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**FOR IMMEDIATE RELEASE**  
**31 July 2007**

## **SCOTTISH WIDOWS 2007 INTERIM RESULTS**

### **Key highlights**

- Profit before tax increased by 7 per cent to £499 million. Adjusting for the impact of surplus capital repatriation, profit before tax increased by 11 per cent.
- Income, net of insurance claims and adjusting for the impact of surplus capital repatriation, increased by 8 per cent, exceeding cost growth of 4 per cent.
- 8 per cent increase in Scottish Widows' present value of new business premiums.
- Strong progress in increasing bancassurance sales, up 16 per cent, with a good performance in the sale of protection products.
- On an EEV basis, life, pensions and OEICs new business profit in Scottish Widows increased by 9 per cent and the post-tax return on embedded value increased to 10.7 per cent. New business margin remained robust at 3.4 per cent.
- Scottish Widows repatriated a further £0.6 billion of capital to the Group in the first half of 2007. This contributes to a total of more than £2.3 billion repatriated by Scottish Widows over the past three years.
- Pre-tax profit from Scottish Widows Investment Partnership (SWIP) increased by 24 per cent to £21 million.
- SWIP's assets under management increased by £0.5bn over the past 12 months to £97.8 billion.

### **Archie Kane, chief executive of Scottish Widows, comments:**

"The results announced today represent a significant performance for Scottish Widows, with profit-before-tax for the first half of 2007 increasing by 7%, to £499 million. This demonstrates that our key strategic objectives are being met and that we are continuing to deliver strong progress in this increasingly competitive marketplace.

“Scottish Widows realises, of course, that it is important to stay focused on the challenges ahead and I believe we are in a strong position to benefit from new business and anticipated growth in our industry over the coming years.”

**-ends-**

## **NOTES TO EDITORS**

Scottish Widows' key strategic objectives are to: maximise bancassurance success; profitably grow IFA sales; improve service and operational efficiency; and optimise capital management.

For details of the complete Lloyds TSB Group Results (including Scottish Widows), please visit:

[www.lloydstsb.com/investorrelations](http://www.lloydstsb.com/investorrelations)

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**Scottish Widows** was founded in 1815 as Scotland's first mutual life office. Becoming part of the Lloyds TSB Group in 2000, Scottish Widows has become one of the most recognised brands in the life, pensions and investment industry in the UK. The product range includes ordinary long term insurance, such as life assurance, pensions, annuities and permanent health insurance, and savings and investment products. Using a multi-sales network of Financial Advisers, Direct Sales, Direct Marketing, the Internet and via the branch network of Lloyds TSB, Scottish Widows currently employs about 4,000 people.

Scottish Widows news releases appear on our website at

[www.scottishwidows.co.uk/mediacentre](http://www.scottishwidows.co.uk/mediacentre)