



ST. JAMES'S PLACE
WEALTH MANAGEMENT

———— MAY 2014 ————



PART ONE – BUSINESS MODEL

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ST. JAMES'S PLACE
WEALTH MANAGEMENT

PART ONE

Business Model



ST. JAMES'S PLACE
WEALTH MANAGEMENT



Strategy





St. James's Place: Overview

- Leading UK Wealth Management Company
 - Established 1991
 - UK listed with market cap of c.£4 billion
 - £45.8 billion in FUM
 - Target market £50k to £5 million free investable assets
- Differentiated business model
 - “Vertically integrated”
 - Own dedicated distribution – the Partnership
 - Distinct investment management approach
- Well positioned to benefit from long-term market growth
 - Favourable demographic trends
 - Increasing tax burden



Global Investment Management Expertise





Whole of Market approach

We take responsibility for the due diligence on all the products and companies we make available to our clients.



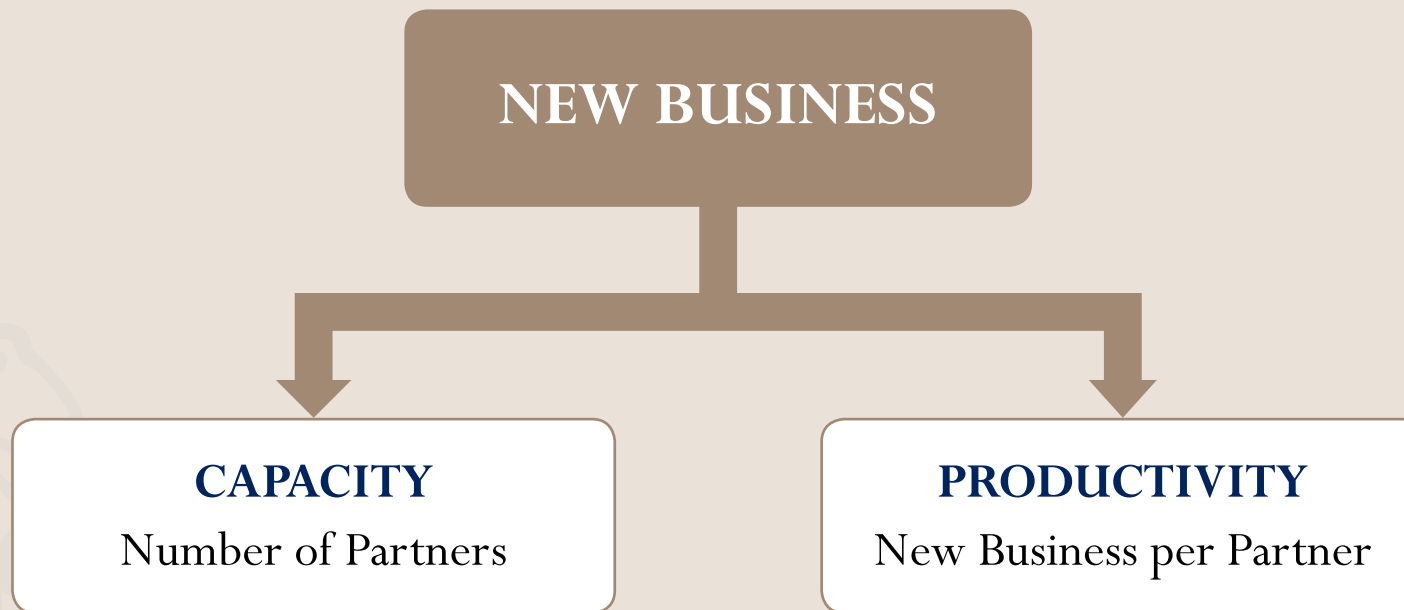


Our products and services

- Comprehensive range
 - of pension, investment and savings “wrappers”
 - of investment funds managed by Global Investment Managers
 - access to “whole of market” for third party products and services e.g. Protection and Annuities
- Whilst avoiding
 - capital intensive products
 - guarantees and options
 - overly complex, fashionable or high risk structures

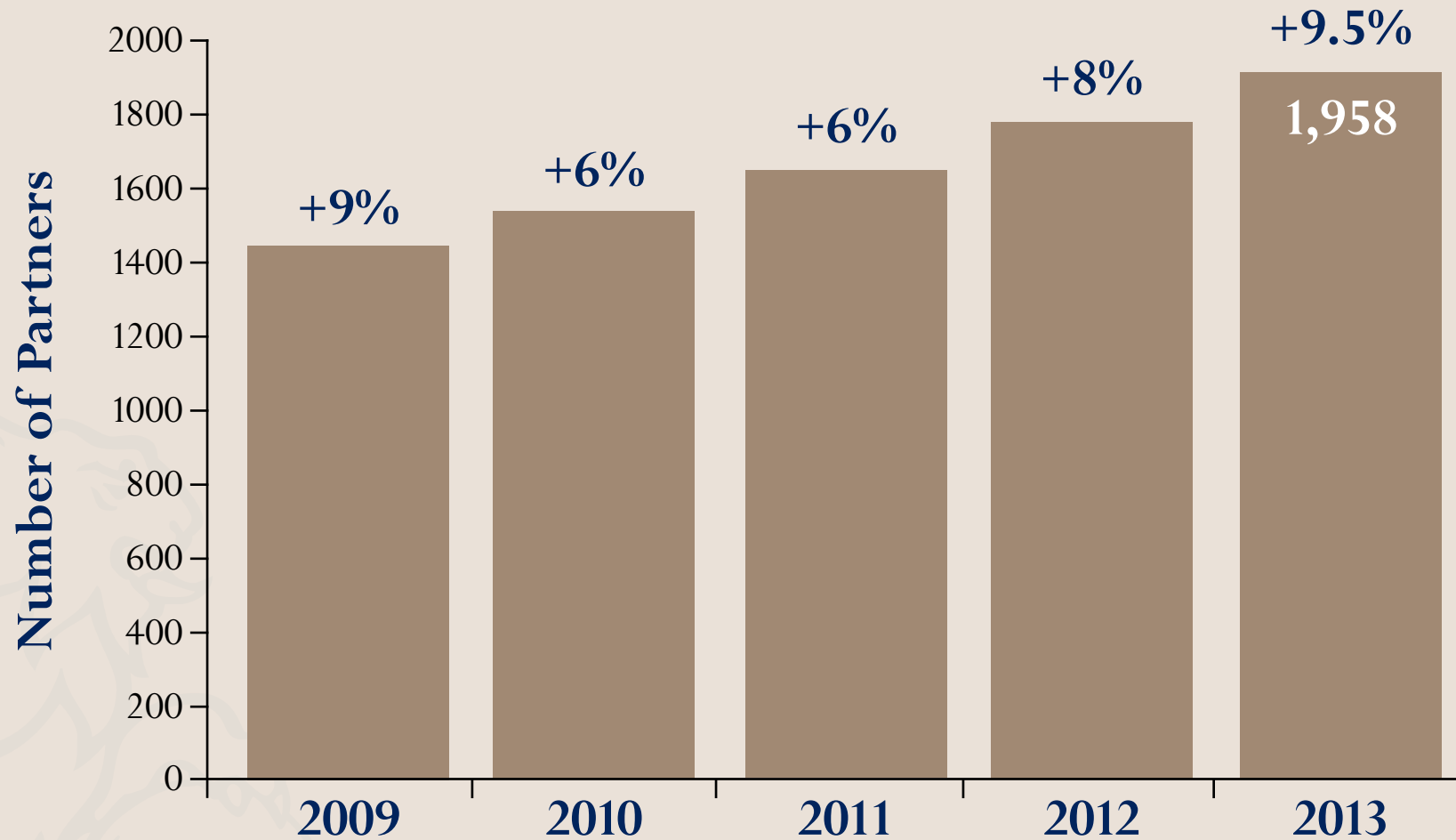


The Growth Model



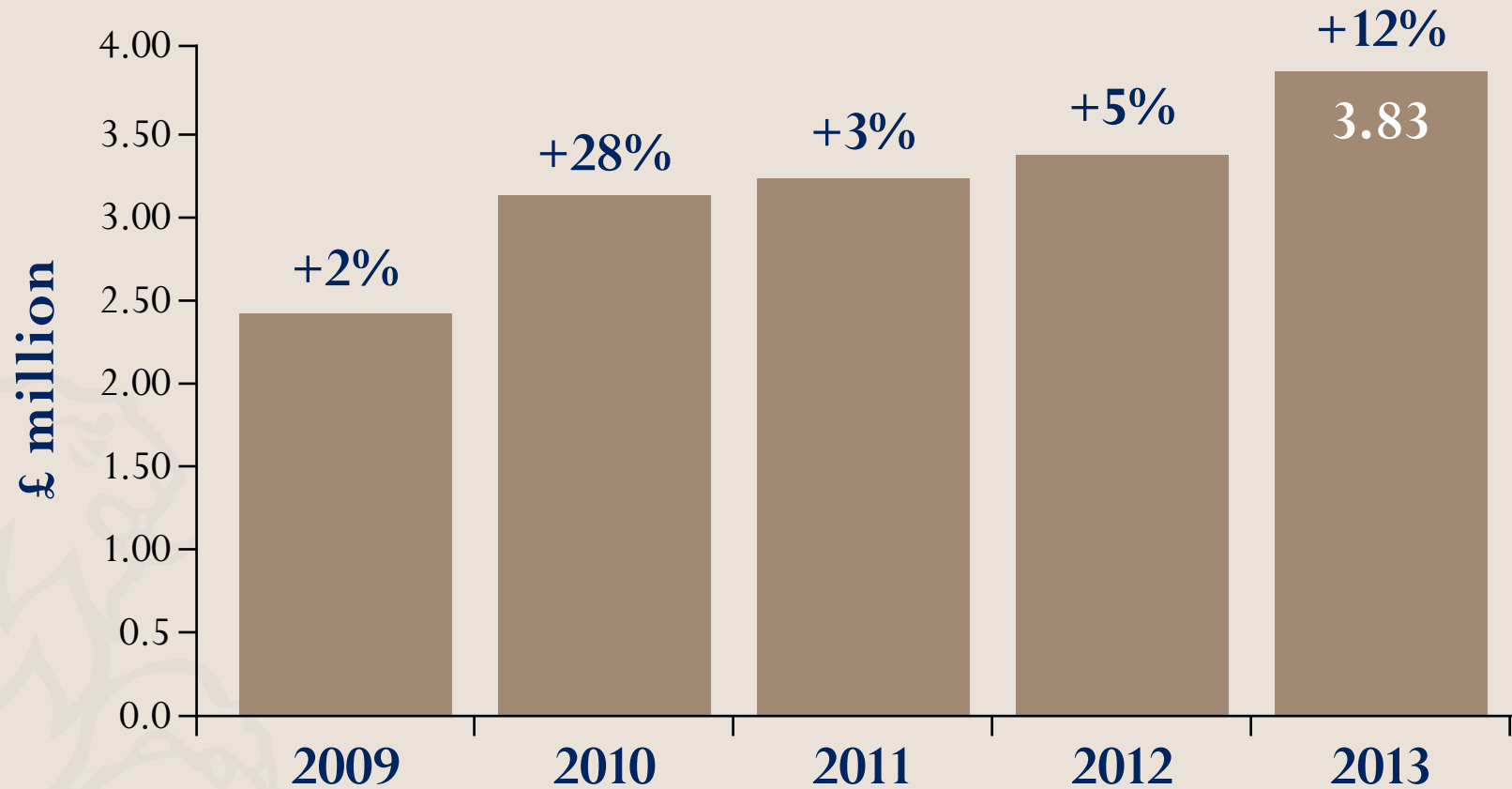


Growing number of Partners



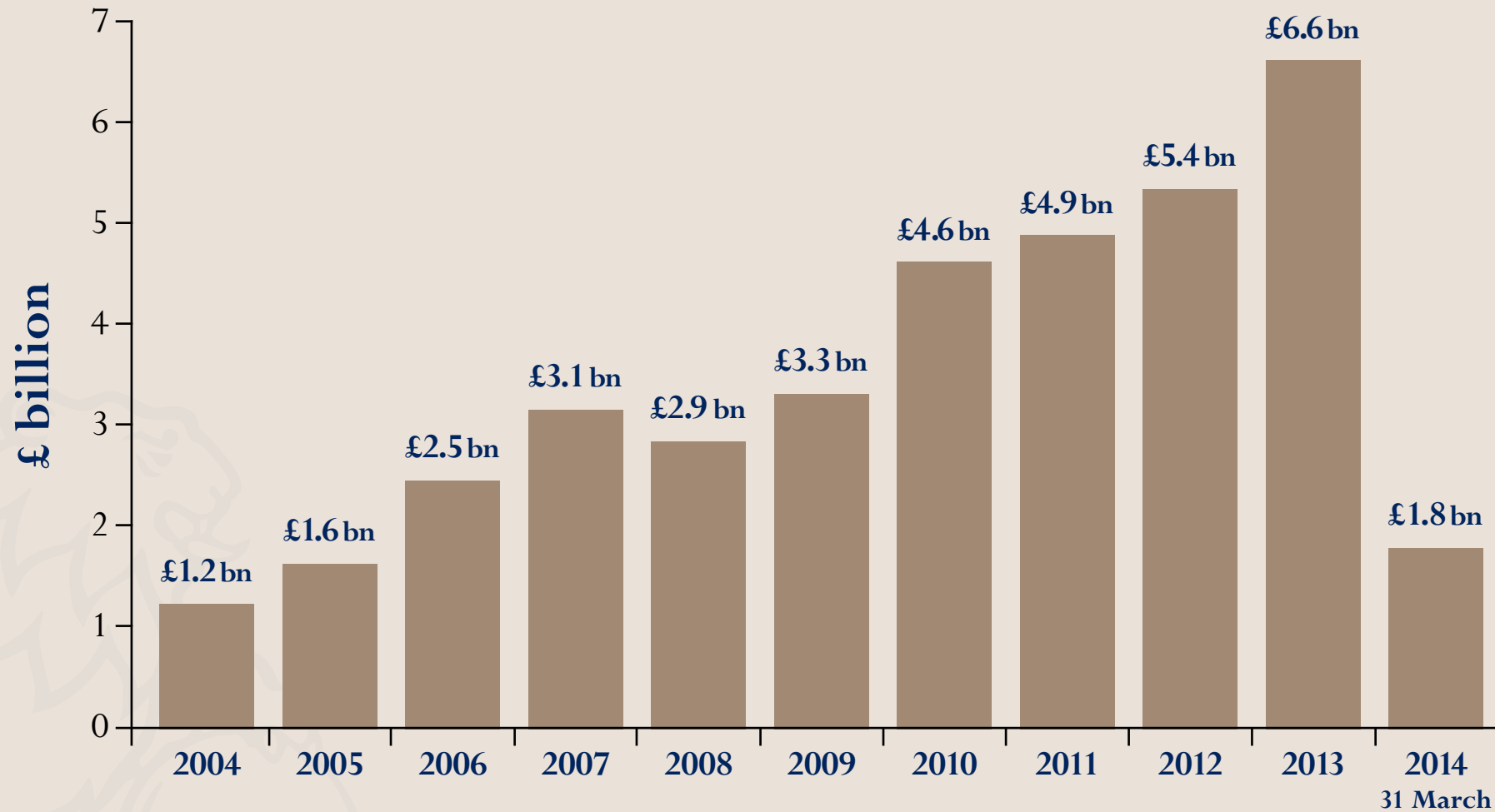


Productivity (single investment per Partner)





