

12 October 2018

SCOTTISH WIDOWS ANNOUNCES AWARD OF £30bn ASSET MANAGEMENT CONTRACT TO BLACKROCK

Scottish Widows announces that BlackRock has been selected to manage £30bn of assets in index strategies, following the review by Scottish Widows and Lloyds Banking Group's Wealth business of their asset management arrangements.

The management of the assets will commence upon conclusion of the current arbitration process with Standard Life Aberdeen or when the existing contract expires. Lloyds Banking Group remains confident in its rights to terminate the current asset management agreements and expects the arbitration process to conclude early next year.

In addition to the £30bn mandate, the Group is pursuing a strategic partnership with BlackRock including collaboration in alternative asset classes, risk management and investment technology.

Commenting on the announcement, Antonio Lorenzo, Chief Executive of Scottish Widows and Group Director of Insurance & Wealth, said: "BlackRock has been selected following a competitive tender process in which it clearly demonstrated its global market leading capabilities and deep expertise in the UK market. The partnership will ensure that Scottish Widows and the Group can deliver good investment outcomes for its customers over the coming years."

The Group is also near to finalising arrangements in respect of the remaining £80bn of assets that are within the scope of the asset management review, and will provide an update in due course.

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Notes to editors:

- Scottish Widows was founded in 1815 as Scotland's first mutual life office and is one of the most recognised brands in the life, pensions and investment industry in the UK.
- In November 2017 Scottish Widows won 'Company of the Year' at the Financial Adviser Service Awards, along with '5 Star' service awards in each of the individual categories of life & Pensions, Investments and Mortgages.
- Scottish Widows also won a number of other awards throughout 2017, including 'Pensions Firm of the Year' at the FD Service Excellence Awards, 'Pensions Provider of the Year' at the Pensions Age Awards, 'De-Risking Provider of the Year' at the Pension and Investment Provider Awards and 'Risk Reduction Provider of the Year' at the UK Pensions Awards
- Lloyds Banking Group Wealth businesses comprise of Lloyds Private Banking and Bank of Scotland Private Banking