

Recommended Merger Between Standard Life and Aberdeen Asset Management

Creating a Diversified World-Class Investment Company

Monday 6th March 2017

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Creating a diversified world-class investment company

Compelling strategic benefits

Highly complementary investment capabilities with aligned investment philosophies

Truly global distribution with enhanced proximity to clients

Broad and compelling client offering to meet evolving client needs

Scale and platform efficiency to compete and grow globally

Compelling financial benefits

Increased diversification of revenues and earnings

Experienced and dedicated team focused on delivering cost synergies while maintaining client service

Strong balance sheet and cash generation supporting ongoing investment in growth, innovation and progressive dividend policy

Transaction terms

Key terms	<ul style="list-style-type: none"> • Recommended all-share merger • Commitment to leverage both brands • Exchange ratio of 0.757 New Shares for each Aberdeen share • Pro-forma combined market capitalisation of £11.3bn
Corporate information	<ul style="list-style-type: none"> • Combined Group Board drawn equally from both companies • Keith Skeoch and Martin Gilbert to lead as Co-CEOs • Experienced executive management team to be drawn from both organisations
Pro-forma ownership	<ul style="list-style-type: none"> • Existing Standard Life shareholders to own 66.7% of the Combined Group • Existing Aberdeen shareholders to own 33.3% of the Combined Group • Indications of support from Aberdeen's two largest shareholders, Mitsubishi UFJ and Lloyds
Value creation	<ul style="list-style-type: none"> • Approximately £200m annual pre-tax run-rate cost synergies, with track record of delivery • Full run-rate synergies to be achieved three years after completion • Incremental revenue synergies expected from improved strategic positioning
Dividends	<ul style="list-style-type: none"> • Strong balance sheet and cash generation • Combined Group to maintain commitment to Standard Life's progressive dividend policy
Other terms	<ul style="list-style-type: none"> • Closing expected in third quarter of 2017 • Subject to shareholder, merger control, regulatory and anti-trust approvals

Strong and experienced combined leadership team



Sir Gerry Grimstone
Group
Chairman



Simon Troughton
Deputy
Chairman



Martin Gilbert
Group Co-CEO



Keith Skeoch
Group Co-CEO



Bill Rattray
Group CFO



Rod Paris
Group CIO

Combined Group Board to be drawn equally from both organisations

Addressing global investment themes

Aberdeen

Democratisation of financial risk

Rebuilding trust in financial services

Globalisation of client needs

Innovation, technology, digitalisation

Innovation in product design

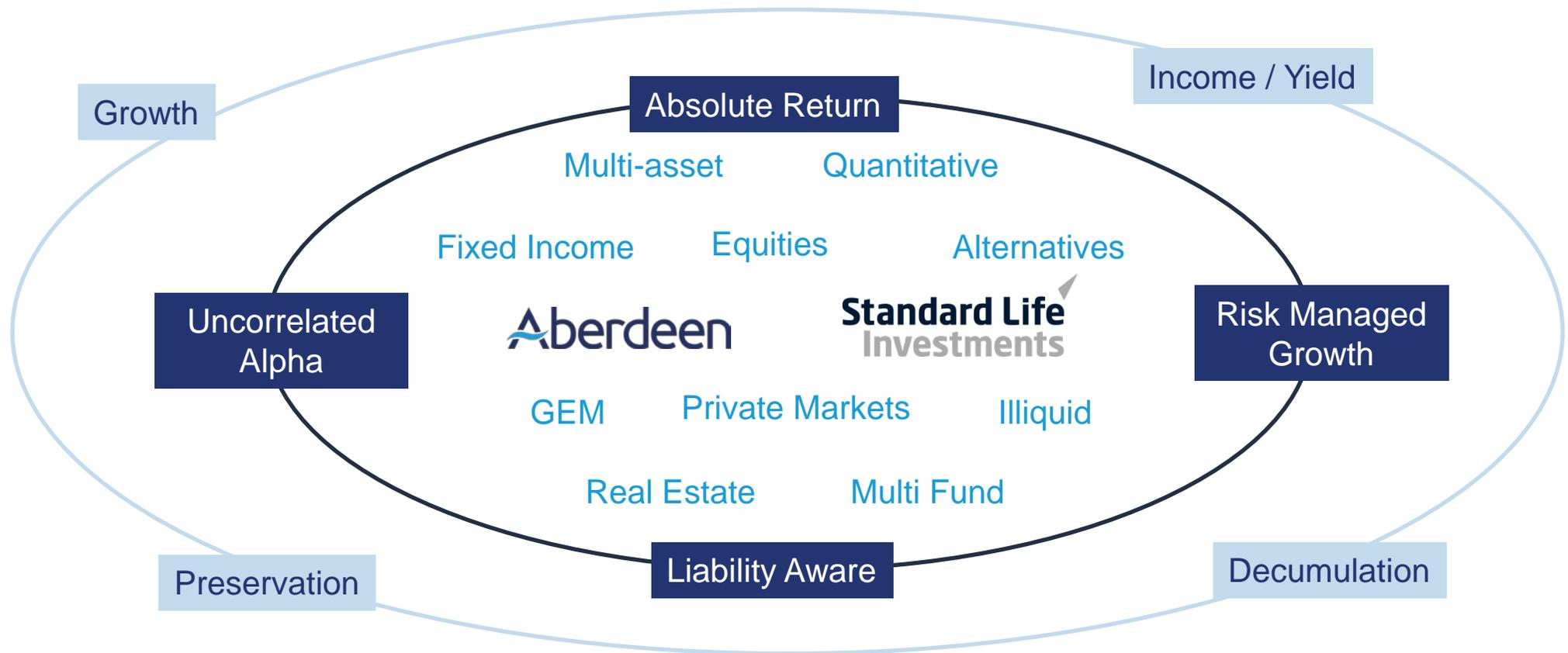
Slow growth, low inflation, compressed returns

