier as follows:

	30 June 2026 Estimated £bn	31 December 2025 £bn
Tier 1 – Unrestricted	6.6	6.4
Tier 1 – Restricted	0.9	0.9
Tier 2	2.0	2.3
Tier 3	0.5	0.7
Total Own Funds	10.0	10.3

Standard Life plc’s unrestricted Tier 1 capital accounts for 66% (31 December 2025: 62%) of total Own Funds and comprises ordinary share capital, surplus funds of the unsupported with-profit funds which are recognised only to a maximum of the notional SCR of the fund, and the accumulated profits of the remaining business.

Restricted Tier 1 and Tier 2 capital comprises subordinated notes the terms of which enable them to qualify as capital in their respective Tiers for regulatory reporting purposes.

Tier 3 items include the Tier 3 subordinated notes of £nil (31 December 2025: £0.2 billion) and the deferred tax asset of £0.5 billion (31 December 2025: £0.5 billion).

Group capital resources

The Group capital resources, presented on a shareholder basis, are based on the Group's Eligible Own Funds adjusted to remove amounts pertaining to unsupported with-profit funds and Group pension schemes:

	30 June 2026 Estimated £bn	31 December 2025 £bn
Group's Eligible Own Funds	10.0	10.3
Remove Own Funds pertaining to unsupported with-profit funds and pension schemes	(2.2)	(2.0)
Group capital resources	7.8	8.3

Breakdown of SCR

The Group operates one single PRA approved Internal Model covering all Group entities with the exception of the Irish life entity, Standard Life International Designated Activity Company and the ReAssure and Phoenix Life CA Holdings businesses, which determine their capital requirements in accordance with the Standard Formula. An analysis of the prediversified SCR of the Group is presented below:

	30 June 2026 Estimated		31 December 2025	
	Internal Model %	Standard Formula %	Internal Model %	Standard Formula %
Longevity	11	11	12	11
Credit	14	12	17	14
Persistency	28	32	24	31
Interest rates	9	5	8	5
Operational	6	4	6	5
Swap spreads	1	-	1	-
Property	6	-	7	1
Other market risks	13	23	12	22
Other non-market risks	12	13	13	11
Total pre-diversified SCR	100	100	100	100

The above table includes within each risk driver category the sum of each individual risk with no diversification between the individual risks within a risk driver category.

The following table sets out the Solvency II shareholder SCR by risk category. In this table diversification is included between the individual risks within each risk driver. Therefore, the diversification benefit shown is that between risk drivers.

	30 June 2026 Estimated £bn	31 December 2025 £bn
Unrewarded market risks (hedged)		
Interest rates	0.7	0.7
Equities	0.9	0.8
Currency	0.6	0.6
Inflation	0.2	0.2
Rewarded market risks		
Credit	1.6	1.7
Property	0.7	0.7
Other market risks	0.2	0.2
Non-market risks		
Longevity	1.3	1.3
Persistency	3.1	2.8
Operational	0.8	0.8
Other non-market risks	1.9	2.0
Loss absorbing capacity of deferred tax	(1.2)	(1.2)
Adjustments	0.2	0.3
Total undiversified shareholder SCR	11.0	10.9
Diversification benefit	(6.4)	(6.2)
Diversified shareholder SCR	4.6	4.7

Where market risks are considered unrewarded the Group enters into hedging arrangements to minimise exposure.

Rewarded market risks primarily include credit risk in the shareholder credit portfolio, and property risk from equity release mortgages.

For non-market risks, longevity risk primarily arises from the annuity book and is managed through reinsurance. We retain approximately half of this risk across our current in-force book, and reinsure most of this risk on new business. Persistency risk is managed through our customer proposition.

Minimum capital requirements

Under the Solvency UK regulations, the Minimum Capital Requirement ('MCR') is the minimum amount of capital an insurer is required to hold below which policyholders and beneficiaries would become exposed to an unacceptable level of risk if an insurer was allowed to continue its operations. For Groups this is referred to as the Minimum Consolidated Group SCR ('MGSCR').

The MCR is calculated according to a formula prescribed by the Solvency UK regulations and is subject to a floor of 25% of the SCR or £3.5 million, whichever is higher, and a cap of 45% of the SCR. The MCR formula is based on factors applied to technical provisions and capital at risk. The MGSCR represents the sum of the MCRs of the underlying insurance companies.

The Eligible Own Funds to cover the MGSCR is subject to quantitative limits as shown below:

- the Eligible amounts of Tier 1 items should be at least 80% of the MGSCR; and
- the Eligible amounts of Tier 2 items shall not exceed 20% of the MGSCR.

Standard Life plc's estimated MGSCR at 30 June 2026 is £2.5 billion (31 December 2025: £2.4 billion).

Standard Life plc's estimated Eligible Own Funds to cover the MGSCR is £7.4 billion (31 December 2025: £7.4 billion) leaving an excess of Eligible Own Funds over MGSCR of £4.9 billion (31 December 2025: £5.0 billion), which transfers to an MGSCR coverage ratio of 296% (31 December 2025: 305%).

