

Scotsman Article – Monday 15th May

Last week Standard Life sent our 1.2 million shareholders more details on our proposed merger with Aberdeen Asset Management. I believe the combination of our two businesses will be a significant asset for Scotland and will enable us to thrive not just in the years ahead but for generations to come.

The merger will accelerate our strategy to become a world class investment company – bringing together the best of asset management and pensions & savings. The combined company – Standard Life Aberdeen plc – will look after £670bn of assets in 80 countries, from 50 locations around the world including our headquarters in Scotland.

Standard Life has a long history of adapting to the world in order to create a sustainable future for our organisation, and to offer stability to our customers, clients and shareholders. We have been doing this since 1825, when we issued our first policy as the Life Insurance Company of Scotland.

The merger accelerates our strategy as a business and will help us to capitalise on a trend in global savings which is rising at around 7.5% per year. Together we will be able to access the global opportunities in both emerging markets, where two-thirds of this asset growth will occur, and developed economies, where individuals have an increasing responsibility for their financial future.

The merger brings together two market-leading companies with complementary strengths and creates one of the largest active investment managers in the world, with strong brands and a leading global distribution platform.

As well as offering benefits to customers and clients, we expect it to create significant value for both sets of shareholders. The merger is expected to deliver about £200m per annum of cost synergies within three years. We'll do this by finding efficiencies across our premises, systems and infrastructure.

We have also communicated to our employees that there will be 800 role reductions that will be phased over three years. This will come in part from natural employee turnover and departures, alongside careful management of our recruitment activity.

We will be taking all the steps we can to minimise the number of compulsory redundancies as we are acutely aware that our people will be central to the success of the combined business. Longer term the creation of a world class investment company headquartered in Scotland will create opportunities for our people as we grow.

The next step is for our shareholders to vote on the merger on 19 June. I look forward to hearing their views and setting out the opportunities which are created from this milestone in Standard Life's history.

Keith Skeoch, Chief Executive, Standard Life plc