Importance of scale

Enhanced ability to address global trends driving demand for our investment solutions

Standard Life

Broad and compelling client offering



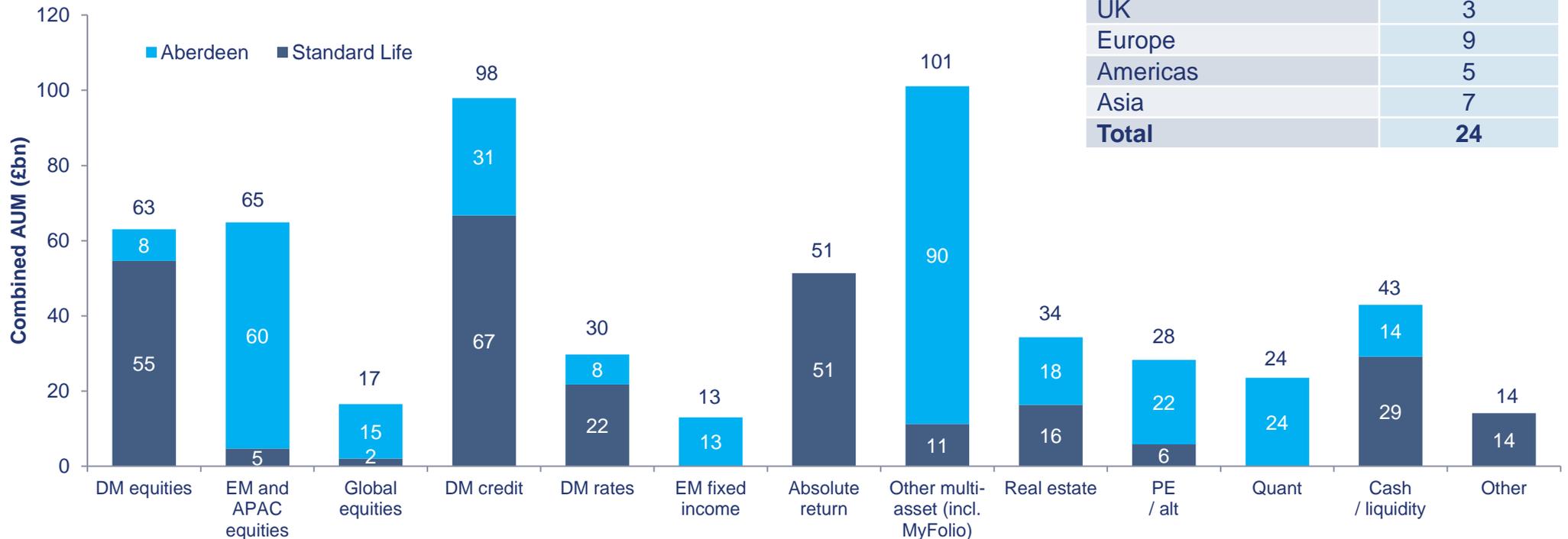
Ability to deploy Aberdeen and Standard Life investment componentry to meet global client needs

Highly complementary investment capabilities with aligned investment philosophies and processes

Aligned active investment philosophies: team based approach, focused around fundamental research with a long-term investment horizon

Global footprint of investment capabilities with over 1,000 investment professionals driving local insight

Overview of combined capabilities: Combined AUM of £581bn (AUA of £660bn)