Reconciliation between IFRS equity and estimated Eligible Own Funds under Solvency UK

A reconciliation summarising the key differences between total IFRS equity and the Group's Eligible Own Funds under Solvency UK is shown in the following table:

	30 June 2026 Estimated £bn	31 December 2025 £bn
Total IFRS equity	0.8	1.3
Deduct non-controlling interests	(0.5)	(0.6)
Deduct goodwill, intangible assets and deferred acquisition costs	(1.6)	(1.7)
Revaluation of subordinated liabilities	0.1	0.1
Net impact of valuing technical provisions, after recoveries from reinsurance, on Solvency UK basis	13.3	12.7
Deferred tax impact of valuation differences	(1.6)	(1.5)
Other valuation differences	0.2	0.2
Excess of assets over liabilities under Solvency UK	10.7	10.5
Subordinated liabilities	2.4	2.9
Ring-fenced fund restrictions	(2.5)	(2.4)
Other availability restrictions	(0.6)	(0.7)
Group's eligible own funds	10.0	10.3

Reconciliation between IFRS total comprehensive income and Solvency II surplus

A reconciliation summarising the key differences between IFRS total comprehensive income and the Group's Solvency II surplus is shown in the following table:

	30 June 2026 Estimated £bn	31 December 2025 £bn
IFRS Total comprehensive expense	(0.2)	(0.4)
Dividends and coupon on Tier 1 Notes	(0.3)	(0.5)
Change in IFRS equity	(0.5)	(0.9)
Amortisation of acquired in-force intangibles	0.1	0.2
Valuation differences		
Annuity new business profits	0.1	0.1
Investment contract value of in-force (Solvency UK basis)	0.6	1.1
Other	(0.1)	(0.1)
Deferred tax	(0.1)	(0.4)
Other valuation differences	-	0.2
Subordinated liabilities	(0.5)	(0.4)
Ring-fenced fund restrictions	(0.1)	0.1
Change in Group's eligible own funds	(0.5)	(0.1)
Change in Solvency Capital Requirements	0.1	0.2
Solvency II surplus emergence	(0.4)	0.1

Reconciliation of IFRS shareholder equity to shareholder Solvency II surplus

The following table provides a reconciliation of the Total equity attributable to owners of the parent as presented on the IFRS balance sheet to the shareholder Solvency II surplus at 30 June 2026. The shareholder view of Solvency II surplus excludes the Solvency II Own Funds and Solvency Capital Requirements ('SCR') of unsupported with-profits funds and unsupported pension schemes. The resulting Solvency II surplus aligns with the regulatory view.

	30 June 2026 Estimated £bn	31 December 2025 £bn
Total equity attributable to owners of the parent	(0.2)	0.2
CSM (net of tax)	2.9	2.9
IFRS Adjusted Shareholders Equity	2.7	3.1
Deduct Acquired in-force business intangible (net of tax)	(1.1)	(1.1)
Add Investment contract Value of In-force ('VIF') (Solvency UK basis)[1]	4.9	4.4
Other valuation differences[2]	(1.6)	(1.5)
Solvency II Own Funds (excluding Qualifying Debt)	4.9	4.9
Add Qualifying debt	2.9	3.4
Solvency II Own Funds (shareholder basis)	7.8	8.3
SCR (shareholder basis)	(4.6)	(4.7)
Solvency II surplus	3.2	3.6

1 Investment contract VIF is estimated from the Solvency II VIF for unit-linked contracts.
2 Other valuation differences include removal of other intangibles such as goodwill, brands and deferred acquisition costs from IFRS (£0.3 billion decrease), differences in technical provision measurement including discount rate and allowance for risk (totalling a £1.9 billion decrease), valuation of debt (£0.1 billion increase), pension scheme availability restrictions (£0.2 billion decrease), the inclusion of the foreseeable dividend on a Solvency UK basis (£0.3 billion decrease) and other items including tax on the valuation differences (£1.0 billion increase).

Additional segmental analysis

IFRS adjusted operating profit

The table below provides an analysis of IFRS adjusted operating profit by segment and by driver:

Half year ended 30 June 2026	Release of CSM £m	Release of risk adjustment £m	Expected investment margin £m	Operating profit on investment contracts £m	Non-economic experience variances £m	Non-attributable expenses £m	Other £m	Total £m
Retirement Solutions	99	10	245	-	(21)	(6)	(3)	324
Pensions & Savings	18	4	16	226	(16)	(9)	5	244
With-Profits	17	2	3	3	(10)	(2)	1	14
Europe & Other	12	1	29	7	(7)	(10)	-	32
Corporate Centre	-	-	-	-	-	(67)	16	(51)
Total	146	17	293	236	(54)	(94)	19	563

Half year ended 30 June 2025	Release of CSM £m	Release of risk adjustment £m	Expected investment margin £m	Operating profit on investment contracts £m	Non-economic experience variances £m	Non-attributable expenses £m	Other £m	Total £m
Retirement Solutions	91	14	201	-	(7)	(14)	1	286
Pensions & Savings	16	5	-	180	(5)	(23)	6	179
With-Profits	8	-	3	(4)	(6)	-	3	4
Europe & Other	18	9	33	(7)	(14)	(5)	7	41
Corporate Centre	-	-	-	-	-	(80)	21	(59)
Total	133	28	237	169	(32)	(122)	38	451

A detailed analysis of our most significant segments, Retirement Solutions and Pensions & Savings is provided below.