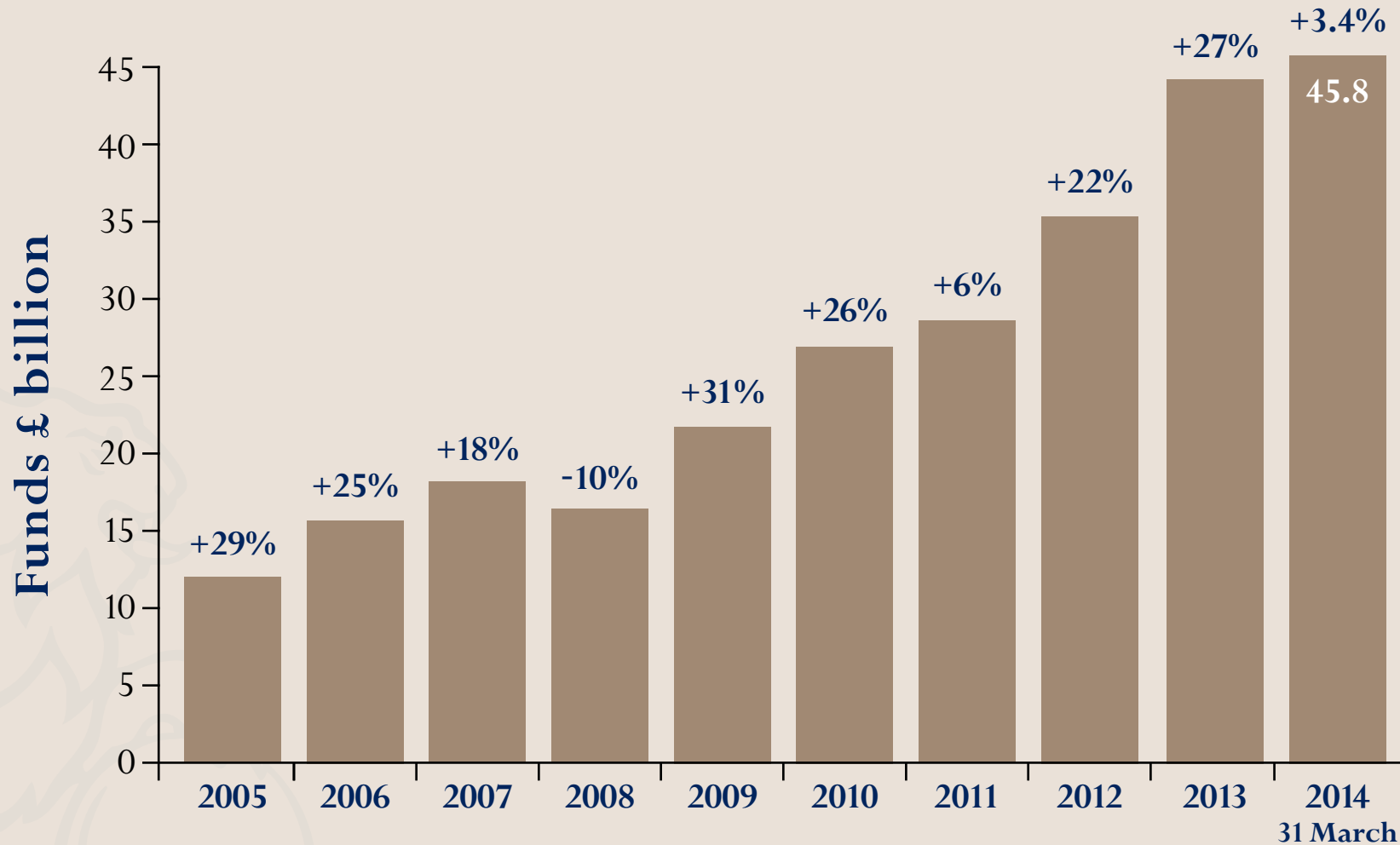
Single premium gross investments





Funds under management

22% p.a. compound growth over the last 5 years and 19% p.a. over last 10 years





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The Partnership





Dedicated distribution – the Partnership

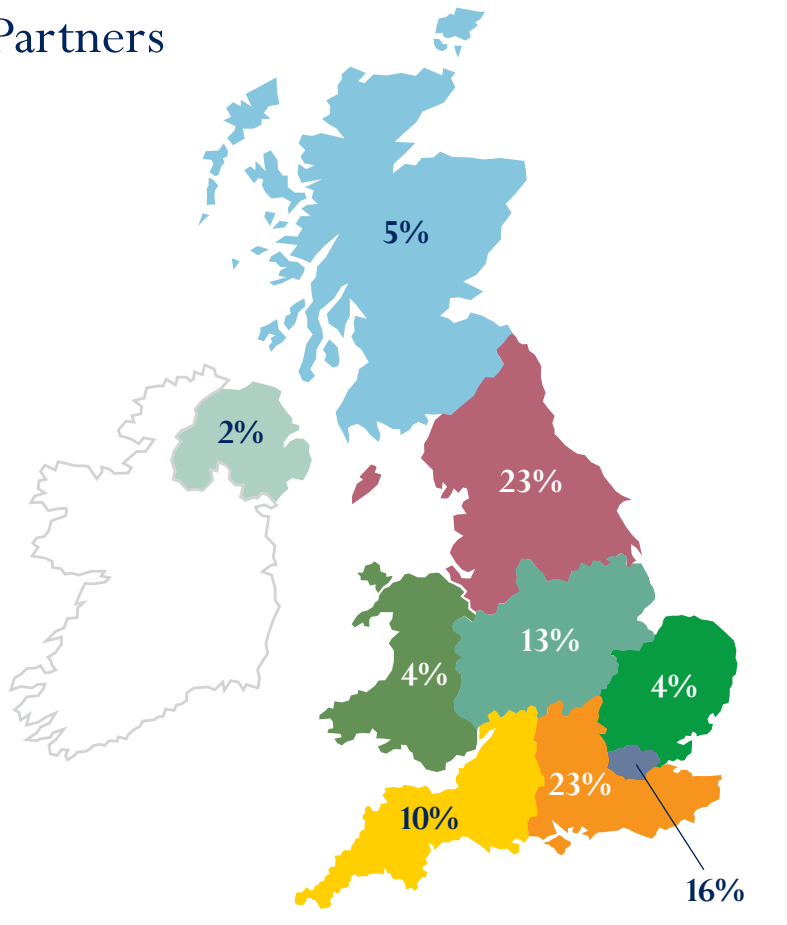
- High quality self-employed team of c.2,000 advisers
 - Average age is 48
 - Above average productivity
 - 90%+ per annum retention rate
- Aim to grow Partner number by 5% to 7% per annum
- Aim to increase productivity each year



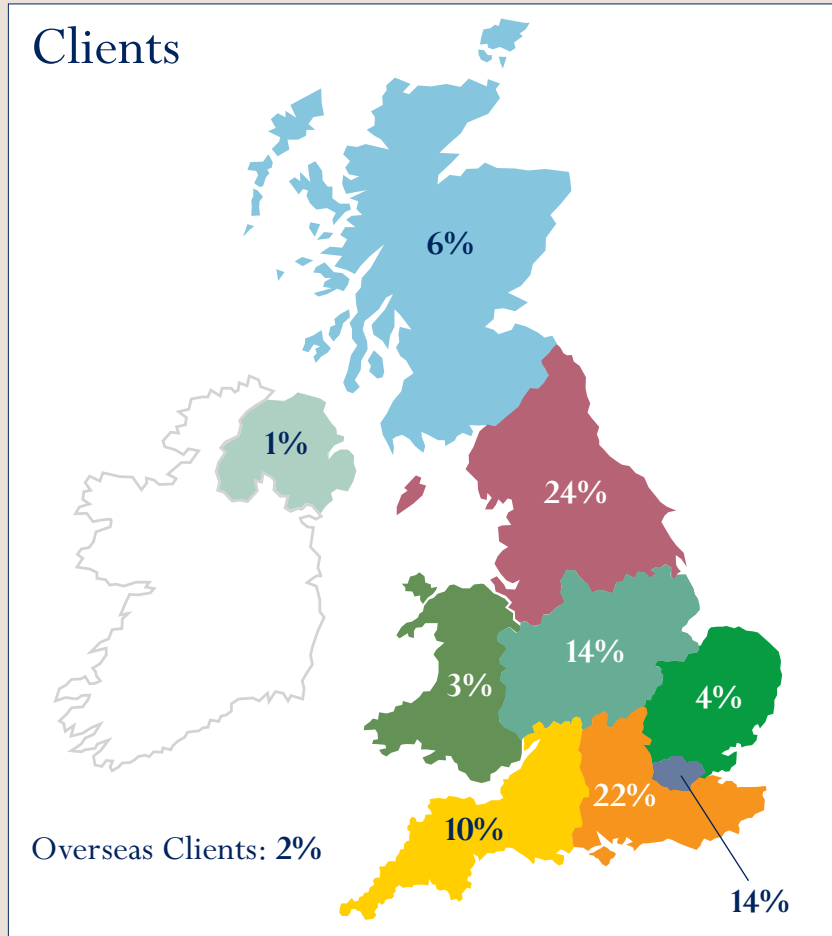
Geographic Distribution

31 December 2013

Partners



Clients

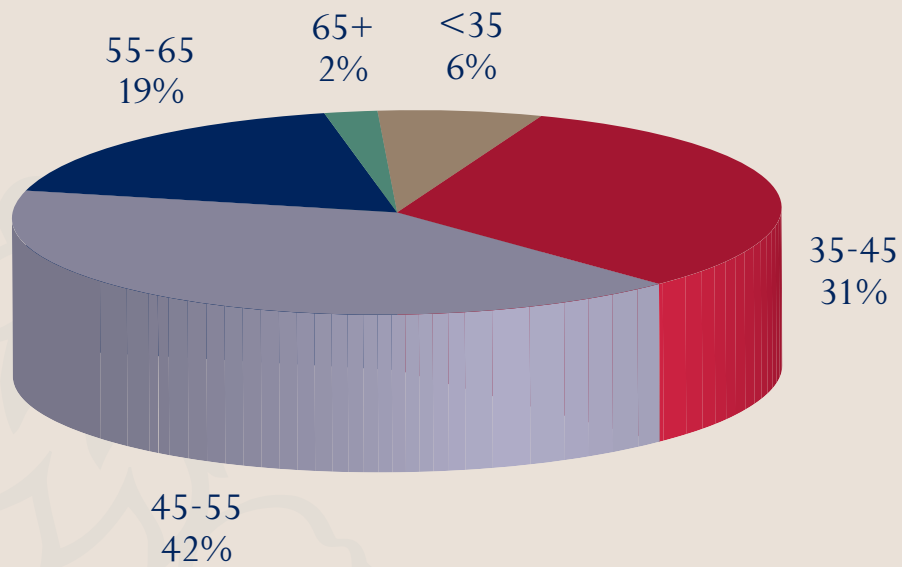




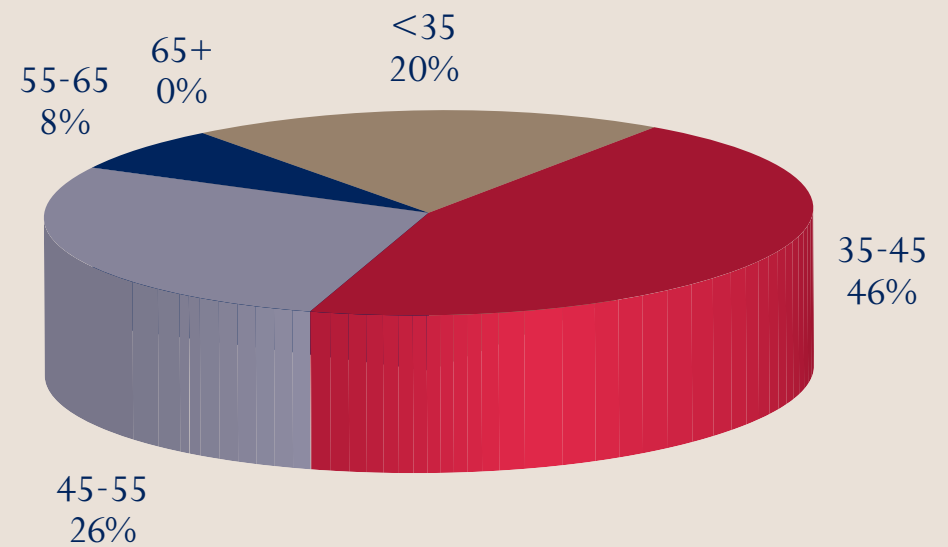
Partners by age band

31 December 2013

Existing Partners



New Partners





Total Adviser numbers down 18%

ADVISER NUMBERS

| TYPE OF ADVISER | FSA ESTIMATES 31 DEC 2011 | FSA FIGURES 31 DEC 2012 | FCA FIGURES 31 DEC 2013 |
|----------------------------------------------|---------------------------------|-------------------------------|-------------------------------|
| Financial advisers | 25,616 | 20,453 | 21,881 |
| Bank advisers | 8,658 | 4,809 | 3,556 |
| Discretionary fund managers/ stockbrokers | 4,043 | 3,718 | 5,783 |
| Total number of Advisers | 38,317 | 28,980 | 31,220 |

FINANCIAL CONDUCT AUTHORITY



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WEALTH MANAGEMENT



ST. JAMES'S PLACE
ACADEMY





The Academy

- 60 new students in 2013
- 40 next generation
- Targeting another 50-60 this year
- Anticipate c.50 to 'graduate' this year
- Plus a new regional initiative in Manchester



ST. JAMES'S PLACE
WEALTH MANAGEMENT



Investment Management



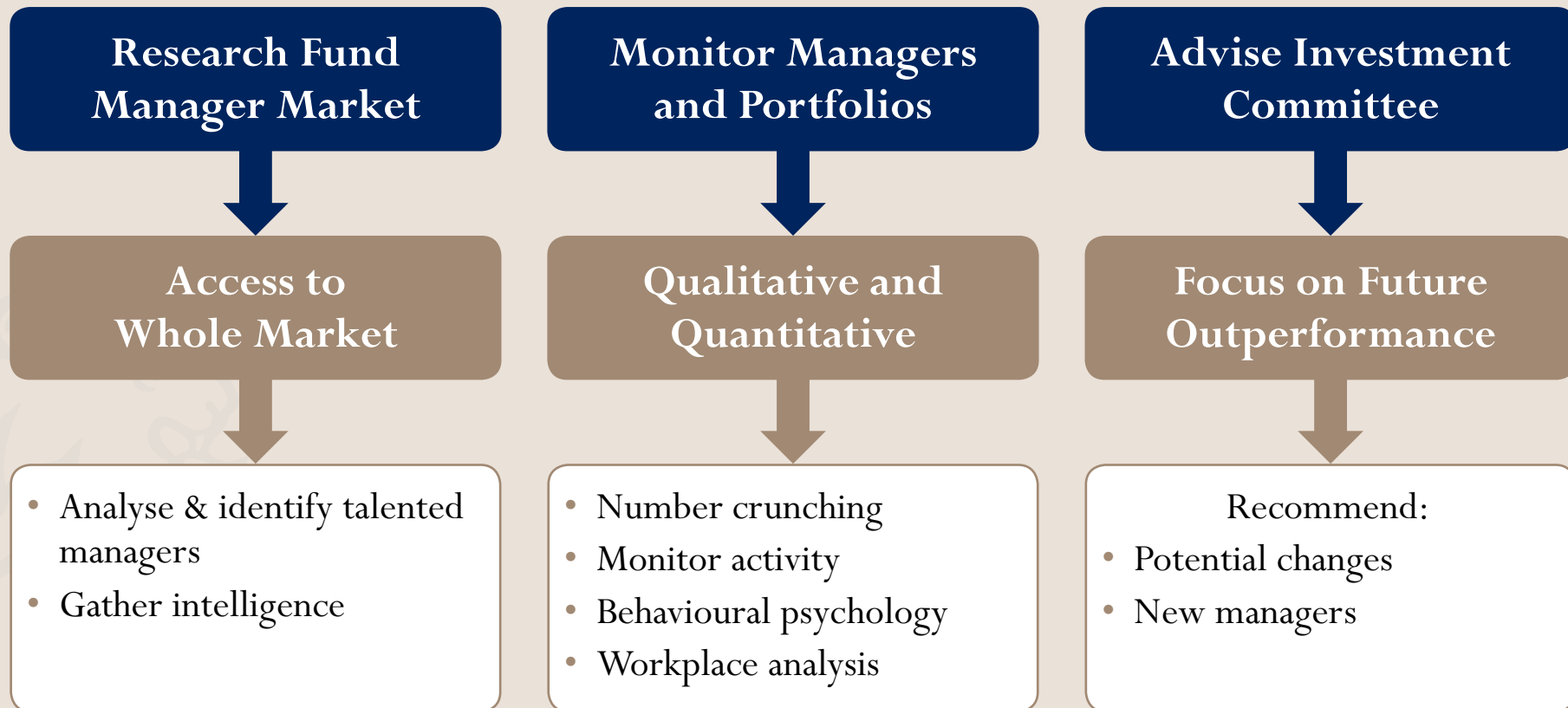


Our approach to investment management





Stamford Associates Independent Investment Consultancy





Global Investment Management Expertise





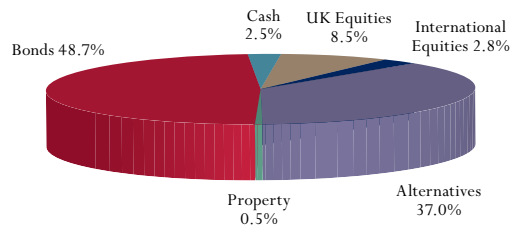
Growth Portfolios

DEFENSIVE PORTFOLIO

Low risk

- Aims to provide a positive return after charges over a rolling five-year period
- Invests primarily in bonds, equities and alternative assets
- Offers resilience to significant macroeconomic and market events

Portfolio asset mix:



Fund mix:

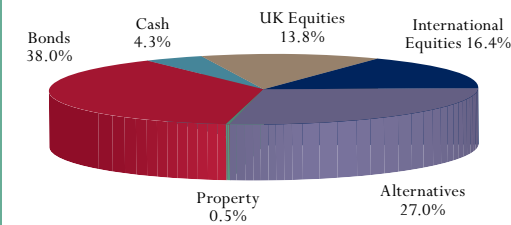
| | |
|---------------------------------|-----|
| Index Linked Gilts | 15% |
| Multi Asset | 15% |
| UK Absolute Return | 15% |
| Alternative Assets | 10% |
| Gilts | 10% |
| International Corporate Bond | 10% |
| Investment Grade Corporate Bond | 10% |
| Global Managed (Global) | 5% |
| UK & International Income | 5% |
| UK Equity (UK High Income) | 5% |

CONSERVATIVE PORTFOLIO

Low to medium risk

- Aims to provide steady growth for investments of at least five years
- Aims to avoid large fluctuations in value, although fluctuations in value will occur
- Predominantly invests in bonds and the UK Absolute Return fund
- Some holdings in equities

Portfolio asset mix:



Fund mix:

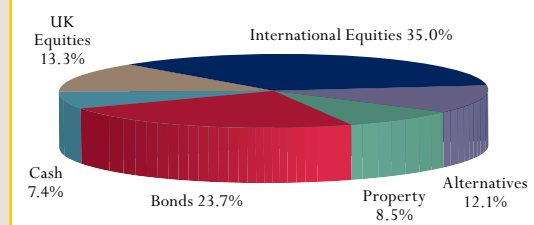
| | |
|---------------------------------|-----|
| Global Equity | 15% |
| Multi Asset | 15% |
| UK & General Progressive | 15% |
| Alternative Assets | 10% |
| Index Linked Gilts | 10% |
| International Corporate Bond | 10% |
| Investment Grade Corporate Bond | 10% |
| UK Absolute Return | 10% |
| Corporate Bond | 5% |

BALANCED PORTFOLIO

Medium risk

- Aims to provide growth for investments of at least five years
- Diversified across asset classes to reduce risk, but fluctuations in value may be significant
- Wide variety of assets, including some holdings in emerging economies

Onshore Portfolio asset mix:



Fund mix:

| Fund | Onshore Offshore | |
|---------------------------------------------|------------------|----------|
| | Onshore | Offshore |
| Alternative Assets | 10% | 11% |
| Global Equity | 10% | 11% |
| Global Managed (Global) | 10% | 11% |
| International Corporate Bond | 10% | 11% |
| Investment Grade Corporate Bond | 10% | 11% |
| Multi Asset | 10% | 11% |
| Property | 10% | 0% |
| UK & General Progressive | 10% | 11% |
| Worldwide Managed (Worldwide Opportunities) | 10% | 11% |
| Far East | 5% | 6% |
| Global Emerging Markets | 5% | 6% |

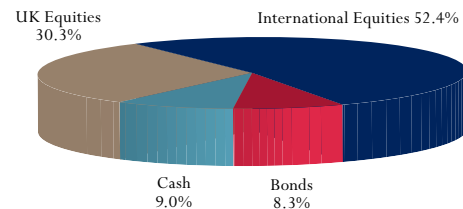


Growth Portfolios (cont.)