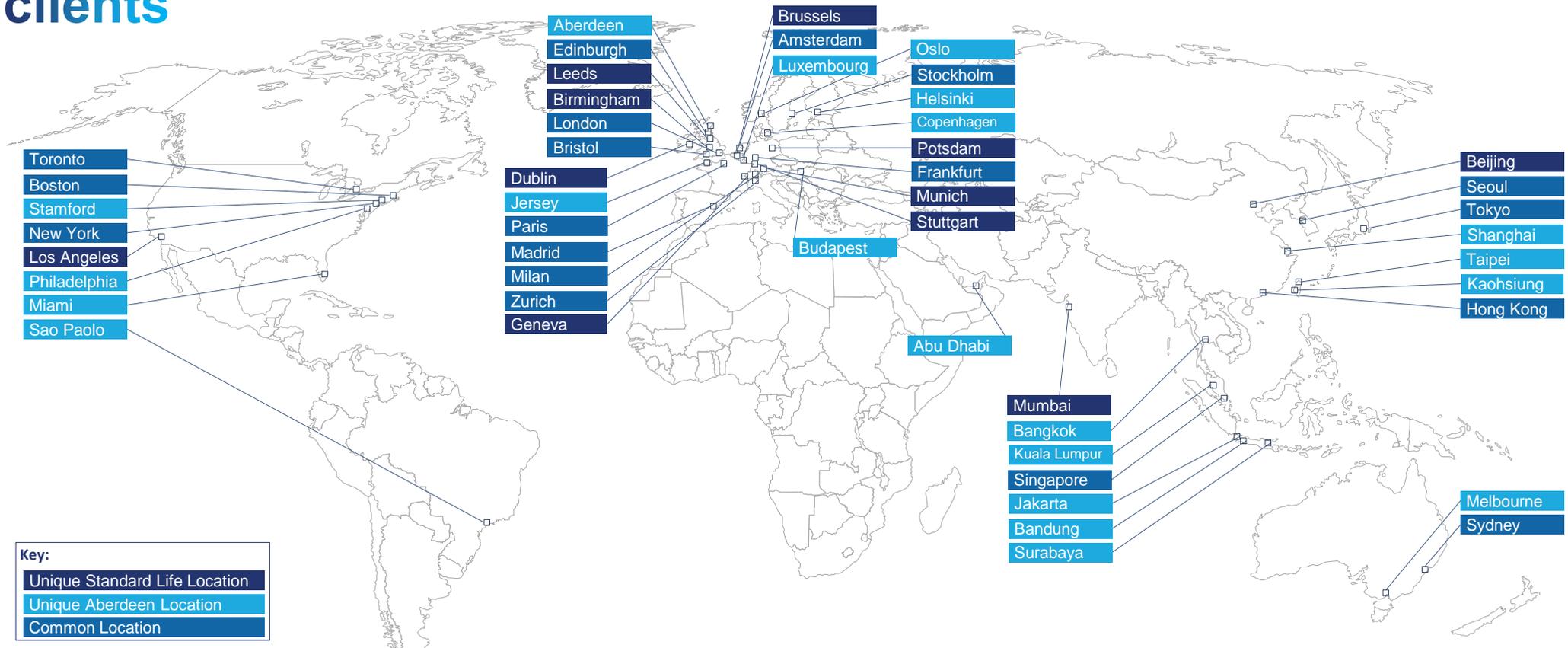
Investment centres	Combined
UK	3
Europe	9
Americas	5
Asia	7
Total	24

World-class breadth and depth of investment capabilities to meet evolving client needs

Source: Company information

Note: AUM/AUA data as at 31 December 2016, column totals may not sum due to rounding

Truly global distribution platform with enhanced proximity to clients



Global Coverage:
50 unique distribution locations

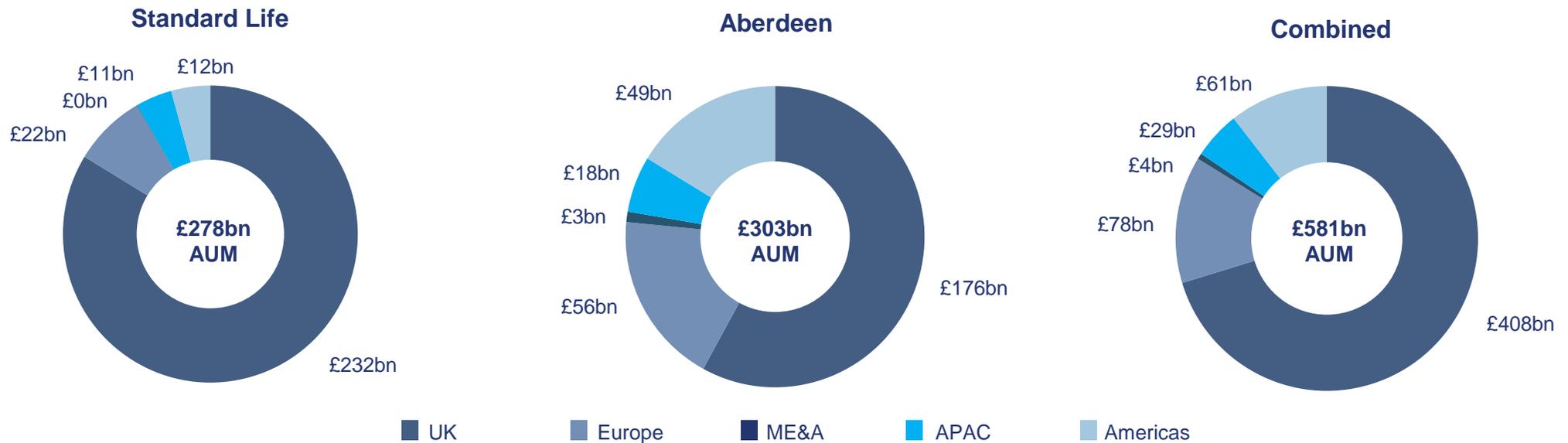
Global Clients:
Clients in over 80 countries

