

**15 August 2007**

## **Vote of confidence for Scottish Friendly and Scottish Legal Life merger**

Glasgow-based Scottish Friendly is putting the final touches to the planned transfer of business from Scottish Legal Life, following a huge vote of confidence from SLL members at a special general meeting.

Ninety-seven per cent\* of the vote from SLL members approved the transfer to Scottish Friendly, clearing the way to progress to formal regulatory approval. Late last month the transfer of engagements was also approved unanimously by Scottish Friendly's elected delegates.

The transfer will boost Scottish Friendly's funds under management by approximately £200m and add some 120,000 members.

Fiona McBain, Chief Executive of Scottish Friendly, said, "This overwhelmingly positive response is a tremendous vote of confidence in Scottish Friendly and demonstrates members' belief that a modern and highly efficient mutual organisation is the best way to safeguard their financial interests for the long term.

"The final step is FSA approval and, all being well, the deal will complete by 30 September."

Gerry Kay, Chief Executive of Scottish Legal Life, added: "The fact that 97% of the votes from our members were in favour reinforces the decision of the SLL Board to select Scottish Friendly as our preferred partner. I am confident that we have negotiated a solid foundation for future growth and security for our members."

## **Pioneer Life**

In a separate development, Scottish Friendly has taken over the life book of Pioneer Life – the Wiltshire-based income and protection specialist – in a deal worth almost £1 million.

“This is another example of how the scale and versatility of our back office system is winning us more assets under management and administration,” said McBain.

## **Note to Editors**

\* 75% of the vote is the legal requirement for the deal to be approved.

Scottish Friendly reported record assets under management of more than £600 million at end 2006 (*£529m: 2005*), boosted by a £7.8m (27%) rise in new business income and strong investment returns over the year.

With over 380,000 members, Scottish Friendly is the fourth most popular friendly society in the UK – in terms of membership - and over the last decade has been one of the fastest growing. The SLL deal will take the number of members to approximately 500,000 and bring assets under management and administration to over £800 million.

Scottish Legal Life closed its fund to new business in 2002. The streamlining of its operation since then has provided strong investment returns for policyholders. The proposed partnership will continue this trend and benefit members generally.

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