MANAGED FUNDS PORTFOLIO Medium risk

- Aims to provide capital growth for investments of at least five years
- Diversified across managers with different investment styles
- Fluctuations in value may be significant
- Invests in global equities, including emerging economies, and bonds

Portfolio asset mix:



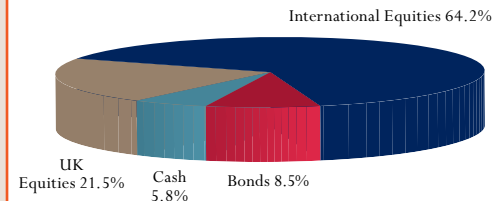
Fund mix:

| | |
|-----------------------------------------------|-----|
| Invesco Perpetual Managed (Strategic Managed) | 15% |
| Schroder Managed (Managed Growth) | 15% |
| AXA Framlington Managed (Balanced Managed) | 14% |
| GAM Managed (Recovery) | 14% |
| Global Managed (Global) | 14% |
| THSP Managed (International) | 14% |
| Worldwide Managed (Worldwide Opportunities) | 14% |

ADVENTUROUS PORTFOLIO Medium to high risk

- Aims to provide higher levels of capital growth for investments of at least ten years
- The value of the portfolio may go up and down sharply
- Predominantly invests in global equities, including emerging economies
- Some holdings in bonds

Portfolio asset mix:



Fund mix:

| | |
|--------------------------|-----|
| Far East | 15% |
| Global Emerging Markets | 15% |
| Greater European | 15% |
| High Octane | 15% |
| North American | 15% |
| Corporate Bond | 10% |
| UK & General Progressive | 10% |
| UK Growth | 5% |



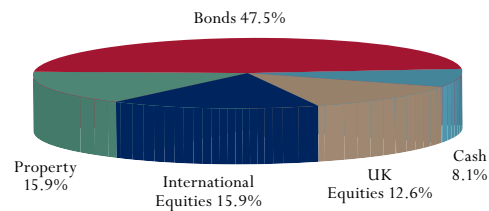
Income Portfolios

IMMEDIATE INCOME PORTFOLIO

Low to medium risk

- Aims to generate a consistent level of income with some potential for capital growth
- Aims to avoid large fluctuations in value, although fluctuations will occur
- Predominantly invests in bonds, mostly in the UK, and commercial property
- Some holdings in equities

Onshore Portfolio asset mix:



Fund mix:

Onshore Offshore

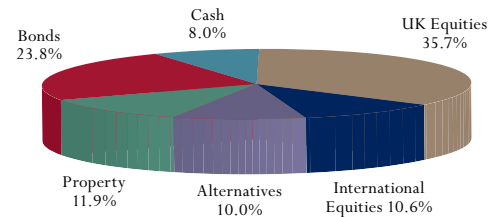
| | Onshore | Offshore |
|---------------------------------|---------|----------|
| Property | 20% | 0% |
| Global Equity Income | 15% | 15% |
| UK & International Income | 15% | 15% |
| Corporate Bond | 10% | 10% |
| Gilts | 10% | 10% |
| Index Linked Gilts | 10% | 10% |
| International Corporate Bond | 10% | 10% |
| Investment Grade Corporate Bond | 10% | 10% |
| Equity Income | 0% | 10% |
| UK Growth | 0% | 10% |

BALANCED INCOME PORTFOLIO

Medium risk

- Aims to generate an attractive level of income with the potential to rise over time
- Some potential for capital growth
- Fluctuations in value may be significant
- Predominantly invests in equities, mainly in the UK
- Some holdings in commercial property, bonds and alternative assets

Onshore Portfolio asset mix:



Fund mix:

Onshore Offshore

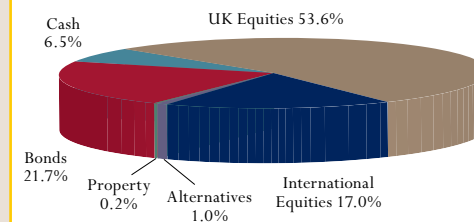
| | Onshore | Offshore |
|------------------------------------------------|---------|----------|
| Property | 15% | 0% |
| Diversified Income (Allshare Income) | 10% | 12% |
| Equity Income | 10% | 12% |
| International Corporate Bond | 10% | 12% |
| Investment Grade Corporate Bond | 10% | 12% |
| Global Equity Income | 10% | 12% |
| UK & International Income | 10% | 12% |
| UK Equity (Income Distribution/UK High Income) | 10% | 12% |
| Multi Asset | 10% | 10% |
| Corporate Bond | 5% | 6% |

DEFERRED INCOME PORTFOLIO

Medium risk

- Aims to generate a rising level of income
- Potential for capital growth over the medium to long term
- Fluctuations in value may be significant
- Predominantly invests in UK and International equities
- Some holdings in bonds

Portfolio asset mix:



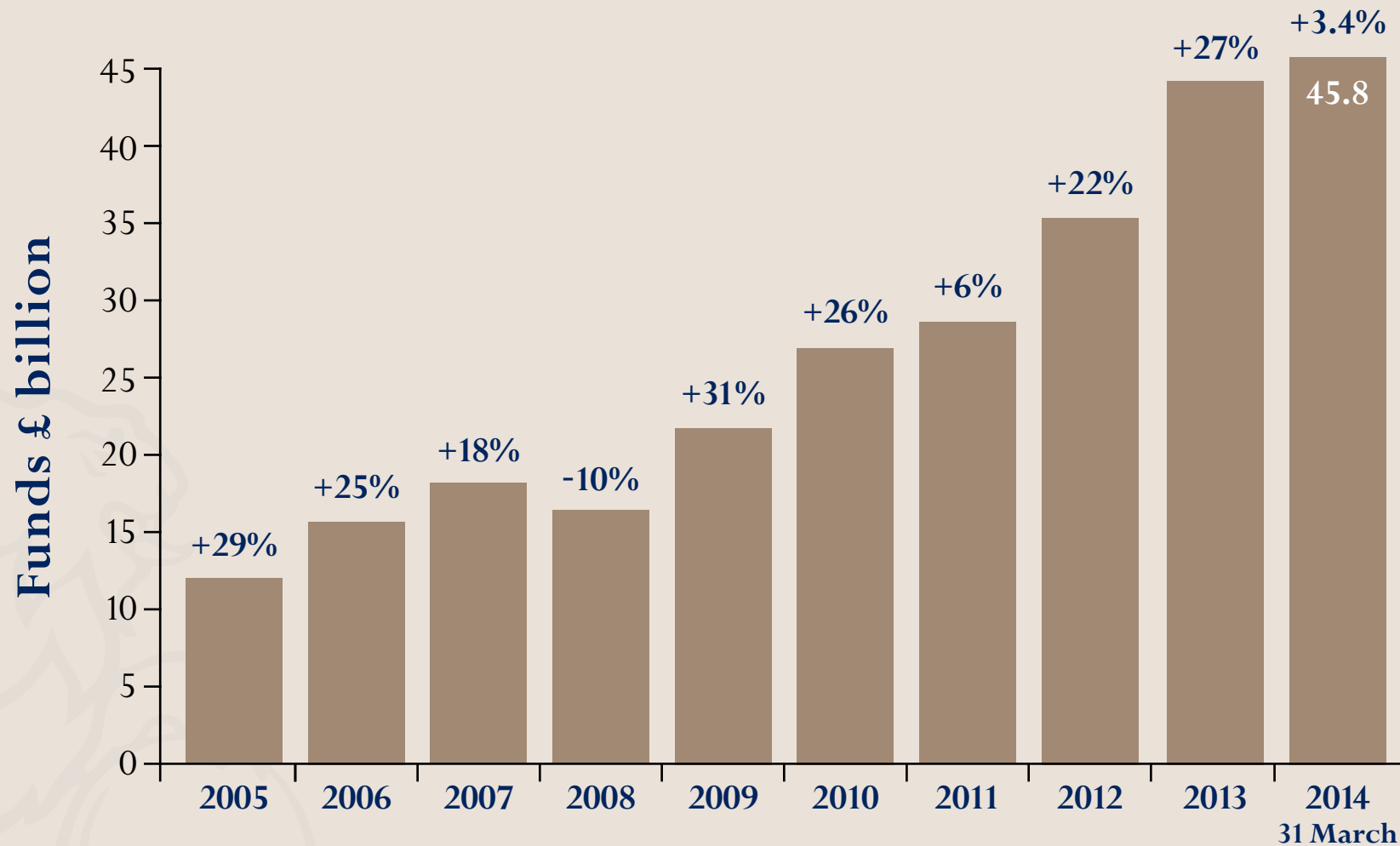
Fund mix:

| | Percentage |
|------------------------------------------------|------------|
| Diversified Income (Allshare Income) | 15% |
| Equity Income | 15% |
| Global Equity Income | 15% |
| UK & International Income | 15% |
| UK Equity (Income Distribution/UK High Income) | 15% |
| Corporate Bond | 10% |
| International Corporate Bond | 10% |
| Alternative Assets | 5% |



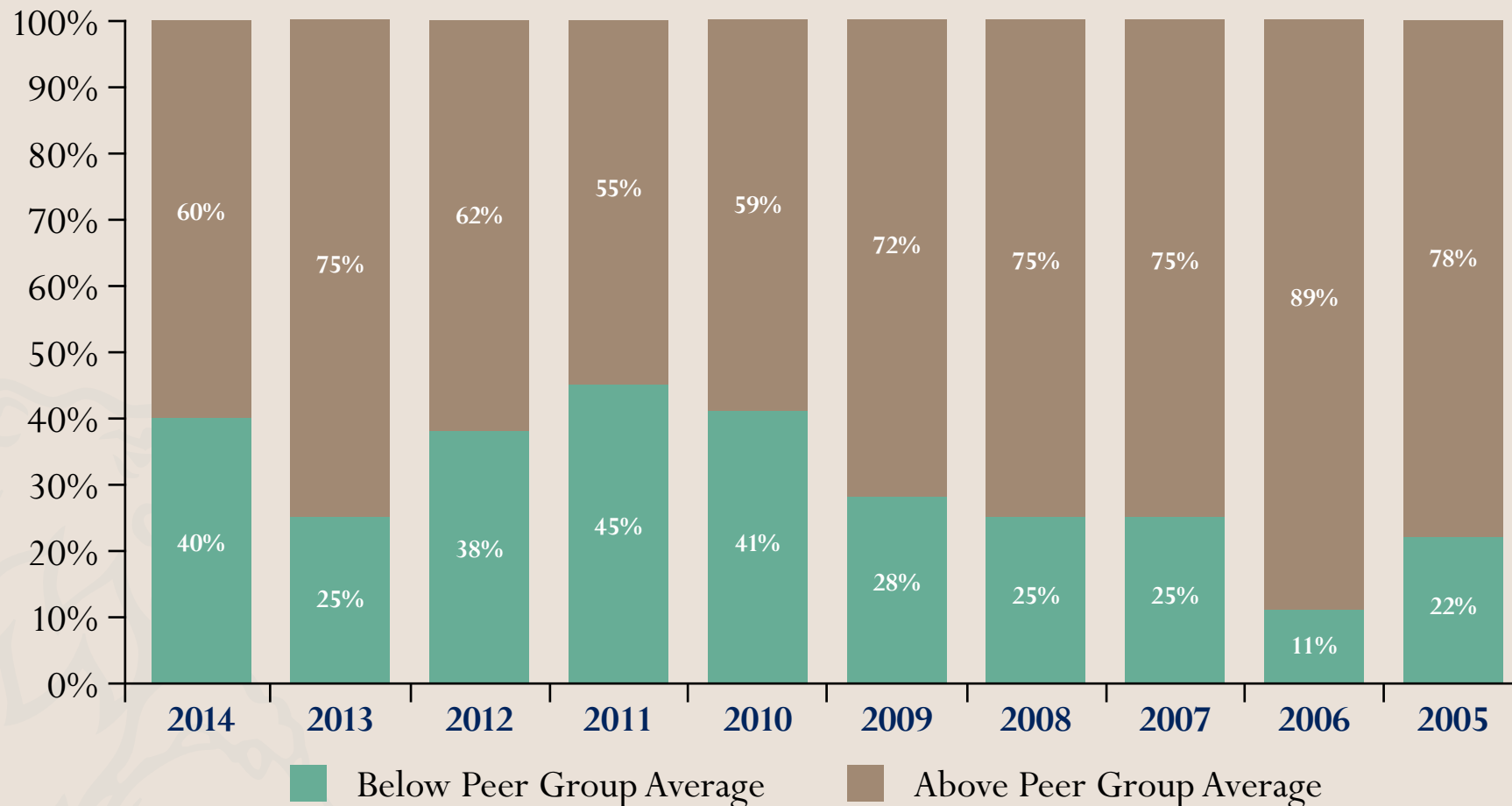
Funds under management

22% p.a. compound growth over the last 5 years and 19% p.a. over last 10 years





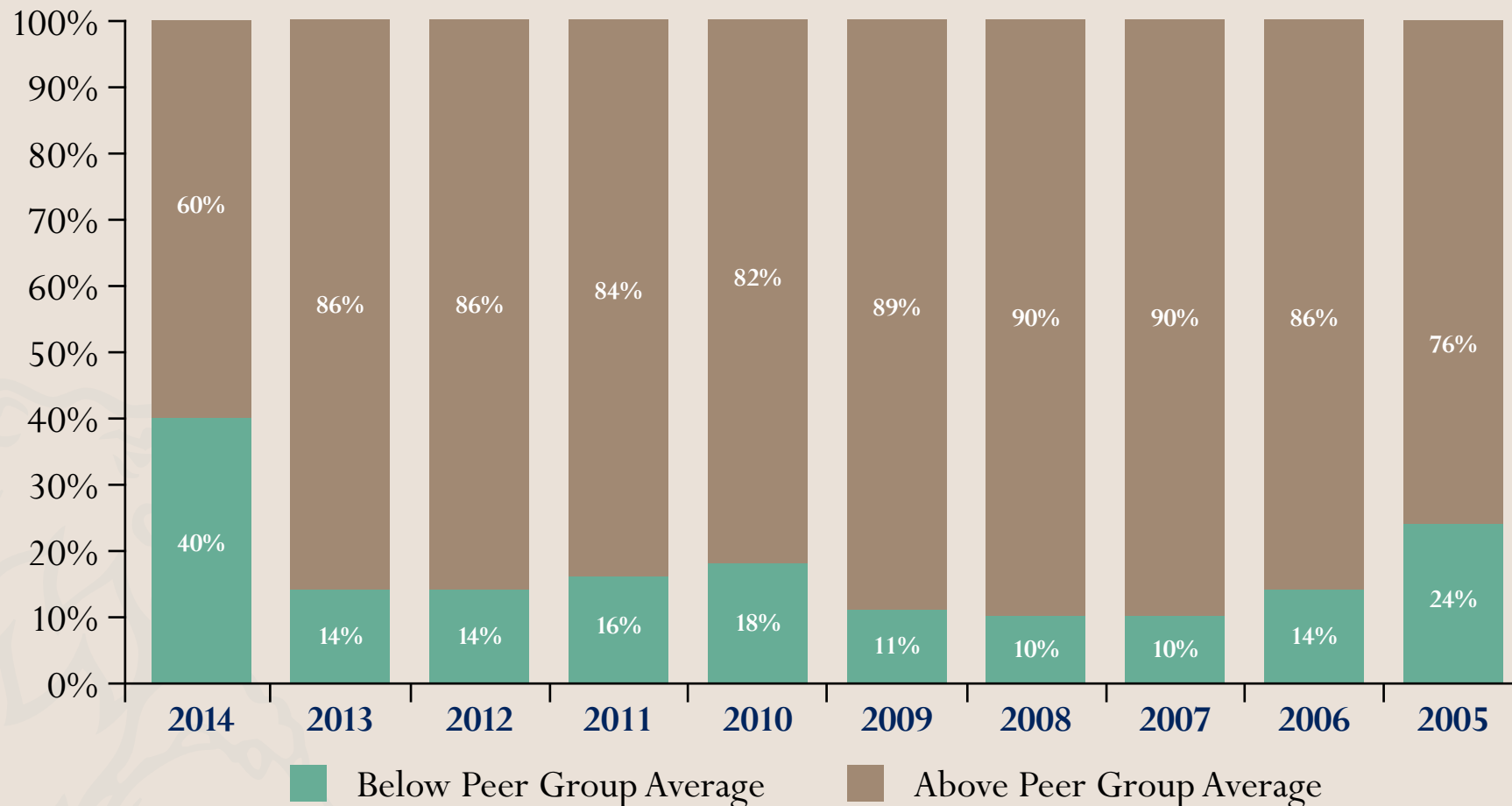
Weighted 5 year Rolling Performance to 31 March 2014 (excluding Money Market & Alternative Assets)



Past performance is not indicative of future performance. The value of an investment with St. James's Place can fall as well as rise. You may get back less than the amount invested.