Strategic partners: Mitsubishi UFJ, Lloyds, HDFC AMC, Heng An, Sumitomo Mitsui, Phoenix Group, John Hancock, Manulife, Bosera, Challenger

Powerful and truly global distribution reach with unique portfolio of strategic relationships

Source: Company information

Diversified client base by geography and channel

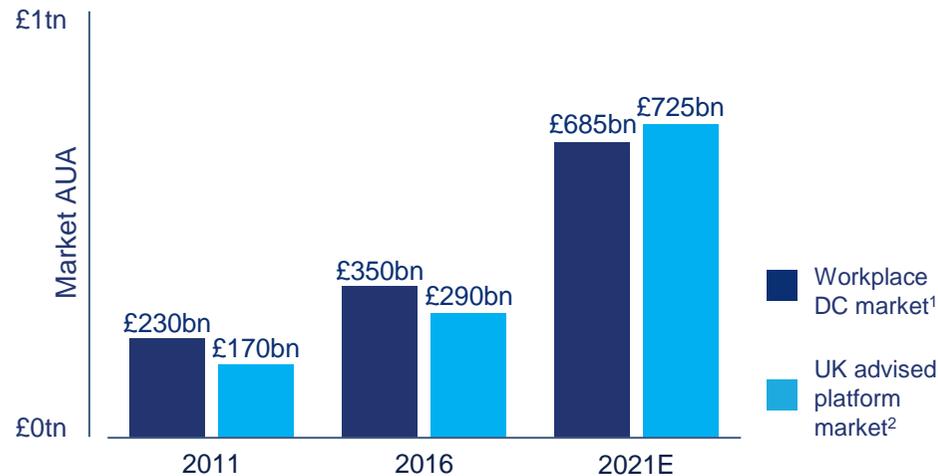


Diversified by channel, across Institutional, Wholesale, Workplace and Retail

Source: Company information

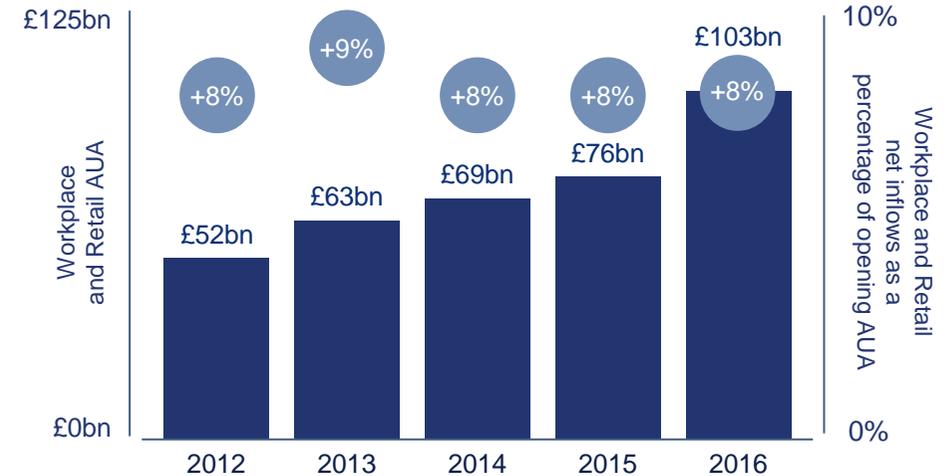
Benefiting from structural asset growth and leading positioning in UK pensions and savings market

Advised platform and DC pension market expected to grow strongly



- Financial advisers are using platforms to drive scalability and efficiency with growing need for advice
- Shift from DB to DC and auto enrolment driving growth in DC pensions