Retirement Solutions	Half year ended 30 June 2026 £m	Half year ended 30 June 2025 £m
CSM release (note 1)	99	91
Risk adjustment release	10	14
Expected investment return (note 2)	82	88
Trading profit (note 2)	163	113
Other insurance items	(21)	(7)
Insurance result	333	299
Non-attributable expenses	(6)	(14)
Other items	(3)	1
IFRS adjusted operating profit (note 3)	324	286

Note 1

The CSM release reflects the recognition of service provided in the period. This can be expressed at a rate of CSM release with reference to the closing CSM immediately before amortisation as follows:

	Half year ended 30 June 2026	Half year ended 30 June 2025
CSM before amortisation (£m)	2,865	2,706
CSM release (%)	6.9%	6.7%

The CSM release has increased by £8 million to £99 million (half year ended 30 June 2025: £91 million) primarily driven by new business and management actions to improve profitability of this business.

Note 2
Expected investment return comprises:

	Half year ended 30 June 2026 £m	Half year ended 30 June 2025 £m
Long-term returns on Shareholder funds	39	53
Returns from assets backing liabilities	43	35
	82	88

Long-term returns on Shareholder funds are determined as surplus assets multiplied by the long-term returns set out in Note 4 to the condensed consolidated interim financial statements.

	Half year ended 30 June 2026	Half year ended 30 June 2025
Surplus assets (£bn)	1.4	2.0
Average long-term return of Shareholder funds	5.5%	5.3%

Expected investment return has decreased to £82 million (half year ended 30 June 2025: £88 million) driven by a lower level of surplus assets, partly offset by higher yields. Returns from assets backing liabilities of £43 million (half year ended 30 June 2025: £35 million) include £31 million (half year ended 30 June 2025: £42 million) arising from differences where the CSM on general model business unwinds at locked in rates whereas the investment return on the backing assets is earned at current rates and £25 million from the unwind of credit default assumptions (half year ended 30 June 2025: £10 million). This is offset by the temporary new business strain resulting from assets received as premium not yet having been deployed at their end state pricing asset allocation amounting to £13 million (half year ended 30 June 2025: £17 million).

Trading profits of £163 million (half year ended 30 June 2025: £113 million) have benefited from the higher level of portfolio management actions undertaken.

Note 3
IFRS adjusted operating profits for the Retirement Solutions segment are equivalent to 154bps (half year ended 30 June 2025: 145bps) on average assets under administration ('AUA').

	Half year ended 30 June 2026	Half year ended 30 June 2025
Average assets under Administration (£bn)	42.0	39.5
IFRS adjusted operating profit margin (bps)	154	145

Pensions & Savings	Half year ended 30 June 2026 £m	Half year ended 30 June 2025 £m
CSM & risk adjustment release	22	21
Other insurance items	-	(5)
Insurance result (note 1)	22	16
Investment contract charges	476	429
Investment contract expenses	(250)	(249)
Investment result (note 2)	226	180
Non-attributable expenses	(9)	(23)
Other items	5	6
IFRS adjusted operating profit (note 3)	244	179

Note 1

The CSM and risk adjustment release has benefited from positive investment performance in the period increasing the value of the CSM as these contracts are primarily measured using the Variable Fee Approach. Other insurance items include investment margin on assets supporting this business, partially offset by adverse claims experience variances.

Note 2

Average AUA has grown by 10% year-on-year, with positive investment performance more than offsetting net fund outflows. Investment contract charges grew by 11% year-on-year reflecting the positive effect of higher average AUA and business mix benefits which have more than offset the impact of business in run-off.

Investment contract expenses are flat, reflecting the Group's cost efficiency drive and fee rate savings for investment management services. These offset higher investment management expenses driven by the increase in AUA.

Note 3

Overall IFRS adjusted operating margin for the half year ended 30 June 2026 was 22bps (half year ended 30 June 2025: 18bps) driven by positive investment returns and reduction in costs.

	Half year ended 30 June 2026	Half year ended 30 June 2025
IFRS adjusted operating profit (£m)	244	179
Average AUA (£bn)[1]	217.0	198.0
IFRS adjusted operating profit margin (bps)	22	18

1 Average AUA for the half year ended 30 June 2025 has been updated to reflect that International Bonds AUA has been reallocated to Pensions & Savings from Europe & Other, and that a held for transfer Corporate Trustee Investment Plan was reclassified to Europe & Other from Pensions & Savings in December 2025. The impact of these changes reflected in the segmental IFRS adjusted operating profit for the half year ended 30 June 2026 is £7 million. The IFRS adjusted operating profit margin for the half year ended 30 June 2025 has not been changed.

Operating cash generation

Operating Cash Generation ('OCG') represents the emergence of cash as in-force business runs off over time and capital unwinds. It includes day one surplus from writing new business (net of day 1 strain for fee-based business), group tax relief and increases in profits from in-force business resulting from cost saving initiatives, as well as recurring management actions.