Weighted 10 year Rolling Performance to 31 March 2014 (excluding Money Market & Alternative Assets)

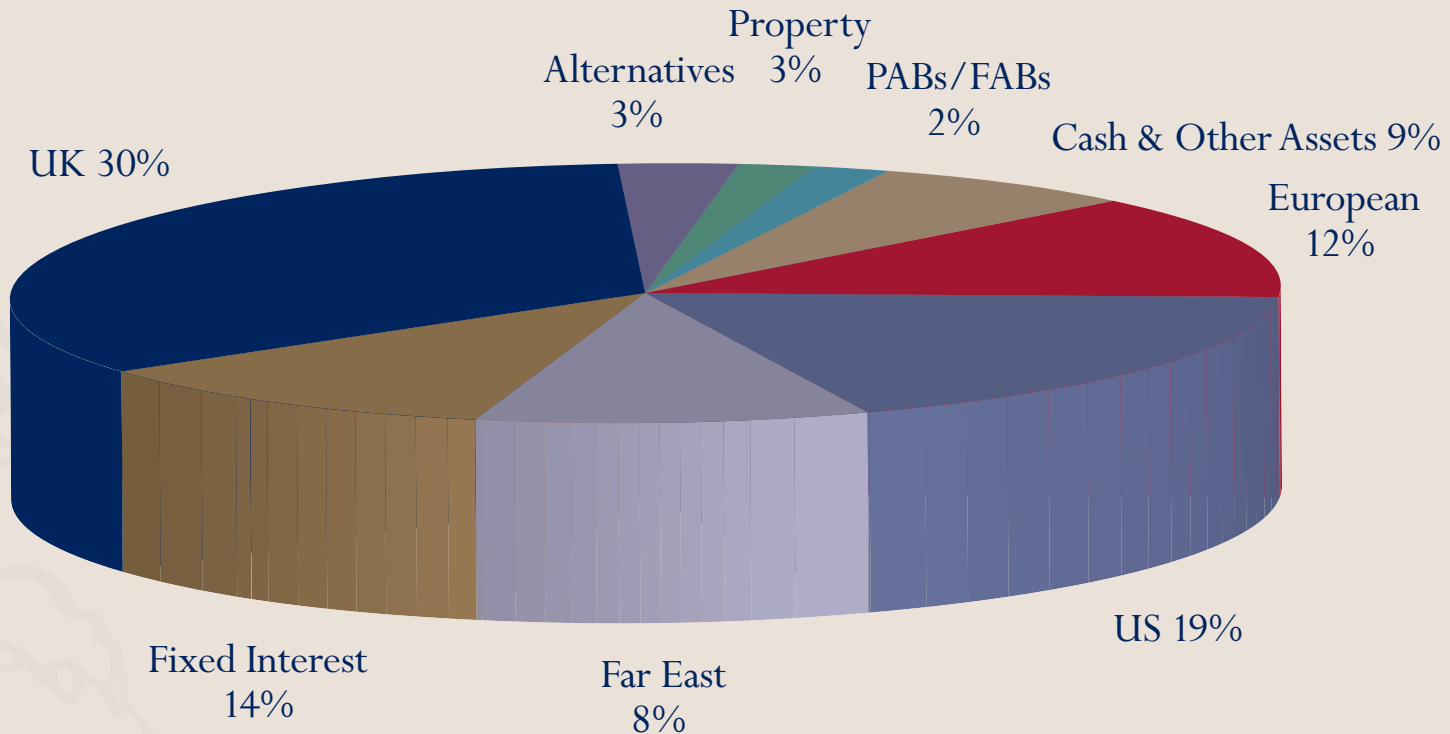


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Funds Under Management: Shown by Asset Class and Region

31 March 2014





Benefits of investment management approach

- No in-house managers, so no conflict of interest
- Benefit from Investment Committee experience & expertise
- Ability to appoint the best fund managers with wholesale purchasing power
- Continuous monitoring plus quarterly reviews
- Easy to change manager – reduced churn
- Free switching for clients
- Significantly improved retention of funds



ST. JAMES'S PLACE
WEALTH MANAGEMENT



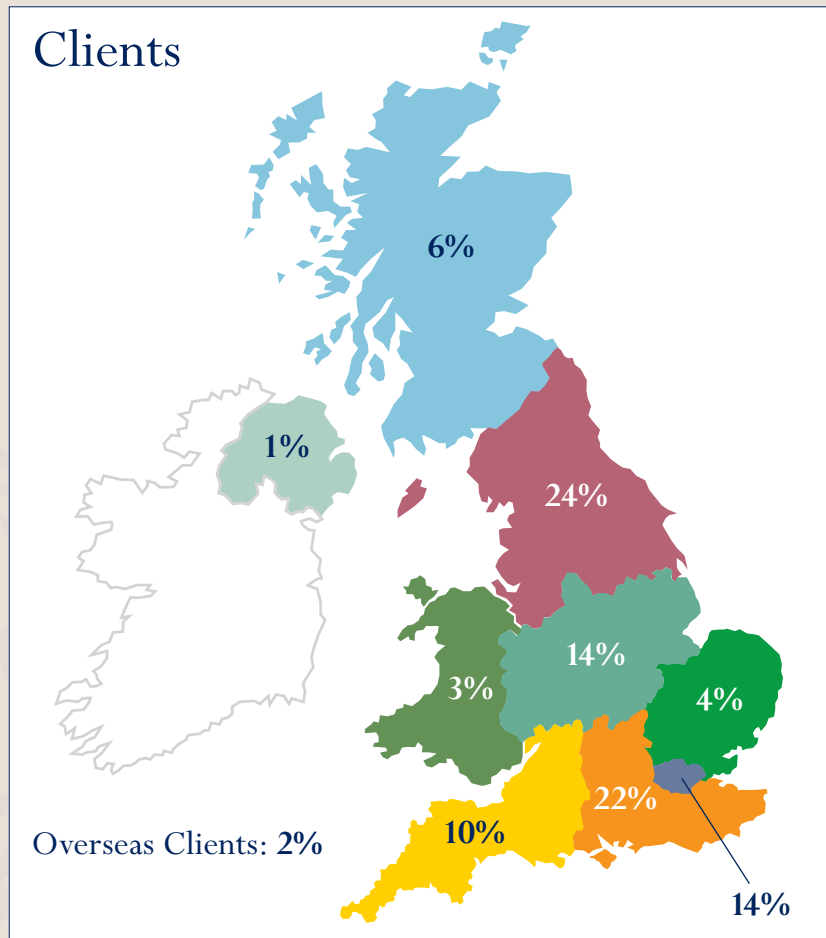
Our Clients





Geographic Distribution of Our Clients

31 December 2013



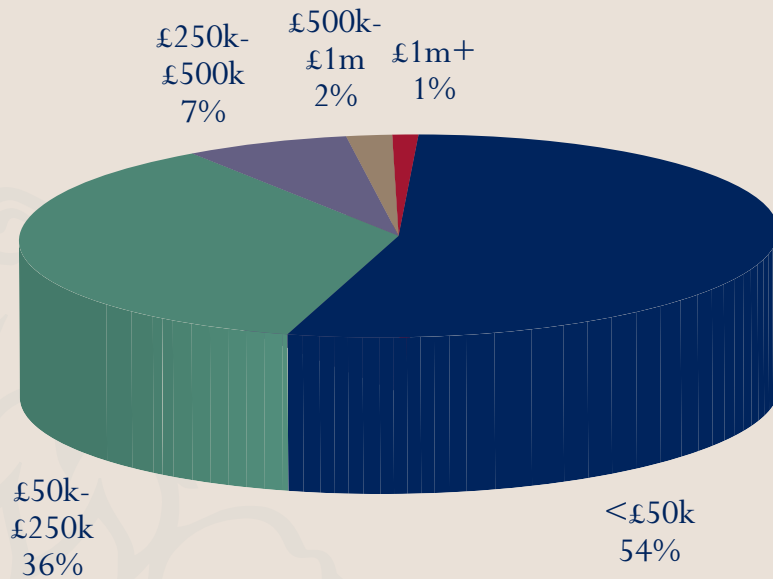
| | |
|------------------------|-----|
| 420,000 clients | |
| Male | 53% |
| Female | 47% |
| Average age | 53 |



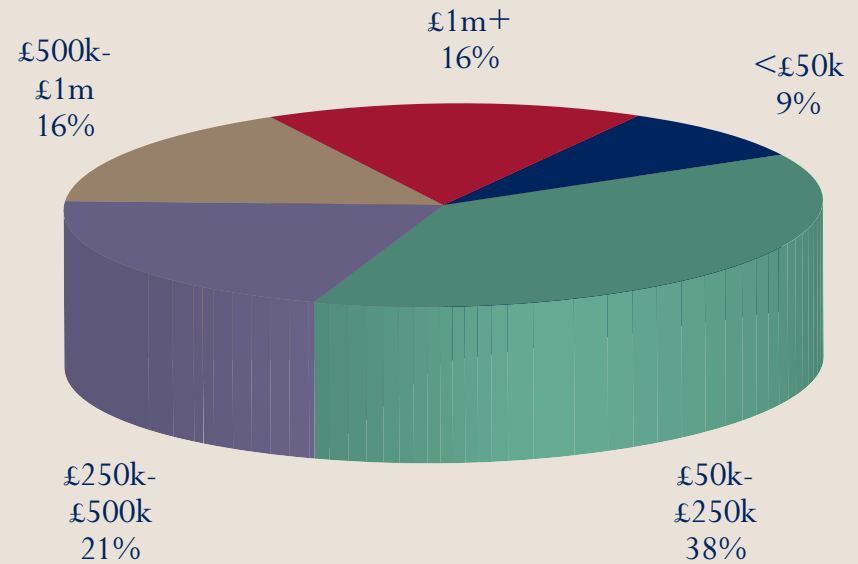
Clients and FUM Clients by Value Band

31 December 2013

All Clients



All Clients - FUM

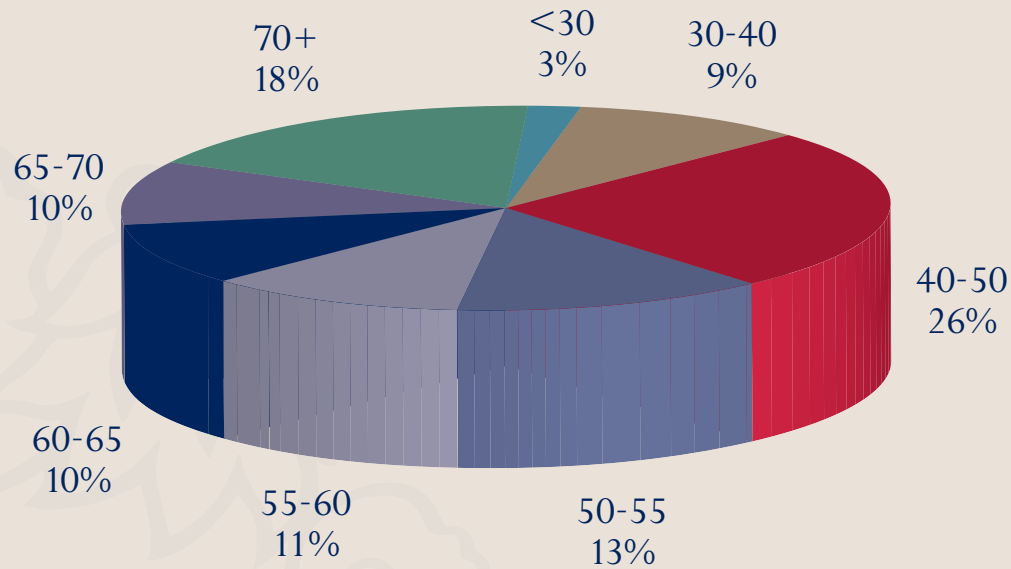




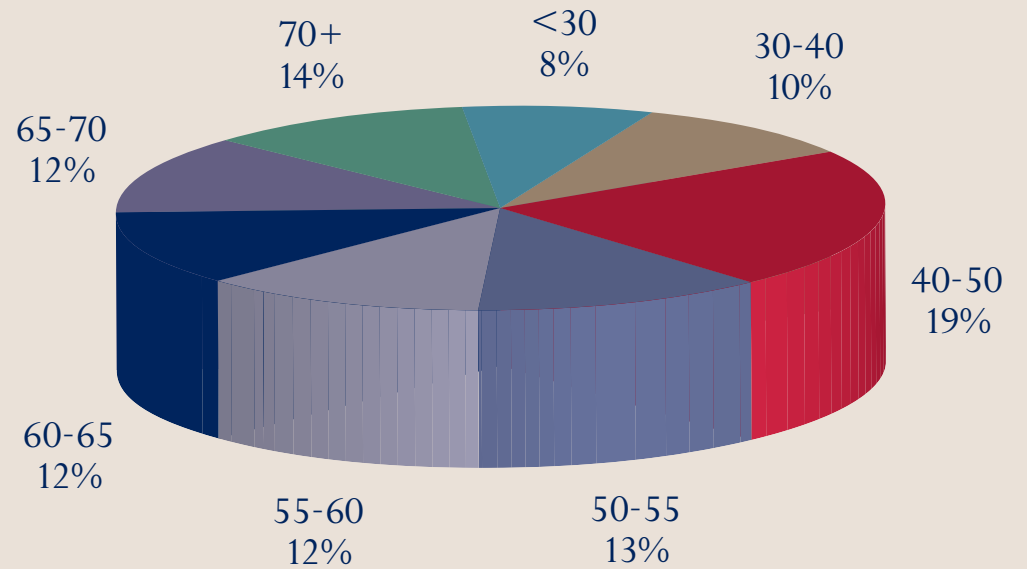
New and Retained Clients by Age Band

31 December 2013

Existing Clients by Age Band



New Clients by Age Band





What our clients think

The key findings were:

- 84%* of clients highly satisfied with their relationship with St. James's Place – nearly a third scoring us 10 out of 10
- 88%** of clients 'value' a face-to-face relationship with their Partner
- 86%* of clients agreed that we provide excellent service
- 80%* of clients highly satisfied in the way in which we communicate with them
- 96%** of clients were likely to recommend St. James's Place to others
- 79%* of clients would definitely invest with St. James's Place again if making that decision today

**Scoring 8 or more out of 10.*

**Ledbury Research – November/December 2013.*

***Wealth Account Survey, January 2014.*



Award winning in 2013/2014





ST. JAMES'S PLACE
WEALTH MANAGEMENT



Our Market





Our Market

- The market is big
- Favourable demographics
- The tax burden is increasing
- UK high net worth individuals want face-to-face advice
- Limited access to advice as adviser numbers have reduced



ST. JAMES'S PLACE
WEALTH MANAGEMENT





Total Adviser numbers down 18%

ADVISER NUMBERS

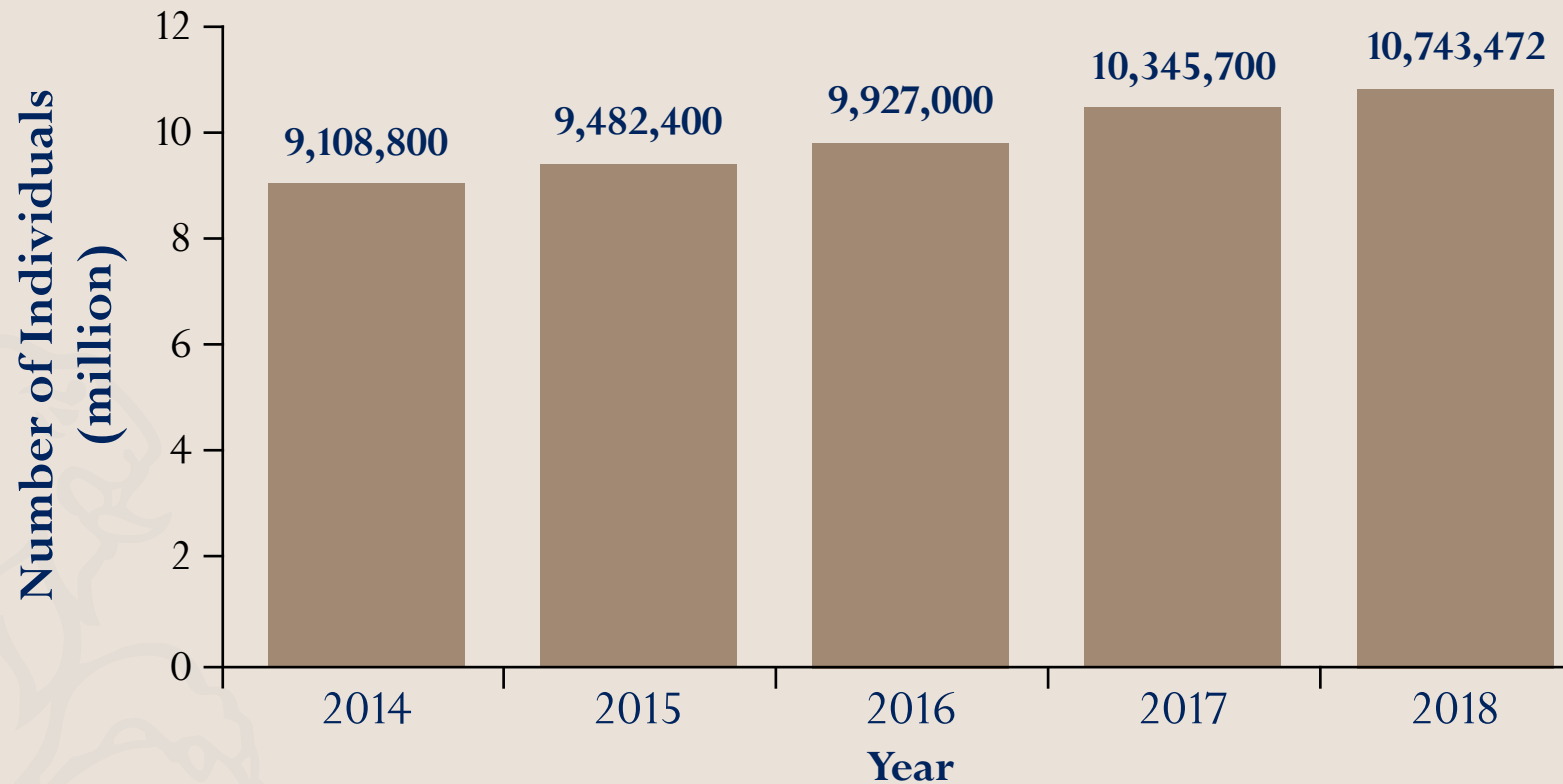
| TYPE OF ADVISER | FSA ESTIMATES 31 DEC 2011 | FSA FIGURES 31 DEC 2012 | FCA FIGURES 31 DEC 2013 |
|----------------------------------------------|---------------------------------|-------------------------------|-------------------------------|
| Financial advisers | 25,616 | 20,453 | 21,881 |
| Bank advisers | 8,658 | 4,809 | 3,556 |
| Discretionary fund managers/ stockbrokers | 4,043 | 3,718 | 5,783 |
| Total number of Advisers | 38,317 | 28,980 | 31,220 |