Workplace and Retail attracting steady and resilient flows³



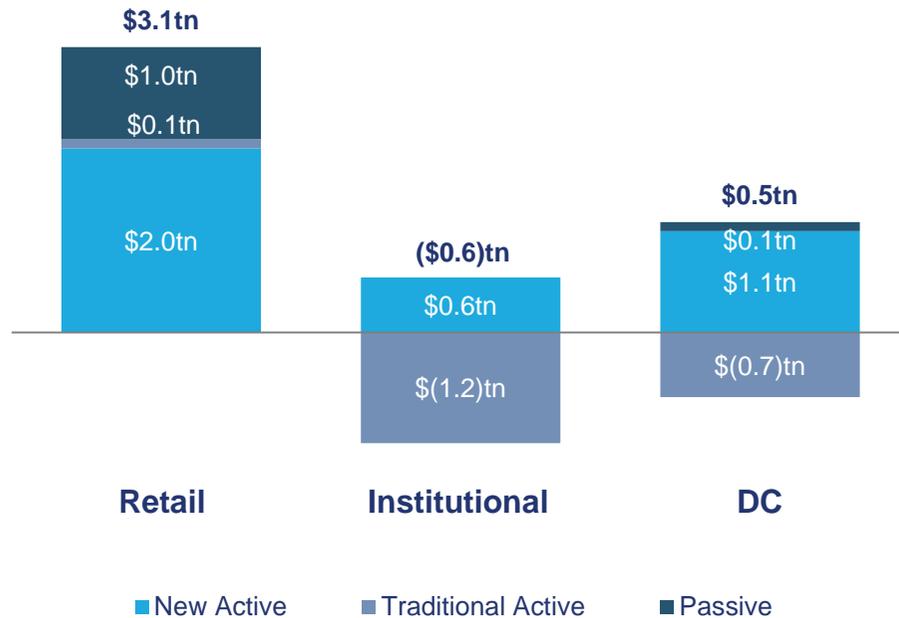
- Delivering steadily growing flows and assets
- Standard Life Investments manages over 20% of Wrap AUA and over 70% of Workplace AUA
- Providing increased diversification and sources of flow

Well-positioned to capture asset growth in pensions and savings market

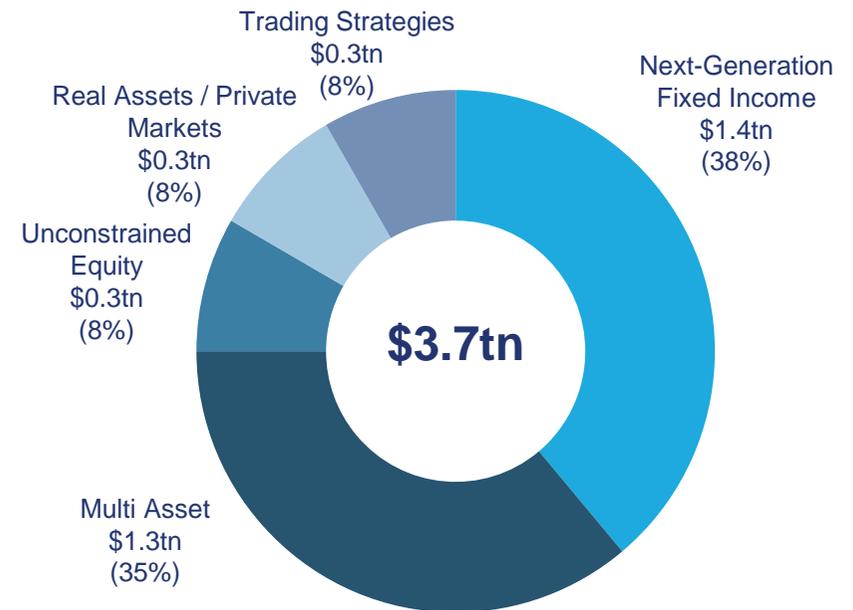
Notes: (1) Source: Spence Johnson; (2) Source: Fundscape; (3) Includes £2.9bn of AUA and £0.8bn of net flows from Parmenion for 2016

Delivering revenue growth by capitalising on a global asset management industry that is reshaping

2016-2020 Projected Global Net Flows¹



2016-2020 Projected New Active Global Net Flows¹



Leading capabilities in multi-asset and next-generation fixed income

Merger enhances capabilities and scale in equities, private markets and quant strategies

Combined positioning in growing Asian and broader Emerging Markets delivers sources of alpha for new active solutions

Positioned for continued profitable growth with enhanced scale and diversification

