

# Standard Life Aberdeen PLC

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## Lloyds not entitled to end £100bn asset management deal with Standard Life Aberdeen, tribunal rules

A tribunal has ruled in favour of Standard Life Aberdeen PLC (LON:SLA) regarding a dispute over a contract to manage the pension assets of Lloyds Banking Group PLC (LON:LLOY).

Lloyds and its Scottish Widows pension business last year announced plans to pull assets from SLA. The assets were valued at £100bn as of 31 December 2018.

**READ:** Lloyds pulls £109bn in funds from Standard Life Aberdeen on competition concerns

The merger of Standard Life and Aberdeen Asset Management prompted Lloyds to review their 2014 agreement for Aberdeen to manage the Scottish Widows portfolio.

Lloyds argued that Standard Life was a "material competitor" to the bank and its pension unit.

Following legal action against Lloyds, a tribunal has ruled the bank was not entitled to give notice to terminate the investment management agreement with SLA.

"Now that the arbitration panel has ruled in our favour, we will carefully consider our next steps, working constructively with Lloyds to bring the matter to resolution," said SLA chief executive Keith Skeoh.

A resolution could involve SLA remaining a manager of the assets until the contract expires in 2022 or Lloyds paying a sum to break the agreement early.

Lloyds to transfer assets to BlackRock and Schroders

But Lloyds has already agreed to hand its £100bn Scottish Widows portfolio over to BlackRock and Schroders.

Last October, the bank appointed Schroders to manage the majority of the assets pulled from SLA as part of a joint venture of their wealth, investment and financial planning businesses.

It followed an agreement to give £30bn of the portfolio to BlackRock.

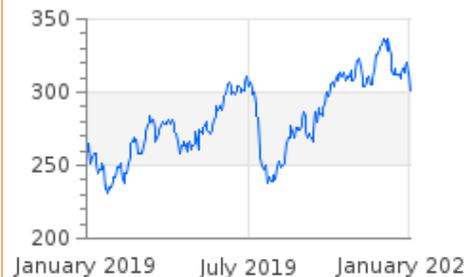
A spokesman for Scottish Widows said it was "disappointed" with the ruling but still planned to transfer assets to BlackRock and Schroders.

The group will have to pay fees to the new partners and possibly some or all of the £390m that SLA would have earned under the terms of the contract.

**Price:** 300.9

**Market Cap:** £7.04 billion

### 1 Year Share Price Graph



### Share Information

**Code:** SLA

**Listing:** LSE

| 52 week | High    | Low    |
|---------|---------|--------|
|         | 338.249 | 231.05 |

**Sector:** Financial Services

**Website:** [www.standardlife.com](http://www.standardlife.com)

### Company Synopsis:

*Standard Life Aberdeen plc is a leading global investment company. We have operations in 50 locations worldwide and employ around 9,000 people. We are dedicated to helping our clients and customers invest for their future. Our expertise and resource enables us to offer a wide range of investment solutions and services designed to meet their needs today, tomorrow and for the longer term.*

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"We will continue to work closely with Standard Life Aberdeen to ensure there is no disruption to performance or service," the Scottish Widows spokesman said.

A serious setback for Lloyds, says analyst

Laith Khalaf, senior market analyst at Hargreaves Lansdown, said the ruling marks a big victory for SAL and a serious setback for Lloyds' new foray into wealth management.

"While this is relatively low margin business for Standard Life Aberdeen, it's clearly a large sum of money, and against a backdrop of fund outflows, will be particularly well-received," he said.

Shares in Lloyds edged up 0.9% to 65.98p in lunchtime trading while SLA gained 1.7% to 270p.

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