FINANCIAL CONDUCT AUTHORITY



The SJP Marketplace

UK individuals with between £50k and £5m of liquid assets

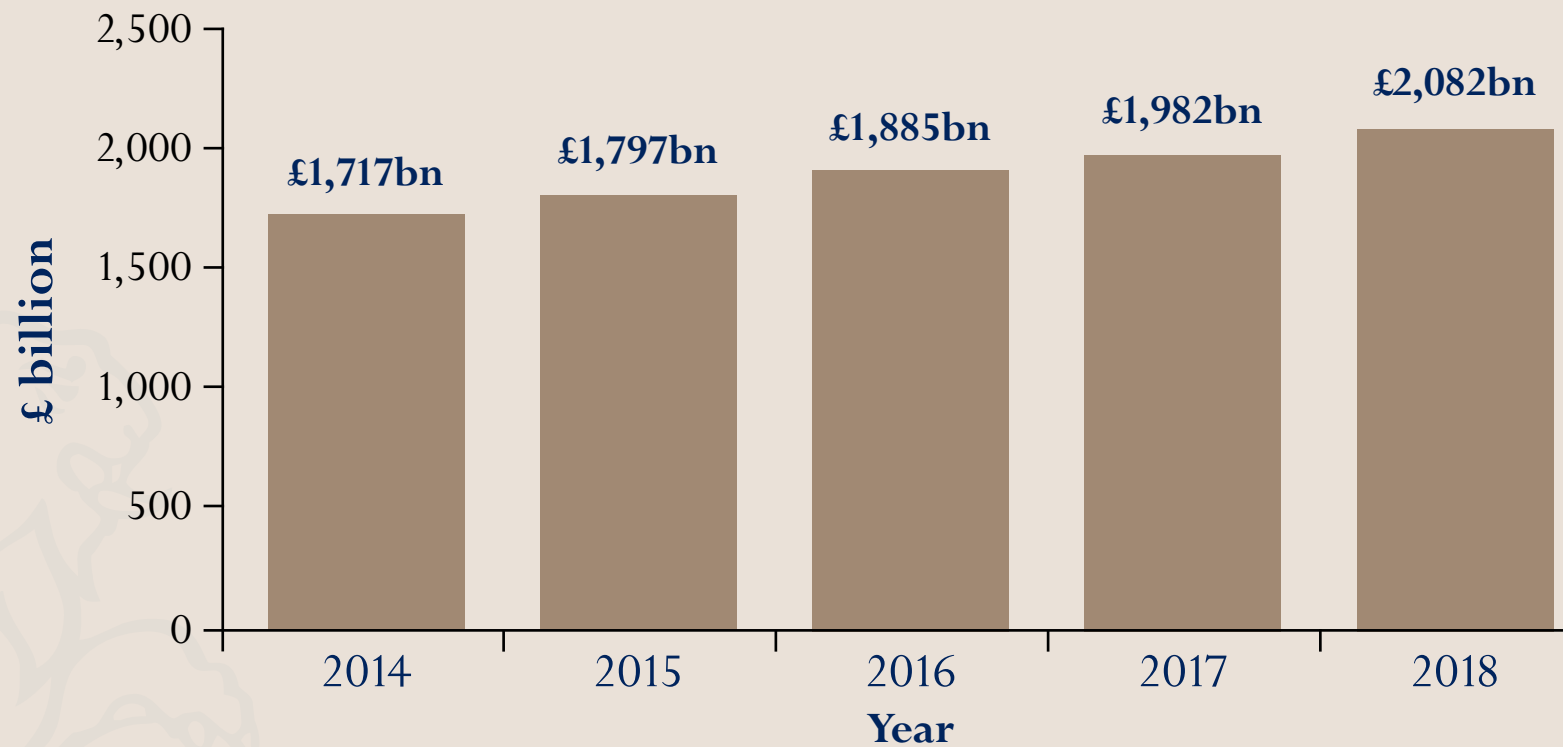


Source: Datamonitor, 23 January 2014



The SJP Marketplace

Amount of liquid assets held by UK individuals with between £50k and £5m

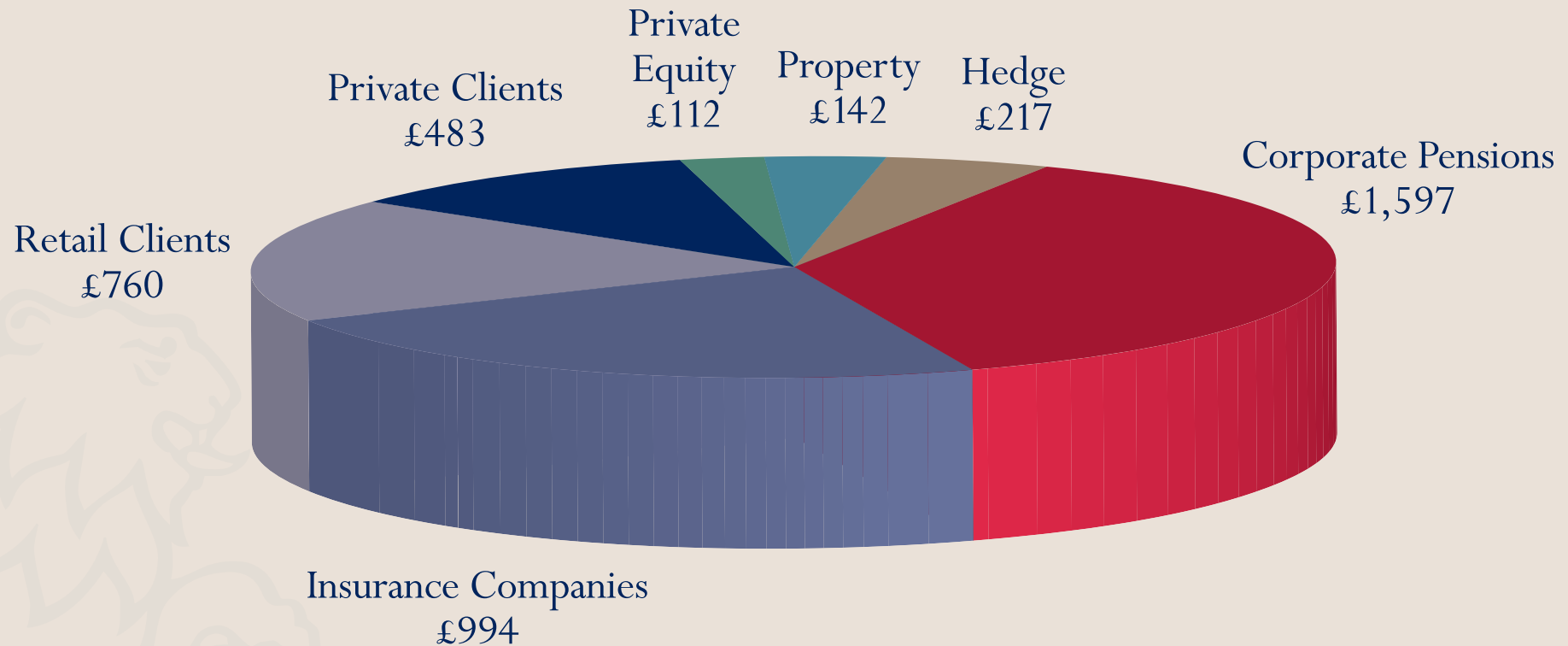


Source: Datamonitor, 23 January 2014



UK Funds under management

Funds £billion



The City UK Fund management report 2012 – figures relate to 31 December 2011.
Insurance & Corporate Pensions relate to institutional clients.



Private Asset & Wealth Managers Top 10 and selected others

| 2013 Rank | 2012 Rank | Company | AUM end 2012 (£bn) | Change v 2012 (£bn) | Share (of top 40) |
|-------------------------|-----------|--------------------------------------------|--------------------|---------------------|-------------------|
| 1st | 2nd | Coutts | 51.7 | 1.9 (4%) | 10.9% |
| 2nd | 1st | Barclays | 50.2 | 0.4 (1%) | 10.6% |
| 3rd | 6th | St. James's Place Wealth Management | 44.3* | 9.5 (27%)* | 7.3%* |
| 4th | 3rd | UBS Wealth Management | 27.0 | 0.8 (3%) | 5.7% |
| 5th | 8th | Brewin Dolphin Limited | 26.0 | 2.0 (8%) | 5.5% |
| 6th | 7th | Hargreaves Lansdown | 25.8 | 1.8 (8%) | 5.4% |
| 7th | 4th | HSBC | 24.7 | 0.6 (3%) | 5.2% |
| 8th | 8th | Rathbones | 16.7 | 1.9 (13%) | 3.5% |
| 9th | - | Citi Private Bank | 15.3 | - | 3.2% |
| 10th | 10th | Lloyds TSB Private Bank | 13.9 | 1.3 (10%) | 2.9% |
| 14th | 14th | JP Morgan Private Bank | 11.5 | 1.8 (19%) | 2.4% |
| 27th | 25th | Towry | 4.8 | 0.3 (6%) | 1.0% |
| Top 10 Companies | | | 286.2 | 17.0 (6%) | 60% |
| Top 40 Companies | | | 457.9 | 40.4 (9%) | - |

*31/12/2013

Source: 2013 PAM Directory



Asia

The Opportunity

- Singapore, Hong Kong and Shanghai
- Henley Group has 50 advisers with 4,000 clients and £430 million FUM
- Estimated 120,000 UK ex-pats with 12 billion of investible wealth (£100k each)
- Project to grow to over £20 billion by 2020
- Our investment proposition and relationship based approach is well suited to this market



Partner Survey 2013 - Source of new business/markets

- 81% existing clients and referrals
- 7% Introducers
- 12% new clients from other sources
- 27% of Partners experienced less competition in 2013
- 39% acquired new clients due to decline of high street advice (banks)



The SJP Opportunity

- ISAs
 - Cash £220 bn (Sept 2013 - HMRC)
 - Stocks & shares £223 bn (Sept 2013 - HMRC)
- Building Society (Mutual Lender) deposits £258 bn (Nov 2013 - Building Societies Association)
- National Savings and Investment (NS&I) deposits £105 bn (Nov 2013 - Building Societies Association)
- Bank deposits £864 bn (Nov 2013 - Building Societies Association)
- Mutual funds £763 bn (Nov 2013 - IMA)



The advice market... transparent?

The fees a client may have to consider when trying to compare advice and products based on publicly available information for a variety of firms and providers.

| | | | |
|--------------------------|--------------------------------|----------------------------------------------------------|--------------------------------------------------------------------------------------|
| Advice | Initial advice fee | % of initial investment OR Hourly rate (£) | Tiered fee based on amount invested + VAT Rate may depend on seniority of adviser |
| | Ongoing advice fee | % of Funds Under Management OR Hourly rate (£) | Tiered fee based on fund value Rate may depend on seniority of adviser |
| | Administration fee | % of Funds Under Management OR Prescribed fees (£) | Amount based on fund value Amount may depend on activity |
| | Annual charge (%) | Tiered fee based on fund value | |
| | Account fee (£) | Amount will depend on platform provider | |
| | Transaction charges | % of Funds Under Management OR Prescribed fees (£) | Amount per transaction Tiered fee based on transaction size |
| Insurance Company | Wrapper charges | Amount based on fund value | |
| | Administration fee | Amount will depend on insurance company | |
| Fund Management | Annual management charges (£) | Amount based on value of funds under management | |
| | Additional miscellaneous costs | Amount based on value of funds under management | |



Advisory/Discretionary Charge Comparison

| Advisory/Discretionary Managers | Total bps |
|------------------------------------------------|------------|
| St. James's Place (20yr holding period) | 195 |
| Hargreaves PMS | 210 |
| St. James's Place (6yr holding period) | 219 |
| Raymond James | 226 |
| Brewin Dolphin Discretionary (fee only) | 231 |
| Rathbones Discretionary | 278 |
| Towry (6yr holding period) | 305 |
| St. James's Place (3yr holding period) | 312 |
| Killik & Co Discretionary | 318 |
| Barclays Wealth (3yr holding period) | 322 |
| Towry (3yr holding period) | 330 |
| Investec PMS | 349 |
| Coutts (20yr holding period) | 350 |
| Coutts (6yr holding period) | 362 |

Total Investment **£85k**

UT/ISA **£35k**

Pension **£50k**

Source: Numis



Advisory/Discretionary Charge Comparison

| Advisory/Discretionary Managers | Total bps |
|------------------------------------------------|------------|
| Raymond James | 180 |
| St. James's Place (20yr holding period) | 195 |
| Rathbones Discretionary | 203 |
| Hargreaves PMS | 210 |
| St. James's Place (6yr holding period) | 229 |
| Brewin Dolphin Discretionary (fee only) | 231 |
| Coutts (3yr holding period) | 235 |
| Coutts (6yr holding period) | 247 |
| Coutts (20yr holding period) | 263 |
| Investec PMS | 275 |
| Barclays Wealth (20yr holding period) | 275 |
| Towry (6 & 20yr holding period) | 282/299 |
| Killik & Co Discretionary | 318 |

Total Investment **£212k**

UT **£100k**

ISA **£12k**

Pension **£100k**

Source: Numis



Summary

- Established and respected business
- Experienced and stable management team
- Experienced and stable advisory team – ‘The Partnership’
- Proven track record of growth
- Resilient in tough markets
- Favourable demographics
- Award winning performance





ST. JAMES'S PLACE
WEALTH MANAGEMENT

PART TWO

Financial Results



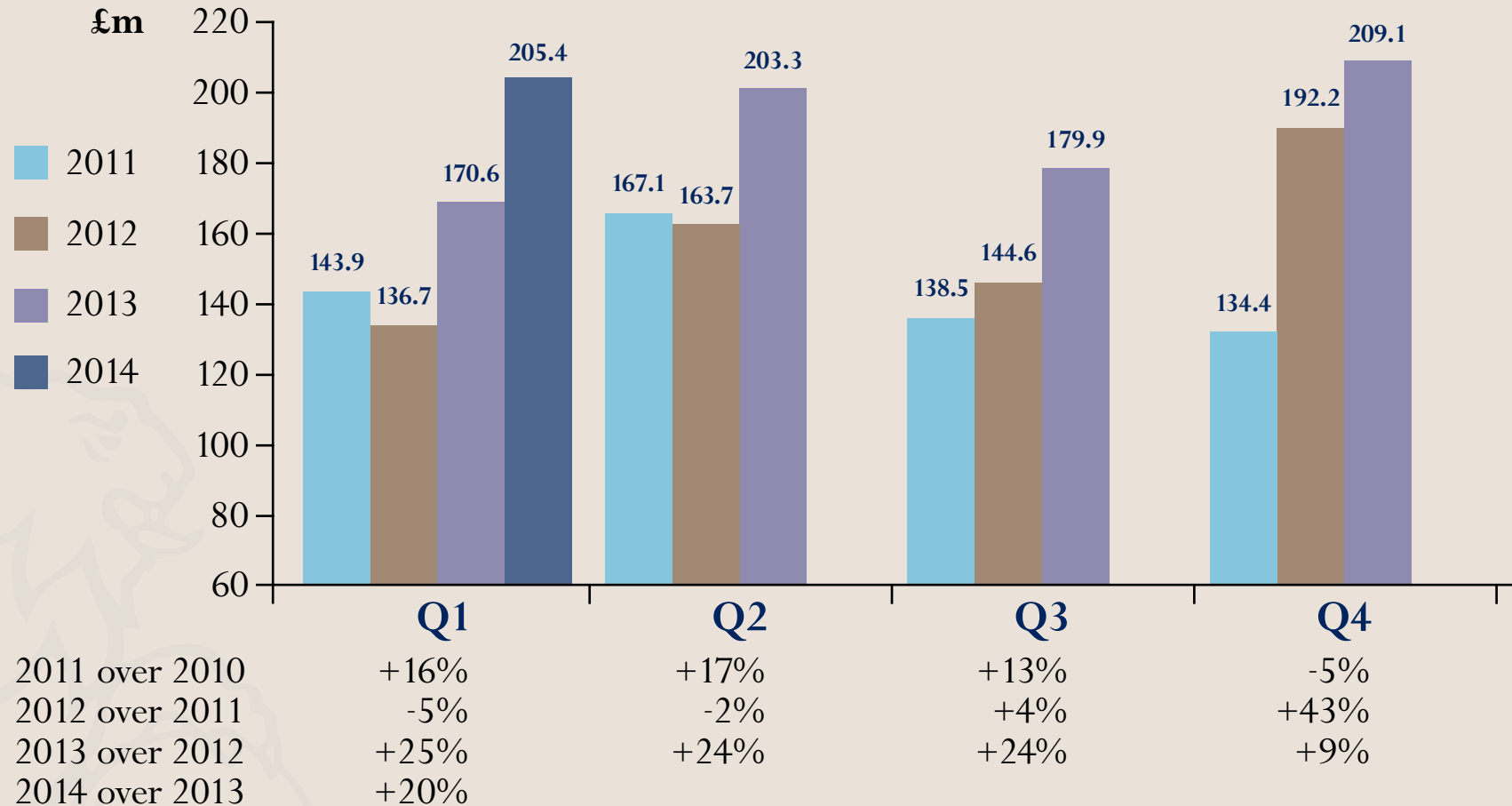
ST. JAMES'S PLACE
WEALTH MANAGEMENT





SJP new business by quarter

APE (Annual premiums plus 10% of single premiums)