Note: (1) Casey Quirk, November 2015

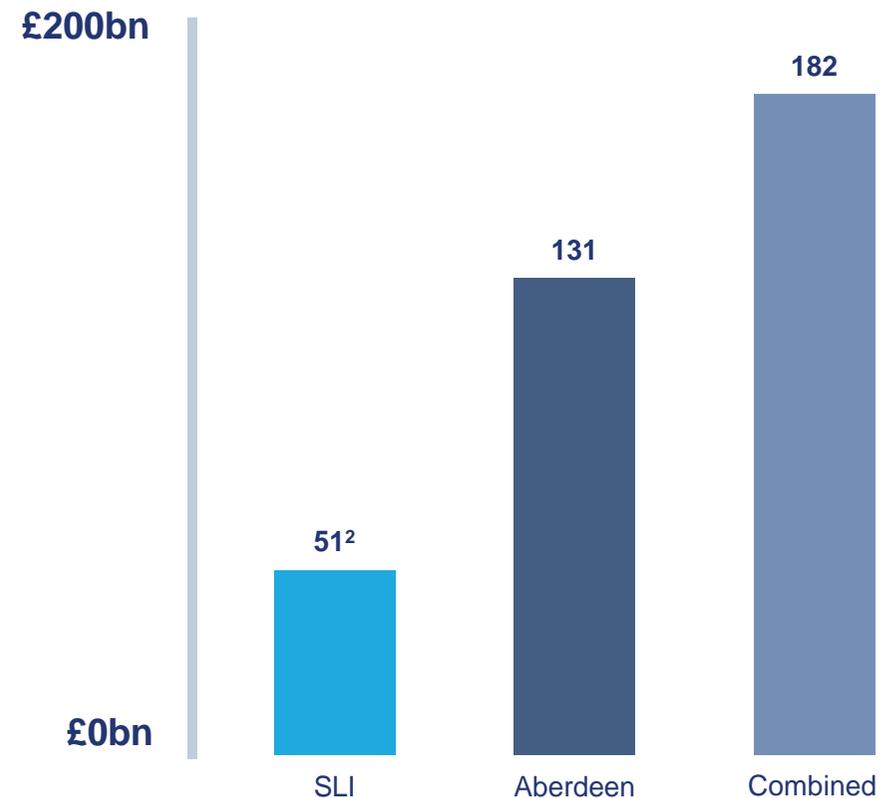
One of the broadest and most innovative suites of investment solutions for insurers globally

Growing global market for outsourcing of management of insurance assets – \$750bn opportunity between 2015 and 2020¹

Harnessing the combined expertise of Standard Life Investments, Aberdeen and Standard Life insurance heritage for clients globally

Ability to deliver enhanced product solutions to insurers, e.g. Solvency II optimised, liability aware, uncorrelated alpha

A leading global manager of third party insurance AUM (£bn)³



Broad and compelling new active offering to capitalise on global client demand

Note: (1) Casey Quirk, November 2015; (2) 3rd party only: Excludes Standard Life Pensions & Savings AUM of £83bn (FY15); (3) Source: IPE, data as at 31 December 2015

Strong domestic player with the platform to compete globally

Increased scale

UK's largest active asset manager¹

Europe's second largest active asset manager¹

Benefits of scale

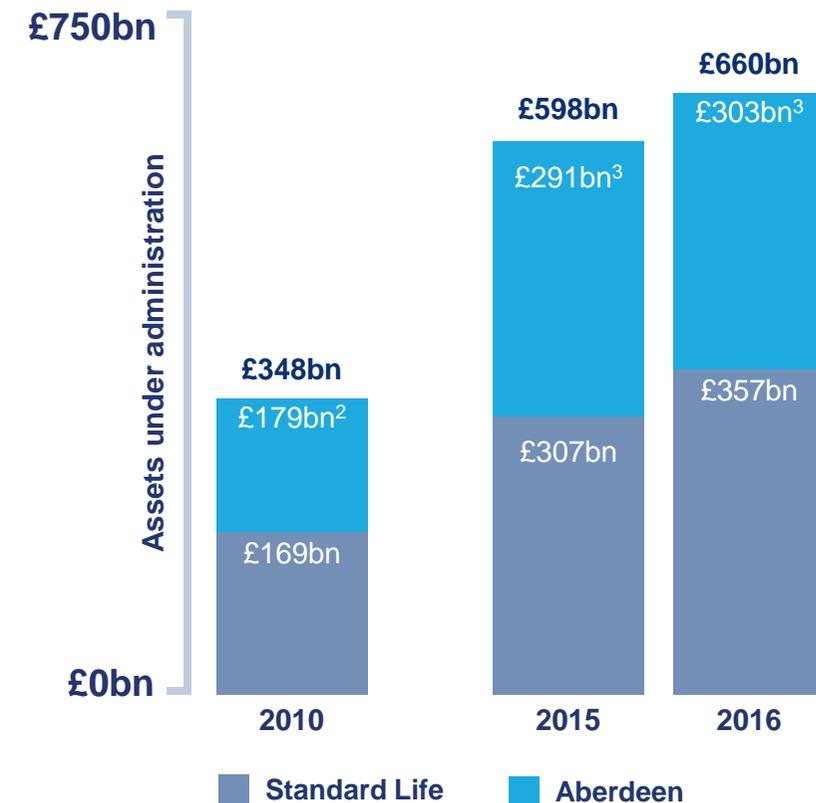
Innovation and product development

Distribution and brand

Ability to attract, retain and develop talent

Operating platform and technology

£660bn of combined AUA



Opportunity to drive scale benefits through deployment of capabilities globally

Notes: (1) Source: Mackay Williams, based on total AUM as at 31-Dec-16; (2) As at 30 September 2010; (3) December basis