The table below provides an analysis of OCG by segment, expressed as a margin on average AUA:

	Half year ended 30 June 2026			Half year ended 30 June 2025		
	Surplus emergence £m	Recurring management actions £m	Operating Cash Generation £m	Surplus emergence £m	Recurring management actions £m	Operating Cash Generation £m
Retirement Solutions	200	266	466	209	234	443
Pensions & Savings	164	39	203	109	56	165
With-Profits	19	13	32	31	4	35
Europe & Other	44	-	44	62	-	62
Total	427	318	745	411	294	705

	AUA £bn	Annualised bps	Annualised bps	Annualised bps	AUA[1] £bn	Annualised bps	Annualised bps	Annualised bps
Retirement Solutions	42.0	95	127	222	39.5	106	118	224
Pensions & Savings	217.0	15	4	19	198.0	11	6	17
With-Profits	34.7	11	7	18	35.6	18	2	20
Europe & Other	29.5	30	-	30	19.7	63	-	63
Total	323.2	26	20	46	292.8	28	20	48

1 Average AUA for the half year ended 30 June 2025 has been updated to reflect that International Bonds AUA has been reallocated to Pensions & Savings from Europe & Other, and that a held for transfer Corporate Trustee Investment Plan was reclassified to Europe & Other from Pensions & Savings in December 2025. Segmental AUA for the half year ended 30 June 2025 has been updated to reflect this reallocation. Segmental OCG has been presented in line with this reallocation for the half year ended 30 June 2026 only.

Pensions & Savings OCG grew by 23% to £203 million (half year ended 30 June 2025: £165 million), equivalent to 19bps (half year ended 30 June 2025: 17bps) on average assets administered. Some 15bps (half year ended 30 June 2025: 11bps) reflects the release of in-force profit based on real world returns, additions from new business and the beneficial effect of cost saving actions. The remaining 4bps (half year ended 30 June 2025: 6bps) relates to the increase in effect on future profits of fund simplification actions taken in the period. Half year ended 30 June 2025 benefited from the timing of a modelling refinement management action.

Retirement Solutions OCG grew by 5% to £466 million (half year ended 30 June 2025: £443 million), equivalent to 222bps on average assets administered (half year ended 30 June 2025: 224bps). This margin is supported by our scale, efficiency and expertise in delivering sizeable recurring management actions, dynamics which we consider to be enduring in nature. Some 95bps (half year ended 30 June 2025: 106bps) reflects the steady release of capital and investment spread margins as our annuity liabilities run-off, as well as the impact of cost savings actions. The remaining 127bps (half year ended 30 June 2025: 118bps) relates to annuity portfolio re-optimisation and capital improvement actions.

Recurring management actions comprise:

	Half year ended 30 June 2026 £m	Half year ended 30 June 2025 £m
Annuity portfolio re-optimisation	195	189
Fund simplification	32	24
Capital improvements	91	81
Total	318	294

Annuity portfolio re-optimisation reflects actions taken to evolve our annuity-backing assets whilst staying cashflow and maturity matched. We do this by investing in assets which outperform those assumed in our new business pricing and by carrying out trading activity within our corporate and government bond portfolios to achieve higher yields without taking on more risk, unlocking value for the Group. The Group's investment in its asset management capabilities has allowed us to deliver recurring annuity portfolio re-optimisation at scale.

Fund simplification reflects actions taken to increase the efficiency of fund management expense as the asset base grows. This is achieved by reducing the number of funds offered and through fee reviews of investment management agreements.

Capital improvements reflect actions taken to improve our capital and balance sheet modelling as the investment universe evolves. We do this by enriching our asset data and the granularity of the calculation of our capital requirements which allows us to more accurately reflect the risk inherent in the asset portfolio we hold.

Alternative performance measures

The Group assesses its financial performance based on a number of measures. Some measures are management derived measures of historic or future financial performance, position or cash flows of the Group, which are not defined or specified in accordance with relevant financial reporting frameworks such as International Financial Reporting Standards ('IFRS') or Solvency UK.

These measures are known as Alternative Performance Measures ('APMs').

APMs are disclosed in the condensed consolidated interim financial statements ('interim financial statements') to provide stakeholders with further helpful information on the performance of the Group and should be viewed as complementary to, rather than a substitute for, the measures determined according to IFRS and Solvency II as modified by the PRA's 2024 reforms ('Solvency UK')[1]. Accordingly, these APMs may not be comparable with similarly titled measures and disclosures by other companies.

A list of the APMs used in our interim results as well as their definitions, why they are used and, if applicable, how they can be reconciled to the nearest equivalent GAAP measure is provided below. Further discussion of these measures can be found in the business review from page 9.

APM	Definition	Why this measure is used	Reconciliation to interim financial statements
APMs derived from IFRS			
Annuity premium written	Represents the aggregate, gross of reinsurance, new business premium volume for annuity business, written in the period and measured at the risk transfer date.	Annuity premiums written provides a measure of the Group's ability to deliver new business growth.	Annuity premiums written is not directly reconcilable to the interim financial statements as premiums are no longer reported in the IFRS consolidated income statement. Under IFRS 17, vesting annuities are generally not recognised as new contracts; where they arise from a pre-existing deferred annuity or pension contracts, they are typically treated as a continuation of the original contract. Therefore, the 'Premiums received' reported within insurance contract liabilities in note 13.2 will not reconcile to Annuity premiums written.
Assets under administration	The Group's Assets under Administration ('AUA') represents assets administered by or on behalf of the Group, covering both policyholder fund and shareholder assets. It includes assets recognised in the Group's IFRS condensed statement of consolidated financial position together with certain assets administered by the Group for which beneficial ownership resides with customers.	AUA indicates the potential earnings capability of the Group arising from its insurance and investment business. AUA flows provide a measure of the Group's ability to deliver new business growth.	A reconciliation from the Group's IFRS condensed statement of consolidated financial position to the Group's AUA is provided on page 58.