Q1 New business

- Total single investments of £1.8 billion – up 22%
- SJP new business on an APE basis of £205.4 million – up 20%
- Our own business represents 89% of the total

Funds under management

- Net inflow of funds under management of £1.2 billion – up 26%
- Continue to retain 95% year on year
- Funds under management of £45.8 billion – up 3.4% since beginning of year; up 17% over last 12 months



Partnership

- Partnership numbers 1,958 – up 9.5%

Profits

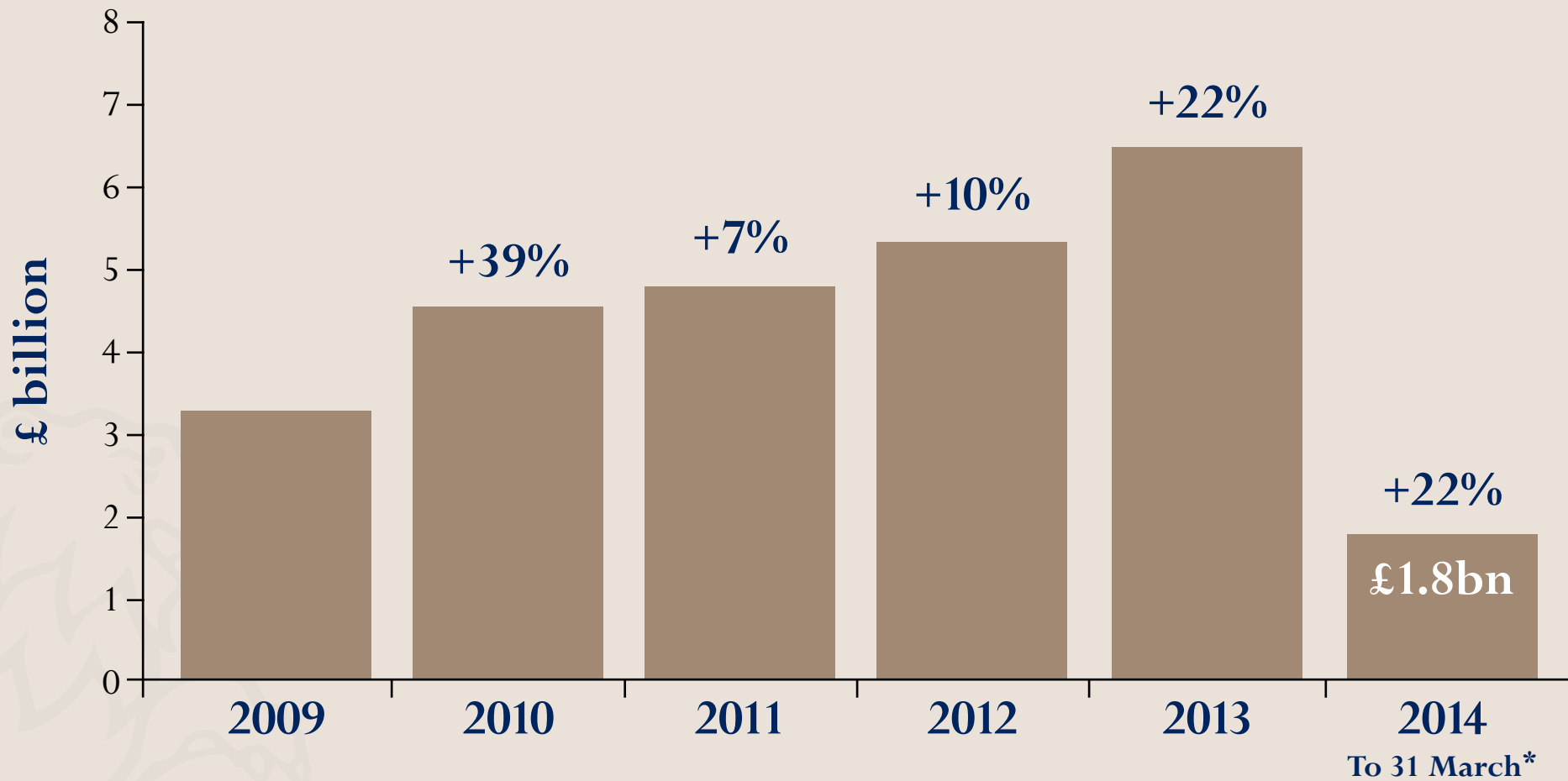
- EEV new business profit £327.2 million – up 18%
- EEV operating profit £462.7 million – up 26%
- IFRS operating profit before shareholder tax £190.7 million – up 42%

Other financials

- EEV net asset value of 575.3 pence per share – up 25%
- The cash result of £168.8 million – up 84%
- Full year dividend of 15.96 pence – up 50%



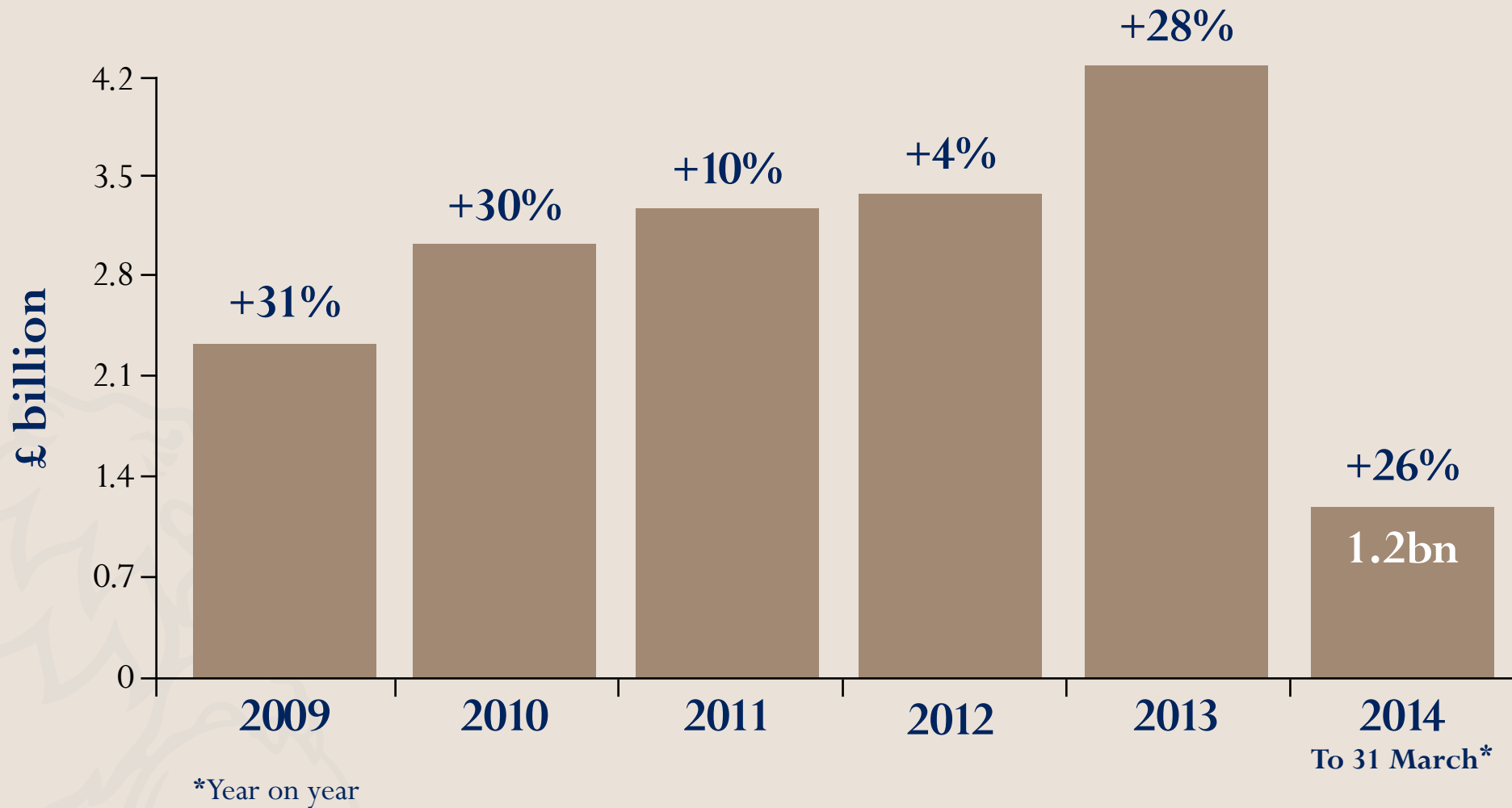
Record single investments



*Year on year



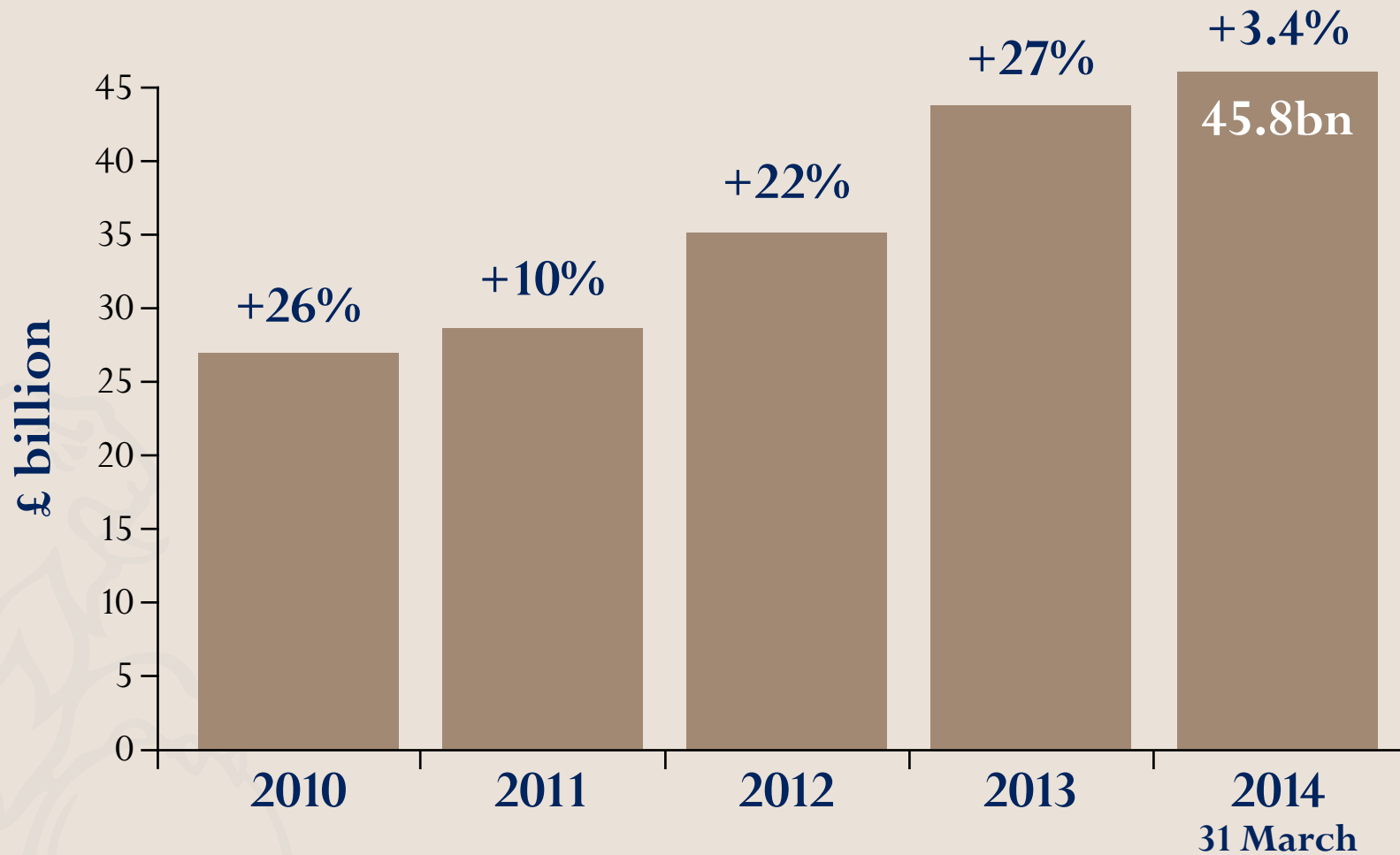
Consistent net inflow of funds under management





Funds under management

22% p.a. compound growth over the last 5 years



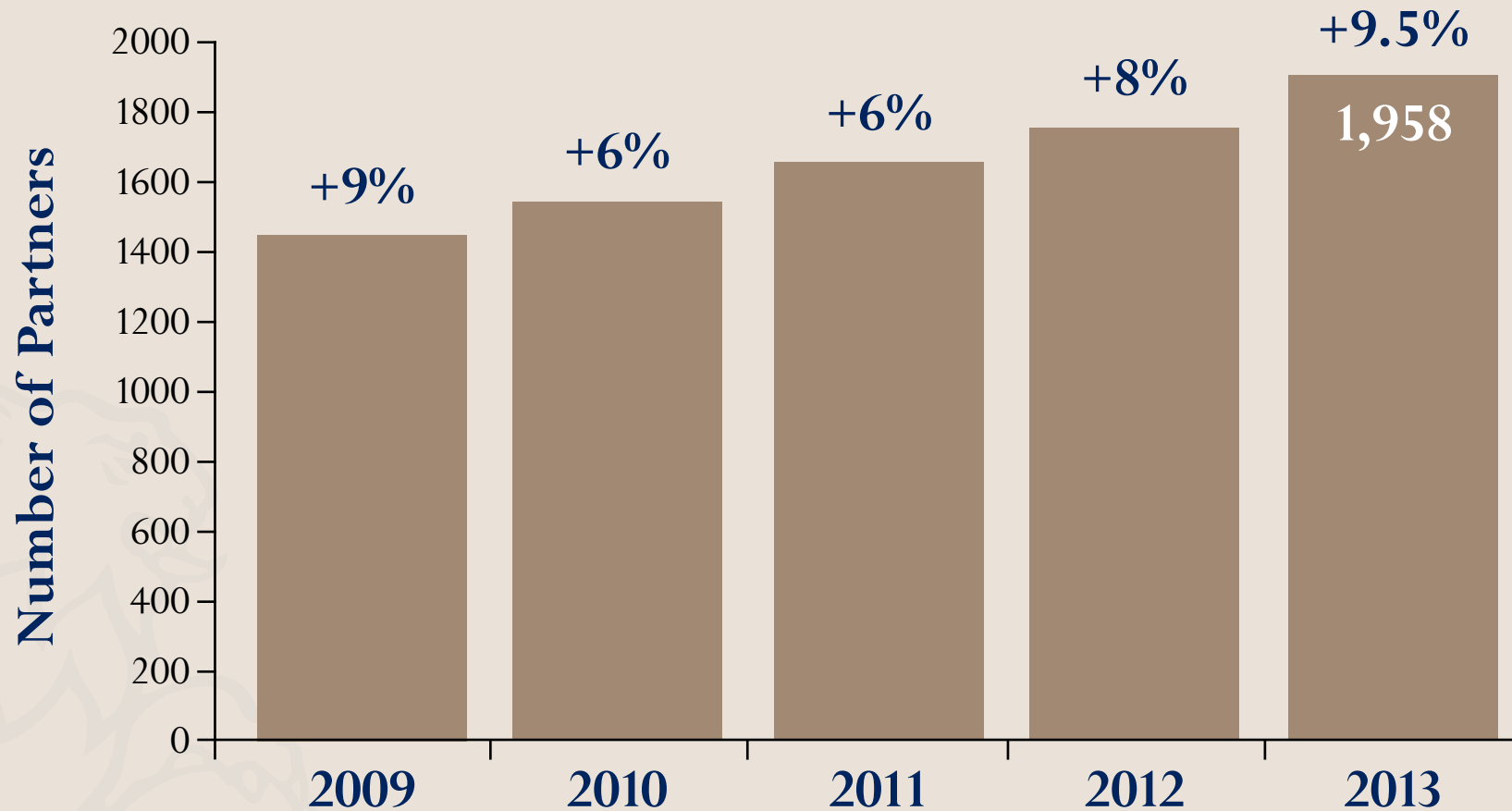


Fund flow information

| £ billion | 3 months ended 31 Mar 2014 | 3 months ended 31 Mar 2013 |
|--------------------------------------------|---------------------------------------|---------------------------------------|
| FUM at start | 44.3 | 34.8 |
| New money invested | 1.9 | 1.6 |
| Investment return (Stock market fall) | 0.3 | 3.3 |
| | <hr/> | <hr/> |
| | 46.5 | 39.7 |
| Regular income withdrawals/maturities | (0.2) | (0.2) |
| Surrenders/part surrenders | (0.5) | (0.5) |
| | <hr/> | <hr/> |
| FUM at close | 45.8 | 39.0 |
| Net inflow of FUM | 1.2bn | 0.9bn |
| | <hr/> <hr/> | <hr/> <hr/> |
| Implied surrender rate as % of average FUM | 4.3% | 5.1% |