Strategically deploying both brands across our global platform



Leveraging brand awareness to drive regional growth

Greater diversification of revenues and earnings

Leading equities, multi-asset and fixed income franchises

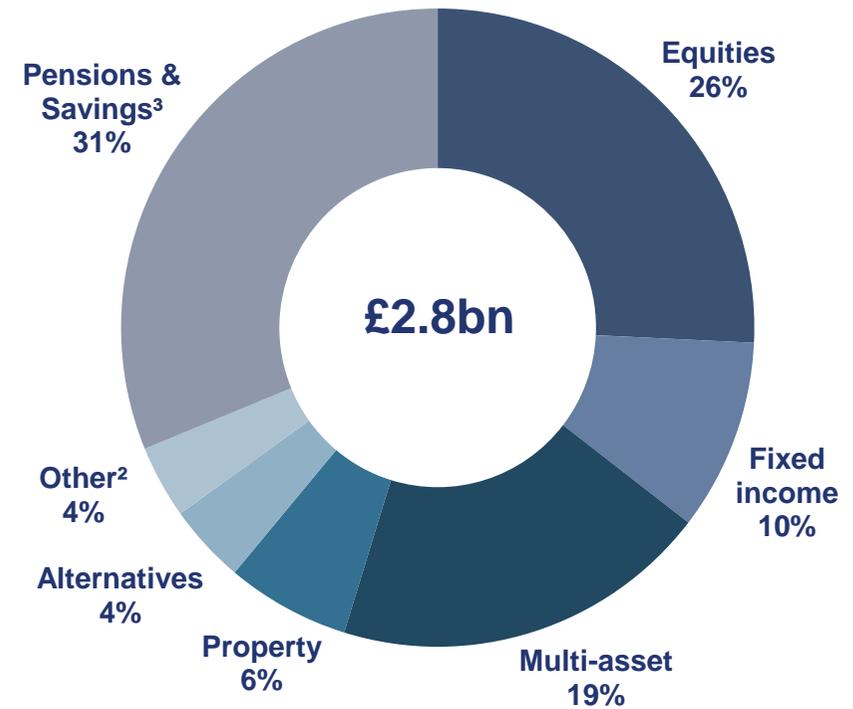
Enhanced diversification across Wholesale, Institutional, Retail and Workplace channels

Opportunity to deepen existing set of client relationships

Enhanced by greater operational leverage in combined platform

Incremental revenue synergies expected through complementary product capabilities and minimal client overlap

Highly diversified combined revenue sources¹



Positioned for continued profitable growth with enhanced scale and diversification

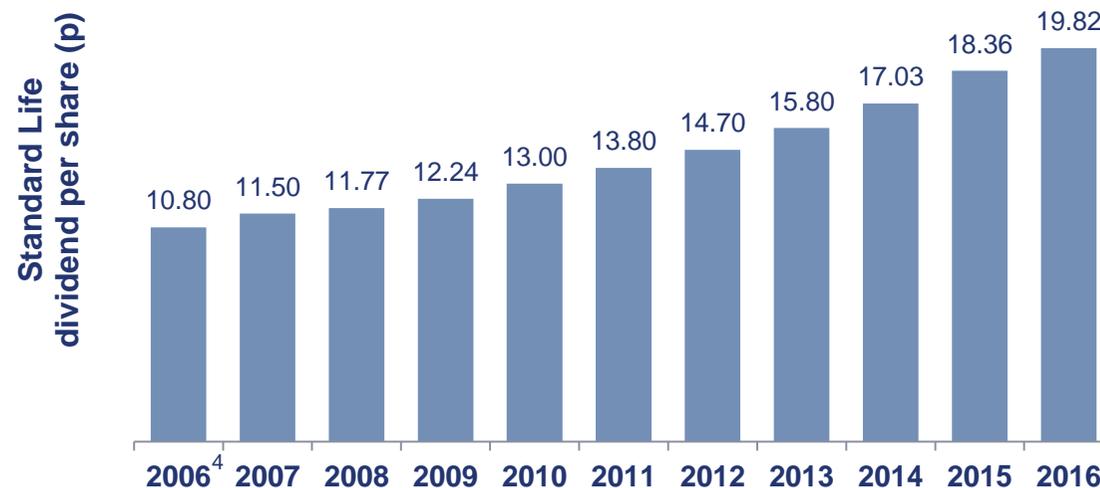
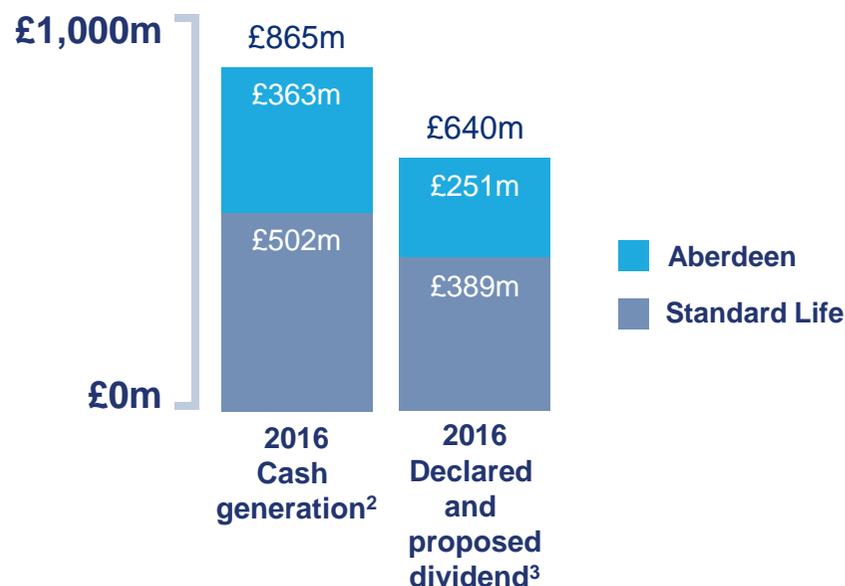
Note: (1) Standard Life based on 12 months to December 2016 revenues, Aberdeen based on 12 months to September 2016 revenues; (2) Other includes cash, non-basis points assets and other for Standard Life; includes Quants and Parmenion for Aberdeen; (3) Pensions & Savings includes elimination adjustment of £112m to remove impact of revenue reported in both the Pensions & Savings business and Standard Life Investments