1 The Prudential Regulatory Authority's rules for Solvency UK became effective on 31 December 2024. The new regime has been referred to as 'Solvency II' in this section, unless otherwise stated, as this is in line with current PRA guidance.

<table>
<tr><th>APM</th><th>Definition</th><th>Why this measure is used</th><th>Reconciliation to interim financial statements</th></tr>
<tr>
<td>Fitch leverage ratio</td>
<td>The Fitch leverage ratio is calculated by the Group (using Fitch Ratings' stated methodology) as debt as a percentage of the sum of debt and equity. Debt is defined as the IFRS carrying value of shareholder borrowings excluding subordinated liabilities qualifying as Tier 1 Own Funds under Solvency UK rules. Equity is defined as the sum of equity attributable to the owners of the parent, non-controlling interests, contractual service margin ('CSM') (net of tax), policyholders' share of the with-profits estate and the Tier 1 notes. Values for subordinated liabilities are adjusted to allow for the impact of currency hedges in place over foreign currency denominated debt.</td>
<td>The Group seeks to manage the level of debt on its balance sheet by monitoring its financial leverage position. One of the output metrics used in this regard is the Fitch leverage ratio. This is to ensure the Group maintains its investment grade credit rating as issued by Fitch Ratings.</td>
<td>The IFRS adjusted shareholders' equity component of the Fitch leverage ratio is as set out later in this section (see IFRS adjusted shareholders' equity metric).
<table>
<tr><th>Fitch Leverage ratio</th><th>HY26 £bn</th><th>FY25 £bn</th></tr>
<tr><td>Total equity attributable to owners of the parent</td><td>(0.2)</td><td>0.2</td></tr>
<tr><td>CSM (net of tax)</td><td>2.9</td><td>2.9</td></tr>
<tr><td>IFRS adjusted shareholders' equity</td><td>2.7</td><td>3.1</td></tr>
<tr><td>Non-controlling interests</td><td>0.5</td><td>0.6</td></tr>
<tr><td>Policyholder surplus in with-profit funds</td><td>4.4</td><td>4.4</td></tr>
<tr><td>Tier 1 notes</td><td>0.9</td><td>0.8</td></tr>
<tr><td>Total Shareholders' Equity - Fitch basis (A)</td><td>8.5</td><td>8.9</td></tr>
<tr><td>Total Shareholder debt (B)</td><td>2.2</td><td>2.7</td></tr>
<tr><td>Fitch Leverage ratio (B/ (A + B))</td><td>20%</td><td>23%</td></tr>
</table>
Non-controlling interests and Tier 1 notes classified as equity are directly sourced from the Group's IFRS condensed statement of consolidated financial position, and the remaining Tier 1 notes from within borrowings in note 12. Policyholder surplus in with-profit funds is a subset of 'Estimates of present value of future cash flows' within insurance contract liabilities in note 13.</td>
</tr>
<tr>
<td>Holding companies' cash</td>
<td>Represents the liquid assets held within the Group holding and service companies.</td>
<td>The amount reflects the available liquidity within the holding and service companies for recurring and strategic use. This includes cash remittances paid by the operating companies to the Group holding and service companies which is used to fund the Group's operating costs, debt interest and repayments, planned investment across our strategic priorities and shareholder dividends.</td>
<td>
<table>
<tr><th></th><th>HY26 £m</th><th>FY25 £m</th></tr>
<tr><td>Parent company cash, deposits and collective investment schemes</td><td>448</td><td>826</td></tr>
<tr><td>Add cash and collective investment schemes held within other Group holding companies</td><td>108</td><td>20</td></tr>
<tr><td>Holding companies' cash</td><td>556</td><td>846</td></tr>
</table>
</td>
</tr>
</table>

APM	Definition	Why this measure is used	Reconciliation to interim financial statements
IFRS adjusted operating profit	IFRS adjusted operating profit is a financial performance measure based on expected long-term investment returns in respect of insurance business. It is stated before tax and excludes the impacts of economic volatility, amortisation and impairments of acquisition-related intangibles, finance costs attributable to owners and other non-operating items which in the Directors' view should be excluded by their nature or incidence to enable a full understanding of financial performance. Further details of the components of this measure and the assumptions inherent in the calculation of the long-term investment return are included in note 4.	This measure provides a more representative view of the Group's performance than the IFRS result after tax as it provides long-term performance information unaffected by short-term economic volatility and other items including one-offs, and is stated net of policyholder finance charges and tax. IFRS adjusted operating profit is a key performance indicator used by management for planning, reporting and executive remuneration. It helps give stakeholders a better understanding of the underlying performance of the Group by focusing on the operating result and separately identifying and analysing non-operating items.	A reconciliation of IFRS adjusted operating profit to the IFRS result before tax attributable to owners is included in note 3.1.
IFRS adjusted operating profit margin	This is reported for the Retirement Solutions and Pensions and Savings segments and represents the IFRS adjusted operating profit divided by the average AUA.	This measure reflects the underlying profitability of the segments in relation to the size of the portfolio being managed.	See tables below

Retirement Solutions	HY26	HY25
IFRS adjusted operating profit (£m)	324	286
Average Assets under Administration (£bn)	42.0	39.5
IFRS adjusted operating profit margin (bps)	154	145

Pensions and Savings	HY26	HY25 Restated[1]
IFRS adjusted operating profit (£m)	244	179
Average Assets under Administration (£bn)	217.0	198.0
IFRS adjusted operating profit margin (bps)	22	18

1 HY25 Average AUA has been restated to reflect the reallocation of the International Bond from Europe and Other to Pensions Savings. HY26 Average AUA reflects this view and also includes the reclassification of the Corporate Trustee Investment Plan Held for Transfer assets from Pensions and Savings to Europe and Other in December 2025.