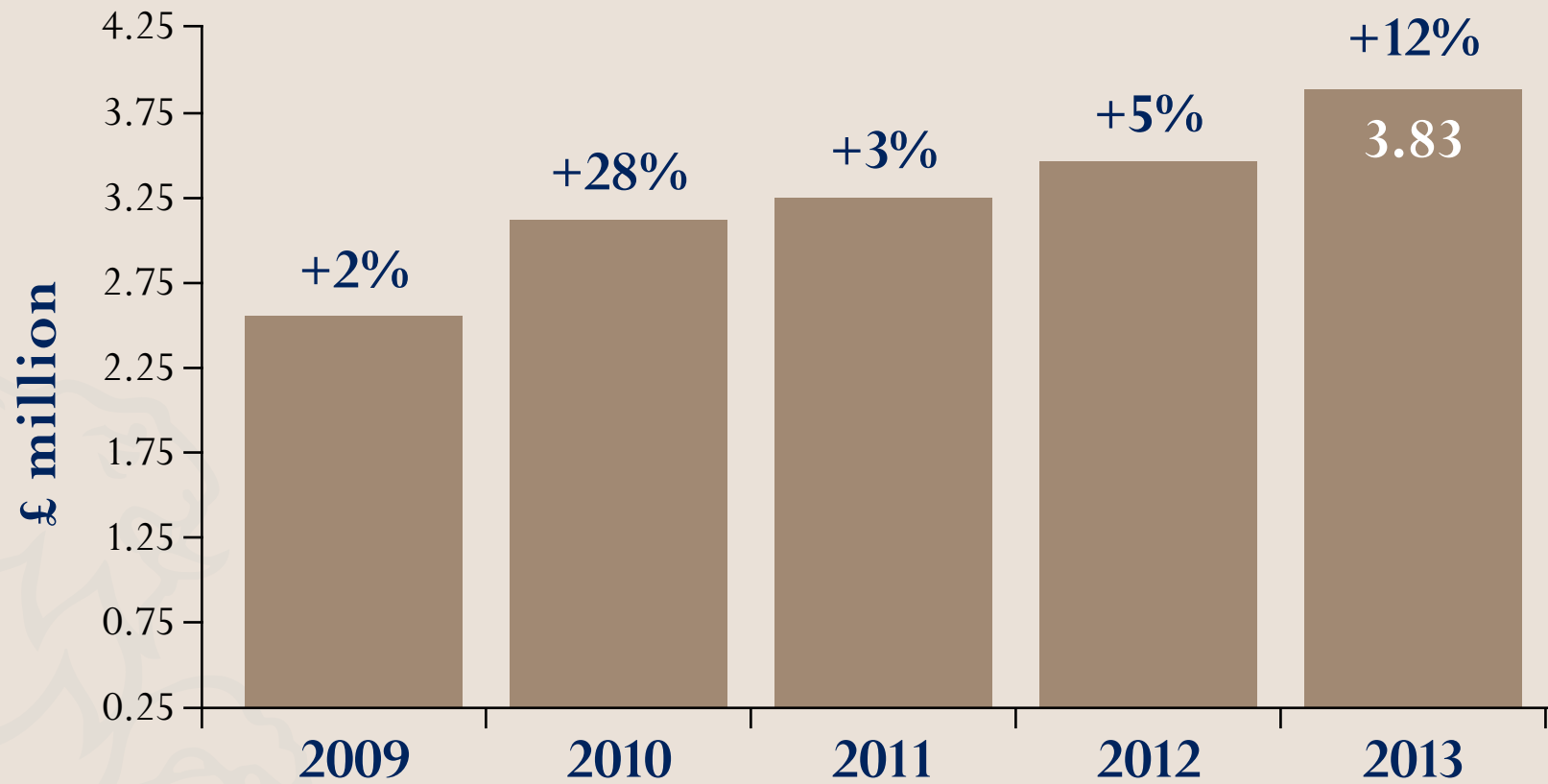


Five strong years of Partner recruitment



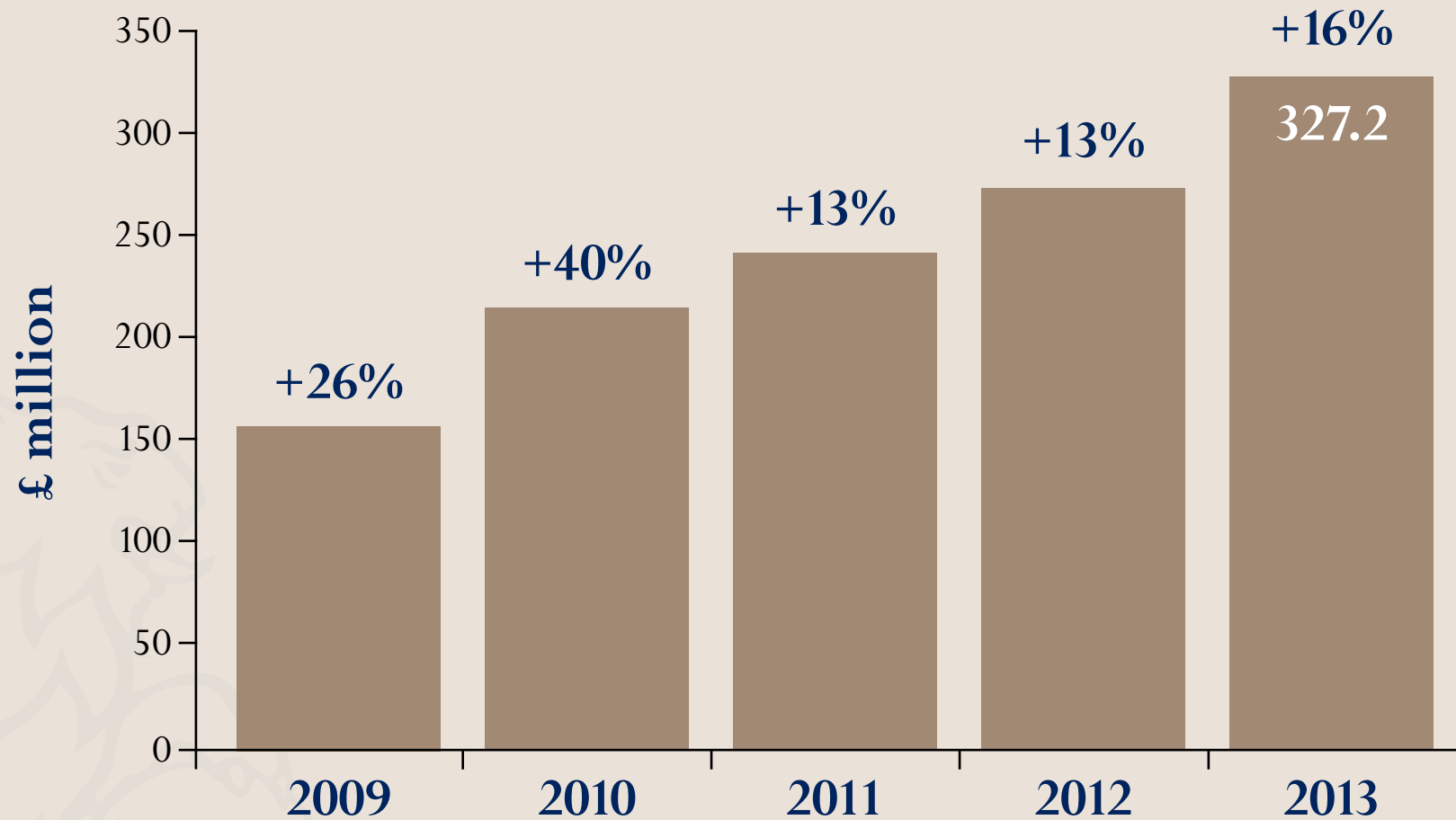


Productivity (single investment per Partner)





Record EEV new business profit





Analysis of EEV life, pension & unit trust pre-tax operating profit

| £ million | 31 Dec 2013 | 31 Dec 2012 |
|--------------------------------|--------------------|--------------------|
| New business contribution | 327.2 | 276.8 |
| Profits from existing business | | |
| - expected | 112.1 | 96.0 |
| - experience variance | 47.4 | 4.6 |
| - operating assumption changes | 4.6 | (4.3) |
| Investment income | 5.2 | 3.4 |
| Operating profit | <u>496.5</u> | <u>376.5</u> |

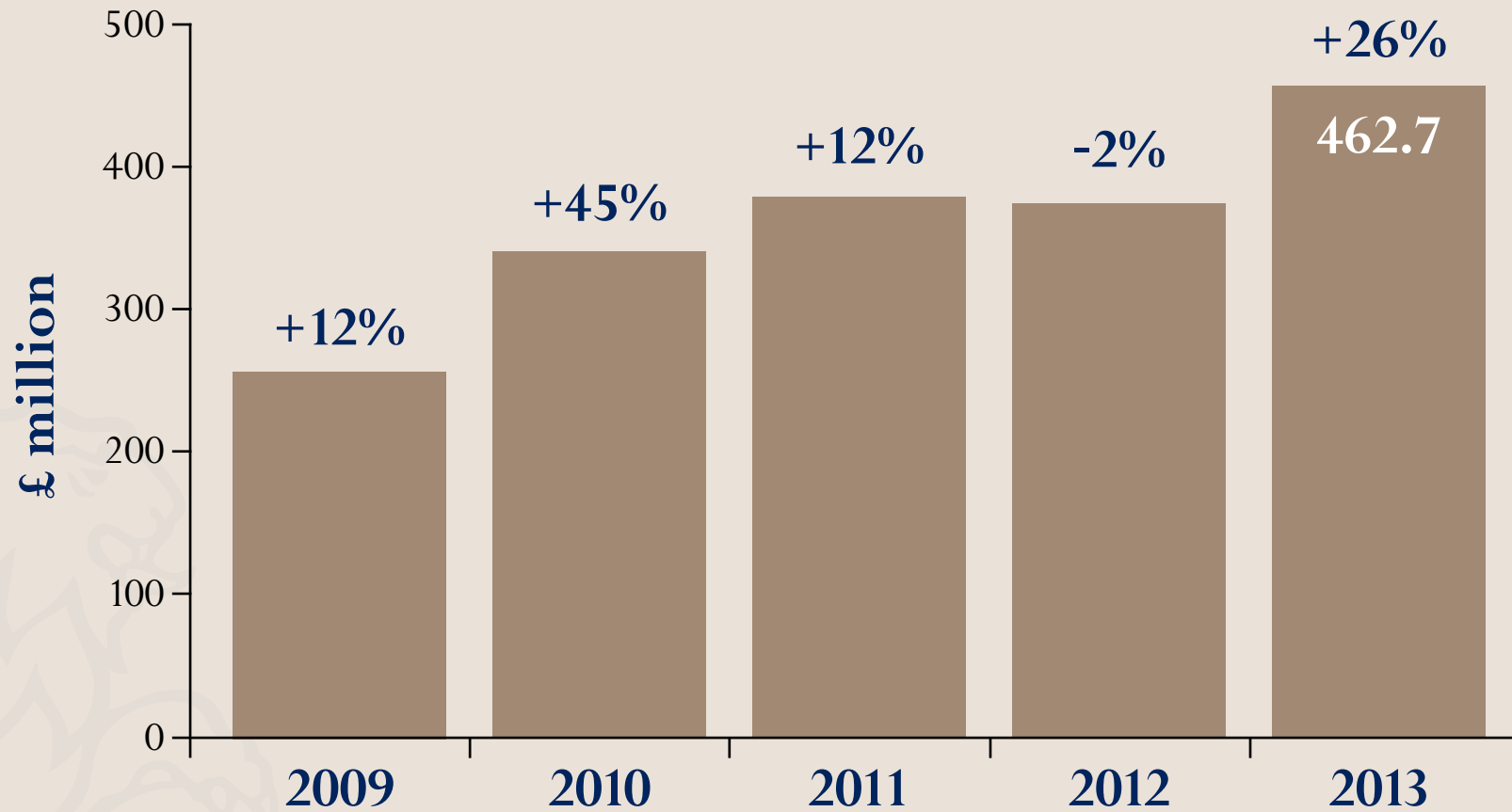


Pre-tax EEV profit

| £ million | 31 Dec 2013 | 31 Dec 2012 |
|-------------------------------|--------------------|--------------------|
| Life, pension & unit trust | 496.5 | 376.5 |
| Distribution | (6.1) | 5.3 |
| Other operations | (27.7) | (15.9) |
| Total operating profit | 462.7 | 365.9 |
| Investment variance | 344.2 | 190.4 |
| Economic changes | 10.6 | (3.7) |
| Pre-tax result | <u>817.5</u> | <u>552.6</u> |



2013 EEV operating profit





Pre-tax IFRS profit before shareholder tax

| £ million | 31 Dec 2013 | 31 Dec 2012 |
|-------------------------------|--------------------|--------------------|
| Life | 170.6 | 111.7 |
| Unit trust | 53.9 | 33.5 |
| Distribution | (6.1) | 5.3 |
| Other operations | (27.7) | (15.9) |
| Profit before shareholder tax | <u>190.7</u> | <u>134.6</u> |



Capital position as at 31 December 2013

| £ million | Life | Other Regulated | Other | Total |
|--------------------------|--------------|----------------------------|--------------|--------------|
| Solvency position | | | | |
| Solvency net assets | <u>384.2</u> | <u>38.9</u> | <u>184.5</u> | <u>507.6</u> |
| Solvency requirement | <u>49.3</u> | <u>17.1</u> | | |
| Solvency ratio | <u>576%</u> | <u>227%</u> | | |



Group expenses

| £ million | 31 Dec 2013 | 31 Dec 2012 |
|---------------------------------------------|--------------------|--------------------|
| Paid from policy margins | | |
| Partner remuneration | 407.1 | 307.0 |
| Investment expenses | 101.8 | 89.4 |
| Third party administration | 37.7 | 32.6 |
| | <u>546.6</u> | <u>429.6</u> |
| Direct expenses | | |
| Other new business related costs | 69.0 | 59.5 |
| Establishment expenses | 113.4 | 100.2 |
| Academy costs | 2.7 | 1.9 |
| Other development costs | 8.5 | 4.6 |
| Back office infrastructure costs | 5.0 | — |
| Regulatory fees | 11.6 | 12.0 |
| Regulatory change costs | 3.1 | 6.0 |
| Contribution from third party product sales | (20.4) | (21.4) |
| | <u>192.9</u> | <u>162.8</u> |
| | <u>739.5</u> | <u>591.8</u> |



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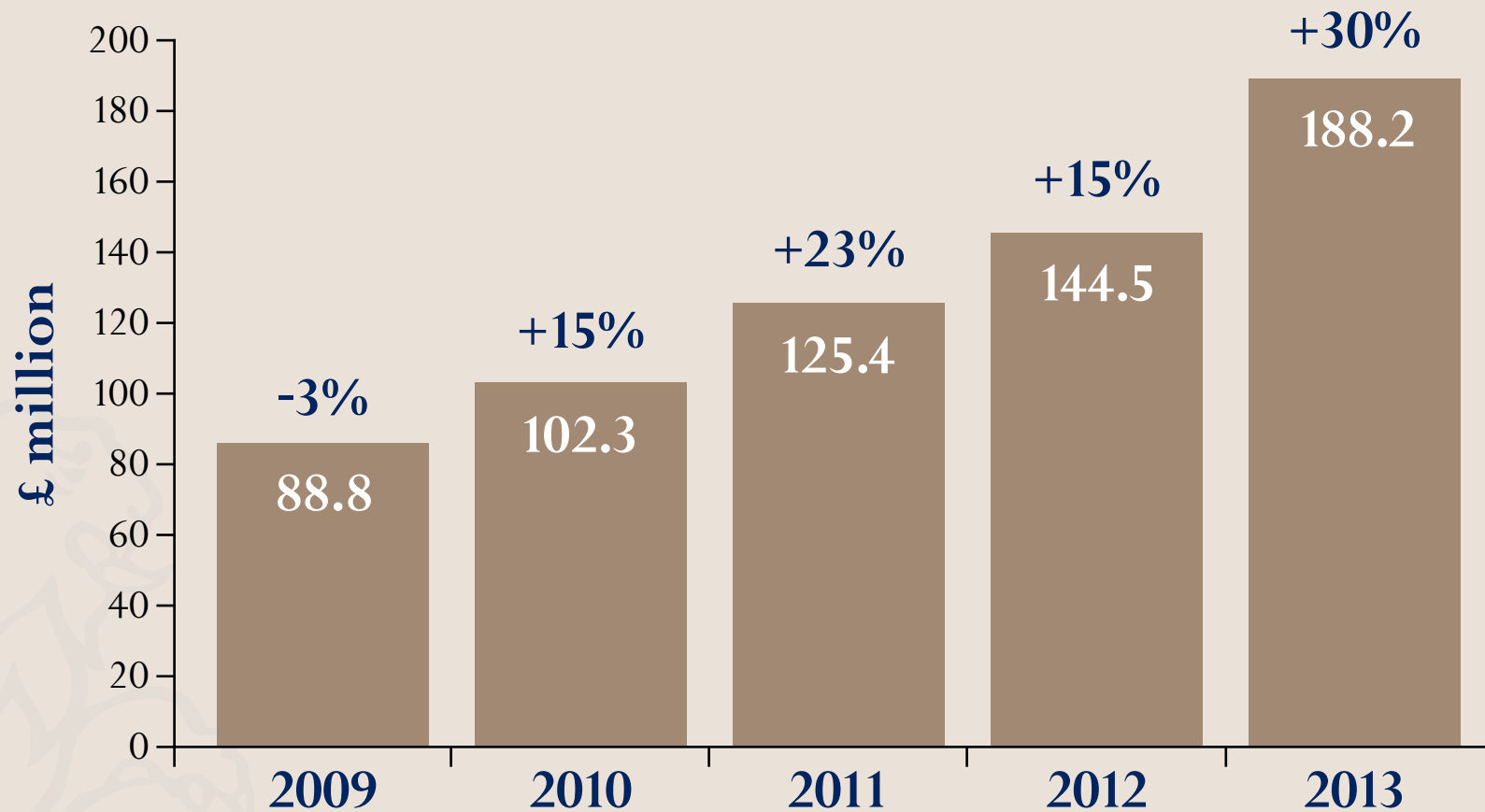