Delivering integration whilst maintaining performance and client service

Integration principles	<ul style="list-style-type: none"> • Create one integrated business • Deliver superior investment performance throughout the integration process • Realise potential of complementary strengths through best of breed capabilities
Implementation and Delivery	<ul style="list-style-type: none"> • Highly experienced and dedicated integration team • Track record of delivery • Focused on maintaining excellent client service
Financial impacts	<ul style="list-style-type: none"> • Approximately £200m annualised cost synergies on a pre-tax basis • Delivered alongside existing cost commitments • Additional revenue and capital synergy upside • One-off integration cash costs of approximately £320m in aggregate
Timing	<ul style="list-style-type: none"> • Full benefit of synergies to be achieved within three years of completion • Transaction expected to be materially earnings accretive

Cost synergies driving material earnings accretion to both sets of shareholders

Strong balance sheet and cash generation supporting progressive per share dividend policy¹



- More diversified sources of cash generation across Standard Life and Aberdeen
- 2016 combined group cash generation of £865m²
- Further benefits from revenue and cost synergies
- Supporting ability to invest in global growth opportunities

- Reduced pro-forma leverage
- Stable Solvency II position

Strong cash generation supporting ongoing investment and shareholder returns

Note: (1) the Combined Group intends to adopt Standard Life's progressive dividend policy with the base dividend being the Standard Life full year dividend of 19.82 pence for the financial year ended 31 December 2016; (2) Based on Standard Life underlying cash generation of £502m for year to 31 December 2016 and Aberdeen core operating cash flow of £363m for year to September 2016; (3) Standard Life based on 2016 interim dividend and 2016 proposed final dividend. For Aberdeen, based on interim and final dividends on ordinary shares paid for the year ending 30 September 2016; (4) Implied final dividend based on 5.40p dividend for period from demutualisation to 31 December 2006.

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Strategy to achieve our world-class ambitions



Creating a world-class investment company with customers and clients at its centre

Questions and answers

Appendix

Benefiting from an increasingly broad range of powerful strategic relationships

Partner	Market	Year Relationship Established	Outsource Partner	Manufacturing Partner	Distribution Partner
Mitsubishi UFJ	Japan	2008	-	✓	✓
Lloyds Banking Group	United Kingdom	2014	✓	✓	✓
HDFC Asset Management	India	1999	-	✓	✓
Heng An Standard Life	China	2003	-	-	✓
Sumitomo Mitsui Trust Bank	Japan	2010	-	✓	✓
John Hancock	US	2011	-	-	✓
Manulife	Canada/Asia	2014	-	-	✓
Phoenix Group	UK	2014	✓	-	-
Bosera Asset Management	China	2016	-	✓	✓
Challenger	Australia	2017	-	✓	✓

Balanced and complementary business lines¹

	Standard Life Investments	UK & Europe	India and China	Other ²	Standard Life (Dec-16)	Aberdeen (Sept-16)
Total income	885	953	17	(112)	1,743	1,007
Total expenses	(537)	(543)	(22)	(57)	(1,159)	(679)
Other	35	(90)	41	111	97	-
Underlying performance	383	320	36	(58)	681	328
Underlying adjustments	-	42	-	-	42	25
Operating profit/(loss) before tax	383	362	36	(58)	723	353
Tax	(83)	(71)	(2)	16	(140)	(58)
Operating profit/(loss) after tax	300	291	34	(42)	583	295
Non-operating items	(50)	(207)	(3)	(14)	(274)	(155)
Tax on non-operating items	9	46	-	4	59	26
Profit/(loss) for the year	259	130	31	(52)	368	165

Note: (1) Standard Life based on 12 months ended December 2016 and Aberdeen based on 12 months ended September 2016; (2) Includes eliminations

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