<table>
<tr><th>APM</th><th>Definition</th><th>Why this measure is used</th><th>Reconciliation to interim financial statements</th></tr>
<tr><td>IFRS adjusted shareholders' equity</td><td>IFRS adjusted shareholders' equity is calculated as IFRS Total equity attributable to owners of the parent plus the CSM, net of tax.</td><td>IFRS adjusted shareholders' equity provides a meaningful measure of the value generated by the Group, including the value held in the CSM for IFRS 17 contracts.</td><td>IFRS adjusted shareholders' equity reconciles to the IFRS condensed statement of consolidated financial position as follows:
<table>
<tr><th></th><th>HY26 £m</th><th>FY25 £m</th></tr>
<tr><td>Total equity attributable to owners of the parent</td><td>(218)</td><td>244</td></tr>
<tr><td>Add: CSM</td><td>3,894</td><td>3,806</td></tr>
<tr><td>Less: Tax on CSM</td><td>(974)</td><td>(952)</td></tr>
<tr><td>IFRS adjusted shareholders' equity</td><td>2,702</td><td>3,098</td></tr>
</table>
Total equity attributable to owners of the parent is directly sourced from the Group's IFRS condensed statement of consolidated financial position. CSM is set out in note 13. Tax is reflected at the deferred tax rate of 25%.</td></tr>
<tr><td>Net fund flows</td><td>Represents the aggregate net position of gross AUA inflows less gross outflows. It is an in-year movement in the Group's AUA.</td><td>Net fund flows provide a measure of the Group's ability to deliver new business growth.</td><td>Net fund flows are not directly reconcilable to the financial statements as it includes movements in AUA which do not flow directly to the Group's IFRS condensed consolidated income statement. However, a reconciliation from the Group's IFRS condensed statement of consolidated financial position to the Group's AUA is provided on page 58.</td></tr>
<tr><td>Run-rate cost savings</td><td>Represents the cumulative estimate of annual cost savings achieved since the beginning of 2024, expressed as the level of savings expected to be generated over a full 12-month period.</td><td>Our focus is on driving cost efficiencies by moving to a more efficient Group-wide operating model, which in turn supports better customer outcomes. The Group has set a target of delivering c.£250 million of run-rate cost savings by the end of 2026.</td><td>Run-rate cost savings is not directly reconcilable to the financial statements as it represents an annualised view of savings expected to materialise, whereas the Group's IFRS condensed income statement will only reflect the absolute in-period savings realised so far.

In the first half of 2026, the Group's cost savings programme delivered £30 million of run-rate savings, which combined with the savings achieved in 2024-2025, brings the cumulative run-rate cost savings total to £210 million.</td></tr>
</table>

APM	Definition	Why this measure is used	Reconciliation to interim financial statements
Total cash generation	Cash remitted by the Group's operating companies to the Group's holding companies.	The condensed statement of consolidated cash flows prepared in accordance with IFRS combines cash flows relating to shareholders with cash flows relating to policyholders, but the practical management of cash within the Group maintains a distinction between the two. The Group therefore focuses on the cash flows of the holding companies which relate only to shareholders. Such cash flows are considered more representative of the cash generation that could potentially be distributed as dividends or used for debt repayment and servicing, and Group operating expenses. Total cash generation is a key performance indicator used by management for planning, reporting and executive remuneration.	Total cash generation is not directly reconcilable to the IFRS condensed statement of consolidated cash flows as it includes amounts that eliminate on consolidation. Further details of holding companies' cash flows are included within the business review on page 12, and a breakdown of the Group's cash position by type of entity is provided in the additional life company asset disclosures section on page 56.
APMs derived from Solvency II			
Annuity Capital Strain	Represents the capital deployment on annuities measured on a Solvency II basis, expressed as a proportion of the annuity premium. It is calculated as the capital deployed (being the Solvency II Technical Provisions plus SCR plus acquisition costs plus reinsurance premium less annuity premium, net of tax) as a proportion of the annuity premium.	Annuity Capital Strain reflects how efficiently capital is deployed on annuities to deliver new business growth.	The capital deployed in writing annuity business is included within the holding companies' cash flows on page 12 within the business review.
Life Companies Free Surplus	The Solvency II surplus of the Life Companies that is in excess of their Board approved capital according to their capital management policies and limits.	This figure provides a view of the level of surplus capital in the Life Companies that is available for distribution to the holding companies, and the generation of Free Surplus underpins future Operating Cash Generation ('OCG').	Life Companies Free Surplus is a subset of the change in Solvency II surplus over the period set out in the table on page 13 within the business review. It can be reconciled as follows:

	HY26 £bn	FY25 £bn
Group Solvency II surplus	3.2	3.6
Less: Non-life components and consolidation adjustments	0.1	(0.1)
Less: capital management policies and limits	(1.7)	(2.0)
Life Companies Free Surplus	1.6	1.5

<table>
<tr><th>APM</th><th>Definition</th><th>Why this measure is used</th><th>Reconciliation to interim financial statements</th></tr>
<tr>
<td>Operating Cash Generation ('OCG'),

Operating Surplus Generation ('OSG'),

And

Operating Cash Generation Spread ('OSG Spread')</td>
<td>Operating Cash Generation ('OCG') is the emergence of cash on a Solvency UK basis as surplus emerges (being the in-force business run off over time and capital unwind, plus day one surplus from writing new business (net of day 1 strain for fee based business) plus group tax relief, plus the recurring management actions, plus the capitalised benefit from delivery of our cost savings programme. As a cash measure it will be reported in line with Life Companies Free Surplus view and therefore is the excess of their Board approved capital according to their capital management policies.