Cash & Dividend Profile





Underlying post-tax cash arising from inforce business





Return on inforce

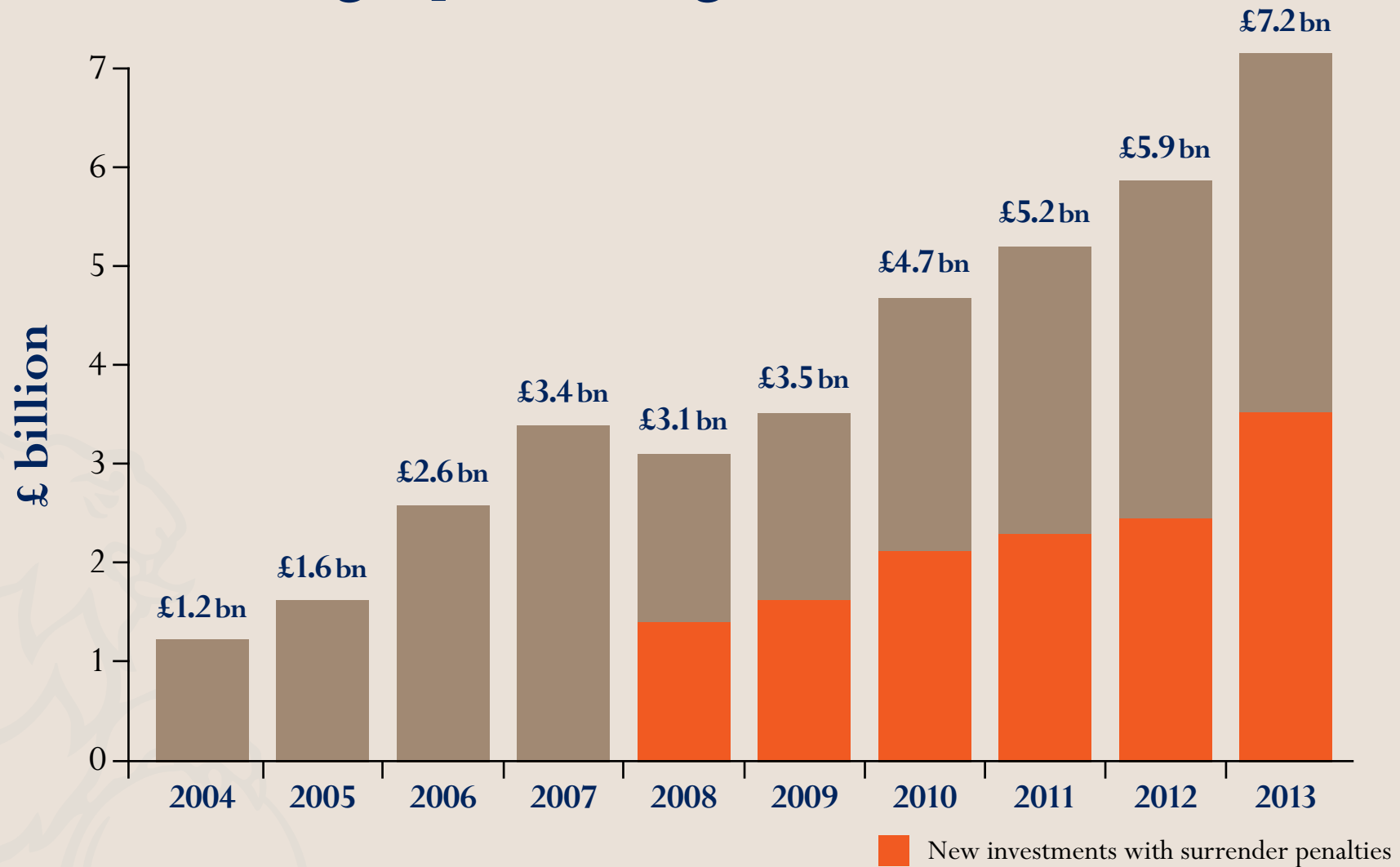
- Where product structure uses penalties the business is cash neutral in first six years
- This relates to £13.2 billion of new business added in last six years which is not yet generating positive cash earnings*
- This amounts to £102 million of post-tax cash earnings per annum in future*

| Year | £ Billion |
|--------------|--------------|
| 2008 | 1.4 |
| 2009 | 1.6 |
| 2010 | 2.1 |
| 2011 | 2.2 |
| 2012 | 2.4 |
| 2013 | 3.5 |
| Total | 13.2* |

**Ignores stock net movements and outflows*

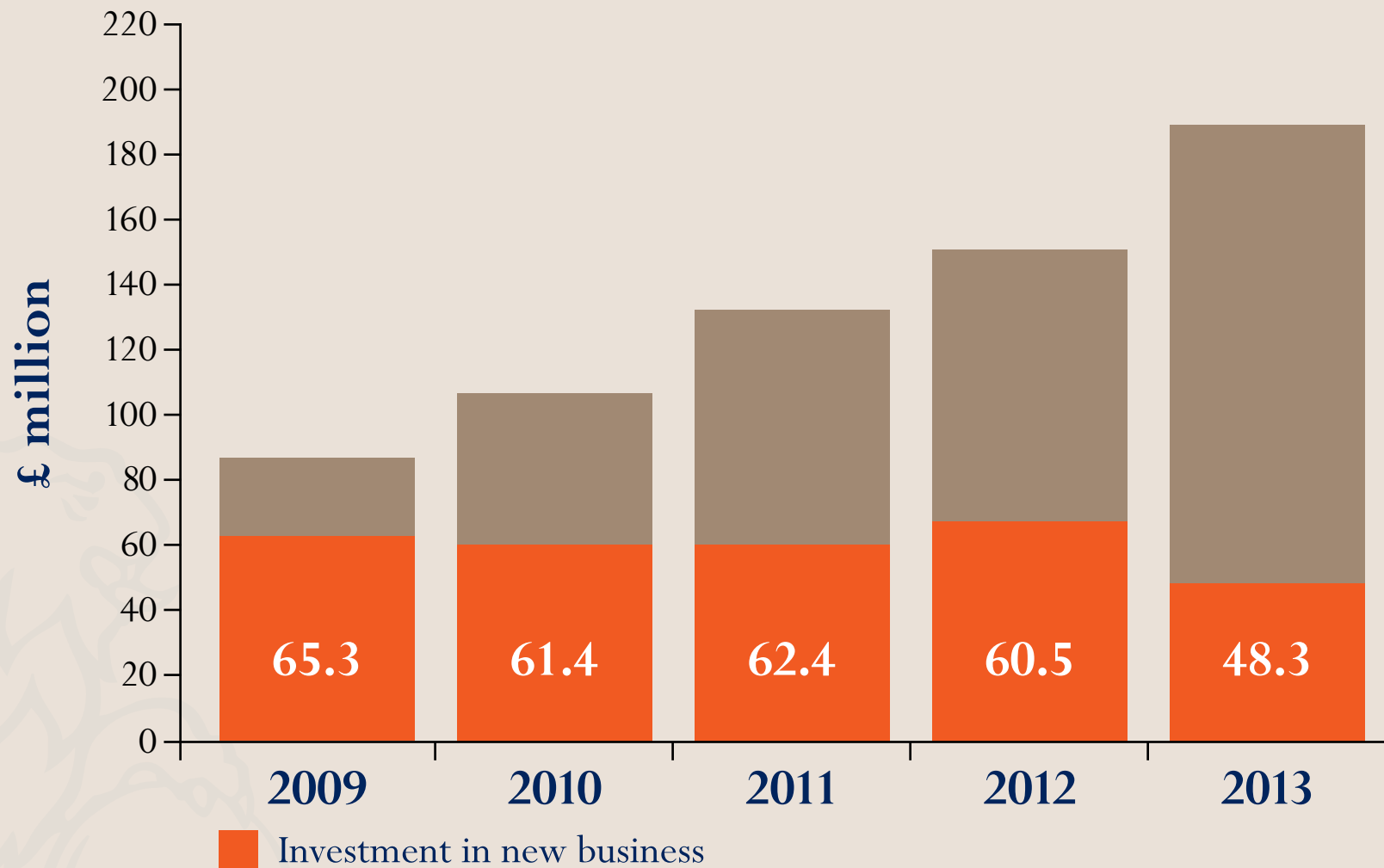


Single premium gross investments





Underlying post-tax cash result





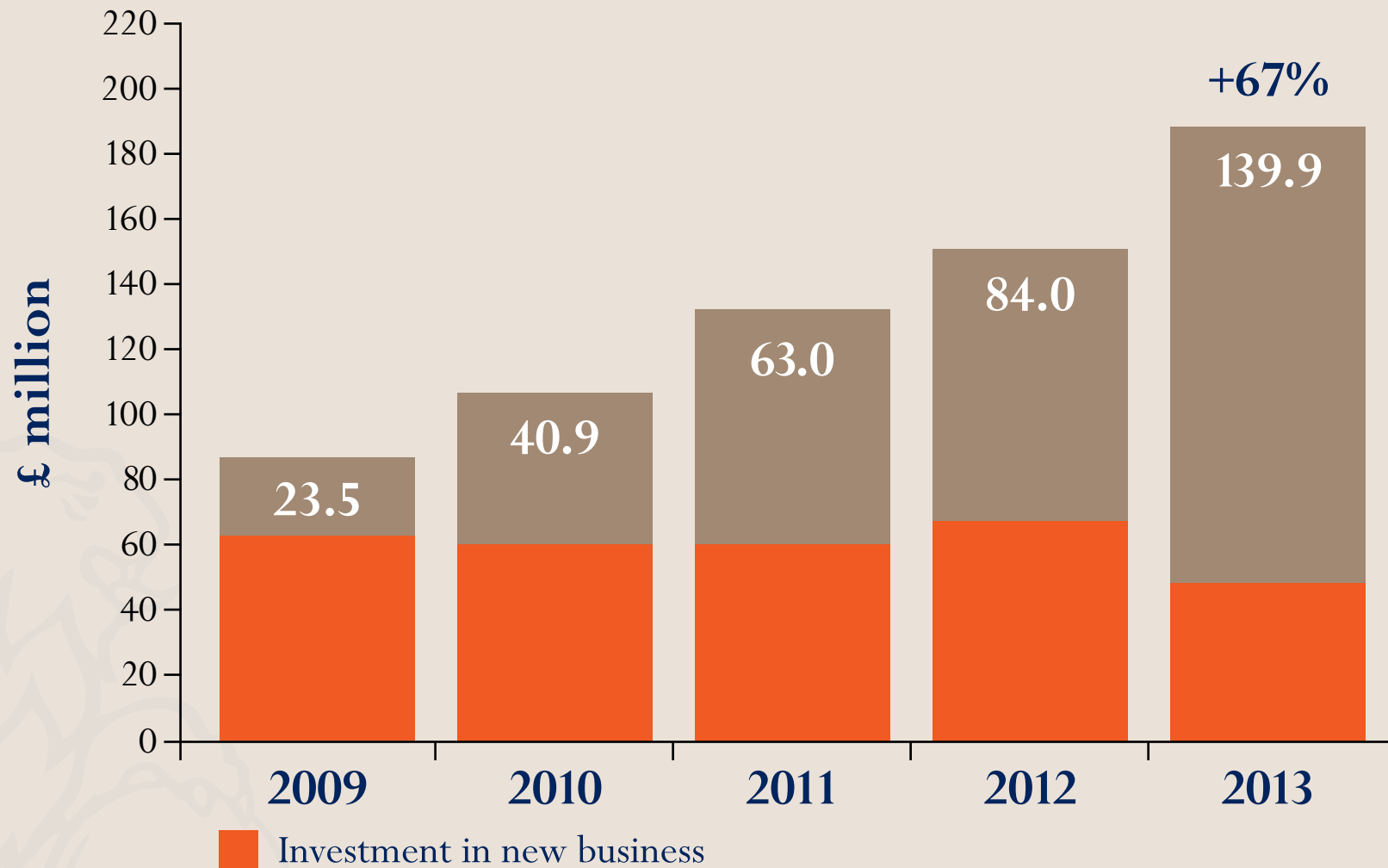
Investment in new business

| | 31 Dec 2013 | 31 Dec 2012 |
|---------------------------------------|-------------|-------------|
| Post-tax new business cost (£m)* | (52.3) | (60.5) |
| Post-tax EEV new business profit (£m) | 261.8 | 218.3 |
| Margin (% of APE) | 42.9% | 43.4% |
| IRR (net of tax) | 28.4% | 22.5% |
| Cash payback period | 4 Years | 4 Years |
| As % of gross inflows of FUM | 0.8% | 1.1% |

*2013 - includes negative £4 million variance

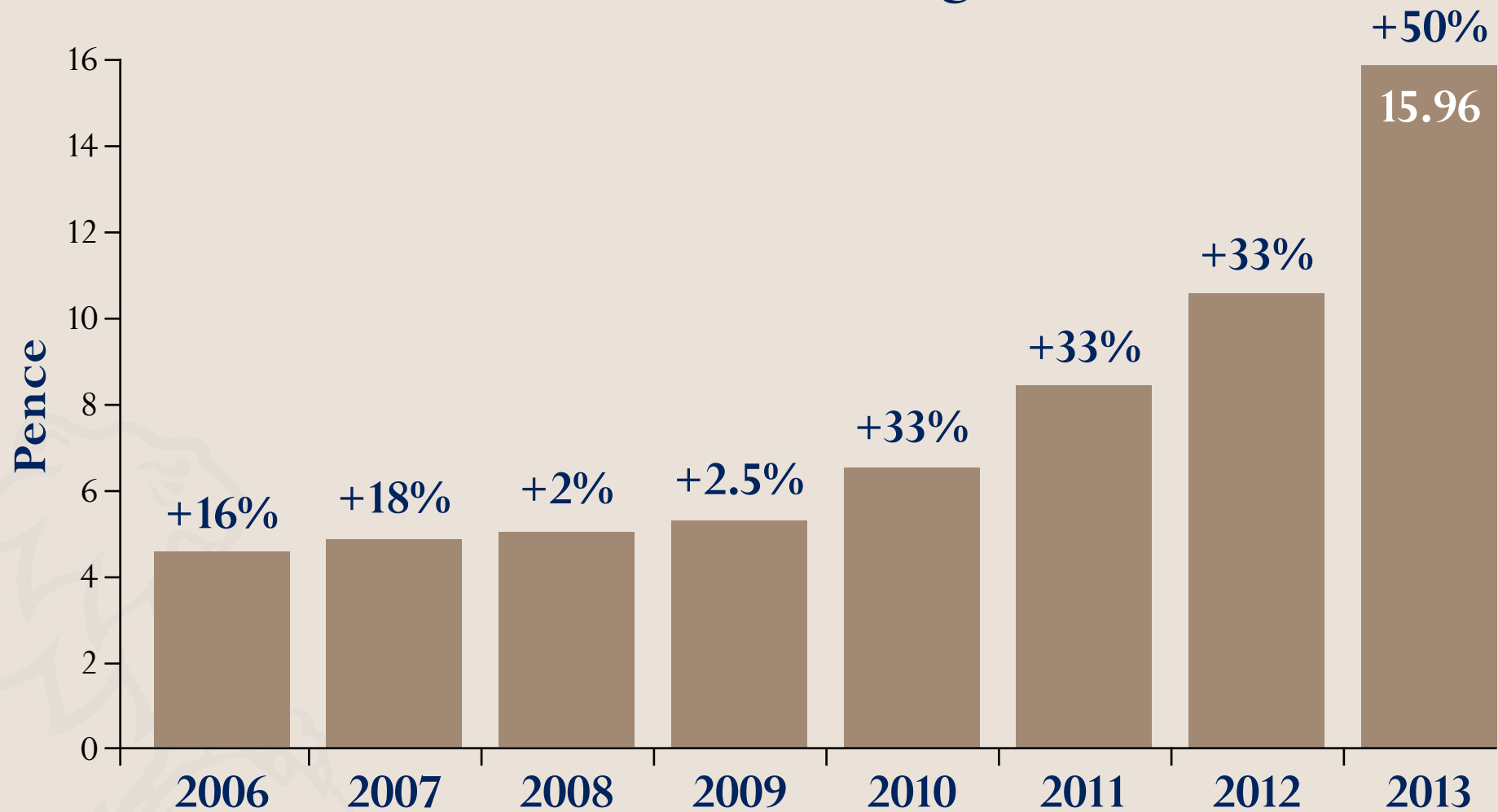


Underlying post-tax cash result





Continual dividend growth





Outlook

- Familiar and well respected brand/business
- Loyal client base (Partners and investors)
- Consistent strong recruitment
- Resilient Investment Management Approach
- Strong solvency position
- Strong market for advice
- Favourable market place
- Uniquely placed business



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Our Shareholders





Our Shareholders

| | |
|--------------------|-------|
| 1. Baillie Gifford | 5.78% |
| 2. Threadneedle | 5.63% |
| 3. BlackRock (BGI) | 5.41% |
| 4. Fidelity (FMR) | 4.88% |
| 5. Kames Capital | 4.08% |
| 6. M&G | 4.07% |
| 7. Legal & General | 3.87% |
| 8. Old Mutual | 3.20% |
| 9. Allianz | 2.48% |
| 10. Schroder | 2.21% |

As at 31 March 2014



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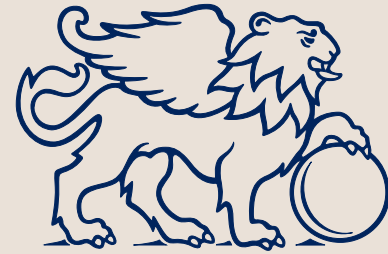
Analyst following





Analyst following

- Alan Devlin
- Matthew Preston
- Andrew Sinclair
- Chris Esson
- Oliver Steel
- Ravi Tanna
- Ashik Musaddi
- Greig Paterson
- Neil Welch
- Barclays Capital
- Berenberg
- BoA Merrill Lynch
- Credit Suisse
- Deutsche Bank
- Goldman Sachs
- JP Morgan Cazenove
- KBW
- Macquarie
- Jon Hocking
- Ben Bathurst
- David McCann
- Marcus Barnard
- Barrie Cornes
- Stuart Duncan
- Paul De'ath
- Eamonn Flanagan
- Morgan Stanley
- Nomura
- Numis
- Oriel Securities
- Panmure Gordon
- Peel Hunt
- RBC Capital Markets
- Shore Capital



8 May 2014