OCG before adjustment to reflect the release of capital management policy is referred to as Operating Surplus Generation ('OSG').

The OCG Spread is calculated as OCG divided by average Assets Under Administration.</td>
<td>The measure represents the sustainable level of ongoing cash generation from our underlying business operations that is remitted from our Life Companies to the Group.</td>
<td>The components of the OCG are:
<table>
<tr><th></th><th>HY26 £bn</th><th>HY25 £bn</th></tr>
<tr><td>Surplus generation</td><td>0.3</td><td>0.4</td></tr>
<tr><td>Recurring management actions</td><td>0.3</td><td>0.3</td></tr>
<tr><td>OSG</td><td>0.6</td><td>0.7</td></tr>
<tr><td>Release of capital management policy</td><td>0.1</td><td>-</td></tr>
<tr><td>OCG</td><td>0.7</td><td>0.7</td></tr>
</table>

OSG forms a component of the change in Solvency II surplus in the period as set out in the table on page 13 within the business review.</td>
</tr>
<tr>
<td>Recurring management actions</td>
<td>Recurring management actions are measured on a Solvency UK basis and represent the Day 1 impact on Own Funds and SCR. They are management actions that are either genuinely repeatable, repeatable in nature but subject to diminishing returns, or are not repeatable but benefits are expected from similar types of actions in the future.</td>
<td>The measure is a key component of OCG and one of the sources which can be used to support sustainable cash remittances from the Life Companies.</td>
<td>Recurring management actions are a subset of the Solvency II surplus generated in the period as shown in the table on page 13 within the business review.</td>
</tr>
<tr>
<td>Shareholder Capital Coverage Ratio ('SCCR')</td>
<td>Represents total Eligible Own Funds divided by the Solvency Capital Requirements ('SCR'), adjusted to a shareholder view through the exclusion of amounts relating to those ring-fenced with-profits funds and Group pension schemes whose Own Funds exceed their SCR.</td>
<td>The unsupported with-profits funds and Group pension funds do not contribute to the Group Solvency II surplus. However, the inclusion of related Own Funds and SCR amounts dampens the implied Solvency II capital ratio. The Group therefore focuses on a shareholder view of the capital coverage ratio which is considered to give a more accurate reflection of the capital strength of the Group.</td>
<td>Further details of the Shareholder Capital Coverage Ratio and its calculation are included in the business review on page 13.</td>
</tr>
</table>

<table>
<tr><th>APM</th><th>Definition</th><th>Why this measure is used</th><th>Reconciliation to interim financial statements</th></tr>
<tr>
<td>Solvency II Leverage ratio</td>
<td>Solvency II leverage is calculated as the Solvency II value of debt divided by the value of Solvency II Regulatory Own Funds.

Values for debt are adjusted to allow for the impact of currency hedges in place over foreign currency denominated debt.</td>
<td>The Group is committed to reducing its leverage and has a Solvency II leverage ratio of c.30% by the end of 2026.</td>
<td>
<table>
<tr><th></th><th>HY26
£bn</th><th>FY25
£bn</th></tr>
<tr><td>Regulatory Eligible Own Funds</td><td>10.0</td><td>10.3</td></tr>
<tr><td>Total Debt</td><td>2.9</td><td>3.4</td></tr>
<tr><td>Solvency II leverage ratio[1]</td><td>29%</td><td>33%</td></tr>
</table>
1 Solvency II leverage ratio allows for currency hedges over foreign denominated debt.

Regulatory Eligible Own Funds is a component of the calculation of the Group's regulatory Solvency II surplus as set out in the additional capital disclosures on page 60.

There are valuation differences between IFRS and Solvency II due to IFRS measuring the debt on an amortised cost basis, with Solvency II reflecting the fair value which would include movements in interest rates.

Both amounts are adjusted for the value of the foreign currency hedges used to hedge foreign currency exposure on the Group's borrowings.
</td>
</tr>
</table>

Policy for making pro forma adjustments in the interim financial statements

Pro forma adjustments will be used in the interim financial statements where management considers that they allow the users to better understand the financial performance, financial position, cash flows or outlook of the Group.

Examples of where pro forma adjustments may be used are in relation to acquisitions or disposals which are material to the Group, changes to the Group's capital structure or changes in reporting frameworks the Group applies such as Solvency II or IFRS. Where pro forma adjustments are considered necessary for the understanding of the financial performance, financial position, cash flows or outlook of the Group these will be clearly labelled as pro forma with a clear explanation provided as to the reason for the adjustments and the Key Performance Indicators, Alternative Performance Metrics and other performance metrics impacted.

Shareholder information

Annual General Meeting

Our Annual General Meeting ('AGM') was held on 14 May 2026 at 11.00am (BST).

The voting results for our 2026 AGM, including proxy votes and votes withheld are available on our website at www.standardlifeplc.com

Shareholder services

Managing your shareholding

Our registrar, Computershare Investor Services PLC ('Computershare'), maintains the Company's register of members. If you have any queries in respect of your shareholding, please contact them directly using the contact details set out below.

Investor Centre

The Investor Centre is an online enquiry service, provided by Computershare, which allows you to manage your shareholding with ease. Via the Investor Centre you can view details of your Standard Life plc shareholding; view your recent dividend payments; update your personal details; change your payment method; and register for electronic communications. The Investor Centre can be accessed at www.investorcentre.co.uk

Registrar details

Computershare Investor Services PLC
The Pavilions,
Bridgwater Road,
Bristol,
BS99 6ZZ

Shareholder helpline number +44 (0) 370 702 0181
Fax number +44 (0) 370 703 6116
www.investorcentre.co.uk/contactus

Share price

You can access the current share price of Standard Life plc at www.standardlifeplc.com

Dividend information

2026 interim dividend

Ex-dividend date 24 September 2026
Record date 25 September 2026
Interim 2026 dividend payment date 29 October 2026

Payment method

From May 2027, we intend to change the way we pay dividends to shareholders and will no longer pay dividends by cheque. We have previously written to shareholders advising them of this change and providing additional information.

If you haven't already provided your bank details to Computershare, please do so now via the 'Update your Details' tab at www.investorcentre.co.uk to ensure your dividends can be paid straight into your bank account.

Forward-looking statements

The 2026 Interim Report contains, and the Group may make other statements (verbal or otherwise) containing, forward-looking statements and other financial and/or statistical data about the Group's current plans, goals, ambitions, outlook, guidance and expectations relating to future financial condition, performance, results, strategy and/or objectives. Statements containing the words: 'believes', 'intends', 'will', 'may', 'should', 'expects', 'plans', 'aims', 'seeks', 'targets', 'continues' and 'anticipates' or other words of similar meaning are forward-looking. Such forward-looking statements and other financial and/or statistical data involve known and unknown risks and uncertainty because they relate to future events and circumstances that are beyond the Group's control. For example, certain insurance risk disclosures are dependent on the Group's choices about assumptions and models, which by their nature are estimates. As such, actual future gains and losses could differ materially from those that the Group has estimated. Other factors which could cause actual results to differ materially from those estimated by forward looking statements include, but are not limited to:

- domestic and global economic, political, social, environmental and business conditions;
- asset prices;
- market-related risks such as fluctuations in investment yields, interest rates and exchange rates, the potential for a sustained low-interest rate or high-interest rate environment, and the performance of financial or credit markets generally;
- the regulations, policies and actions of governmental and/or regulatory authorities including, for example, climate change and the effect of the 'Solvency UK' regulations on the Group's capital maintenance requirements;
- developments in the UK's relationship with the European Union;
- the direct and indirect consequences of the conflicts in Ukraine and the Middle East for European and global macro-economic conditions and related or other geopolitical conflicts;
- political uncertainty and instability including the rise in protectionist measures;
- the impact of changing inflation rates (including high inflation) and/or deflation;
- information technology (including developments and use of Artificial Intelligence) or data security breaches (including the Group being subject to cyber-attacks);
- the development of standards and interpretations including evolving practices in sustainability and climate reporting with regard to the interpretation and application of accounting;
- the limitation of climate scenario analysis and the models that analyse them;
- lack of transparency and comparability of climate-related forward-looking methodologies;
- climate change and a transition to a low carbon economy (including the risk that the Group may not achieve its targets);
- the Group's ability along with governments and other stakeholders to measure, manage and mitigate the impacts of climate change effectively;
- the implementation of rules, regulations or other actions with an opposing stance to sustainability matters or policies;
- market competition;
- changes in assumptions in pricing and reserving for insurance business (particularly with regard to mortality and morbidity trends, gender pricing and lapse rates);
- the timing, impact and other uncertainties of any proposed or future acquisitions, joint ventures, disposals or other strategic transactions (including any associated integration);
- risks associated with arrangements with third parties;
- inability of reinsurers to meet obligations or unavailability of reinsurance coverage; and
- the impact of changes in capital and implementing changes in IFRS 17 or any other regulatory, solvency and/or accounting standards, and tax laws and practices and other legislation and regulations in the jurisdictions in which members of the Group operate.

As a result, the Group's actual future financial condition, performance and results may differ materially from the plans, goals, targets, ambitions, outlook, guidance and expectations set out in the forward-looking statements and other financial and/or statistical data within the 2026 Interim Report. No representation is made that any of these statements will come to pass or that any future results will be achieved.

As a result, you are cautioned not to place undue reliance on such forward-looking statements contained in this 2026 Interim Report.

The Group undertakes no obligation to update any of the forward-looking statements or data contained within the 2026 Interim Report or any other forward-looking statements or data it may make or publish. The information in this report does not constitute an offer to sell or an invitation to buy securities in Standard Life plc or an invitation or inducement to engage in any other investment activities.

The 2026 Interim Report has been prepared for the members of the Company and no one else. The Company, its Directors or agents do not accept or assume responsibility to any other person in connection with this document and any such responsibility or liability is expressly disclaimed. Nothing in the 2026 Interim Report is or should be construed as a profit forecast or estimate.

Standard Life
For the life we live

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